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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

An Analysis Of Concerns In Federal Education Programs: Duplication Of Services And Administrative Costs

Concerns have been expressed that the large number of Federal elementary and secondary education programs are duplicating services to students and increasing administrative costs. This report analyzes these concerns and discusses the potential effect of consolidating the programs.

GAO found that

- duplication of services to students was minimal,
- data were not available on how much administrative costs were increased because of the numerous programs, and
- benefits and risks of consolidating Federal education programs are not clear and need to be resolved.

The report suggests that, before any proposals are approved to consolidate Federal education programs or reduce the administrative efforts, adequate information should be developed on how costs will be reduced and/or program implementation improved and what consequences could result.



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HRD-80-18
APRIL 30, 1980



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-197761

To the President of the Senate and the *CW00001*
Speaker of the House of Representatives

This report discusses concerns that the large number of Federal elementary and secondary education programs may be duplicating services to students and increasing the administrative costs. We made this review to determine whether these concerns were justified and to analyze the potential impact of consolidating Federal education programs.

We are sending copies to the Director, Office of Management and Budget, and to the Secretary of Health, Education, and Welfare.

A handwritten signature in black ink, appearing to read "James B. Heath".

Comptroller General
of the United States

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

AN ANALYSIS OF CONCERNS
IN FEDERAL EDUCATION PROGRAMS:
DUPLICATION OF SERVICES AND
ADMINISTRATIVE COSTS

D I G E S T

Educators and Members of Congress are concerned that Federal elementary and secondary education programs duplicate services to students and unnecessarily add to Federal, State, and local administrative costs. As a result, legislation has been proposed to reduce the number of programs through consolidation. (See pp. 2 to 5.)

Federal education programs have been intended only to supplement or stimulate State and local efforts. However, over 80 Federal education programs now support elementary and secondary education. (See pp. 1, 2, and 12.)

To provide the Congress insight into these problems and the possible impact of consolidating programs, GAO analyzed the regulations, requirements, and services provided to students under 11 Federal education programs administered by the Office of Education, Department of Health, Education, and Welfare (HEW) and their implementation in 36 local education agencies in six States--California, Georgia, Massachusetts, Michigan, Missouri, and Ohio. (See pp. 5 to 7.)

The analysis showed that:

--Despite providing similar services under two or more Federal and/or State programs, some local agencies have structured their programs so that duplication of services to students was minimal. (See p. 16.)

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classroom who were eligible for one or more of the programs. (See pp. 20 and 21.)

--Interchangeable use of instructors is similar to the multifunding approach. It involves the use of instructors paid under one program to also serve students targeted for other programs in the same classroom. (See p. 21.)

Local agencies' efforts to avoid providing a student similar services from more than one program, and to increase the number of students served, as well as the lack of funds to serve relatively large numbers of students eligible for these programs, generally negated the potential for individual students to receive similar services from more than one Federal program. (See p. 24.)

Accordingly, the need for consolidating programs to avoid duplication of services to students appears questionable.

ADMINISTRATIVE COSTS

Although GAO did not identify significant instances of duplicate services to students, administering several separate programs each with its own set of regulations requiring separate applications, evaluations, parent advisory groups, and other elements undoubtedly adds to administrative costs. (See p. 25.)

These costs are being incurred at all three levels--Federal, State, and local. For example, in fiscal year 1978 for the title I program under the Elementary and Secondary Education Act, the administrative costs at the Federal level totaled an estimated \$2 million; at the State level, about \$24 million; and at the local level, about \$105 million. (See pp. 29 to 34.)

The Office of Education is working to standardize and simplify program provisions into one set of easy to understand regulations. Differences in Federal education program requirements and regulations were often cited by Federal, State, and local education officials as a major factor in high administrative cost.

However, whether these efforts will result in reduced administrative costs or improved program implementation will not be known until State and local officials actually put the new law and regulations into use. (See pp. 43 and 45.)

The Congress and the Office of Education should continue to look for ways to improve administration of Federal education programs including consideration of proposals to consolidate them. However, these efforts should be preceded by a careful analysis of their impact.

RECOMMENDATIONS

The Secretary of HEW should assist the Congress as it deliberates whether or not to consolidate Federal education programs by providing the Congress data on how such proposals will specifically reduce administrative costs and/or improve program implementation. The Secretary should also provide the Congress information on what consequences could result from implementing consolidation proposals.

AGENCY RESPONSE

Office of Education officials notified GAO that they would not be able to provide written comments within the 30 days allowed.

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CHAPTER 1

INTRODUCTION

Elementary and secondary education is primarily a State and local government responsibility. Federal education programs are intended only to supplement or stimulate State and local efforts. For fiscal year 1979 Federal funding was estimated at \$10.1 billion, or about 8.8 percent of the total funds generated for elementary and secondary education in the United States during school year 1978-79.

Assuring that all Americans have equal educational opportunities has been the primary impetus for establishing many Federal education programs. Programs have been established to direct Federal funds to specific groups or categories of students--disadvantaged, migrant, handicapped, and limited English speaking, among others--assuring these groups an equal opportunity for a quality education. Programs have also been established to serve specific purposes.

Using this categorical approach rather than the general aid or block grant approach assured that the Congress could exercise control over Federal resources allocated for specific groups of students or for specific purposes; however, it has resulted in numerous Federal programs.

An exact count of Federal education programs is difficult because of the different definitions of what constitutes a "program." For example, the bilingual program under title VII of the Elementary and Secondary Education Act (ESEA) consists of six separate sections for which separate applications are required from different grantees for different activities. However, the Department of Health, Education, and Welfare's (HEW's) Office of Education (OE) considers these sections to be one program. ESEA, title I, also consists of several different sections with specific activities and grantees, such as

- a section for children in State institutions for the neglected and delinquent,
- a section for disadvantaged children in local education agencies (LEAs),
- a section for handicapped in State supported schools,

In a March 1977 report entitled "Impediments to Effective Federal-State Relations," the Council of Chief State School Officers alluded to the possibility of duplicative services when stating that

"numerous programs are aimed at the same population of children * * *.

"Differences among policies and regulations promulgated by federal agencies make it difficult for states and school districts to integrate these [Federal program] efforts and provide a comprehensive program for this target population."

A February 1978 study entitled "Federal Legislation and Education in New York State" also commented on the potential for duplicate services. The study concluded that because children deficient in one area are frequently deficient in others, multiple supplemental programs focus on the same disadvantaged students. Furthermore, the study concluded that target students are not only pulled out for services, "but may also be pulled in several directions by multiple programs. Student disorientation and excessive loss of class time result."

A March 1978 report prepared for OE entitled "State Efforts to Reduce the Paperwork Burden of Categorical Education Programs" stated that a large amount of administrative effort is required to cope with and coordinate paperwork, especially in those States with many categorical programs, and is compounded in those States that have their own categorical programs.

According to a report by the Commission on Federal Paperwork, one LEA disregarded a \$4,500 grant because administering it would have cost \$6,000 in paperwork.

The following excerpt from the House Committee on Education and Labor's report on the Education Amendments of 1978 shows the Committee's concern.

"The enormous amount of paperwork involved in administering Federal education programs has become a major source of complaints from State and local participants in Federal programs.

SCOPE OF REVIEW

To provide the Congress insight into (1) issues surrounding the concerns that numerous Federal programs are providing duplicate services to students and unnecessarily adding to administrative cost and (2) the possible impact of consolidating Federal education programs, we

- identified the major elementary and secondary education programs with State and/or local involvement and obtained data on the purpose, components, and administrative and other requirements of each;
- reviewed the administration and implementation of 11 programs (selected from the 60 elementary and secondary education programs administered by OE) at OE, 6 SEAs, and 36 LEAs; and
- interviewed officials of, and reviewed studies prepared by OE and other organizations, such as the Council of Chief State School Officers.

The 11 programs, described in detail in appendix III, were selected because they (1) mainly involved direct student assistance in the form of remedial instruction, instructional materials and equipment, or guidance and counseling and (2) generally served students at the elementary levels, thereby increasing the potential of duplicating services to students. The 11 programs are listed below.

- ESEA title I (disadvantaged).
- ESEA title I (migrant).
- ESEA title IV-B (library and learning resources).
- ESEA title IV-C (educational innovation and support).
- ESEA title VII (bilingual).
- Indian Education Act.
- Emergency School Aid Act (ESAA) (basic).

LEA was participating in several Federal education programs. Because of the specific interest in those LEAs with multiple programs, a disproportionate share of the LEAs selected had larger enrollments than the average LEAs from each group whether they were selected from the group of LEAs with enrollments above or below 5,000 students.

Student enrollment in LEAs	Number of LEAS	
	In our analysis	Nationwide
Over 25,000	10	187
10,000 to 24,999	6	530
5,000 to 9,999	2	1,104
2,500 to 4,999	7	2,067
1,000 to 2,499	9	3,463
600 to 999	1	1,864
Less than 600	<u>1</u>	<u>6,619</u>
Total	<u>36</u>	<u>15,834</u>

At individual schools in each LEA we reviewed the coordination and implementation of Federal and State programs and observed classroom activities. We visited from five to eight schools in the medium and large LEAs and four or fewer schools in the small LEAs. To the extent possible, schools were selected which received funding from more than one Federal program.

During our review, the Congress passed the Education Amendments of 1978 (Public Law 95-561), which will modify some programs included in our analysis and may result in changes in OE's organization. However, because these changes were not in effect when we performed our review and as yet not all the implementing regulations have been approved, our analysis did not include the changes to specific programs. Chapter 5, however, does contain an analysis of several changes resulting from the Education Amendments of 1978 that specifically affect the overlap of programs or administrative costs.

<u>Program</u>	<u>Specific group served</u>
Indochina Refugee Children Assistance Act	Indochinese refugee children.
Follow Through	Children from low-income families in kindergarten and primary grades who were previously enrolled in Head Start or similar programs.
Emergency School Aid Act (bilingual)	Minority children who are from environments where English is not the dominant language.

We believe that three reasons exist for establishing separate programs for specific target groups. First, allocation mechanisms of any one program limit the students for whom funds are targeted. For example, Indochinese refugee or Indian children may not be eligible for services from ESEA title I (disadvantaged) even though they may need assistance to reach their full potential. Even if these children were eligible for title I (disadvantaged) services, they may not receive them if they do not attend a title I school. To assure that the needs of children from special target groups (such as migrants, Indians, and Indochina refugees) are met, the Congress established specific programs for these students.

The second reason is to assure that programs emphasize specific services not emphasized in other programs. For instance, the title I (disadvantaged) program generally emphasizes basic skills, such as reading and mathematics. While the title I (migrant) program may address these same skills, it can also provide additional services to migrant children, such as medical treatment and clothing, which are generally not emphasized under the title I (disadvantaged) program.

The third reason is to assure that funds are available to serve special groups. Because some Federal programs are funded consistently below the authorization level--fiscal year 1978 appropriations for ESEA title I (all parts) were \$2.3 billion below authorization 1--not all children who need

1/Based on data furnished in the "Report on Programs Administered by the Office of Education" (fiscal year 1977).

by the OE Basic Skills Task Force identified 38 Federal programs which emphasized five areas of basic skills (reading, speaking, mathematics, listening, and writing) and 14 other programs which offered at least one basic skill component. Also, a March 1977 study of bilingual education programs 1/ identified 18 Federal programs which support bilingual education.

OE regulations for the 11 programs included in our review allow similar services to be provided:

- Basic reading and mathematics instruction are cited in the regulations as authorized services under six different programs.
- Counseling and guidance services are cited as authorized services under five programs.
- Health and nutrition services are cited under four programs.
- Community services are cited under four programs.
- Diagnostic testing of students is cited under four programs.

According to OE program officials, many programs can provide more services than specifically cited in the regulations. They said, for example, that services to improve basic skills can be provided under all programs in our analysis.

Some students are eligible for services under more than one Federal program. For example, information provided by OE's Office of Indian Education showed that, in 1977, OE funded 25 programs that provided assistance to Indians in elementary and secondary education classes. Although the purposes of these programs often varied, some of the services they provide were similar. Likewise, a study of one State's migrant education program showed that migrant students in the State were served by 40 Federal, State, and local programs.

1/"A Study of State Programs in Bilingual Education," Development Associates, Inc., Washington, D.C., prepared for OE Office of Planning, Budgeting, and Evaluation, March 1977, pp. 39 and 42. Based on questionnaire results from 30 States and personal interviews with SEA officials in 20 States and 5 outlying jurisdictions.

the regulations were taken directly from the law and cover a variety of subjects. These requirements cover such areas as

- determining eligibility of participants,
- developing program plans,
- allocating program funds,
- applying for program funds,
- assessing needs of target students,
- involving parents and parent advisory groups,
- supplementing and not supplanting of State and local funds with Federal funds,
- evaluating program results,
- serving children in private schools,
- prohibiting the commingling of funds from different programs, and
- coordinating with other programs.

Federal educational assistance is further complicated by the different ways Federal funds are distributed to LEAs. In general, funds go either directly to LEAs or through the SEA to the LEA. Also, for some Federal programs, funds are distributed based on specific formulas. For others, funds are awarded based on competitive applications. The following table shows, for the 11 programs we analyzed, which programs generally fall into each of these categories.

In addition to differences in the flow of funds, differences in how Federal funds are allocated also occur. Generally, Federal education funds are allocated through either formula grants or competitive applications. Although methods vary depending on the Federal program, for the most part, formula grants are based on a prescribed formula which allows the SEA or OE to compute the amount to which each local agency is entitled. These formulas are usually based on the numbers and types of students enrolled in the LEA. In each case, if specific types of students are enrolled in the LEA, the LEA is entitled to the money.

In contrast, to receive a discretionary award of Federal funds, State or local agencies must submit applications which are judged by either OE or the State. Funds are awarded based on the merits of the proposal. Not every local agency competes for these funds and not every agency that competes actually receives funds.

What we found in the 6 SEAs and 36 LEAs visited concerning duplicative services is related in chapter 3, and information concerning excessive administration costs is the subject of chapter 4.

LARGE LEAS OPERATE PROGRAMS WHICH
COULD DUPLICATE SERVICES

The 36 LEAs in our analysis operated from as few as 3 to as many as 40 programs. 1/ They received funds from 2 to 9 of the 11 programs we analyzed. (See p. 18.)

In addition to the Federal programs, most LEAs also received funds for some State-financed programs. For example, four of the six States--Michigan, Ohio, Georgia, and California--operated their own compensatory education programs. Accordingly, 20 of the 36 LEAs operated State-financed compensatory education programs. Other State programs included bilingual education, special education, and supplemental reading.

Twenty-three of the 36 LEAs operated two or more Federal or State programs that provided similar services to students. State programs that provided services similar to some of the Federal programs were limited primarily to compensatory and bilingual education programs. The 13 that did not operate programs providing similar services were, for the most part, the smaller LEAs which received Federal funds from only a few programs.

Students eligible for services from more than one program varied within the 23 LEAs. In one LEA, officials documented the eligibility of 4,633 students under six Federal and State programs, and they found

- 2,693 were eligible for only one program,
- 1,561 were eligible for two programs,
- 344 were eligible for three programs, and
- 35 were eligible for four programs.

ACTIONS TO AVOID DUPLICATE SERVICES

Nineteen of the 23 LEAs which had two or more programs providing similar services to students used one of three strategies to avoid having large numbers of students receiving similar services from different programs. Of the 19 LEAs

1/Not all programs operated by LEAs provided direct services to elementary and secondary students.

--13 structured their programs by classroom, grade level, or school;

--5 used multifunding of teachers and teacher aides; and

--1 used teachers and teacher aides from several programs interchangeably.

Structuring of programs by classroom, grade level, or school

The structuring of programs by classroom, grade level, or school was the strategy used most often. This practice involves separating Federal or State programs which provide similar services by classroom, grade level, or school. Thirteen of the 19 LEAs used this strategy--six in Georgia, two in Missouri, two in Massachusetts, two in Ohio, and one in California.

In one Ohio LEA the structuring of programs by grade level within each school was quite pronounced. For example, in one school Federal ESEA title I (disadvantaged) program funds were used for only preschool and kindergarten students. The State compensatory education program funds were used for reading instruction at that school to students in grades one through six, and the Federal ESAA (basic) program funded reading instruction to students in grades five through eight. Where both the State compensatory education and the ESAA (basic) programs were providing similar instruction in grades five and six, students in some classrooms received services from one program, and students in other classrooms received services from the other program.

The following table of Federal and State programs and the grade levels served shows how the Ohio LEA structured its programs in the schools we visited.

Grade Level Structuring of State and Federal Programs

<u>School</u>	<u>Title I (disadvantaged)</u>	<u>State compensatory education</u>	<u>ESAA (basic)</u>	<u>Follow Through</u>
1	Prekindergarten	1-5	5-8	
2	Prekindergarten	4-8	4-8	Kindergarten-3
3	1-5		5-8	
4	Prekindergarten	1-8	6-8	
5	Prekindergarten, Kindergarten	1-6	5-8	
7		9-12	9-12	
8			5-8	

The multifunding of teachers and teacher aides was limited to California, where five of the six LEAs analyzed used this approach. Although one LEA official commented that this strategy allowed greater flexibility in providing services to students, our analysis of classroom procedures and LEA records showed that assuring that only target students are served and that the extent of services is proportionate to the share of the salaries paid under each specific program is difficult.

Interchangeable use of teachers and teacher aides

An approach used by a Michigan LEA involves using teacher aides funded by one program to serve students under other programs and vice versa. For example, officials used funds from six programs--ESEA title I (disadvantaged), ESAA (basic), ESAA (bilingual), ESEA title I (migrant), Indian Education Act, and Michigan compensatory education--to provide reading and mathematics services to eligible students. According to LEA officials, these resources were pooled because the programs (1) serve many of the same academic needs for many of the same students, (2) have a common goal of student growth in reading and mathematics, and (3) use classroom teacher aides to provide services.

Under this approach, teacher aides paid from title I (disadvantaged) funds have been assigned to assist target students from other programs as well as title I. For example, in one school, an ESEA title I (disadvantaged) funded aide was assigned to a first grade class of 27 students. Of the 27 students, only two were identified as eligible for the title I (disadvantaged) program, but the aide also served two other students--a title I (migrant) student and a student not identified for any program. The student targeted for the title I (migrant) program received no other special services from that program.

SOME STUDENTS SERVED BY MORE THAN ONE PROGRAM

In some cases students received similar services from more than one program. This occurred both in LEAs that adopted mechanisms to avoid such occurrences and in LEAs that did not have such mechanisms.

because they offered more remedial service to those with a greater need. While we did not analyze the programs specifically, they did appear to complement each other.

In Missouri only two of the six LEAs provided students with similar services from more than one program, and the extent of overlap was quite limited. In the larger of these two LEAs, several programs provided similar services, but the number of students receiving similar services from two or more programs was small. The one exception was an elementary school where 117 students received similar services from more than one program.

--64 students received language development instruction from both the Follow Through and ESEA title I (disadvantaged) programs;

--41 students received language development instruction from both the Follow Through and ESEA title VII (bilingual) programs; and

--12 students received language development instruction from the Follow Through, ESEA title I (disadvantaged), and ESEA title VII (bilingual) programs.

Although we did not attempt to determine whether the extra instruction was needed, the director of the ESEA title VII (bilingual) program told us that the services provided under the bilingual program and the title I program do overlap because both programs involve language development. However, he said he believed that this extra instruction was beneficial to the students.

EDUCATION AMENDMENTS OF 1978

When students were receiving similar services from more than one program, the two programs most often involved were title I (disadvantaged) and a State compensatory education program. Recognizing the need for greater coordination, the Congress, through the 1978 Education Amendments, changed several Federal programs which serve elementary and secondary students. According to the House Committee on Education and Labor report on the proposed Education Amendments of 1978, changes were made to foster a closer coordination between the numerous programs that exist. However, the full impact of these changes will not be known until they are implemented in fiscal year 1980.

CHAPTER 4

ADMINISTRATION OF FEDERAL

EDUCATION PROGRAMS IS COSTLY

Another concern about Federal education programs is that an unnecessarily large portion of funds is spent on administration because of the numerous programs and detailed regulations, thus reducing the funds available for services to students.

We identified significant administrative costs 1/ for the 11 programs in our analysis at all three levels--Federal, State, and local. The fact that agencies at these levels have to deal with separate programs having different regulations and requirements as well as separate applications, separate evaluations, and separate parent advisory councils has undoubtedly created more administrative work and increased costs. But, because of differences in programs and variations in how SEAs and LEAs are organized to administer them, determining how much additional burden is added by the numerous programs or the potential savings in administrative costs that would result from consolidation is difficult, if not impossible.

ADMINISTRATION BY OE

OE administers most Federal education programs including all 11 programs in our analysis. 2/ Within OE the Bureau of Elementary and Secondary Education is responsible for most programs for elementary and secondary students. Other offices and bureaus, such as the Office of the Executive Deputy Commissioner for Educational Programs, the Office of Indian Education, the Bureau of Education for the Handicapped, and the

1/We defined administrative costs as those costs not directly related to services to students. We included salaries and benefits for program coordinators, directors, evaluators and clerical personnel; their travel; office supplies; indirect charges; teacher inservice training; and the cost of office functions, such as accounting and data processing.

2/On October 17, 1979, legislation was approved establishing the Department of Education which will have the responsibilities discussed in this section.

- conducting seminars and workshops to assist in program implementation,
- making field visits to monitor the implementation of the programs,
- reviewing SEA and LEA evaluations of programs' results,
- performing national evaluations for each program, and
- preparing status reports for the Congress for each program.

In the case of ESEA title I, 1/ for example, OE's Division of Education for the Disadvantaged is responsible for program administration which in fiscal year 1978 cost OE about \$2 million. The Division, which is in the Bureau of Elementary and Secondary Education, has four branches:

- Program Service.
- Program Support.
- Program Operations.
- Program Analysis.

OE requires each State to submit an annual plan for the ESEA title I program. The plans are reviewed individually by OE staff. OE delegates to each State the responsibility for assuring that its plan is implemented according to OE regulations.

Also, title I review teams (consisting of program specialists) are suppose to visit every State every year and review title I projects in four to eight LEAs. Each LEA review takes from 1 to 4 days. During the reviews at the LEAs, OE teams

- talk with title I program coordinators, school principals, and title I teachers and teacher aides;

1/This includes all parts of ESEA title I except handicapped, which is administered by OE's Bureau of the Handicapped.

ADMINISTRATION BY SEAS

Because OE frequently delegates responsibility for the detailed administration of Federal programs to SEAs, the administrative costs at the State level are usually quite significant. SEA costs for administering Federal programs often exceed the administrative cost at the Federal level. For example, under title I (disadvantaged), the SEA administrative responsibilities include preparing an annual program plan, reviewing and approving detailed LEA applications, and monitoring LEA performance. For fiscal year 1978 the SEAs were allocated about \$24 million for administering title I, about 12 times the \$2 million spent by OE for managing title I.

Predicting how much overall SEA administrative costs could be reduced by consolidation is very difficult, however, because of the variance in SEA administrative spending by program and by SEA. Administrative costs varied for two basic reasons:

- The administrative cost allowed by Federal regulations differs among the programs.
- The organization of individual SEAs differs substantially.

SEAs' administrative responsibilities and funding vary by program

Administrative charges to Federal programs by SEAs are often limited by Federal law or regulations. For instance, SEA administrative costs charged to ESEA title I are limited to 1.5 percent of the total State allocation, or \$225,000, whichever is greater. The ESEA title IV-B program allows SEAs 5 percent of the program funds for administration.

Because of the major responsibility assigned to SEAs under some programs and because of other programs directed at improving SEA management and administrative capabilities, the Federal Government pays a large share of the costs incurred by SEAs in administering education programs. The following table shows, for the six States in our review, the number of Federal education programs providing funds for administration to the SEAs, and the portion of total SEA administrative cost paid with Federal funds for fiscal year 1978.

each Follow Through project expected to be in operation in the State during the application period, plus an amount based on the incidence of children from low-income families in the State. Funds are to be used for assisting local projects in coordinating, evaluating, and training personnel. Right to Read grants to an SEA are not to exceed 1 percent of the total grants made within the State. Funds may be used by the SEA to operate a project.

For the three other programs--Indian Education, ESAA (basic), and ESAA (bilingual)--the SEA's only role is to comment on LEAs' applications to OE. The SEAs receive no funds under these programs.

The following table shows the amount of administrative funds under the eight programs allocated to SEAs in the six States in fiscal year 1978.

<u>Program</u>	<u>Calif- ornia</u>	<u>Georgia</u>	<u>Massach- usetts</u>	<u>Mich- igan</u>	<u>Miss- ouri</u>	<u>Ohio</u>	<u>Total</u>
(thousands)							
ESEA title I (disadvantaged)	a/\$2,792	a/\$ 287	a/\$ 491	a/\$ 936	a/\$ 369	a/\$ 661	a/\$ 5,536
ESEA title I (migrant)	(b)	(b)	(b)	(b)	(b)	(b)	(b)
ESEA title IV-B	825	132	200	324	c/111	385	1,977
ESEA title IV-C	1,817	933	1,343	2,442	c/981	2,492	10,008
Indochinese	106	1	1	23	3	15	149
ESEA title VII (bilingual)	535	5	69	47	(d)	23	679
Follow Through	45	17	17	(d)	(d)	16	96
Right to Read	<u>309</u>	<u>98</u>	<u>101</u>	<u>182</u>	<u>91</u>	<u>187</u>	<u>968</u>
Total	<u>\$6,429</u>	<u>\$1,473</u>	<u>\$2,222</u>	<u>\$3,954</u>	<u>\$1,555</u>	<u>\$3,779</u>	<u>e/\$19,413</u>

a/Represents administration of ESEA title I, all parts.

b/Administrative charges for program included under title I (disadvantaged).

c/Estimate.

d/No program.

e/Represents about 8 percent of total program funds.

education program and two Federal programs--title I (disadvantaged) and title I (migrant). The Michigan SEA's compensatory education unit, at the time of our fieldwork, had a staff of 33--31 were paid with title I funds and 2 (6 percent) were paid with State compensatory education funds. The two paid by State funds administered only the State program. However, of the 31 paid by title I, 23 administered the State program, in addition to title I, while the other 8 administered the title I (migrant) program only. Records did not show how much staff time was spent on each program by the title I staff or for which specific programs their travel costs were incurred. According to SEA officials, they plan to equitably prorate the costs incurred by the title I staff (salaries, travel, etc.,) between title I and the State compensatory education.

The Georgia SEA is basically organized by function rather than by program. As a result the administration of similar State and Federal programs is also combined under major units of the SEA.

Where Federal and State programs have similar purposes, provisions, and participants, consolidation of administration at the SEA could reduce the cost of administering multiple programs. However, assuring accurate administrative charges to each funding source can create problems. For example, OE is seeking a reimbursement of over \$900,000 from the California SEA for overcharging indirect costs of multifunded staff to Federal funds.

In Ohio, Missouri, and Massachusetts, the administration of Federal education programs has generally been kept separate from the administration of State programs. For example, in the Ohio SEA, five of the major programs in our analysis were administered by the State Division of Federal Assistance. The Division prorates its administrative cost among the various Federal programs, but has not mixed Federal and State resources. An Ohio SEA official stated that, as a result, they have not had any difficulty separating Federal administrative costs from State administrative costs.

In Missouri and Massachusetts, the opportunity for coordinating program administration was quite limited because of the small number of similar Federal and State programs. Even

As shown in the following table, for those programs that appear to require additional administrative effort, such as Follow Through, ESAA (bilingual), ESEA title VII (bilingual), and ESEA title IV-C--the average administrative costs ranged from 17 to 39 percent of total program costs. For those programs which do not appear to require extensive administrative effort by the LEA, such as ESEA title I or ESEA title IV-B, administrative costs ranged from 3 to 10 percent of total program costs.

<u>Program</u>	<u>Average percentage of administrative costs to total program costs</u>
Title I (disadvantaged)	10
Title I (migrant)	20
Title IV-B	3
Title IV-C	17
Title VII (bilingual)	34
ESAA (basic)	23
ESAA (bilingual)	39
Right to Read	13
Follow Through	18
Indian Education	29
Indochina Refugee Children Assistance	8

Administrative cost among LEAs also varied

Variances in administration costs among LEAs also make it difficult to identify potential ways of reducing costs. In Michigan, for example, one large LEA charged a relatively large percentage of Federal funds for administration as follows.

<u>Program</u>	<u>Administrative charges</u>	<u>Percent of program funds charged to administration</u>
Title I (disadvantaged)	\$334,098	26
ESAA (basic)	104,557	43
Title VII (bilingual)	60,936	52

only minimal charges to Federal funds. In large LEAs, however, a separate full-time staff, whose salaries are charged to the program, is often used to manage and administer the program.

Impact of multiple programs
on administrative costs

According to several LEA officials, the numerous Federal programs have increased LEA administrative costs. They stated that the programs add to their paperwork and the diversity in regulations adds to the administrative costs.

For example, in a large LEA in Ohio, the Federal program administrator said that with several programs requiring a parent advisory council, several school principals complained that dealing with additional parent groups takes too much of their time.

The administrator of a large LEA in Missouri stated that the diversity of agencies and divisions within those agencies which now award funds has made it more difficult and expensive to apply. He also stated that there can be no doubt that the diversity of regulations which govern separate programs adds considerably to the administrative costs of both applying for funds and operating those programs.

The superintendent of a small Georgia LEA stated that Federal programs require an inordinate amount of paperwork and that local officials become nothing more than "paper shufflers." However, without specific information on how the number of programs would be reduced or what regulations would be changed, local officials could not provide specific examples of what costs would be reduced if the number of programs was reduced.

CONCLUSIONS

Just how much administrative burden is added to the Federal Government, SEAs, and LEAs by the numerous Federal elementary and secondary education programs is not known. Without this information, determining the potential savings in administrative costs that could result from consolidation will be difficult, if not impossible. Also, as discussed in chapter 5, the extent to which administrative costs are reduced through consolidation depends on how much the Government is willing to reduce assurances that Federal funds are used for special target groups or special services.

POTENTIAL IMPACT OF CONSOLIDATION
ON ADMINISTRATIVE COSTS

A major question concerning consolidation is whether it would reduce the administrative costs of Federal programs. To the extent that it eliminated or reduced the different Federal regulations with which SEA and LEA officials must deal, the administration of programs could be simplified. Also, merging the administration and evaluation of Federal programs or Federal and State programs could reduce administrative costs. However, reduced administrative costs from consolidation cannot be taken for granted.

One consolidation attempt involving ESEA title IV-B (library and learning resources) and title IV-C (educational innovation and support) failed to reduce administrative costs and may have increased them. The Education Amendments of 1974 (88 Stat. 539) required LEAs to submit just one application covering both programs.

During House hearings on the 1978 Education Amendments, much criticism was levied at the title IV-B and title IV-C consolidation. The superintendent of one SEA stated that OE did not consolidate the units responsible for reviewing State plans. Another SEA official claimed that, although the consolidated application reduced the number of applications, it increased the volume of paperwork. Some leaders of other SEAs sent letters to the Chairman of the House Subcommittee on Elementary, Secondary, and Vocational Education claiming such things as increased administration. Recognizing that the consolidated application caused confusion and frustration and actually resulted in more paperwork, the Congress removed the single application requirement in the 1978 Amendments.

ASSURANCES THAT
TARGET GROUPS BENEFIT

The extent that administrative costs are reduced through consolidating Federal programs depends on the willingness of the Congress to lessen assurances that target groups now being served will continue to receive the same level of services. A major purpose in establishing many of the Federal education programs was to assure that specific target groups of students receive services needed for equal educational opportunities. Accordingly, consolidating programs could jeopardize the assurance that specific target groups

questions concerning a specific proposal 1/ for consolidating Federal education programs, we interviewed nine persons in each of six States--two SEA officials, a representative of the State legislature, two LEA officials, and representatives of four different citizen groups. The six States were Florida, Georgia, Michigan, Missouri, South Dakota, and Texas.

Overall, 29 of the 54 interviewees favored the consolidation approach, 23 opposed it, and 2 were undecided. Interviewees indicated many strong and weak points of the proposed consolidation. In many instances more than one strong or weak point was cited by an interviewee. However, the results from these interviews were not conclusive. For example, as shown in the following table, reduced overlap and reduced paperwork were cited by some as strong points of consolidation. Others said that no real consolidation or program change, no paperwork reduction, and increased bureaucracy and administrative costs were weaknesses in the consolidation approach. In addition, the flexibility of SEAs and LEAs under consolidation was cited as being both "too great" and "insufficient."

1/Proposed amendment to the Education Amendments of 1978 (S. 1753).

ALTERNATIVES TO CONSOLIDATION
FOR REDUCING ADMINISTRATIVE COST

Both the Congress and OE have taken recent actions to reduce the cost of administering Federal education programs. The Congress, in the Education Amendments of 1978 (20 U.S.C. 2701), made several changes designed to improve coordination of programs and decrease administrative cost. OE, as part of HEW's "Operation Common Sense," tried an effort to simplify the administrative requirements of Federal programs.

Provisions in Education
Amendments of 1978

Some of the key provisions of the Education Amendments of 1978 were intended to simplify program administration. One purpose of the amendments was to simplify Federal education programs to make their requirements more understandable, to clarify administrative responsibility at each level, to effect better coordination between numerous programs that exist, and to cut down greatly on the paperwork.

Under the amendment, States may now submit a single application to cover all programs under which funds flow from the SEA to the LEAs (e.g., titles I and IV). In addition, a single application may be used by the LEA to cover all SEA-administered programs for which the agency applies.

Another major reform is the establishment of a 3-year State monitoring and enforcement plan for ESEA title I programs which replaces the annual State plans.

In several programs--title I (disadvantaged) and title I (migrant), title IV-B, and title VII (bilingual)--the LEA or SEA may also submit applications for up to 3 years, rather than each year as previously required. Under title I, the LEA may submit evaluations for a period up to 3 years.

Some other changes affected only one particular program. In title I (disadvantaged), LEAs with a compensatory education program funded by title I (disadvantaged) and State or local programs need not account for Federal funds separately, if title I (disadvantaged) requirements are met. In title VII (bilingual), the Director of the Office of Bilingual Education is officially charged with coordinating the bilingual components of all OE programs.

For example, allowing the participation of children in private schools is a specific legal requirement in many programs, but programs under the Indian Education Act do not have that requirement. Where such differences in legal requirements exist, they cannot be modified by regulations. As a result, whether the participation of children in private schools in Federal programs is allowed can only be determined by referring to the individual program regulations. State and local officials must refer to the specific regulations for each program to determine what is allowed concerning the participation of children in private schools.

CONCLUSIONS

Much interest had been expressed in consolidating Federal elementary and secondary education programs under the belief that consolidation would eliminate duplication of services to students and would reduce administrative costs associated with these programs. However, our analysis did not disclose any significant amounts of duplicate services to students, and we were not able to identify how consolidation would reduce administrative costs. In fact, some officials believe it could add administrative costs. Also, proposals to consolidate education programs raised questions about the effect that consolidation could have on the ability of the Congress to assure that specific groups targeted for Federal education programs would continue to receive the same level of services currently being provided. Until specific administrative cost reductions are identified and the Congress has the assurances it needs that groups will continue to be served, the value of consolidation is questionable.

The numerous Federal elementary and secondary education programs have created a very complex structure for Federal, State, and local education officials and ways of simplifying and improving the administration of these programs are needed. However, any proposals to improve Federal education program administration should be carefully analyzed to determine specifically how administrative costs could be reduced and what, if any, negative consequences could result. Only after these questions have been adequately resolved should changes in the Federal education program structure be implemented.

that our scope did not include the programs for educating the handicapped or consider Federal civil rights requirements.

We agree that the number of programs included in our analysis was limited. However, we chose the programs because of their high potential for overlap, as shown in the report. We believe that a broadening of our scope would not have produced different results. For example, although our analysis of duplicate services did not include programs for the handicapped, OE did analyze the overlap between ESEA title I (disadvantaged) and the handicapped program, and in its August 1979 report noted that, despite the overlap of services, the extent of duplicate services to the same student was minimal.

OE officials also stated that the conclusions do not follow from the analyses in the report. They pointed out that:

- Evidence in the report implies that LEAs avoid duplicating services by evading or loosely interpreting the requirements of some Federal programs, and that duplicating services might be avoided in spite of, rather than because of current Federal program structures.
- The report concludes that discussions with State and local administrators were inconclusive with respect to the need for consolidation, yet the majority of those interviewed agreed that consolidation is needed.
- The report asserts that consolidation could jeopardize the ability of the Federal Government to assure that target populations are served. They said that, while this may well be a drawback to previous proposals, it is not necessarily an indictment of all future ones, and it is conceivable that consolidation could be designed to raise the level of services to these groups.

We agree that local efforts are the main reason that duplicate services to students has been minimal. However, we believe the important fact is that duplicate services were minimal, and, in view of this, consolidation of Federal programs to avoid duplication appears unnecessary.

FEDERAL ELEMENTARY AND SECONDARY EDUCATIONPROGRAMS FOR WHICH SEAS AND/OR LEAS ARE ELIGIBLE

	FY 1977 appropriation (note a)
1. Bilingual Education (ESEA title VII)	\$ 101,625,000
2. Civil Rights Technical Assistance and Training	34,700,000
3. Education Broadcasting Facilities	15,000,000
4. Alcohol and Drug Abuse Education Program	2,000,000
5. Program for Education of Handicapped Children in State Operated or Supported Schools (ESEA title I)	111,433,451
6. Educationally Deprived Children--Local Educational Agencies (ESEA title I)	1,721,361,155
7. Educationally Deprived Children-- Migrants (ESEA title I)	130,909,832
8. Educationally Deprived Children-- State Administration (ESEA title I)	21,185,411
9. Educationally Deprived Children in State Administered Institutions Serving Neglected or Delinquent Children (ESEA title I)	28,841,151
10. Follow Through	59,000,000
11. Foreign Language and Area Studies-- Research	850,000
12. Fulbright-Hays Training Grants--Foreign Curriculum Consultants	325,000
13. Fulbright-Hays Training Grants--Group Projects Abroad	919,710
14. Handicapped-Research and Demonstration Education of the Handicapped Act (EHA)	11,000,000
15. Handicapped Early Childhood Assistance (EHA)	22,000,000
16. Handicapped Innovative Programs-- Deaf-Blind Centers (EHA)	16,000,000
17. Handicapped Media Services and Captioned Films (EHA)	19,000,000
18. Handicapped Preschool and School Programs (EHA)	200,000,000
19. Handicapped Regional Resource Centers (EHA)	9,750,000

	FY 1977 appropriation (note a)
44. Indian Education--Special Programs and Projects	\$ 13,080,000
45. Ethnic Heritage Studies Program	2,300,000
46. Career Education	10,135,000
47. Bilingual Vocational Training	2,800,000
48. Education for the Use of the Metric System of Measurement	2,090,000
49. Education for Gifted and Talented Children and Youth	2,560,000
50. Community Education	3,553,000
51. Consumers' Education	3,135,000
52. Women's Educational Equity	7,270,000
53. Elementary and Secondary Education in the Arts	1,750,000
54. Handicapped Innovative Programs-- Programs for Severely Handicapped Children	5,000,000
55. Libraries and Learning Resources (ESEA title IV-B)	147,330,000
56. Educational Innovation and Support (ESEA title IV-C)	184,521,852
57. Assistance to States for State Equaliza- tion Plans	10,500,000
58. Bilingual Vocational Instructor Training	700,000
59. Bilingual Vocational Instructional Materials, Methods, and Techniques	280,000
60. Indochina Refugee Children Assistance Act	<u>18,500,000</u>
Total of OE-administered programs	<u>4,801,070,110</u>
61. Promotion of the Humanities--Elementary and Secondary Education Program	4,000,000
62. Indian Property Acquisition--Transfer of Indian School Properties	-
63. Indian Education--Assistance to Schools	34,530,000
64. Facility School Construction Planning and Equipping	25,000,000
65. School Breakfast Program	184,000,000
66. Equipment Assistance for School Food Service Programs	28,000,000
67. National School Lunch Program	1,751,993,000
68. Special Milk Program for Children	154,111,000
69. Administration for Children, Youth, and Families--Head Start	475,000,000

STATE AND LOCAL EDUCATION AGENCIESINCLUDED IN REVIEW

<u>SEA/LEA</u>	<u>Enrollment</u>
California:	4,300,000
San Diego Unified School District	118,697
Long Beach Unified School District	61,167
Lawndale Elementary School District	4,782
Santa Barbara Elementary School District	4,294
Los Nietos School District	2,149
Wiseburn School District	1,550
Georgia:	1,019,803
Muscogee County School District	37,536
Clayton County School System	32,486
Clarke County School District	10,257
Marietta City Schools	4,234
Macon County School System	2,886
Oglethorpe County Schools	2,080
Massachusetts:	1,097,621
Boston Public Schools	71,568
Fall River Public Schools	14,379
Lawrence Public Schools	9,768
Hopkinton Public Schools	1,405
Tyngsborough School System	1,258
Berkley School System	455
Michigan:	2,081,936
Lansing School District	28,979
Pontiac City School District	20,344
Saginaw City School District	18,614
Gwinn Area Community Schools	3,311
Bath Community Schools	1,360
New Haven Community Schools	1,336
Missouri:	1,026,999
Kansas City School District	45,205
Ferguson-Flourissant School District	17,171
Columbia Public Schools	11,320
Clayton School District	1,998
Kearney School District	1,700
Southern Boone R-I School District	799

DESCRIPTION OF SELECTEDFEDERAL PROGRAMS

Our analysis of the implementation of Federal education programs concentrated on the following 11 OE programs:

ESEA title I (disadvantaged)
 ESEA title I (migrant)
 ESEA title IV-B (library and learning resources)
 ESEA title IV-C (educational innovation and support)
 ESEA title VII (bilingual)
 Indian Education Act
 Emergency School Aid Act (basic)
 Emergency School Aid Act (bilingual)
 Indochina Refugee Children Assistance Act
 Right to Read
 Follow Through

Each of these programs is described below. 1/

TITLE I OF THE ELEMENTARY AND
 SECONDARY EDUCATION ACT OF 1965

Legislative enactment

ESEA, title I, was enacted in recognition of the special educational needs of children of low-income families and the effect that concentrations of low-income families have on the ability of LEAs to support adequate educational programs. Title I provides financial assistance to SEAs and LEAs to meet the special educational needs of (1) educationally deprived, (2) handicapped, (3) migrant, and (4) neglected and delinquent children. The program's objective is to expand and improve educational programs for these children, whether enrolled in public or private schools.

1/During our review, the Congress passed the Education Amendments of 1978 (92 Stat. 2143), which will modify some programs included in our analysis and may result in changes in OE's organization. However, because these changes were not in effect when we performed our review and as yet not all implementing instructions have been approved, our descriptions do not refer to changes except when shown parenthetically.

The SEAs are responsible for disbursing program funds to the LEAs. In addition, the SEAs (1) review and approve or disapprove the project proposed by each LEA in its annual application to the SEA, (2) provide technical assistance to the LEAs, and (3) periodically monitor their practices. The SEAs must also provide assurances to OE that their program will be administered in accordance with the law and the regulations. They must submit to OE annual fiscal and evaluation reports. The LEAs, in turn, are required to submit fiscal and evaluation reports to the SEAs. For administration of all parts of title I, the SEA receives a grant equal to 1 percent of the total title I allocation for the State. (The 1978 amendments changed this to 1.5 percent.)

The services which can be provided under the title I (disadvantaged) program are varied. Remedial reading and mathematics at elementary schools were the two most dominant services identified in our analysis of 36 LEAs. However, other services were also provided under this program and included

- preschool,
- kindergarten,
- English as a second language,
- language development,
- inservice training of teachers,
- providing schooling for high school dropouts who return to school, and
- curriculum for pregnant students.

Title I (migrant)

The title I (migrant) program provides funds to SEAs to administer and operate the State's program. The SEA may operate the program by itself or it may pass the money on to LEAs and other public or nonprofit private organizations as subgrantees. The formula for computing the maximum grant a State may receive is based on the number of full-time equivalent school age (5-17 years) children of migratory agricultural workers or fishermen residing on a full- or part-time basis in the State.

using appropriated funds. The three programs that were consolidated were School Library Resources, School Equipment and Minor Remodeling, and the Guidance, Counseling, and Testing portion of ESEA title III. The program provides for acquiring

- school library resources, textbooks, and other instructional materials;
- instructional equipment used for academic subjects and minor remodeling; and
- testing, counseling, and guidance programs for elementary and secondary students and programs, projects, and leadership activities to strengthen counseling and guidance services.

OE's Office of Libraries and Learning Resources, Bureau of Elementary and Secondary Education, administers title IV-B. The law requires each State desiring title IV-B funds to establish a State advisory council and submit a State plan designating the SEA as the agency responsible for program administration. The law also requires the State Title IV Advisory Council to submit annually a report of their activities and recommendations, together with any comments of the SEA on title IV-B. (The 1978 Education Amendments changed this requirement to once every three years.) The law permits the SEA to use up to 5 percent of the funds received or \$225,000 whichever is greater to administer the program.

The LEAs included in our analysis generally used title IV-B funds to purchase library books. Other specific uses included

- audiovisual equipment,
- added science instruction, and
- instructional equipment for high school metal class.

TITLE IV-PART C OF THE
ELEMENTARY AND SECONDARY
EDUCATION ACT OF 1965, AS AMENDED

Legislative enactment

ESEA title IV-C (educational innovation and support) is a formula grant program under which four programs were

- Up to 5 percent or \$225,000 can be used to administer the program.
- At least 15 percent will be used to operate special programs or projects for educating children with specific learning disabilities and handicapped children.
- The remaining funds are made available to LEAs to operate programs and projects for public and non-public school children.

ESEA title IV-C funds are awarded by the SEA on a competitive basis to LEAs. To assure that funds are distributed equitably, the SEAs are to provide technical assistance to LEAs that are less able to compete due to small size or lack of local financial resources. Since title IV provides for a single application process for parts B and C, LEAs applying for both grants are required to submit only one application.

OE's Bureau of Elementary and Secondary Education and State and Local Educational Programs administers title IV-C. As with title IV-B, OE requires each State wishing title IV-C funds to submit a State plan designating the SEA as the agency responsible for administering the program. OE also requires the State Title IV Advisory Council to submit annually a report of the activities, recommendations, and evaluations of the title IV program, both parts B and C.

The LEAs included in our review that received title IV-C grants generally used the funds to establish innovative demonstration projects and supplementary education centers.

BILINGUAL EDUCATION ACT, TITLE VII
OF THE ELEMENTARY AND SECONDARY
EDUCATION ACT

Legislative enactment

The Bilingual Education Act which was passed in 1974 as ESEA title VII amended the original Bilingual Education Program which was passed in 1968. The program's general goal is to provide an equal educational opportunity for children of limited English-speaking ability (children who have difficulty speaking and understanding instruction in English, because it is not their native language, or it is not their

elementary or secondary schools, training programs for bilingual education personnel, preschool bilingual education programs, and community adult bilingual education programs.

An SEA in a State where programs of bilingual education operated during the preceding fiscal year may submit a grant application to provide technical assistance to LEAs in conducting programs of bilingual education. The grant of any State may not exceed 5 percent of the total amount paid to LEAs in the State. Technical assistance may be in the form of

- monitoring programs of bilingual education,
- evaluating the impact of bilingual education programs,
- facilitating exchange of information among bilingual programs, and
- disseminating to LEAs sample copies of materials acquired by the SEA.

The Office of Bilingual Education, to facilitate the SEA's role as technical assistant, notifies the SEA of applicants within their State and gives them an opportunity to offer recommendations to the applicant and OE. OE does not hold the SEA accountable for the LEAs' management of a bilingual program, but holds each grantee responsible for programs operated with ESEA title VII funds.

For LEAs in our review receiving a title VII grant, the funds were used to finance programs of bilingual instruction.

INDIAN EDUCATION ACT
(PUBLIC LAW 92-318)
TITLE IV, PART A

Legislative enactment

Title IV, part A, of the 1972 Education Amendments, the Indian Education Act, provides financial assistance to LEAs for elementary and secondary education programs to meet the special educational needs of Indian and Alaska Native children. The program authorizes financial assistance by a formula grant to LEAs to plan, develop, and implement elementary and secondary school programs designed to meet the special educational needs of these children.

Program legislation also requires a parent/teacher/student committee to be used in developing the program. The committee initiates and administers the local Indian program, helps define the needs of Indian students, and works with the LEA in applying for the appropriate services to meet these needs.

For those LEAs in our analysis, grant recipients used the funds to provide tutorial reading, cultural activities, materials, and guidance and counseling.

EMERGENCY SCHOOL AID ACT (ESAA), TITLE VII
OF THE EDUCATION AMENDMENTS OF 1972

Legislative enactment

In 1972 ESAA was enacted because the Congress found that the process of eliminating or preventing minority group isolation and improving the quality of education for all children often involved more expense than LEAs could afford. The program was intended to provide LEAs with financial assistance to (1) meet the special needs incident to the elimination of minority group segregation and discrimination among students and faculty in elementary and secondary schools, (2) encourage the voluntary elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial proportions of minority group students, and (3) aid school children in overcoming the educational disadvantages of minority group isolation. 1/

The ESAA program originally had eight parts, three of which were State apportionment programs (basic grants, pilot projects, and nonprofit organization grants) and the other five (bilingual projects, educational television, metropolitan area projects, special projects, and evaluation) were discretionary programs. Our review efforts concentrated on the basic grants and the bilingual projects.

Basic grants are awarded to eligible LEAs to meet needs arising from the implementation of several kinds of desegregation plans. Basic grants may be awarded to any LEA that (1) is implementing a required plan or has adopted and will implement a nonrequired plan if assistance is made available,

1/The 1978 Education Amendments eliminated the third stated intention from the program.

INDOCHINA REFUGEE CHILDREN
ASSISTANCE ACT OF 1976

Legislative enactment

The program was created to provide Federal financial assistance to States to assist LEAs in providing education to refugee children from Cambodia, Vietnam, or Laos. Title I of the act sets forth a program for fiscal year 1976. Title II sets forth provisions for a transition period and fiscal year 1977. It also directs assistance to Indochinese refugee children in public and nonpublic elementary and secondary schools. Grants are provided by OE through SEAs.

This program was extended through fiscal year 1981 by the 1978 education amendments.

Funding and management

Program funds for July 1, 1976, through September 30, 1977, amounted to \$18.5 million, appropriated by the Congress in the Supplemental Appropriations Act of May 4, 1977. Grants were approved to the 50 States, the District of Columbia, and Guam from these funds. State entitlements were based on the number of Indochinese refugee children aged 5 through 17 receiving public educational services under the supervision of LEAs within the State. The entitlement was based on

- \$300 for each eligible child in the LEA up to the first 100 eligible students, or 1 percent of the student population, whichever is less, and
- \$600 for each eligible child above the first 100 children, or 1 percent of the student population.

Funds received by an SEA were then distributed among eligible LEAs based on the above formula. A maximum 1 percent of the total State allocation was provided to each SEA for program administration.

OE's Task Force on Indochinese Refugee Children Assistance is responsible for the program and for distributing the funds. The Task Force is responsible for reviewing and approving all SEA applications for funds. The SEA, in turn,

In the 1978 amendments, this program was eliminated and its function became a part of ESEA title II, Basic Skills Improvement.

Funding and management

Right To Read grants or contracts can be awarded to any public or nonpublic school or school district recognized by the SEA and to any SEA making application. The program is administered by OE's National Right To Read Office, which is responsible for reviewing and approving or disapproving all applications.

FOLLOW THROUGH

Legislative enactment

Follow Through was originally passed in 1964 as part of the Economic Opportunity Act. The current statute was passed in 1975 as Title V-Head Start and Follow Through of the Head Start, Economic Opportunity, and Community Partnership Act of 1974. The Follow Through program was enacted to amplify, in primary grades, the educational gains that children from low-income families make in Head Start and other quality pre-school programs. Follow Through provides special programs of instruction as well as health, nutrition, and other education-related services that will aid in the continued development of children to their full potential. Active parental participation is stressed.

Funds may be used for project activities not included in services provided by the school system. Such activities include specialized and remedial teachers and teachers aides and materials, physical and mental health services, social services staff and programs, nutritional improvement, and parent activities. Funds may not be used for salaries of regular classroom teachers during the normal schoolday, for construction of new facilities, or for other purposes that are normally the fiscal responsibility of the school system.

Funding and management

The Follow Through program operates out of two offices within OE. The responsibility for administration and management of the program lies with the Division of Follow Through, while the responsibility for evaluation lies with the Office of Planning, Budgeting, and Evaluation.

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