

**TESTIMONY
OF
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U.S. DEPARTMENT OF THE INTERIOR
ON
“HIGH RISK, NO REWARD:
GAO’S HIGH RISK LIST FOR INDIAN PROGRAMS” BEFORE THE
COMMITTEE ON INDIAN AFFAIRS
U.S. SENATE**

MAY 17, 2017

Good afternoon Chairman Hoeven, Vice Chairman Udall, and Members of the Committee. Thank you for the invitation to appear today to provide a statement on behalf of the Bureau of Indian Education (BIE) and its recent high risk designation on the Government Accountability Office (GAO) High Risk Report (GAO-17-317 High Risk Series).

I am Tony Dearman, a member of the Cherokee Nation, and the BIE Director. Prior to becoming the BIE Director in November 2016, I served as Associate Deputy Director for Bureau-operated schools, overseeing 17 schools, four off-reservation boarding schools, and one dormitory. Before that, I served as superintendent of Riverside Indian School located in Anadarko, Oklahoma, and principal of Sequoyah High School in Tahlequah, Oklahoma. During my service at the school level, my leadership team worked to ensure our students not only received a quality education but also had the opportunity to receive holistic support.

Today, Sequoyah High School is a first preference among Native students. In fact, more than 60 students who attended have gone on to receive Gates Millennium scholarships over the past 15 years. The competitive scholarship is based on a minimum 3.5 grade point average, community service hours, leadership experience, and written essays. At Riverside Indian School, we effectively worked with 75 different Indian tribes representing approximately 500 students from 23 states. To address the varying needs of our students, such as behavioral and mental health support services, we built partnerships with the Indian Health Service, local emergency medical services, and law enforcement to make sure students and staff were in a safe school environment.

My passion has always been supporting our students at the local level, and I am honored to serve them in this new capacity, utilizing my knowledge of how our schools function, the issues students face, and the support they need from BIE to create success system-wide. The successes my schools achieved required transparency, collaboration, and dedication by everyone. In my short time as Director, I have been working to bring that same focus to BIE and have worked with the senior leadership team to expand the culture that served us so well at the school level.

However, as highlighted in the GAO reports, much work remains. We have prioritized the GAO recommendations and are addressing these issues head on. The BIE team views the GAO’s reports as a constructive tool to improve our agency and help the students for whom we are committed to serve. As such, I will provide you an update detailing the following areas:

1. GAO High Risk Status for BIE
2. GAO Recommendations
3. GAO Recommendations Status & BIE Next Steps

Bureau of Indian Education

BIE supports education programs and residential facilities for Indian students from federally recognized tribes at 183 elementary and secondary schools and dormitories. Currently, the BIE directly operates 53 schools and dormitories and tribes or tribal school boards operate the remaining 130 schools and dormitories through grants or contracts. In total, BIE-funded schools serve approximately 48,000 K-12 American Indian and Alaska Native students and residential boarders. Approximately 3,400 teachers, professional staff, principals, and school administrators work to support BIE-operated schools.

BIE faces unique and urgent challenges in providing a high-quality education. As highlighted by GAO, a lack of consistent leadership – evidenced by the BIE’s more than 35 directors since 1979 – and the absence of regular and consistent strategic planning have limited the BIE’s ability to improve its services.

GAO High Risk Status for BIE

In February, the GAO released its High Risk Report (GAO-17-317 High Risk Series) designating BIE as a high risk agency. The GAO highlighted the following persistent weaknesses noted in prior reports that inhibit the agency from fulfilling its mission to effectively serve Indian students:

- Indian Affairs’ oversight of school safety and construction, as well as how BIE monitors the way schools use Interior funds;
- The impact of limited workforce planning in several key areas related to BIE schools affects service delivery;
- The effects of aging BIE school facilities and equipment and how such facilities contribute to degraded and unsafe conditions for students and staff; and
- How the lack of internal controls and other weaknesses hinder Indian Affairs’ ability to collect complete and accurate information on the physical conditions of BIE schools.

In three separate reports dating back to 2013, the GAO provided 13 recommendations to improve Indian Affairs' management of BIE schools. As of 2017, eleven of GAO's recommendations remain open. As the BIE Director, I am committed to addressing these outstanding items. To that end, I am working with our senior leadership team within BIE as well as with Indian Affairs, the Secretary’s office, and our colleagues at the GAO to ensure that BIE systematically and comprehensively addresses each outstanding recommendation as expeditiously and effectively as possible.

My goal is not simply to address and close out GAO recommendations, but to utilize the outlined recommendations as a roadmap for BIE to establish and maintain comprehensive internal policies and procedures that support service delivery, ensure accountability, and provide organizational stability no matter who is leading the agency.

GAO Recommendations: Status & BIE Next Steps

In the past few years, BIE planned, consulted on, designed, and implemented a complex, multifaceted, bureau-wide reorganization. In February 2016, the Department of the Interior directed BIE to move forward with Phase I of its reorganization, with the agency committing considerable time, energy, and resources to carry out the directive. Simultaneously, considerable turnover within BIE senior leadership reduced capacity and focused BIE's attention on day-to-day service delivery rather than addressing critical, long-term organizational improvement strategies highlighted in GAO reports. BIE has now prioritized resources and critical personnel to refocus efforts to address the longstanding issues outlined in GAO reports that will, ultimately, improve our service delivery to Indian students.

In November 2016, the BIE filled several key positions that have been tasked with serving on an internal working group focused on evaluating all outstanding GAO recommendations as well as BIE's past GAO closure submissions. The team completed its analysis in early 2017 and reported its findings and recommendations to BIE leadership in mid-March. Based on the information received, BIE leadership is not satisfied with the quality and timeliness of the work to date, and recognizes the shortcomings and the need for each GAO recommendation to be reexamined and properly addressed.

As described below, the BIE is currently working to complete the actions recommended in each of these three GAO reports. BIE leadership has identified and tasked specific staff to address each outstanding recommendation in a holistic and inclusive manner that creates buy-in and collaboration throughout the BIE and with staff across Indian Affairs. Further, BIE senior leadership looks forward to coordinating with GAO as the agency works to implement the recommendations outlined in this report.

GAO Recommendations

GAO-13-774—INDIAN AFFAIRS: Better Management and Accountability Needed to Improve Indian Education (September, 2013).

GAO made five recommendations:

- I.) Develop and implement decision-making procedures which are documented in management directives, administrative policies, or operating manuals;
- II.) Develop a communication strategy;
- III.) Appoint permanent members to the BIE-Education committee and meet on a quarterly basis;
- IV.) Draft and implement a strategic plan with stakeholder input; and
- V.) Revise the BIE strategic workforce plan.

BIE has completed implementation of recommendations two, three, and five, which includes development of a communications strategy, increased collaboration with the Department of Education through several mechanisms, including a BIE-ED Committee that meets every other week (rather than just quarterly) and that has proven to be even more responsive and effective than the quarterly one addressed in the original GAO recommendation, and revision of a strategic workforce plan, respectively. BIE will assess the effectiveness of its implementation of GAO's recommendations in an effort to continually improve BIE's operations. Currently, BIE is working to implement recommendations one and four, which are to develop documented decision-making procedures and a strategic plan, respectively, and partnering with GAO to clear them. BIE plans to implement fully the remaining recommendations contained in GAO-13-774 by 2018.

Recommendation I – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, has tasked an internal working group with evaluating the GAO recommendations. That working group will draft a formal, written decision-making policy and procedures, to be completed by the end of 2018.

Recommendation IV – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, has reviewed the strategic plan submitted to GAO in September 2016 and has determined the quality of work as unsatisfactory, both for the purposes of closing recommendation four and for working as a functional tool intended to guide the organization in achieving its mission. At the close of this review, BIE immediately began the process of planning and drafting a revised strategic plan. On March 8, 2017, BIE conducted a senior leader strategic planning exercise and followed that with an April 11, 2017 all-leaders strategic planning conference convening local, regional, and central office leadership to determine paths forward. BIE revised its mission and vision statement as well as its strategic goals identified at the end April 2017 and will hold follow-up leadership meetings in late May and June.

BIE has also partnered with external organizations such as the Council of Chief State School Officers – a nonpartisan, nationwide, nonprofit organizational leader that supports State Educational Agencies in serving their schools and students – to provide expertise and best practices in developing a sound strategic plan as well as creating a functional action plan for implementing an accurate system of progress measurement once the strategic plan is implemented. BIE expects to have the strategic plan completed, published publicly, and fully implemented by no later than the end of 2018.

GAO-15-121—INDIAN AFFAIRS: Bureau of Indian Education Needs to Improve Oversight of School Spending (November, 2014).

GAO made four recommendations:

- I.) Develop a comprehensive workforce plan;
- II.) Implement an information sharing procedure;
- III.) Draft a written procedure for making major program expenditures; and
- IV.) Create a risk-based approach in managing BIE school expenditures.

In addition to GAO-13-774, BIE is continuing its work to implement GAO's four recommendations contained in GAO-15-121. To that end, the BIE plans to complete its work with respect to recommendations one and two no later than the close of 2018 and recommendations three and four by the middle of 2019.

Recommendation I – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, has tasked an internal working group with evaluating the GAO recommendations. That working group will draft a comprehensive workforce plan that is aligned with the BIE strategic plan, to be completed in 2018.

Recommendation II – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, has tasked an internal working group with evaluating GAO recommendations. That working group will also draft a comprehensive, interdepartmental coordination and information-sharing policy to ensure accountability and effectiveness in operations and service delivery.

Recommendation III – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, has started drafting and implementing a comprehensive financial oversight policy that establishes effective risk management procedures that will prevent, detect, and respond to fraud, including improper payments, based on GAO-established practices and OMB guidance. To accomplish this goal, the BIE will prioritize hiring staff with applicable experience and skills and we are already partnering with outside groups that can provide the much-needed technical assistance and expertise.

Recommendation IV – BIE, working cooperatively with leadership within Indian Affairs and pertinent stakeholders, is drafting and implementing a risk-based monitoring methodology that is in compliance with the Fraud Reduction and Data Analytics Act of 2015 (Public Law 114–186). BIE is currently seeking external working partnerships to provide much-needed technical assistance and expertise.

GAO-16-313—INDIAN AFFAIRS: Key Actions Needed to Ensure Safety and Health at Indian School Facilities (March, 2016)

GAO made recommendations:

- I.) Ensure that all BIE schools are inspected as well as implement a plan to mitigate challenges;
- II.) Prioritize inspections at schools where facility conditions may pose a greater risk to students;
- III.) Develop a plan to build schools' capacity to promptly address safety and health problems with facilities and improve the expertise of facility staff to maintain and repair school buildings; and
- IV.) Consistently monitor whether schools have established required safety committees.

Finally, BIE is working to implement GAO's four recommendations contained in GAO-16-313.

Recommendations I and II – BIE has worked with the Bureau of Indian Affairs (BIA) to address the first recommendation by implementing a Safe School Audit. In 2016, the audit was successfully completed at all BIE-funded schools and the agencies started the process of implementing corrective measures for identified deficiencies. However, we must ensure that the focus on completion does not detract from the quality of inspections, so additional coordination and training is still needed to ensure quality work, and most importantly, the necessary follow-up and technical assistance is provided.

Recommendations III and IV – BIE is conducting ongoing staff and administrator training and is working with BIA to provide ongoing support for school safety committees through school inspections. We recognize that reporting for such activities is inadequate, so BIE is working with BIA to provide oversight of such inspections. The agencies are working to produce formal policies and procedures to address shortcomings through a recently formed inter-agency workgroup that is meeting throughout the summer to ensure coordination of activities as well as formalize long-term policies and procedures. The agencies, in coordination with other offices within Indian Affairs, are scheduled to meet in late May to coordinate activities to address these recommendations.

Conclusion

Chairman Hoeven, Vice Chairman Udall, and Members of the Committee, thank you for the opportunity to present testimony today. While the designation as a high risk agency is a difficult matter to address, please know that the BIE is committed to addressing GAO's recommendations in order to achieve sustained improvement.

There are great employees Bureau-wide – from Central Office staff, to Education Resource Centers, to school teachers and cooks – who wake up excited every day to improve a child's life. But, there are also impediments to improvement and obstacles that hinder coordination and positive reform, as highlighted by GAO. Now, it is incumbent upon me, and all of us at BIE, to implement these recommendations.

The BIE looks forward to working with the Members of this Committee, the GAO, and our partners across Interior as we address these recommendations. Thank you for your time, and I would be honored to answer any questions you may have.