

September 2011

# HURRICANES KATRINA AND RITA

## Temporary Emergency Impact Aid Provided Education Support for Displaced Students

U.S. Government Accountability Office

GAO90

YEARS

1921-2011

ACCOUNTABILITY ★ INTEGRITY ★ RELIABILITY

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**G A O**

Accountability \* Integrity \* Reliability

**United States Government Accountability Office**  
Washington, DC 20548

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September 7, 2011

The Honorable Tom Harkin  
Chairman  
The Honorable Michael B. Enzi  
Ranking Member  
Committee on Health, Education,  
Labor, and Pensions  
United States Senate

The Honorable Lamar Alexander  
United States Senate

The Honorable Mary Landrieu  
United States Senate

In August and September 2005, Hurricanes Katrina and Rita devastated large portions of the U.S. Gulf Coast, resulting in nearly 2,000 deaths and severe damage to 305,000 houses and apartments. Thousands of families relocated to communities throughout the United States and enrolled their children in local public or private schools. Some families who remained in the devastated areas enrolled their children in schools other than their home schools because their home schools had been seriously damaged or destroyed. Congress appropriated \$880 million for the Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid) program to assist local educational agencies (school districts) and private schools with the costs of educating these displaced students.<sup>1</sup> Funds were for costs incurred during the 2005-2006 school year, and could be used for a variety of purposes, including

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<sup>1</sup>This program was created in December 2005 by the Hurricane Education Recovery Act, Pub. L. No. 109-148, Division B, Title IV, § 107, 119 Stat. 2792, 2798. Six hundred forty-five million dollars was appropriated in December 2005 by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, Pub. L. No. 109-148, 119 Stat. 2680, 2768. An additional \$235 million was appropriated in June 2006 by the Emergency Supplemental Appropriations Act for Defense, The Global War on Terror and Hurricane Recovery, 2006, Pub. L. No. 109-234, 120 Stat. 418, 463. For the purposes of the program, displaced students were defined as those students who on August 22, 2005, resided in and were enrolled or eligible to enroll in a school in an area for which a major disaster was declared related to Hurricane Katrina or Rita and who, as a result of their displacement, enrolled in a different school.

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compensating teachers, purchasing curriculum materials, leasing portable classrooms, providing counseling services, and covering reasonable transportation costs.

The U.S. Department of Education (Education) awarded Emergency Impact Aid funds to 49 states and the District of Columbia based on the count of displaced students enrolled on quarterly dates selected by each state, as reported by public and participating private schools.<sup>2</sup> Each quarter, on the basis of these counts, states received \$1,500 per displaced student without disabilities and \$1,875 per displaced student with disabilities. States could keep up to 1 percent of funds for administrative expenses, and were required to disburse the remaining funds to local school districts. Districts were allowed to spend up to 2 percent of funds for administration and, similar to states, were required to disburse the remaining funds to public and participating private schools within their jurisdictions. Education did not require states or districts to report how funds were used, but directed districts to maintain records of expenditures.<sup>3</sup> While the program we reviewed has expired, legislation was introduced in Congress in 2011 that includes provisions that would require Education to provide emergency impact aid in certain circumstances involving presidentially declared disasters, and would give Education discretion to provide such aid in other circumstances if a state is experiencing a catastrophic incident.<sup>4</sup>

On the basis of your request, we answered the following questions: (1) What is known about how many students were served by the Emergency Impact Aid program in key states? (2) What challenges, if any, did districts and private schools face in accessing the program or obtaining the required student verification? (3) How did states, districts, and private schools report using the funds and what is known about whether the funds covered the costs of serving displaced students?, and (4) How did Education support states in implementing the program?

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<sup>2</sup>The state of Hawaii did not accept federal Emergency Impact Aid, though the state did enroll and serve displaced students.

<sup>3</sup>Minimum record-keeping requirements entailed keeping adequate records to support payment and allowable expenditure amounts, as well as auditable records documenting the enrollment and eligibility of displaced students claimed for program funding.

<sup>4</sup>Child Safety, Care, and Education Continuity Act of 2011, S. 263, 112th Cong., 1st Sess. (2011). As of August 31, 2011, no further action has been taken with respect to this bill.

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To evaluate implementation of the Emergency Impact Aid program, we selected 4 states for our review—Georgia, Louisiana, Mississippi, and Texas—which received 80 percent of total Emergency Impact Aid funding. Within these states, we selected a total of 13 school districts for further review, 12 of which received among the highest amounts of funding in their respective states, as well as 1 district that returned a large amount of funding originally awarded to it. Within areas served by these districts, we selected for further review a total of seven private schools and private school umbrella organizations. Five private schools were randomly selected, and two Louisiana organizations representing multiple Catholic schools were selected because of the large number of Catholic schools in the area.<sup>5</sup> In each selected state, district, and private school, we interviewed cognizant officials about their experience with the program.<sup>6</sup> We also analyzed student count data provided by states and expenditure data provided by districts. The findings from our selected states, districts, and private schools are not generalizable nationwide, but provide illustrative examples and valuable perspectives on the Emergency Impact Aid program's operation and challenges. To assess Education's role in implementing the Emergency Impact Aid program, we interviewed officials and reviewed key documentation, including state applications and records of grant awards. We also analyzed relevant federal laws, regulations, and guidance related to the program and reviewed Education Office of Inspector General (OIG) audits and fiscal year 2006 single audits for all selected states and 12 out of 13 selected districts.<sup>7</sup>

We also took a number of steps to assess the reliability of various data sources we used. First, to assess the reliability of program data on the

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<sup>5</sup>We counted two Louisiana organizations representing multiple Catholic schools as private schools.

<sup>6</sup>We conducted site visits to Louisiana and Texas and interviewed officials in Georgia and Mississippi by telephone.

<sup>7</sup>The Single Audit Act, as amended, requires all state, local, and nonprofit entities that expend at least \$500,000 per year in federal grant awards to obtain an annual single audit. This audit includes an audit of the entity's financial statements and schedule of expenditures of federal awards. It also includes a determination of whether the entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to federal awards that have a direct and material effect on each major program, and procedures related to internal controls over the compliance requirements for each major program. See 31 U.S.C. §§ 7501-7507.

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number of students served quarterly, we interviewed Education and state officials about the steps they took to ensure data reliability and reviewed relevant documentation, including state-reported data, for our 4 selected states. We determined these data to be sufficiently reliable for our purpose of describing when and where displaced students were served. However, we did not verify the accuracy of student count data reported by districts to states, and some students may be included in more than one state count per quarter because of differences in state-selected count dates and student mobility.<sup>8</sup> We also assessed whether Education data on authorized grant award and deobligation amounts were sufficiently reliable for the purposes of reporting what percentage of awards grantees returned to Education by comparing Education and state data and interviewing Education officials about processes for processing returned grant funds. Education officials described limitations in its grants management system that resulted in some returned grant funds not being originally credited back to states' Emergency Impact Aid awards.<sup>9</sup> We provided information to Education officials on inconsistencies between Education's data and data from our four selected states, and Education resolved these differences.<sup>10</sup> Education provided us with updated deobligation data for our 4 selected states, and we ultimately determined that data for these states were sufficiently reliable for our purposes. Finally, we assessed the reliability of expenditure data reported to us by our selected districts by reviewing submissions for reasonableness and following up with district officials to resolve inconsistencies. We

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<sup>8</sup>Audits conducted by Education's OIG in Alabama, Georgia, Louisiana, Mississippi, and Texas revealed some errors in district student counts. Officials from each of our 4 selected states told us they subsequently conducted further audits in additional selected districts and verified the eligibility of a sample of students in each district. Each selected state submitted final revised student counts to Education in the fall of 2007, and Education updated its final student count records with these revisions. While Education requested final student counts from all participating states at that time, it did not revise its records to include revisions from states not audited by the OIG. However, these states only received 16 percent of total program funding, and most served relatively low numbers of displaced students.

<sup>9</sup>According to Education officials, refunds made electronically or by check after a grant award closes can only be credited to a specific award if departmental officials identify the refund and make the change manually. Further, refunds made by check may not be credited back to the appropriate grant award if the check contains insufficient identifying information.

<sup>10</sup>These four states collectively received 80 percent of grant funds.

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determined these data to be sufficiently reliable for the purposes of describing how selected districts used funds.

We conducted this performance audit from November 2010 to September 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

On August 4, 2011, we briefed congressional staff on the results of this study, and this report formally conveys the information provided during this briefing. (See app. I for the briefing slides.) Specifically, we found that states reported to Education the number of displaced students served quarterly, as required, but the total number of students served is unknown. Displaced student enrollment was at its highest at about 152,000 in the first quarter, and reached a low of 132,000 in the fourth quarter. The large majority of these students remained in Gulf Coast states hit by the hurricanes. However, because students served in more than one quarter were counted more than once, quarterly counts cannot be used to determine the total number of students served throughout the 2005-2006 school year.

Additionally, officials from selected districts and private schools reported few challenges accessing the program, but they found verifying student eligibility difficult. In particular, some displaced students and their families lacked documentation that showed they were from hurricane-affected areas, such as a driver's license or utility bill. Officials also stated that other student information was difficult to obtain, such as immunization records and documentation of special education needs.

We also found that district and private school officials reported using Emergency Impact Aid primarily to defray instructional costs and tuition, but most did not believe funds covered all costs of serving displaced students. Expenditures cited by district officials generally related to hiring new staff or supporting existing staff, while other expenditures included paying for modular classrooms and buses. Officials from 9 out of 13 selected districts did not believe that Emergency Impact Aid funds covered all of their costs, and some noted that they were unable to claim funding for some displaced students, such as those who had left the district prior to the district's first quarterly enrollment count. However, we were unable to assess whether funds covered costs because districts

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were not required to track costs associated with serving displaced students. Further, districts returned funds to Education for a variety of reasons, including revisions in quarterly student counts indicating that districts served fewer students than originally reported. Some districts also did not spend all the funds allocated to them because of confusion about program requirements or concern about potential audit findings.

Last, we found that Education implemented the program quickly and provided timely technical assistance to states. While some districts and private schools may not have used all funds available to them, the Emergency Impact Aid program was designed to support a broad range of services to meet the needs of displaced students, and Education worked quickly to help states serve a highly mobile student population in a challenging environment. Officials from selected states and districts were generally pleased with the quality of support provided by Education.

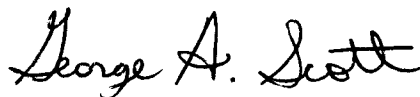
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## Agency Comments

We provided a draft copy of this report to Education for its review and comment. Education provided us with technical comments and updated data which we incorporated as appropriate.

We are sending copies of this report to relevant congressional committees, the Secretary of Education, and other interested parties. In addition, this report will be available at no charge on GAO's website at <http://www.gao.gov>.

If you or your staffs have any questions about this report, please contact me at (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff that made key contributions to this report are listed in appendix II.



George A. Scott  
Director, Education, Workforce,  
and Income Security Issues



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# Appendix I: Briefing to Congressional Requesters, August 4, 2011

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## Hurricanes Katrina and Rita: Temporary Emergency Impact Aid Provided Education Support for Displaced Students

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**Briefing to Congressional Requesters  
August 4, 2011**

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## Overview

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- Introduction
- Key Questions
- Scope and Methodology
- Background
- Summary of Findings
- Findings

## Introduction



# Temporary Emergency Impact Aid for Displaced Students (Emergency Impact Aid) Program

- In December 2005, Congress authorized Emergency Impact Aid to support students in kindergarten through grade 12 (K-12) displaced from their schools by Hurricanes Katrina and Rita. Congress appropriated \$880 million for that purpose.<sup>1</sup>
- States distributed funds to local educational agencies (school districts) based on the number of displaced students served in public and participating private schools in areas served by the district. (see figure 1)
- A bill was introduced in Congress in 2011 that would
  - require the Department of Education (Education) to provide emergency impact aid in certain circumstances involving presidentially declared disasters, and
  - give Education discretion to provide such aid in other circumstances if a state is experiencing a catastrophic incident.<sup>2</sup>

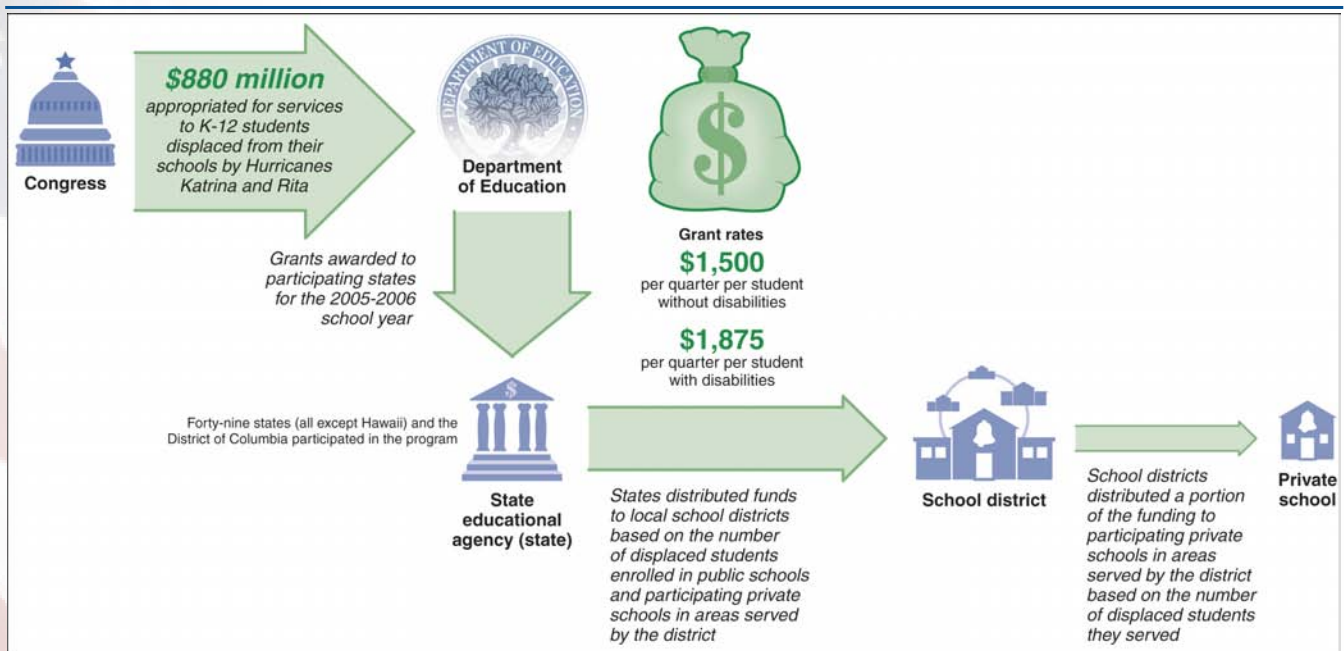
<sup>1</sup> Hurricane Education Recovery Act, Pub. L. No. 109-148, Division B, Title IV, § 107, 119 Stat. 2792, 2798. \$645 million was appropriated in December 2005 by the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, Pub. L. No. 109-148, 119 Stat. 2680, 2768. An additional \$235 million was appropriated in June 2006 by the Emergency Supplemental Appropriations Act for Defense, The Global War on Terror and Hurricane Recovery, 2006, Pub. L. No. 109-234, 120 Stat. 418, 463.

<sup>2</sup> Child Safety, Care, and Education Continuity Act of 2011, S. 263, 112th Cong., 1st Sess. (2011). As of August 31, 2011, no further action has been taken with respect to this bill.

Introduction



**Figure 1: Emergency Impact Aid Program**



Source: GAO analysis of program information.



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## Key Questions

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1. What is known about how many students were served by the Emergency Impact Aid program in key states?
  2. What challenges, if any, did districts and private schools face in accessing the program or obtaining the required student verification?
  3. How did states, districts, and private schools report using the funds and what is known about whether the funds covered the costs of serving displaced students?
  4. How did Education support states in implementing the program?
-



## Scope and Methodology

- We reviewed activities in the 4 states (Georgia, Louisiana, Mississippi, and Texas) that received 80 percent of program funds.
  - We conducted site visits to Louisiana and Texas and interviewed officials from Georgia and Mississippi by telephone.
- We selected a total of 13 districts within these states for further review
  - Twelve districts were selected because they received among the highest amounts of program funds in their states.
  - One district was selected because it returned a relatively high percentage of allocated funds.
- Within areas served by selected districts, we selected a total of seven participating private schools and private school umbrella organizations for further review
  - Five private schools were randomly selected.
  - Two Louisiana organizations representing multiple Catholic schools were selected due to the large number of Catholic schools in the area.



## Scope and Methodology (cont.)

- In each selected state, district, and private school, we interviewed cognizant officials.
- We also analyzed enrollment data in all 50 states and expenditure data in the selected states for the 2005-2006 school year.
- For each selected state and 12 of the 13 selected districts we reviewed fiscal year 2006 single audits or summary reports of those audits.<sup>3</sup>

States	School districts contacted	Private schools contacted
Texas	5	1
Louisiana	4	3 <sup>a</sup>
Georgia	2	2
Mississippi	2	1
<b>Total</b>	<b>13</b>	<b>7</b>

<sup>a</sup> We counted two Louisiana organizations representing multiple Catholic schools as private schools

<sup>3</sup> The Single Audit Act, as amended, requires all state, local, and nonprofit entities that expend at least \$500,000 per year in federal grant awards to obtain an annual single audit. This audit includes an audit of the entity's financial statements and schedule of expenditures of federal awards. It also includes a determination of whether the entity has complied with the provisions of laws, regulations, and contracts or grants pertaining to federal awards that have a direct and material effect on each major program, and procedures related to internal controls over the compliance requirements for each major program. 31 U.S.C. §§ 7501-7507.



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## Scope and Methodology (cont.)

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- We conducted other interviews with Education officials.
- We reviewed relevant federal laws, regulations, and guidance.
- We reviewed Education data and documentation, including the following:
  - quarterly counts of displaced students served by the program,
  - state applications for program funding and records of grant awards, and
  - Education’s Office of Inspector General (OIG) reviews of early program implementation in 5 states—Alabama, Georgia, Louisiana, Mississippi, and Texas.





## Scope and Methodology (cont.)

- We assessed the reliability of quarterly student counts by interviewing state and federal officials and reviewing relevant documentation, including state-reported data, for our 4 selected states.
- We determined these data to be sufficiently reliable for our purposes of describing when and where students were served.
  - However, we did not verify the accuracy of student count data.<sup>4</sup>
  - Some students may be included in more than one state's quarterly count due to differences in state-selected count dates and student mobility.

<sup>4</sup> Audits conducted by Education's OIG in Alabama, Georgia, Louisiana, Mississippi, and Texas revealed some errors in district student counts. Officials from each of our 4 selected states told us they conducted further district audits, and verified the eligibility of a sample of students in each district. Each selected state submitted final revised student counts to Education in the fall of 2007, and Education updated its records with these revisions. While Education requested final student counts from all participating states at that time, it did not revise its records to include revisions from states not audited by the OIG. However, these states only received 16 percent of program funding, and most served relatively low numbers of students.



## Scope and Methodology (cont.)

- We also assessed whether Education data on authorized grant award and deobligation amounts were sufficiently reliable for the purposes of reporting what percentage of awards grantees returned to Education by
  - comparing Education and state data, and
  - interviewing Education officials about processes for recording returned grant funds.
- Education officials described limitations in its grants management system that resulted in some returned grant funds not being credited back to states' Emergency Impact Aid awards.<sup>5</sup>
  - We provided information to Education officials on inconsistencies between Education's data and data from our 4 selected states, and Education resolved these differences.<sup>6</sup>
- Education provided us with updated deobligation data for our 4 selected states and we ultimately determined that data for these states were sufficiently reliable for our purposes.

<sup>5</sup> According to Education officials, refunds made electronically or by check after a grant award closes can only be credited to a specific award if departmental officials identify the refund and make the change manually. Further, refunds made by check may not be credited back to the appropriate grant award if the check contains insufficient identifying information.

<sup>6</sup> These four states collectively received 80 percent of grant funds.



## Scope and Methodology (cont.)

- We also assessed the reliability of expenditure data reported to us by our selected districts by reviewing submissions for reasonableness and following up with district officials to resolve inconsistencies.
- We determined these data to be sufficiently reliable for the purposes of describing how selected districts used funds.

We conducted this performance audit from November 2010 to September 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Background



# Emergency Impact Aid Implementation Timeline

### Aug. 25, 2005

Hurricane Katrina makes landfall.  
(See fig. 2)

### Sept. 24, 2005

Hurricane Rita makes landfall.

### Dec. 30, 2005

Emergency Impact Aid authorized by Congress.

### January 2006

Education makes funding applications available to states.

### February 2006

State funding applications due.

### March 2006

States begin to receive funds.

Figure 2: Paths of Hurricanes Katrina and Rita



Source: GAO analysis based on National Oceanic and Atmospheric Administration graphics.

## Background



## Effects of Hurricanes Katrina and Rita

- Federal disaster areas were declared
  - throughout Louisiana and Texas and
  - in parts of Alabama, Florida, and Mississippi.
- Catastrophic impact in lives lost and property damage:
  - nearly 2,000 deaths;
  - more than 305,000 homes and apartments were severely damaged by Hurricane Katrina.
- Significant effects on schools:
  - many Louisiana and Mississippi schools damaged;
  - almost all schools in the Orleans Parish school district closed for the entire 2005-2006 school year.
- Significant effects on students:
  - thousands of children and youth left homeless;
  - increased incidence of depression, anxiety, and post-traumatic stress disorder symptoms has been reported in studies of the effects of the hurricanes and other natural disasters on students' mental health and behavior.

## Background



# Emergency Impact Aid Supported Public and Private Schools That Served Students Displaced by Hurricanes

- Participating districts and private schools received funds based on the number of displaced students they served on a specific date each quarter.
  - States had discretion to choose quarterly count dates used.
  - Education specified the dates these counts were required to be reported.
- Displaced students were those
  - from a federally declared disaster area and
  - enrolled in a school other than their home school.<sup>7</sup>
- Once displaced students returned to their home school, districts were no longer eligible to obtain funding for those students.
- Funding was for expenses incurred during the 2005-2006 school year, and districts had to obligate funds by September 30, 2006.

<sup>7</sup> For the purposes of the program, displaced students were defined as those students who on August 22, 2005, resided in and were enrolled or eligible to enroll in a school in an area for which a major disaster was declared related to Hurricane Katrina or Rita and who, as a result of their displacement, enrolled in a different school.

## Background



# Emergency Impact Aid Funds Were Available for a Variety of Purposes

- Funds could be used for
  - personnel compensation,
  - curricular material and supplies,
  - mobile educational units,
  - leasing space,
  - reasonable transportation costs,
  - health and counseling services,
  - education and support services, and
  - basic instructional services, including tutoring
- Program did not require that funds be used solely to serve displaced students.
  - For example, funds used to support classroom instruction for displaced students could benefit regular students as well.
- States could retain 1 percent and districts 2 percent of funds for administrative costs.
- States, districts, and private schools were not required to report to Education how funds were spent; however, at a minimum, they were required to maintain documentation of
  - funds received and allowable expenditures and
  - auditable enrollment records of displaced students served.



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## Summary of Findings

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- States reported to Education the number of displaced students served quarterly, as required, but the total number of students served is unknown.
- Selected districts and private schools had few challenges accessing the program, but officials found verifying student eligibility difficult.
- District and private school officials reported using Emergency Impact Aid primarily to defray instructional costs and tuition, but most did not believe funds covered all costs.
- Education implemented the program quickly and provided timely technical assistance to states.



## Objective 1



### Quarterly Counts Captured the Number of Displaced Students Served at Points in Time

- Districts were required to report the number of displaced students enrolled in public and participating private schools on a specific date each quarter during the 2005-2006 school year.
- According to national data from Education,
  - enrollment was highest in the first quarter with 152,000 students served,<sup>8</sup> and
  - enrollment dropped to its lowest point in the fourth quarter with 132,000 students served.
- Enrollment may have declined throughout the school year as displaced students re-enrolled in their home schools.
  - According to officials in selected districts and private schools, many displaced students began returning home in winter 2005.<sup>9</sup>

<sup>8</sup> Total enrollment in our 4 selected states (Georgia, Louisiana, Mississippi, and Texas) peaked in the second quarter.

<sup>9</sup> Students who returned to their home schools were no longer eligible to be counted as displaced students.

## Objective 1



### Quarterly Counts Do Not Indicate the Total Number of Students Served throughout the School Year

- Quarterly counts cannot be used to calculate an estimate of the total number of displaced students served because students were counted for each quarter they were served, resulting in a duplicated count.
  - For example, if a student was served during all four quarters, he or she would have been counted four times.
- States could not track students who relocated across state lines due to limitations in state student information systems.
  - Some displaced students were counted in more than 1 state.
- Quarterly counts enabled districts to claim compensation for displaced students served for part of the school year, as many students moved often and were served in multiple districts or states.

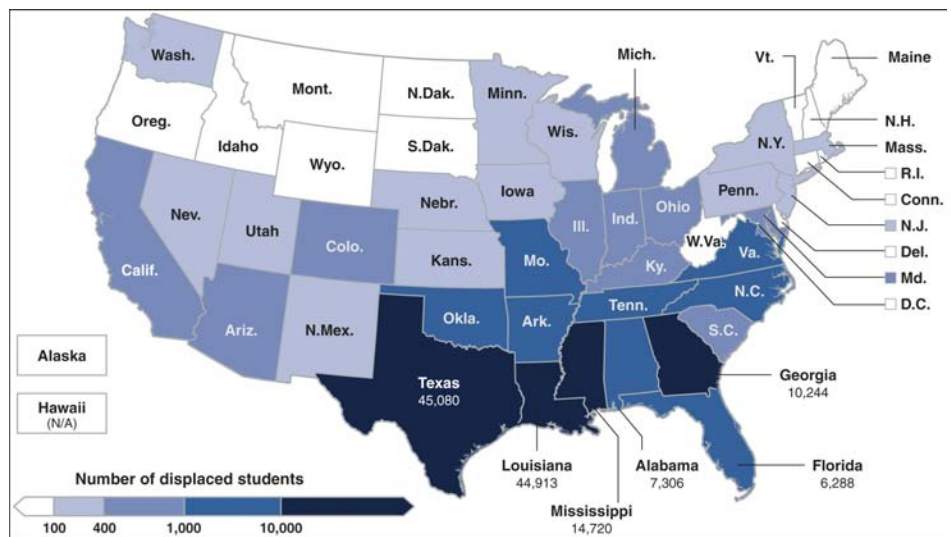
Objective 1



## Most Students Were Served in States Hardest Hit by Hurricanes

- Most displaced students remained in states near the Gulf Coast (see fig. 3).
- Seventy-eight percent of students were served in quarter 1 in states with federally declared disaster areas (Ala., Fl., La., Miss., and Tex.).
- An additional 7 percent were served in Ga.

Figure 3: Displaced Students Served in First Quarter of 2005-2006 School Year, by State



Sources: GAO analysis of Education data; GAO (map).

## Objective 1



### All Selected States and Most Districts Conducted Outreach to Enroll Displaced Students

- Although not required to do so, officials from all selected states and most districts said they conducted outreach to displaced students and their families through one or more of the following:
  - Newspapers,
  - Billboards,
  - TV and radio announcements,
  - Hurricane-related websites, or
  - Toll-free call centers.
- Officials from 3 of 5 selected Texas districts, which collectively served 9,000 displaced students in the first quarter, said they enrolled students on-site at shelters and evacuation centers.
- Officials we interviewed from 2 of the 13 selected districts said the environment was too chaotic to conduct outreach.
  - For example, in one Louisiana district that received 10,000 applications from displaced students, officials said minimal outreach was necessary because students arrived at school doors.

## Objective 1



### Private Schools Also Served Displaced Students, But Enrollment Declined over Time

- Private schools served 12 percent of all displaced students in the first quarter of the 2005-2006 school year, according to Education data.
  - Private school officials said that displaced students originally enrolled in private schools were generally served by private schools in other districts and states.
- Displaced student enrollment declined by 50 percent among private schools over the course of the year, compared with a 8 percent decline in public schools.
- Displaced student enrollment in private schools may have declined more quickly than in public schools because private schools reopened sooner than other schools in some affected areas, allowing students to re-enroll in their home schools.
  - For example, officials from the Archdiocese of New Orleans told us the majority of its 86 schools reopened by January 2006, whereas only 5 public schools in New Orleans reopened during the entire school year.

## Objective 2



### **Selected Districts Did Not Face Significant Challenges Accessing Emergency Impact Aid Funds**

- Most officials from selected districts generally did not report difficulties participating in the program or accessing funds.
- However, officials from 2 states said some districts that served displaced students chose not to apply for funding in part because of
  - compressed application timelines,
  - potential administrative burden, or
  - serving few displaced students.
- While districts had 2 weeks to submit Emergency Impact Aid applications, which included student counts, to their states,
  - Education encouraged districts to track displaced students served prior to program authorization, and
  - promptly provided districts with guidance and funding applications after authorization of the program.

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## Objective 2



### **Selected Private Schools Generally Had Access to the Program, but Some Schools Chose Not to Participate**

- Officials from a majority of selected districts and private schools reported that private schools were notified about funding.
- In many cases, district officials told us most private schools within their boundaries elected to participate in the program.
- However, Education and district officials stated that some private schools chose not to participate in part due to
  - concerns about reporting requirements and potential for audit,
  - general reticence to accept federal funds,
  - increased administrative burden.

## Objective 2



### Verifying Student Eligibility Was Challenging for Districts because Student Records Were Not Easily Obtained

- District and private school officials told us many displaced students lacked documents verifying their previous address, such as a driver's license or utility bill.
  - In such cases, some officials said they accepted other types of verification, such as report cards, or accepted parental affirmation of eligibility.
- Officials from one district also noted frustration over Emergency Impact Aid verification requirements, as many displaced students were originally enrolled as homeless.
  - Under the McKinney-Vento Education for Homeless Children and Youth Program, districts must enroll homeless students immediately, even if they lack normally required documentation.<sup>10</sup>
- To help districts address this challenge, Louisiana provided access to its student information database in mid-September 2005 to states that enrolled a large number of displaced students.

<sup>10</sup> 42 U.S.C. §11432 (g)(3)(C) (i)



## Objective 2



### Obtaining Student Information from Hurricane-Affected Districts Was Also Challenging

- Due to damage in displaced students' home districts, officials in selected districts said they had difficulty obtaining information such as
  - immunization records,
  - grade-level placement, and
  - special education needs.
- Officials reported spending significant time and resources obtaining new immunizations and academic assessments for students without records.
- Officials from 2 Texas districts expressed concern about some displaced students' academic preparedness and ability to meet Texas academic standards.
  - The Texas Education Agency coordinated with the Louisiana Department of Education to provide graduating students with either a Louisiana or Texas diploma, depending on which state's graduation requirements were met.

## Objective 2



### Districts Served Displaced Students with Disabilities, but Faced Challenges Accessing Their Records

- Enrollment of displaced students with disabilities peaked in the third quarter of the 2005-2006 school year, when 13,102 students with disabilities, or 10 percent of all displaced students, were served.
- Officials from 3 selected districts said they faced challenges serving students with disabilities because their individualized education program records were not immediately available.<sup>11</sup>
- One selected district was cited in its fiscal year 2006 single audit for not providing special education services for some of the sampled displaced students with disabilities for which it had received funding.

<sup>11</sup> An individualized education program is a written statement required by the Individuals with Disabilities Education Act for each child with a disability and should include, among other things, a description of the special education services and accommodations to be provided that child. 20 U.S.C. § 1414(d).

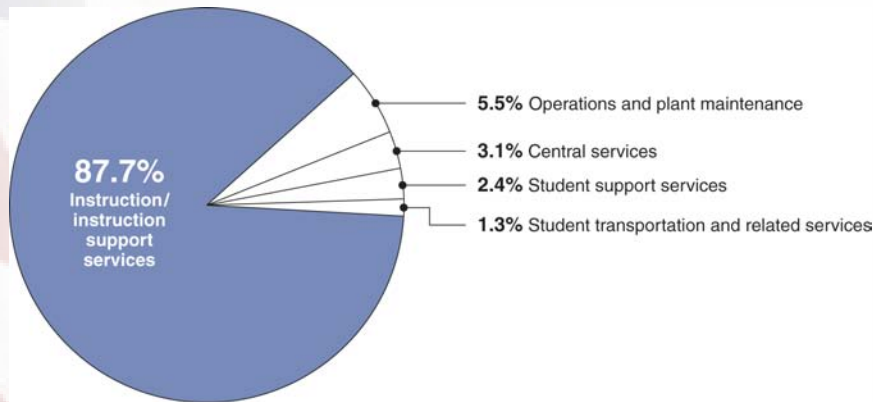
## Objective 3



# Selected Districts Reported Using 88 Percent of Emergency Impact Aid Funds for Instruction

- Our analysis of expenditure data reported to us by 9 of our 13 selected districts indicates that 88 percent of funds was spent on instruction and about 12 percent was spent on other costs associated with serving displaced students.<sup>12</sup>

Figure 4: Reported Uses of Emergency Impact Aid Funding in 9 Selected Districts



Source: GAO analysis of summary expenditure data provided by selected districts.

<sup>12</sup> Two districts did not provide expenditure data, and 2 districts were unable to provide data that could be used to determine expenditure categories. One additional district placed Emergency Impact Aid funds in its general fund and estimated expenditures based on total general fund expenditure ratios.

## Objective 3



### Districts Provided a Variety of Examples of How They Used Funds

- Officials from selected districts described a range of Emergency Impact Aid uses, generally related to funding staff salaries and benefits.
  - Four districts specifically reported using funds to hire new staff.
  - Three districts reported that they funded existing staff, but did not hire new staff.
- In addition to funding staff salaries, some districts used funds for other purposes.
  - An official from a Louisiana district reported using some funds to reopen and operate two schools, and to operate 39 modular buildings.
  - Officials from a Texas district reported using some funds to replace desks and textbooks that had been washed away by Hurricane Rita.
- Private schools primarily reported using funds to defray tuition costs.

## Objective 3



### Some Selected Districts Hired Counselors, while Others Did Not

- Officials from selected districts and private schools indicated that many displaced students had counseling needs.
  - These observations are consistent with research showing that students affected by Hurricane Katrina faced issues including depression and post-traumatic stress disorder symptoms.<sup>13</sup>
- Districts took a variety of approaches to meet these needs.
  - Some districts reported hiring additional counselors, while others did not.
  - Two districts and two private schools reported referring students to outside counseling programs.
- Officials from 3 districts and two private schools affected by the hurricanes noted that there were not sufficient counseling resources available in the community after the storms to support these students.
- Officials from 2 districts stated that they did not have sufficient Emergency Impact Aid funding to cover counseling costs.

<sup>13</sup> See GAO, *Hurricane Katrina: Barriers to Mental Health Services for Children Persist in Greater New Orleans, Although Federal Grants Are Helping to Address Them*, GAO-09-935T (Washington, D.C.: Aug. 2009).

## Objective 3



### Most District Officials Told Us They Did Not Believe Program Funding Covered All Costs, and Some Received Funding from Other Sources

- Officials from 9 out of 13 selected districts told us they did not believe program funds covered all costs of serving displaced students.<sup>14</sup>
  - For instance, an official from 1 district noted that the district exhausted all of its Emergency Impact Aid funding and expended \$1.1 million in funding from an outside source on displaced students.
- Districts also may not have received reimbursement for all displaced students they served, such as those who left prior to the first quarterly enrollment count.
  - An official from one district reported that it enrolled 6,500 displaced students immediately after Katrina but only claimed funding for 5,241 students still enrolled on the first official count date.
- However, some officials also noted that funding was available from other federal grants, state funds, and private donations.

<sup>14</sup> GAO was unable to assess the accuracy of these statements because school districts were not required to track costs associated with serving displaced students.

## Objective 3



# Nearly Five Percent of Emergency Impact Aid Funds Were Returned to Education

- Education data indicate that, as of August 2011, participating states and districts returned to Education about \$41.1 million (4.7 percent) of awarded Emergency Impact Aid funds.
- According to these data, selected states returned from 2.9 to 8.2 percent of funds allocated to them.<sup>15</sup>

State	Amount Returned	Percent Returned
Georgia	\$1.6 million	2.9
Louisiana	\$19.6 million	6.7
Mississippi	\$8.2 million	8.2
Texas	\$8.5 million	3.4

Source: GAO analysis of Education deobligation data

<sup>15</sup> Grant awards for these states and Alabama are open pending resolution of OIG audit findings, and returned fund amounts may be subject to further change.

## Objective 3



### Some Districts Returned Funds Due to Inaccurate Counts of Displaced Students

- Some districts returned a portion of allocated funds because of inaccuracies in their original quarterly counts of displaced students.
- Education's OIG conducted program audits in 5 states for the 2005-2006 school year, and recommended that Education require states and districts to provide supporting documentation or repay nearly \$33 million in questionable costs related to potential inaccuracies in student counts.
  - Education officials told us that they plan to make final determinations about whether states will have to return these funds by September 30, 2011.
- Four selected districts were also cited in their fiscal year 2006 single audits for student count inaccuracies
  - Three districts inadequately documented some students' eligibility.
  - Two districts included ineligible students in their enrollment counts.
  - One district included ineligible prekindergarten students in its counts.<sup>16</sup>

<sup>16</sup> Pre-kindergarten students were not eligible for service in states where prekindergarten is not a part of elementary education by law.



## Objective 3



### Other Districts Returned Unused Funds for Various Reasons

- State officials in Texas and Mississippi told us that some districts chose not to use a portion of allocated funds in case they were required to return funds later.
  - Officials suggested that such concerns may have been heightened because of ongoing OIG audits in their states.
- Officials from 2 selected districts also stated that they spent funds cautiously because they were uncertain about what expenditures were allowable or what documentation was required.
  - One district in Texas did not spend the majority of its funding allocation because of these concerns.
- All unused funds were required to be returned to Education after the September 30, 2006, obligation deadline.

## Objective 4



### Education Provided Early Support to States Prior to Program Authorization

- Soon after Hurricane Katrina, Education officials contacted states and districts in hurricane-affected areas and sent officials to affected areas to discuss needs.
- Prior to the Emergency Impact Aid program's authorization in December 2005, Education also
  - advised districts that they could enroll and obtain funding for displaced students through the McKinney-Vento Education for Homeless Children and Youth Program<sup>17</sup> and
  - used existing authorities to grant waivers of federal requirement to maintain 90 percent of prior year's state and local education spending to qualify for other Education funding.

<sup>17</sup>McKinney Vento Homeless Assistance Act, as amended, Title VII, Subtitle B, 42 U.S.C. §§11431-11435.

## Objective 4



### Education Moved Quickly to Implement Program Once Authorized

- Education provided technical assistance to Congress by reviewing draft legislation.
- Education officials reported that they began drafting Emergency Impact Aid applications and guidance while Congress was formulating authorizing legislation.
- Education sent a letter to states notifying them of the availability of funds on the same day the program was authorized, and within 15 days of authorization, Education made funding applications available to states.
- Education also quickly reviewed applications, and began disbursing funds to states about a month after first applications were received.

## Objective 4



### State Officials Were Generally Pleased with Education's Guidance and Assistance

- According to officials from selected states, Education was proactive in providing assistance and was accessible and responsive to requests for information and help.
- Officials from selected states generally reported that Education
  - coordinated closely with states prior to the Emergency Impact Aid program's authorization and
  - provided ongoing technical assistance during program implementation.



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## Concluding Observations

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- Education acted quickly to help states serve highly mobile students in a challenging environment.
  - Education sought to balance the need for expeditious implementation with ensuring accountability and program integrity.
- Emergency Impact Aid supported a broad range of services to meet student needs; however, some schools and districts
  - did not use some funds because of concerns about potential audit findings or uncertainty about how funds could be spent and
  - did not use funds for needed counseling services for a variety of reasons.

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# Appendix II: GAO Contact and Staff Acknowledgments

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## GAO Contact

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## Staff Acknowledgments

The following staff members made key contributions to this report: Elizabeth Morrison, Assistant Director; Sandra Baxter, Analyst-in-Charge; Rachel Batkins; Ellen Phelps Ranen; Lara Laufer; Susan Aschoff; James Bennett; Jessica Botsford; Bryon Gordon; Nagla'a El-Hodiri; Luann Moy; and Peter del Toro.

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