

GAO's Responses to Post Hearing Questions Submitted for the Record

Subcommittee on Oversight and Investigations, Committee on Natural Resources, House of Representatives

Oversight Hearing

"Leaving Indian Children Behind: Reviewing the State of BIE Schools"

February 12, 2025

Questions for the Record Submitted by Chairman Gosar

For Ms. Melissa Emrey-Arras, Director,

Education, Workforce, and Income Security, U.S. Government Accountability Office

1. GAO's High-Risk List calls attention to agencies and program areas that are high-risk due to their vulnerability to fraud, waste, abuse, and mismanagement or that are most in need of transformation. **What were the vulnerabilities and management weaknesses at BIE that led GAO to place it on the High-Risk List in 2017?**

Our finding of repeated problems in BIE's oversight of school safety and spending, among other areas, led us to add the agency's administration of schools to GAO's High-Risk List in 2017. For example, in 2016 we found that on average about a third of all BIE schools did not receive annual safety inspections in the prior 4 years as required by agency policy. In 2014, we also found a variety of problems with BIE's oversight of school spending, including serious financial problems in some schools that we identified through external audits, as well as limited fiscal monitoring of schools by BIE. Taken together, these problems indicated a broader pattern of systemic management weaknesses at BIE.

2. Your statement describes five key problem areas with BIE's oversight of schools that GAO has identified in your previous reports. **In which of these areas does BIE still have a significant amount of work to do in order to address your recommendations?**

BIE has significant work remaining to address our recommendations in the areas of school spending and special education. All 4 recommendations in our 2024 report on oversight of school spending have not yet been addressed. These relate to the need for BIE to establish controls to ensure staff follow agency procedures when schools do not submit timely single audit reports, document and report on COVID fund monitoring of high-risk schools, build capacity for fiscal monitoring of high-risk schools, and consistently use the required tool and procedures for monitoring school purchase card transactions. Similarly, 5 of the 7 recommendations we made in our 2020 report related to special education remain unaddressed. These include the need for BIE to disseminate promising practices to schools on recruiting special education providers, ensure BIE staff receive needed training, and conduct outreach with schools about their role in overseeing and supporting schools' special education programs. We continue to actively monitor BIE's efforts to implement these and our other outstanding recommendations.

3. **In what areas has BIE made the most progress in the requirements for the High-Risk List, related to the education component?**

While BIE has made some progress on all five of GAO's high-risk criteria, it has made the most progress on leadership commitment and development of action plans. For example, in 2019 BIE

established a leadership position and supporting office to guide the agency toward meeting its strategic goals and to address the management weaknesses identified in our reports. BIE leadership has also prioritized implementing recommendations we designated as urgent, such as those related to school safety. In addition, BIE developed action plans to address the root causes of a variety of problems we previously identified. For example, it developed a plan to support schools in addressing facility safety issues through comprehensive technical training for school staff. Training areas ranged from maintaining fire alarm and sprinkler systems to monthly safety check procedures. As a result of these efforts, in 2022 we determined that BIE had fully met these two high-risk criteria. However, more work is needed to address remaining management weaknesses related to building staff capacity for supporting and overseeing schools, monitoring corrective measures, and demonstrating sustained progress in resolving high-risk issues.

4. **What can Congress request of GAO to help you further your oversight efforts in this space?**

We would be glad to meet with your staff to discuss potential further work in this space.

5. The lack of BIE oversight of school spending seems to be a reoccurring problem that you first reported on in 2014 and again ten years later in 2024. **Can you please describe the problems you found in these previous reports and the steps that BIE still needs to take to implement your recommendations for providing spending oversight?**

In 2014 we reported on a variety of serious financial problems at some schools. This included \$13.8 million in unallowable spending at 24 schools and \$1.2 million of federal funds at another school that were improperly transferred to an offshore account. We also found that BIE did not have fiscal monitoring procedures, or sufficient staff with the requisite skills to effectively oversee schools' spending.

BIE took some steps to address these earlier issues with overseeing school spending, however, problems in this area have continued. For example, in 2024 we identified several key issues with BIE's oversight of the more than \$900 million in federal COVID-19 funds it provided to schools during the pandemic. For example, we found that for BIE-operated schools, nearly half of COVID-19 spending made with purchase cards between March 2020 and August 2022 involved transactions at elevated risk for fraud or misuse. Examples included the purchase of gift cards or multiple purchases at the same merchant within a certain number of days that total more than the single purchase limit. However, BIE did not provide evidence that it had investigated these transactions for fraud or misuse.

To address our outstanding recommendations from this report, BIE needs to establish controls to ensure that staff consistently use the required tools and procedures for monitoring school purchase card transactions, follow agency procedures when schools do not submit timely single audit reports, document and report on COVID fund monitoring of high-risk schools, and build capacity for monitoring of schools at a high risk of financial mismanagement.

6. **Is this a systemic problem at BIE, that could potentially affect their ability to track and monitor funding for deferred maintenance?**

We have found that BIE faces systemic management weaknesses—such as insufficient staff capacity and limited monitoring of corrective measures—that underlie many of the problems we have identified with the agency's support and oversight of schools. For example, in 2024 we found BIE did not have sufficient staff to fully monitor schools' federal spending and that its

strategic workforce plan expired in 2022. Without an updated workforce plan, BIE may continue to struggle with building staff capacity to address challenges in other areas, which may include deferred maintenance at schools.

7. Your statement includes a shocking finding from your previous work back in 2016 where you found aging boilers at one BIE school that had failed inspections and were leaking natural gas into a student dormitory. **Did BIE take quick action to rectify problems with these boilers and what steps did the bureau take more broadly to identify and address safety issues at school facilities?**

BIE's response to this situation was not timely. In 2016, we found that most of the boiler repairs took 8 months to complete. During this time, the school continued to run the boilers and use the dormitory, which prolonged the safety and health risks to students and staff.

Since our 2016 report, however, BIE has addressed all of our recommendations on school safety, including a recommendation that it conduct annual safety inspections at all schools. BIE also took steps to routinely monitor its safety inspection process for schools. This process includes assessing the performance of inspectors and holding them accountable for the agency's required standards for producing high-quality, timely inspection reports. Such reports provide schools with critical information to identify and promptly abate high-risk hazards in buildings that may endanger the lives of students and staff.

8. As we've heard today, over the past 12 years GAO has issued multiple reports and testimonies highlighting a variety of recurring problems at BIE. **Why do problems keep reoccurring at BIE, and what can the bureau's leadership do to right the ship?**

Problems at BIE keep reoccurring because the agency has not fully addressed persistent, underlying management weaknesses. While BIE has taken commendable steps in recent years to address many of the problems that we have identified since 2013, it continues to face weaknesses in three areas: building staff capacity for supporting and overseeing schools, monitoring corrective measures, and demonstrating sustained progress in resolving high-risk issues. Remaining focused on resolving these underlying issues is essential for BIE to effectively fulfill its mission of providing high-quality education opportunities for American Indian students.

9. In your written testimony you say that BIE has implemented 28 of the 38 recommendations provided to them. **What recommendations are still outstanding? Why haven't they been implemented yet?**

Ten recommendations related to BIE's support and oversight of schools from our three most recent products on special education, distance learning, and school spending remain open. BIE is near completion with implementing two of these recommendations on special education and distance learning, but significant action is still needed to address the other eight.

BIE's implementation of certain recommendations may be hindered by underlying management weaknesses. For example, an open recommendation from our 2024 report calls for BIE to build its capacity to conduct all annual fiscal reviews of schools that are designated as high risk, as required by its policy. However, building staff capacity has been a broader challenge at BIE for over a decade. For instance, BIE's workforce plan expired in 2022. In order for BIE to build its staff capacity, it must update its workforce plan and assess its staffing resources to ensure they are aligned with current and future needs.