



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

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IN REPLY  
REFER TO

HUMAN RESOURCES  
DIVISION

FEB 7 1977

The Honorable  
Assistant Secretary for Education  
Department of Health, Education,  
and Welfare

Dear Assistant Secretary:

We have completed a survey of the Fund for the Improvement of Postsecondary Education. The General Education Provisions Act (Public Law 92-318) enacted on June 23, 1972, authorized the Secretary of Health, Education, and Welfare to make grants to and enter into contracts with public and private educational institutions and agencies to improve postsecondary educational opportunities by encouraging a broad range of reforms and innovations. These grants and contracts are administered by the Fund, a separate organizational unit established by the Secretary, which is under the purview of the Assistant Secretary for Education

A 15-member Board of Advisors, which is appointed by the Secretary, makes recommendations to the Director of the Fund on priorities for the improvement of postsecondary education, projects under consideration for funding, and overall Fund operations

Since starting operations in 1973, the Fund has supported 385 new projects and 171 renewal projects, which have been awarded about \$42.2 million. The 385 new projects constitute about 41 percent of the proposals submitted to the Fund. They have dealt with a variety of educational topics and have involved many types of public and private postsecondary institutions and agencies.

Our survey was conducted primarily at HEW headquarters. We reviewed several proposals for projects both completed and ongoing, and visited certain projects in the Washington, D.C. area. We discussed the Fund's activities with officials from several HEW offices and reviewed the relevant legislation, regulations, and criteria and guidance for carrying out the Fund's activities.

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We found that the Fund's staff appeared to be committed to awarding grants for projects which were innovative and which might provide improvements in postsecondary education. However, there are opportunities for improving Fund operations which we want to bring to your attention. These opportunities exist in the following areas

- coordination with other Federal agencies during the proposal review process,
- dissemination of project results, and
- administration of the day-to-day operations of the Fund.

COORDINATION WITH  
OTHER FEDERAL AGENCIES

Many Federal agencies, including several in HEW, provide funds for postsecondary education programs of various types. Because the Fund supports projects involving a wide range of educational subject areas, including Indian education, vocational education and nurses training, it is possible that many of these projects would be of interest to other Federal agencies such as the Bureau of Indian Affairs, the Bureau of Postsecondary Education, and the National Institute of Mental Health. Many projects might have been jointly funded by these other agencies and the Fund, but because these other agencies and the Fund had not formally coordinated their activities, joint consideration of such projects was less likely. It should be noted that we did not find any actual duplicate funding of projects by the Fund and other agencies.

In the past, the Fund relied on the knowledge and experience of its staff to informally coordinate its project proposal reviews on a case-by-case basis with other HEW or Federal agencies which provided support for postsecondary education as the need was perceived. Without formal and coordinated information exchange, including the furnishing of lists to other agencies of projects funded and their objectives, the potential existed for duplicate funding of projects or segments of projects, and there was no assurance that the Fund would be aware of other Federal agency involvement in such projects.

While Fund officials agreed that there was increased potential for duplication of effort without formal coordination with other Federal programs, they believed that existing methods for coordinating activities had been successful in avoiding duplication. However, Fund officials

agreed to coordinate more formally at the project formulation stage so that the benefits of coordination can be better assured.

The Fund's staff is responsible for coordinating the Fund's projects in specific educational areas with the Federal agencies responsible for those educational areas for the purpose of enhancing and formalizing their existing coordination patterns. Each staff member is to develop communication with other designated Federal agency staff to keep informed of projects proposed to these agencies for funding in order to utilize more fully the benefits of coordination during the projects' formulation stage. According to a Fund official, two Federal agencies--the National Endowment for the Humanities and the National Institute of Education--have already expressed an interest in jointly funding some projects in related areas. The result could be more cooperative and complementary approaches to encouraging reforms and innovations in postsecondary education.

#### DISSEMINATION OF PROJECT RESULTS

If the Fund is to achieve its goal of improving postsecondary education, the results of projects it supports should be made available to institutions and agencies which are likely to bring about such improvements. The improvements should not be limited to those institutions or agencies which conducted the projects.

Although the Fund has published a booklet titled "Resources for Change, A Guide to Projects, 1975-76," periodically issued news releases on projects funded and their objectives, and made presentations at educational conferences, the Fund has generally relied on grantees to disseminate the results of their work.

We discussed the dissemination of project results with the Fund's staff. In addition to methods already used by the Fund, we suggested that they consider providing the final results of projects to several data banks which store and disseminate information on education programs, such as the Educational Resources Information Center of the National Institute of Education, the Smithsonian Institution's Science Information Exchange, and the National Technical Information Service of the Department of Commerce. In addition to more effectively meeting the goals of the Fund by making its project results available to other agency officials interested in similar activities, dissemination can also assist in reducing the likelihood of duplication by other programs in funding new projects.

The Fund's staff fully agreed with our views regarding dissemination of project results. They told us that improvements in methods of disseminating project results would be a major effort for the next year. The Fund has been in contact with officials of the Educational Resources Information Center and plans to contact officials of the other data banks to discuss possible methods of exchanging information.

In addition, officials told us that they plan to (1) make wide dissemination of final project reports from grantees, (2) publish reports from the Fund itself, especially staff-prepared analyses of project results over the past 3 years, and (3) increase expenditures of project funds for dissemination activities in fiscal year 1977. Also, a staff member has been formally designated as coordinator for dissemination activities.

#### ADMINISTRATION OF DAY-TO-DAY OPERATIONS OF THE FUND

We noted a number of instances where administration of the day-to-day activities of the Fund could be improved, each of which is discussed briefly below.

##### Need to strengthen controls over project files

Several files are maintained on each project supported by the Fund including State files, evaluation files, and program officer files. All files are not maintained at a central location and we found that most were incomplete, making it necessary to obtain files from several locations in order to review the chronology of a project. Collecting the files takes time and thus diminishes the amount of time Fund's staff have to review new and renewal proposals which could be a critical factor as proposal deadlines approach.

In response to our suggestion the Fund has decided to contact the General Services Administration's National Archives Records Service for assistance in reorganizing their filing system.

##### Improvements needed in documenting proposals

We found it difficult to determine the objectives and impact on postsecondary education of certain projects supported by the Fund because proposals were stated in vague and conceptual terms. For example, one project included a short term objective of providing "\* \* \* an introduction to, and a unification of the aesthetic dimension of the arts and the

environment." Ultimately, it proposed "\* \* \* to extend the aesthetic in personal and social life \* \* \*." Fund officials said this objective was stated in terms sufficiently specific for them to judge its impact. The proposal did contain some elaboration on the stated objective and the project may result in improvements in postsecondary education. However, we believe the objectives of projects should be made as clear and specific as possible so that officials outside the Fund can judge the impact of such projects and compare them with other projects when making funding decisions.

The Fund's staff agreed with our observations. They told us that under the Fund's present criteria and procedures, proposals without clarity and precision should not fare well. They also said that changes currently being considered in their "Guide for Proposal Preparation" will put greater stress on the need for clear and precise statements of purpose in proposals which are submitted to the Fund and should make it even less likely that unclear and vague proposals will receive Fund support.

Board of Advisors'  
review of proposals

The Board of Advisors makes proposal funding recommendations to the Fund. Although these recommendations are not binding, the Fund has generally followed the recommendations within funding constraints. At the time of our survey, the Board of Advisors reviewed all projects of over \$100,000. This policy resulted in Board of Advisors' reviews of relatively few proposals which were submitted to the Fund.

The Fund's staff advised us that as a result of our survey, the Board of Advisors had under consideration the following options

--That, each year, two rather than one Board meeting be devoted to the consideration of proposals recommended for funding by the Fund's staff.

--That in addition to proposals over \$100,000 per year the Board ought to review proposals that (1) might extend beyond 3 years of Fund support, (2) would have a total budget over the life of the grant in excess of a figure to be determined by the director (\$200,000 was suggested as a possible amount), and (3) come from freestanding institutions or those agencies which are not a part of an organization with an alternative means of continuing support.

### Minutes of Board of Advisors' meetings

Minutes of Board of Advisors' meetings were not centrally maintained. In some cases, official published minutes could not be located by the Fund's staff after lengthy searches, while other minutes were misfiled.

As a result of our survey, the Fund has revised its system for controlling minutes of Board meetings which should facilitate access to major decisions of the Board. A central filing system will be maintained for minutes of Board meetings and backup material provided to Board members during those meetings.

### Submission of final project reports

The Fund requires that final reports be submitted within 90 days after project completion. We found that a number of final reports were not received by the Fund in a timely manner.

In June 1976, we reviewed files on 69 projects awarded grants during 1973 and 1974 and completed by May 31, 1976, to determine if final project reports had been received. Of the 69 projects, final project reports for 22 percent had not been received, and 12 percent of the final reports which were received were 6 months or more late. Although Fund officials did not see late receipt of final reports as a major problem, they agreed to initiate more extensive follow-up efforts to ensure that the reports are received on time. This should also assist the Fund in improving its dissemination efforts.

### Internal operating procedures

The Fund did not have written operating procedures describing staff duties and responsibilities. Although the Fund has not experienced significant turnover in staff, in the event that this should occur, the lack of such procedures might adversely affect Fund operation.

The Fund does not believe that there is a need for a detailed operations manual because the Fund's staff which includes a Director, Deputy Director and 10 program officers, is small. The Fund plans, however, to prepare job descriptions for its program staff.

Proposal review form  
revisions needed

The Fund's "FY 1976 Program Information and Application Procedures" contain three criteria which are used in the evaluation of all proposals.

- Is it cost effective?
- Does it have impact beyond the applicant's setting?
- Is it a learner-centered improvement? (Will the improvement benefit the learning population to be served?)

The proposal review forms used by the Fund do not clearly address each of the criteria contained in the Fund's program guidelines, especially the criterion regarding the cost effectiveness of the proposed project.

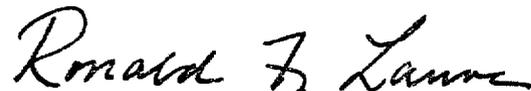
We suggested that the Fund revise the review form to more clearly and completely address the review criteria contained in the program guidelines. Fund officials agreed and they assured us that they plan to provide guidance to proposal reviewers explaining the review questions on the form and relating them to program guidelines.

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We believe that the changes proposed by Fund officials should improve the operations of the Fund. We would be interested in any further actions taken on our suggestions. We have carefully considered the comments of the Fund's staff and wish to thank the staff for their cooperation and courtesy throughout our survey.

We are sending a copy of this letter to the Director of the Fund for the Improvement of Postsecondary Education.

Sincerely yours,



Ronald F. Lauve  
Associate Director