

## Why GAO Did This Study

Between fiscal years 2004 and 2009, Congress appropriated nearly \$190 million in federal payments for school improvement to the District of Columbia (D.C.). This includes \$85 million to the state education office—currently the Office of the State Superintendent of Education (OSSE)—to expand public charter schools and \$105 million to D.C. Public Schools (DCPS) to improve education in public schools. Over the years, GAO and others have identified challenges that DCPS and OSSE face in managing federal monies.

This report identifies, on the basis of available information, activities for which OSSE and DCPS used federal payments between 2004 and 2009 and describes how OSSE and DCPS monitored grant and contract recipients, respectively. GAO reviewed expenditure data and interviewed and collected documentation from OSSE and DCPS, among others. GAO reviewed all available grants awarded by OSSE in 2008 and 2009 and 14 of the largest contracts awarded by DCPS during that time.

## What GAO Recommends

To improve internal controls, GAO recommends that the Mayor direct OSSE and DCPS to establish and implement written policies and procedures for monitoring use of federal payments for school improvement, and DCPS to maintain contract files and other expenditure documentation. The District agreed with GAO's recommendations and provided additional information on steps taken to improve internal controls.

View [GAO-11-16](#) or key components.  
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# DISTRICT OF COLUMBIA PUBLIC EDUCATION

## Agencies Have Enhanced Internal Controls Over Federal Payments for School Improvement, But More Consistent Monitoring Needed

### What GAO Found

Approximately 77 percent of federal payments for public charter school improvement in D.C. have been awarded for facility costs, including acquiring, renovating, constructing, or leasing facilities. The funding for facilities has mainly been disbursed through direct loans to schools and grants to expand schools in certain neighborhoods as part of a city improvement initiative. OSSE used the remaining funds for initiatives intended to improve the quality of education through efforts such as academic enrichment and supplemental education activities (provided beyond the normal school day), as well as a variety of other charter school expenditures.

OSSE officials reported having established some policies and procedures for monitoring its grant recipients, but, with one exception, these were not documented. Furthermore, the procedures as explained to us by OSSE were not consistently followed. OSSE did create a list of information that program staff are to acquire from grantees. However, the grant files we reviewed often lacked evidence that staff collected this information or performed other monitoring activities. Specifically, most of the files did not include all the narrative and financial reports as required by OSSE in many of their grant agreements. Also, few included any record indicating that staff had followed-up to obtain such documents.

According to the expenditure data D.C. provided, DCPS has used federal payments for a variety of purposes—ranging from summer school programs to teacher incentive pay—but available information prior to 2009 does not provide enough details for GAO to fully identify specific activities funded with federal payments. In 2009, DCPS used \$40 million primarily for teacher incentive pay, salaries for staff such as physical education and art teachers at underserved schools, and supplemental education activities such as summer school. Expenditure data show that between 2004 and 2008, DCPS funded a variety of programs such as supplemental education and professional development; however, DCPS could not locate information that may have been created on specific activities funded with federal payments during this time. For example, about half of these expenditures were for a “literacy improvement program,” but DCPS was unable to provide information to describe the program’s goals, objectives, activities, or outcomes.

DCPS has policies on responsibilities for monitoring contractor performance; however, these policies do not cover how to do the monitoring and they were not consistently followed. According to program office staff, they have some flexibility in how they implement their monitoring responsibilities and have employed a variety of methods to monitor contractor performance. Of the contract files we reviewed, we found that several lacked any evidence of a performance evaluation by a program officer, or any subsequent review. Notes added to several of the files indicated a program officer had left before the end of the contract term; however, we found no indication that these contracts had been reassigned. Furthermore, the contracting office could not locate 3 of the 17 files we requested for our review.