
Review of Title III Program, HEA,
Compliance with GPRA Requirements for
Implementation of Performance Indicators

FINAL AUDIT REPORT



ED-OIG / A04-90014
June 2000

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U.S. Department of Education
Office of Inspector General
Atlanta, Georgia

NOTICE

Statements that management practices need improvement, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determination of corrective action to be taken will be made by appropriate Department of Education officials.

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UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF INSPECTOR GENERAL

THE INSPECTOR GENERAL

June 30, 2000

MEMORANDUM

TO: Dr. Lee Fritschler
Assistant Secretary
Office of Postsecondary Education

FROM: Lorraine Lewis

SUBJECT: Final Audit Report
Review of Title III Program, HEA, Compliance with GPRA
Requirements for Implementation of Performance Indicators
ED-OIG/A04-90014

We conducted a review to determine if the Title III Program of Higher Education Programs (HEP): (1) has met the Government Performance and Results Act (GPRA) requirements for developing Title III Program performance indicators and (2) has developed an accountability system for reporting on the indicators. This report presents our findings in detail.

The results of our review indicate that HEP may be unable to satisfy the GPRA requirement to report on the performance of the Title III Program in FY 2000. In addition, HEP officials may be unable to assert that the data used for performance measurement are reliable and valid.¹

We found that performance indicators have been developed along with proposed methods for measuring the indicators. However, HEP did not follow U.S. Department of Education (ED) guidelines suggested for developing performance indicators, and the system used to obtain and compile data for reporting on the indicators is not adequate.

¹Objective 4.7 of ED's Strategic Plan, Performance Indicator 30, states that by 2000, all ED program managers will assert that the data used for their program's performance measurement are reliable and valid or will have plans for improvement.

Although these conditions exist, in part, because of limited administrative resources, there is no assurance that the performance indicators and data sources will properly measure Title III Program performance.

We received and reviewed comments from the Director of Institutional Development & Undergraduate Education Services (IDUES). The comments show concurrence with the findings and recommendations in our draft report. The Office of Inspector General finds the draft report responses satisfactory to begin addressing our recommendations.

In accordance with Office of Management and Budget Circular A-50, we will keep this audit report on the OIG list of unresolved audits until all open issues have been resolved. Any reports unresolved after 180 days from the date of issuance will be shown as overdue in the OIG's Semiannual Report to Congress.

Accordingly, please provide the Supervisor, Post Audit Group, Financial Improvement and Post Audit Operations, Office of the Chief Financial Officer and the Office of Inspector General's Acting Assistant Inspector General for Audit Services with semiannual status reports. These reports should address promised corrective actions until all such actions have been completed or continued follow-up is unnecessary.

In accordance with the Freedom of Information Act (Public Law 90-23), reports issued by the Office of Inspector General are available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act. Copies of this audit report have been provided to the offices shown on the distribution list enclosed in the report.

We appreciate the cooperation given during the review. If you have any questions or wish to discuss the contents of this report, please call Carol Lynch, Regional Inspector General for Audit, at (404) 562-6462. Please refer to the above control number in all correspondence relating to this report.

Attachments

cc: Claudio Prieto, Deputy Assistant Secretary for Higher Education Programs
Alan Ginsburg, Director of Planning and Evaluation Service
Judith Winston, General Counsel
Harold Jenkins, Assistant General Counsel

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EXECUTIVE SUMMARY

We conducted a review to determine if the Title III Program of Higher Education Programs (HEP) (1) has met the Government Performance and Results Act (GPRA) requirements for developing Title III Program performance indicators and (2) has developed an accountability system for reporting on the indicators.

The results of our review indicate that HEP may be unable to satisfy the GPRA requirement to report on the performance of the Title III Program in Fiscal Year (FY) 2000. HEP officials may be unable to assert that the data used for performance measurement are reliable and valid. Specifically, our audit identified that HEP:

- Did not follow the Department of Education's (ED) recommended guidelines for establishing a working group of essential personnel to develop the FY 2000 GPRA-required performance indicators for the Title III Program.
- Did not have an adequate system to obtain and compile data needed for measuring performance. Furthermore, HEP did not have any staff assigned to this task, and the data format in the reports may not be conducive to deriving performance statistics.

In addition, ED added several new requirements for the GPRA performance plan and report. ED asked program offices to set up new targets (performance indicators) for the years 1999, 2000, and 2001 by December 3, 1999. However, the Title III Programs' Institutional Development and Undergraduate Educational Service (IDUES) did not meet this deadline. IDUES did not submit its revised plan for its first GPRA performance report until January 2000.

Although these conditions exist, in part, because of limited administrative resources, there is no assurance that the performance indicators and data sources will properly measure Title III Program performance.

In order to assure that developed indicators adequately measure Title III Program performance and are in compliance with GPRA, the Office of Postsecondary Education should require HEP to:

- Develop future Title III Program performance indicators in accordance with the "Guide to Program Outcome Measurement for the U.S. Department of Education."
- Document how the Title III Program performance indicators will demonstrate progress toward achieving the mission of the Title III Program.

- Continue development of a strategic plan to (a) ensure that its strategic goals are congruent with those contained in OPE's plan and (b) identify useful benchmarks for what its performance indicators should assess.

In order to assure that needed performance data are properly obtained and compiled to demonstrate performance under GPRA, the Office of Postsecondary Education should require HEP to:

- Develop a system for collecting and aggregating the data needed for reporting on the Title III Program performance indicators in ED's Annual Performance Plan.
- Assure that the annual and final grantee performance reports are formatted in a manner conducive to providing needed data for the report on Title III Program performance indicators required by GPRA.
- Develop a plan for assuring that the data collected are reliable and valid, and available in a timely manner.
- Identify alternate sources of data, such as a standardized form with information on the performance indicators. The form could be included in the annual performance reports from grantees and transmitted electronically, or converted to electronic form.

Auditee's Response and Auditor Comments

We received and reviewed comments from the Director of IDUES. The comments show concurrence with the findings and recommendations in our draft report. The Office of Inspector General finds the draft report responses satisfactory to begin addressing our recommendations.

AUDIT RESULTS

**FINDING NO. 1 TITLE III PROGRAM OFFICIALS DID NOT FOLLOW
SUGGESTED GUIDELINES IN DRAFTING FY 2000
PERFORMANCE INDICATORS FOR THE TITLE III PROGRAM**

HEP did not follow ED's recommended guidelines for establishing a working group of essential personnel to develop the FY 2000 GPRA-required performance indicators for the Title III Program. Essential component officials were not involved in developing the performance indicators, including the current IDUES Director, current Title III Program Office staff, and members of the Program Monitoring and Information Technology (PMIT) staff.

We noted that there was limited documentation detailing how the Title III Program performance indicators were developed and how the indicators will demonstrate Title III Program achievement. Also, ED officials expressed concern over the usefulness of the established indicators. In addition, we noted that HEP was in the process of developing a strategic plan that contains strategic goals that are congruent with those contained in OPE's plan. Such a plan will provide guidance, enumerate the goals and objectives of the Title III Program, and provide a useful benchmark for what the performance indicators should assess.

Due to the deficiencies in the process for drafting performance indicators, there is no assurance that the selected performance indicators will demonstrate Title III Program achievement.

GPRA Requirements. GPRA requires that agencies develop performance indicators to measure or assess the relevant outputs, service levels, and outcomes for each program activity. GPRA also required that agencies prepare and submit strategic plans by September 30, 1997. Strategic planning clearly conveys to employees, customers, stakeholders, and partners the purpose, direction, and plan of action for an organization.

Guidance for Developing Performance Indicators. In February 1997, ED published a "Guide to Program Outcome Measurement for the U.S. Department of Education" for use in developing performance indicators. The guide details a nine-step process for developing and implementing outcome measurement and includes three essential preliminary steps. A preliminary step is for the program managers to establish a working group to oversee development of the outcome measurement process. ED's guide suggests that the working group be composed of:

- ◆ the program manager who should act as facilitator,
- ◆ members of the program staff,
- ◆ a representative from the relevant Office of the Assistant Secretary,
- ◆ a technical expert familiar with ED's GPRA efforts, such as someone from the Planning and Evaluation Service, Office of Educational Research and

- ◆ Improvement, or perhaps an outside consultant or contractor, and
- ◆ a representative from Budget Services.

Working Group Not Established and Essential Officials Not Involved

Essential component officials were not included in the working group to develop the Title III Program performance indicators. The only Title III Program team member included in the working group was the former IDUES Director. Among those excluded from the group were the IDUES Director, Title III Program officers, team leaders, grantees, and the PMIT staff.

The involvement of the PMIT staff would have been especially beneficial. Recently, PMIT staff demonstrated their knowledge and expertise in GPRA and performance measurement by developing the booklet “Demonstrating Results, An Introduction to the Government Performance and Results Act.” PMIT sent the booklet to over 3,000 HEP grantees. The PMIT Director also held a training session for all Title III Program grantees entitled “Title III Program and the Changing Federal Environment,” which discussed GPRA and performance goals and measurement. However, input on the development of Title III Program performance indicators was not requested from PMIT.

As of January 1999, the former IDUES Director was still the only Title III Program official participating in the process to revise the Title III Program performance indicators by the Planning and Evaluation Service (PES), Office of the Under Secretary. Other members of the group that drafted the Title III Program performance indicators worked in Quality Improvement and Strategic Planning, OPE, and in the Office of the Under Secretary.

Documentation Not Maintained

We noted there was limited documentation detailing how the final Title III Program performance indicators were developed and how the indicators will demonstrate achievement. We asked those involved in the process for documentation, such as a report or summary, on the selection of the nine Title III Program performance indicators. The only documentation submitted was an e-mail message to notify members of changes to the performance indicators. It appears that there is no formal written documentation detailing the decision-making process used to develop the Title III Program performance indicators. Furthermore, there is no written documentation reflecting how these nine performance indicators will demonstrate that the Title III Program is achieving its mission.

Our interviews confirmed that the team members held meetings to discuss revisions to the Title III Program performance indicators. However, the process appears to have relied on internal e-mail messages to inform team members of proposed revisions to the performance indicators rather than to document how the final Title III Program performance indicators were developed and how the indicators will demonstrate achievement.

ED Officials Indicate that Measures May Not be Adequate

We obtained three evaluations of the Title III Program performance indicators from senior officials in HEP and the Office of the Under Secretary's Planning and Evaluation Service (PES). These officials were familiar with GPRA and performance measurement and commented on eight of the nine performance indicators.² Their comments revealed that the final indicators did not seek numerical targets beyond maintaining the status quo and did not always follow GPRA guidelines.

For example, one official concluded that the principal goal of the Title III Program was to improve the capacity of institutions to provide quality programs to low-income and minority students. However, the same official also pointed out that only Objective 3 (Improve the access of low-income and minority students to Title III-funded institutions.) and Objective 4 (Increase the number of degrees in under represented areas.) are directly related to the Title III Program's principal goal. The official further stated that the performance indicators could be improved, but the process does not allow for such improvement.

We also obtained feedback from several HEP Service Area Directors and officials within IDUES and PES on the results of a three-year performance measurement study of ED's Title III Program, performed by an outside contractor. One PES official commented that the performance indicators recommended by the contractor's study were not especially strong and the team conducting the study lacked Title III Program knowledge. HEP officials also expressed concerns about the performance indicators and indicated that the issues raised in the study were not being addressed.

In addition, we reviewed the results of the study and compared HEP's final performance indicators to those recommended in the contractor's study. We found that, out of HEP's nine Title III Program performance indicators for FY 2000, five of the indicators matched those recommended in the contractor's study. Therefore, it appears that the study influenced HEP's development of its indicators even though HEP officials expressed concerns over the study's results. Based on the HEP officials' comments and concerns, HEP should carefully consider the concerns expressed regarding the contractor's study during future revisions to the performance indicators.

Strategic Plan for HEP Being Developed

We found that although a HEP strategic plan had not been developed, the Deputy Assistant Secretary appeared to consider this a priority. While GPRA does not require a strategic plan at the program level, this plan would help HEP: (1) ensure that its strategic goals are congruent with those contained in OPE's plan and (2) identify useful benchmarks for what its performance indicators should assess.

RECOMMENDATIONS

In order to assure that developed indicators adequately measure Title III Program performance and are

² See Attachment A for a list of these nine performance indicators for the Title III Program. The officials commented on eight of these nine indicators. The results of their comments are shown in blue strikethrough type in Attachment A.

in compliance with GPRA, the Office of Postsecondary Education should require HEP to:

- 1.1. Develop future Title III Program performance indicators in accordance with the “Guide to Program Outcome Measurement for the U.S. Department of Education.”
- 1.2. Document how the Title III Program performance indicators will demonstrate progress toward achieving the mission of the Title III Program.
- 1.3. Continue development of a strategic plan to (a) ensure that its strategic goals are congruent with those contained in OPE’s plan and (b) identify useful benchmarks for what its performance indicators should assess.

Auditee's Response and Auditor Comments

We received and reviewed comments from the Director of IDUES. The comments show concurrence with the findings and recommendations in our draft report. The Office of Inspector General finds the draft report responses satisfactory to begin addressing our recommendations.

FINDING NO. 2 TITLE III PROGRAM DID NOT HAVE AN ADEQUATE SYSTEM TO OBTAIN AND COMPILE GRANTEE DATA NEEDED FOR MEASURING PERFORMANCE FOR THE FIRST GPRA REPORT DUE MARCH 31, 2000, AND DID NOT MEET ED’S INTERNAL DEADLINE FOR UPDATING PERFORMANCE PLANS

Our review found that the Title III Program did not have an adequate system to obtain and compile data needed for measuring performance. Furthermore, the Title III Program did not have any staff assigned to this task, and the data format in the reports may not be conducive to deriving performance statistics. The Title III Program Office does not routinely aggregate data from grantees’ annual and final performance reports. However, ED uses the data from the reports for GPRA measurement. Until the Title III Program assigns adequate staff and revises data format in the reports, there is no assurance that the data obtained will adequately demonstrate Title III Program performance.

In addition, ED added several new requirements for the GPRA performance plan and report. ED asked program offices to set up new targets (performance indicators) for the years 1999, 2000, and 2001 by December 3, 1999. However, the Title III Program Office (IDUES) did not meet this deadline. IDUES did not submit its revised plan for its first GPRA performance report until January 2000.

GPRA Requirements for Performance Reports. According to GPRA, Section 4(b) 1116 (Program Performance Reports), “No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress a report on program performance for the previous fiscal year.”

Identified Data Sources May Not Be Adequate for Reporting Performance

According to the FY 2000 Title III Program Performance Plan, annual performance reports from grantees are shown as a data source for all nine performance indicators. Our discussions with senior ED officials in PES, PMIT and IDUES revealed that the performance reports might not be adequate for reporting performance. Officials expressed very strong doubts about using the Title III grantee annual performance reports as sources of information for GPRA reporting. The reports are narrative driven and may not provide the data needed to measure performance. One of the officials acknowledged that the selected information source, annual performance reports, was an “anticipated” data source. During our fieldwork, the consensus among those interviewed was that it would be difficult for Title III Program officials to complete the required GPRA report. Respondents suggested that the Title III Program performance reports need revision to make them more conducive to reporting statistical data, and less narrative driven.

Process and Staffing Level Not Adequate to Compile and Aggregate Needed Data

The use of annual performance reports as the data source poses another problem. During our fieldwork, we identified that the Title III Program Office had not aggregated data from reports and had not assigned staff to accomplish this task. We found agreement among senior ED officials in PES, IDUES and PMIT that the Title III Program Office did not routinely compile the performance data from grantees' annual reports. Until data is properly aggregated and adequate staff is assigned, the Title III Program may have major difficulties in meeting the annual deadline for reporting.

We were also told about additional concerns that may impede HEP from compiling and aggregating data. One IDUES official stated that the focus of the IDUES staff is getting grant money to the grantees. The official added that the office's first priority is assuring that the grantees receive their funds, not GPRA compliance, and they do not have the staff to compile the data from annual performance reports for the required GPRA report.

New Revisions of GPRA Performance Plans and Indicators

By December 3, 1999, ED asked program offices to update their annual GPRA performance plans to cover performance indicators for the years 1999, 2000, and 2001. The Title III Program Office (IDUES) did not meet this deadline. In January 2000, IDUES submitted a revised plan for its first GPRA performance report.

RECOMMENDATIONS

In order to assure that needed performance data are properly obtained and compiled to demonstrate performance under GPRA, the Office of Postsecondary Education should require HEP to:

- 2.1. Develop a system for collecting and aggregating the data needed for reporting on the Title III Program performance indicators in ED's Annual Performance Plan.
- 2.2. Assure that the annual and final grantee performance reports are formatted in a manner conducive to providing needed data for the report on Title III Program performance indicators required by GPRA.
- 2.3. Develop a plan for assuring that the data collected are reliable and valid and available in a timely manner.
- 2.4. Identify alternate sources of data, such as a standardized form with information on the performance indicators. The form could be included in the annual performance reports from grantees and transmitted electronically, or converted to electronic form.

Auditee's Response and Auditor Comments

We received and reviewed comments from the Director of IDUES. The comments show concurrence with the findings and recommendations in our draft report. The Office of Inspector General finds the draft report responses satisfactory to begin addressing our recommendations.

BACKGROUND

The Government Performance and Results Act of 1993, commonly referred to as “GPRA” or the “Results Act,” was enacted as the centerpiece of a statutory framework that Congress put in place to improve federal management and provide a greater focus on results. GPRA seeks to shift the focus of government decision making and accountability away from a preoccupation with activities such as the number of grants awarded, to a focus on the results of those activities, such as real gains in ensuring equal access to education for all individuals.

Under GPRA, agency heads were required to submit a five-year strategic plan to Congress and the Office of Management and Budget (OMB), no later than September 30, 1997. Updates are required at least every three years thereafter.

Beginning with fiscal year 1999 (October 1, 1998 to September 30, 1999), and annually thereafter, each agency must submit to OMB performance plans covering each program activity in the agency’s budget. Using the agency’s performance plans, OMB must prepare a government-wide performance plan for inclusion in the President’s annual budget submission to Congress. Each agency’s annual performance plan must

1. establish performance goals that define the level of performance to be achieved by a particular program activity,
2. express goals in an objective, quantifiable, and measurable form unless an alternative form is approved by OMB,
3. describe the operational processes, skills, and technology, and the human capital, information, or other resources required to achieve performance goals,
4. establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity,
5. provide a basis for comparing actual program results with the established performance goals, and
6. describe the means to be used to verify and validate measured values.

In August 1995, the Office of Inspector General issued an audit report (ACN 04-40100-01) recommending the development of Title III Program performance measures. Based on the audit recommendations, OPE/HEP worked with an outside contractor to develop performance measures.

In October 1995, a study team began work on a three-year performance measurement study of ED’s Title III Strengthening Institutions Program. The study team for this project consisted of an outside contractor and two subcontractors. ED’s Planning and Evaluation Service supervised the study.

The study design contained the following major components:

- Survey of all 1995-96 Part A and Part B Title III Program grantees.
- Case studies consisting of site visits to 21 programs and 19 institutions.
- Interviews with ED staff and review of documents and other data sources.
- Advisory team and grantee input.

The outside contractor issued its final report on September 11, 1998. The report outlined recommendations that, if implemented, could be used to develop a Title III Program performance measurement system that would be in compliance with GPRA. We found that, out of HEP's nine Title III Program performance indicators for FY 2000, five of the indicators matched those recommended in the contractor's study.

OBJECTIVES, SCOPE, AND METHODOLOGY

We performed an audit at the Title III Program Office in Washington, D.C. The objectives of our audit were to determine whether OPE/HEP (1) has met GPRA requirements for developing Title III Program performance indicators and (2) has developed an accountability system for reporting on the indicators.

To accomplish the audit objectives, we performed the following:

- ◆ Reviewed applicable Federal regulations.
- ◆ Interviewed officials from: the Title III Program Office, the Office of the HEP Deputy Assistant Secretary, the Program Monitoring and Information Technology staff, the Planning and Evaluation Service, the OPE Quality Improvement and Strategic Planning staff, and the Postsecondary, Adult and Vocational Education Division.
- ◆ Reviewed the Title III Program Office's efforts to disseminate GPRA related information to customers and its participation in drafting the FY 2000 performance indicators.
- ◆ Obtained and analyzed the Title III Program performance indicators for Fiscal Years 1999 and 2000.
- ◆ Compared the FY 2000 Title III Program performance indicators to the recommended program goal indicators from the outside contractor's final report.

Our fieldwork was performed from February 8, 1999, through February 26, 1999, at the Title III Program Office in Washington, D.C. An exit conference took place on May 20, 1999. Program officials generally concurred with our findings. Our audit was performed in accordance with the government auditing standards appropriate to the scope of the review described above.

STATEMENT ON MANAGEMENT CONTROLS

Due to the limited scope of our review and audit objectives, we did not review the management control structures of OPE, HEP, or the Title III Program Office.

ATTACHMENT A

Pages 144 and 145 of the U.S. Department of Education
FY 2000 Annual Plan, Volume 2

ED-OIG / A04-90014

Aid for Institutional Development, Title III (HEA)-- \$259,825,000 (FY 2000)			
Goal: To assist institutions that have limited resources and that traditionally served large numbers of low-income and minority students to continue to serve these students, and to improve the capacity of these institutions to provide on-going, up-to-date quality education in all areas of higher education.			
Relationship of Program to Strategic Plan: Title III supports the Department’s overall goal of ensuring access and equity and enabling all students to achieve academic excellence. Title III serves large numbers of low-income and minority students for whom access, retention, and degree attainment have been elusive. Title III supports strategic plan Objectives 2.3, 3.1, 3.2, and 3.4.			
Objectives	Indicators	Performance Data	Source, Periodicity, Next
Program improvement objectives			
Title III -- Part A (Strengthening Institutions), Part A, sec.316 (American Indian Tribally Controlled Colleges and Universities), Part A, sec.317 (Alaska Native and Native Hawaiian Serving Institutions), Part B (HBCUs and HBGIs), Part D (HBCU Capital Financing), Part E (Minority Science and Engineering Improvement Program)			
1. Improve the academic quality of participating institutions.	<p>1.1 1.1 Faculty development. The number and percent of faculty participating in Title III-funded development activities will increase over time.</p> <p>1.2 Access to technology. The number and percentage of students gaining access to computers and the Internet due to Title III-funded activities will increase over time.</p> <p>1.1 1.3</p>	<p><i>In FY 1996, 43% of faculty at more than half of the institutions participated in faculty development.</i></p> <p><i>In 1996, approximately 34% of students had computer and Internet access.</i> all, 1997.</p>	<p>1.1 Performance reports – annual; initial comprehensive development plan (CDP); recognition awards; updated comprehensive development plans; 1999.</p> <p>1.2 Performance reports – annual; initial comprehensive development plan; updated CDP; 1999</p>
2. Improve the fiscal stability of participating institutions.	<p>2.1 Development offices. The number and percent of funded development offices using grant funds to that show an increase in revenues will increase over prior years.</p> <p>2.2 Fiscal balances. The fiscal balance of Title III-funded institutions will continue to remain positive over time.</p>	<p><i>In FY 1996, approximately 39% of institutions used grant funds to improve development offices.</i></p> <p><i>In FY 1996, more than 90% of institutions had positive fiscal balances.</i> external evaluations; comprehensive development plans all, 1997.</p>	<p>2.1 Performance reports – annual; initial comprehensive development plan ; updated CDP; 1999.</p> <p>2.2 Performance reports – annual; initial comprehensive development plan ; updated CDP; 1999.</p>
3. Improve the access of low-income and minority students to Title III-funded institutions.	<p>3.1 Enrollment of low-income minority students. The number and percent of low-income and minority students will remain stable or increase Over time. After implementing action, grantees Will demonstrate a</p>	<p><i>In FY 1996, 38% of the students under Part A were minority and 86% under Part B were minority, compared with 20% for non-Title III institutions.</i></p> <p>Under Part A, 51% of the students were low-income, under Part B 48% were low-income.</p>	<p>3.1 IPEDS; performance reports – annual; 1999.</p>

ED-OIG NOTE: ED-OIG obtained this table on November 19, 1999 from the U.S. Department of Education’s web site containing its FY 2000 Annual Plan located at <http://www.ed.gov/pubs/AnnualPlan/vol2.pdf>. This table is the Department’s working document for its Program Performance Plan for the Title III, HEA Programs as evidenced by the Department’s strikethrough changes. ED-OIG has not made any changes to this document. This Annual Plan is dated February 25, 1999, and the website where it is maintained was last updated on August 11, 1999.

Aid for Institutional Development, Title III (HEA)-- \$259,825,000 (FY 2000)			
Goal: To assist institutions that have limited resources and that traditionally serve large numbers of low-income and minority students to continue to serve these students, and to improve the capacity of these institutions to provide on-going, up-to-date quality education in all areas of higher education.			
Relationship of Program to Strategic Plan: Title III supports the Department’s overall goal of ensuring access and equity and enabling all students to achieve academic excellence. Title III serves large numbers of low-income and minority students for whom access, retention, and degree attainment have been elusive. Title III supports strategic plan Objectives 2.3, 3.1, 3.2, and 3.4.			
Objectives	Indicators	Performance Data	Source, Periodicity, Next Update
	<p>3.2 Degree attainment. The number and percentage of degrees awarded to minority students at Title III-funded institutions will remain stable or increase over time. <i>er ing student;</i></p> <p>3.3 Improved access to careers in science and engineering. The number of MSIP pre-college and undergraduate participants entering and completing MSIP interventions will remain stable or increase over time. <i>(benchmark not yet available)After implementing a management information and academic delivery sy.occur in a greater number of institutions each year (Benchmark not availabl</i></p>	<p><i>In FY 1996, Part A institutions awarded 34% associate degrees and 38% bachelor’s degrees. Part B institutions awarded 72% associate degrees and 88% bachelor’s degrees.</i></p> <p><i>In FY 1997, more than 75% of MSIP pre-college participants entered and completed MSIP interventions. Approximately 20% of MSIP undergraduate students entered and completed science and engineering programs.</i></p> <p><i>Ed/POS Reports, 19987 and annual.</i></p>	<p>3.2 IPEDS; annual performance reports; 1999.</p> <p>3.3 Initial application; annual performance report; IPEDS; 1999.</p>
4. For Part B – HBCU Graduate Program: Strengthened graduate and professional education.	4.1 Minority under-representation. The number and percentage of advanced degrees in majors in which African American students are underrepresented will remain stable or decrease over time.	<i>In FY 1997, 3,500 of the 5,177 students enrolled in 20 advanced degree fields were African American.</i>	4.1 Performance reports – annual; initial comprehensive development plans; annual updates; 1999.
5. Improve physical plants through grant funding and low-cost capital for repair, renovation, construction or acquisition of capital projects.	5.1 Capital projects. The number of capital projects constructed, renovated, etc., using HBCU Capital Financing funds will increase over time.	<i>In 1997, 45 inquiries and 1 loan were made, and 4 applications were received.</i>	5.1 Designated bonding authority updates- monthly; DBA annual report; program annual report; 1999.
<ul style="list-style-type: none"> ❖ Assist Title III institutions in serving low-income and minority students by disseminating information to institutions on effective practices. ❖ Establish a formal mechanism for exchange of information with Title III-related organizations and higher education agencies and associations. ❖ Conduct consistent, thorough reviews of performance reports with feedback to grantees. 			

ATTACHMENT B

Auditee's Response with Attachments

ED-OIG / A04-90014



UNITED STATES DEPARTMENT OF EDUCATION
 INSTITUTIONAL DEVELOPMENT & UNDERGRADUATE EDUCATION SERVICES
 OFFICE OF THE DIRECTOR

MEMORANDUM

DATE: March 31, 2000

TO: Ms. Carol Lynch
 Region IV Inspector General-Audit

From: Margarita Benitez, Director
 Institutional Development & Undergraduate
 Education Services

Subject: Draft Audit Report
*Review of Title III Program, HEA, Compliance with GPRA Requirements
 for Implementation of Performance Indicators*
 Audit Control Number ED-OIG/A04-90014

I have reviewed the draft audit report identified in the subject line of this memo. After speaking with Jim Wiley of your staff, I am submitting responses to the specific recommendation resulting from your review. These responses are found in Attachment 1.

We are happy to report that data for the Title III program is available for the FY 2000 GPRA report. In the months following the audit, IDUES staff met several times with Planning and Evaluation Service (PES), Student Financial Aid, and Policy, Planning & Innovation (PPI) to devise better indicators and measures, and ascertain data availability and its validity. We were guided by the PES to the Integrated Postsecondary Education Data System and its feeder surveys. All of the performance indicators are supported currently and henceforth annually by one or more of the IPEDS surveys. The revised Title III performance indicators and measures are found in Attachment 2.

As the new director for IDUES, I am aware that we need more public feedback on the revised and approved indicators. We will not have the best indicators without significant input of our publics and stakeholders into their development. I am looking for every opportunity to bring performance issues to our constituents, receiving information from them, and formulating the best policies, practices and procedures that will propel the Title III program to the forefront of successful performance.

Our responses also indicate that we have followed the ED guidelines suggested for developing performance indicators to the extent possible in the time available to address the identified problems. As we move forward, we will make every effort to use the ED guidelines to the maximum extent.

Finally, as I indicated to Jim Wiley, I have developed and presented a detailed plan to OPE management that addresses the concerns of this and previous audits. I have taken the necessary steps to demonstrate the need for support, and a provided a detailed description of resources required for implementation of the plan. In our beginning efforts described in our responses and in the efforts of our action plan, we are collaborating with Program Monitoring and Information Technology Service to develop a final performance report, monitoring skills, and the capacity of Title III grantees to administer the grants according to EDGAR. A copy of our Action Plan is found in Attachment 3.

I hope that you will find our responses satisfactory. If not, my staff and I are available for further discussion and revisions. I can be reached on (202)502-7794, as you already know. My assistant, Carolyn Proctor can be reached on (202) 502-7567 or Don Crews on (202)502-7574.

Cc: Rich Rasa, OIG
Jim Wiley, OIG
Joanne Jones, OIG

Dr. Claudio Prieto, Deputy Assistant Secretary, HEP/OPE
Dr. Jowava M. Leggett, Chief of Staff, HEP
Mr. Alan Schiff, Audit Liaison Officer, HEP
Lou Venuto, IDUES Senior Advisor
Carolyn Proctor, IDUES Special Assistant
Don Crews, IDUES Special Assistant
Darlene Collins, Program Development Service Team I Leader, IDUES
Ken Waters, Program Development Service Team II Leader, IDUES

Attachments (3)

FINDING NO. 1 TITLE III PROGRAM OFFICIALS DID NOT FOLLOW SUGGESTED GUIDELINES IN DRAFTING FY 2000 PERFORMANCE INDICATORS FOR THE TITLE III PROGRAM

RECOMMENDATIONS

In order to assure that developed indicators adequately measure Title III Program performance and are in compliance with GPRA, the Office of Postsecondary Education should require HEP to:

1. Develop future Title III Program performance indicators in accordance with the “Guide to Program Outcome Measurement for the U.S. Department of Education.”
2. Document how the Title III Program performance indicators will demonstrate progress toward achieving the mission of the Title III Program.
3. Continue development of a strategic plan to (a) ensure that its strategic goals are congruent with those contained in OPE’s plan and (b) identify useful benchmarks for what its performance indicators should assess.

RESPONSE

1. The performance indicators and measures for the Title III program were revised in January/February, 2000. The revised performance indicators and measures take into consideration at least five of the nine Process Development and Implementation Steps outlined in the Guide to Program Outcome Measurement for the U.S. Department of Education. The remaining four steps are data analysis steps that will occur during production of the department’s GPRA report.
2. The new performance indicators will measure significant changes that occurred at grantee institutions in areas of Congressional interest and are directly related to the program purpose statement. The revised indicators include academic improvement as demonstrated by sustaining or increasing the number of specialized accreditation, increased graduation rates, maintaining fiscal balance and increased endowments.
3. The PMIT Service Director, Dr. Lawrence Grayson, was directed by our Deputy Assistant Secretary to develop a draft of the HEP Strategic Plan that is consistent with the Department’s Plan. IDUES will participate in all meetings held for this purpose with the intent of further developing our performance measures to sufficiently reflect the goals of the plan.

FINDING NO. 2 TITLE III PROGRAM CURRENTLY DOES NOT HAVE AN ADEQUATE SYSTEM TO OBTAIN AND COMPILE GRANTEE DATA NEEDED FOR MEASURING PERFORMANCE FOR THE FIRST GPRA REPORT DUE MARCH 31, 2000 AND DID NOT MEET ED'S INTERNAL DEADLINE FOR UPDATING PERFORMANCE PLANS

RECOMMENDATIONS

In order to assure that needed performance data are properly obtained and compiled to demonstrate performance under GPRA, the Office of Postsecondary Education should require HEP to:

1. Develop a system for collecting and aggregating the data needed for reporting on the Title III Program performance indicators in ED's Annual Performance Plan.
2. Assure that the annual and final grantee performance reports are formatted in a manner conducive to providing needed data for the report on Title III Program performance indicators required by GPRA.
3. Develop a plan for assuring that the data collected are reliable and valid and available in a timely manner.
4. Identify alternate sources of data, such as a standardized form with information on the performance indicators. The form could be included in the annual performance reports from grantees and transmitted electronically or converted to electronic form.

RESPONSES

1. IDUES, in collaboration with the Planning & Evaluation Service, Office of the Undersecretary, has identified sources of data already collected in the Department of Education for the performance indicators/measures. The primary source of Department's data collection on colleges and universities is the Integrated Postsecondary Education Data System (IPEDS). IDUES has identified a key data element, the OPE ID for referencing Title III grantees in IPEDS.
2. The data needed for the revised performance indicators and measure will be extracted from internal departmental sources. IDUES has undertaken the revision of the final performance report to ascertain information related to the specific activities supported

by the grant. The report will also contain data that supplements the data that we will extract from IPEDS and other internal sources.

3. IDUES, in collaboration with the Planning & Evaluation Service, carefully crafted revised performance indicators and measures that will generate data in a timely manner. IDUES expects to receive data from the various IPEDS surveys at least 3-6 months in advance of the GPRA Report.
4. IDUES is currently developing its Final Performance Report in collaboration with PMITS. We are trying to avoid data collection that duplicates data that is already available in keeping with Paperwork Reduction Act. The Final Performance Report will contain data elements that further support or elaborate on data provided through the IPEDS surveys. All of our data collection instruments will be included on our Web page. As our level of sophistication grows via our Action Plan, we will explore alternate means for grantees to submit performance report data.

Attachment B

Aid for Institutional Development, Title III (HEA)--\$259,825,000 (FY 2000)/Requested budget--\$XXXX(FY 2001)									
Part A (Strengthening Institutions), Part A, sec.316 (American Indian Tribally Controlled Colleges and Universities), Part A, sec.317 (Alaska Native and Native Hawaiian Serving Institutions), Part B (Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions), Part D (HBCU Capital Financing), Part E (Minority Science and Engineering Improvement Program), and Part V (Developing Hispanic-serving Institutions)									
Goal: To assist institutions that have limited resources and that traditionally served large numbers of low-income and minority students to continue to serve these students, and to improve the capacity of these institutions to provide on-going, up-to-date quality education in all areas of higher education.									
Relationship of Program to Volume 1, Department-wide Objectives: The Title III program supports the Department's overall goal of ensuring access and equity and enabling all students to achieve academic excellence. More specifically, Title III supports Objectives 3.1 (successful preparation for postsecondary education) and 3.2 (postsecondary students receive support for high-quality education) by serving large numbers of low-income and minority students for whom postsecondary access, retention, and degree attainment have been elusive.									
Indicators and Targets	Performance Data	Assessment of Progress	Source and Data Quality						
Objective 1: Improve the academic quality of participating institutions.									
<p>1.1 Specialized accreditations. The percentage of Title III institutions having specialized accreditations, a measure of academic program quality, will be maintained or increased.</p>	<p>Actual Performance <i>The percentage of Title III institutions having a specialized accreditation:</i></p> <p>1998/99 66%</p> <p>Performance Targets 2000: Maintain or increase level. 2001: Maintain or increase level.</p>	<p>Status: Progress cannot be judged until trend data are available.</p> <p>Explanation: In the 1998-99 school year, 66 percent of Title III institutions had received at least one specialized accreditation. Specialized accreditations are an indication that the quality of an academic program is sufficiently high to meet the rigorous standards imposed by an independent agency.</p>	<p>Source: 1999 Higher Education Directory.</p> <p><i>Frequency:</i> Annual</p> <p><i>Next Update:</i> 1999/2000</p> <p>Validation Procedures: Data are verified by the publisher by comparing against lists maintained by all accrediting agencies recognized by the Department of Education.</p> <p>Limitations of Data and Planned Improvements: None.</p>						
<p>1.2 Graduation rates. Completion rates for all full-time, degree-seeking students in Title III 4-year and 2-year colleges will increase over time.</p>	<p>Actual Performance <i>The percentage of full-time, degree-seeking students at Title III institutions completing a four-year degree within six years and a two-year degree, certificate, or transferring to a four-year school within three years.</i></p> <table border="0"> <tr> <td></td> <td style="text-align: center;"><i>Four-year</i></td> <td style="text-align: center;"><i>Two-year</i></td> </tr> <tr> <td>1997</td> <td style="text-align: center;">34%</td> <td style="text-align: center;">22%</td> </tr> </table> <p>Performance Targets 1999: continuing increase in rate 2000: continuing increase in rate</p>		<i>Four-year</i>	<i>Two-year</i>	1997	34%	22%	<p>Status: No 1999 data; progress cannot be judged until trend data are available.</p> <p>Explanation: Approximately one-third of full-time degree-seeking students complete a four-year degree within six years and one-fifth complete a two-year degree, certificate, or transfer to a four-year school within three years. These data only measure the extent to which students complete their degrees at the Title III institution they first attended.</p>	<p>Source: Graduation Rate Survey (GRS) conducted as part of the Integrated Postsecondary Student Aid Study (IPEDS).</p> <p><i>Frequency:</i> Annual</p> <p><i>Next Update:</i> 1998</p> <p>Validation Procedure: Verified by ED data attestation process.</p>
	<i>Four-year</i>	<i>Two-year</i>							
1997	34%	22%							

Attachment B

Aid for Institutional Development, Title III (HEA)--\$259,825,000 (FY 2000)/Requested budget--\$XXXX(FY 2001) Part A (Strengthening Institutions), Part A, sec.316 (American Indian Tribally Controlled Colleges and Universities), Part A, sec.317 (Alaska Native and Native Hawaiian Serving Institutions), Part B (Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions), Part D (HBCU Capital Financing), Part E (Minority Science and Engineering Improvement Program), and Part V (Developing Hispanic-serving Institutions)												
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Indicators and Targets	Performance Data	Assessment of Progress	Source and Data Quality									
	2001: continuing increase in rate	Therefore, the rates are understated to the extent to which students complete their degree at a different institution.	Limitations of data and planned improvements: Postsecondary institutions are not required to report graduation rates until 2002 (1999 for two-year institutions). However, data were voluntarily submitted by institutions representing 87 percent of four-year students at Title III institutions and 73 percent of two-year students at Title III institutions.									
Objective 2: Improve the fiscal stability of participating institutions.												
2.1 Fiscal balance. Over 90 percent of Title III institutions will maintain a positive fiscal balance.	Actual Performance. <i>The percentage of Title III institutions having a positive fiscal balance.</i> <table border="0" style="margin-left: 40px;"> <thead> <tr> <th></th> <th><i>All institutions</i></th> <th><i>Public institutions</i></th> </tr> </thead> <tbody> <tr> <td>1995/96</td> <td>92%</td> <td>92%</td> </tr> <tr> <td>1996/97</td> <td>N/A</td> <td>90%</td> </tr> </tbody> </table> Performance Targets 1999: 90% 2000: 90% 2001: 90%		<i>All institutions</i>	<i>Public institutions</i>	1995/96	92%	92%	1996/97	N/A	90%	Status: No 1999 data; progress toward target is likely. Explanation: Among all Title III institutions, 92 percent had a positive fiscal balance in the 1995/96 school year. The percentage of public Title III institutions having a positive fiscal balance declined slightly from 92 percent in 1995/96 to 90 percent in 1996/97.	Source: Finance Survey conducted as part of the Integrated Postsecondary Student Aid Study (IPEDS). <i>Frequency:</i> Annual <i>Next Update:</i> 1996-97 for private institutions; 1997/98 for all institutions. Validation Procedures: Data validated by NCES review and NCES Statistical Standards Limitations of Data and Planned Improvements
	<i>All institutions</i>	<i>Public institutions</i>										
1995/96	92%	92%										
1996/97	N/A	90%										

Attachment B

Aid for Institutional Development, Title III (HEA)--\$259,825,000 (FY 2000)/Requested budget--\$XXXX(FY 2001) Part A (Strengthening Institutions), Part A, sec.316 (American Indian Tribally Controlled Colleges and Universities), Part A, sec.317 (Alaska Native and Native Hawaiian Serving Institutions), Part B (Historically Black Colleges and Universities (HBCUs) and Historically Black Graduate Institutions), Part D (HBCU Capital Financing), Part E (Minority Science and Engineering Improvement Program), and Part V (Developing Hispanic-serving Institutions)												
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Indicators and Targets	Performance Data	Assessment of Progress	Source and Data Quality									
			Data tend to be several years old. NCES is planning on instituting a web-based data collection for IPEDS that should dramatically reduce the time required for information to be available.									
2.2 Endowment. The percentage of Title III institutions having an endowment will increase over time.	Actual Performance <i>The percentage of Title III institutions having a positive endowment.</i> <table border="0" style="margin-left: 40px;"> <tr> <td></td> <td style="text-align: center;"><i>All institutions</i></td> <td style="text-align: center;"><i>Public institutions</i></td> </tr> <tr> <td><i>1995/96</i></td> <td style="text-align: center;"><i>57%</i></td> <td style="text-align: center;"><i>51%</i></td> </tr> <tr> <td><i>1996/97</i></td> <td style="text-align: center;"><i>N/A</i></td> <td style="text-align: center;"><i>56%</i></td> </tr> </table> Performance Targets 1999: continuing increase. 2000: continuing increase. 2001: continuing increase.		<i>All institutions</i>	<i>Public institutions</i>	<i>1995/96</i>	<i>57%</i>	<i>51%</i>	<i>1996/97</i>	<i>N/A</i>	<i>56%</i>	Status: No 1999 data; progress toward target is likely. Explanation: Among all Title III institutions, 57 percent had a positive endowment in the 1995/96 school year. The percentage of public Title III institutions having a positive endowment increased from 51 percent in 1995/96 to 56 percent in 1996/97.	Source: Finance Survey conducted as part of the Integrated Postsecondary Student Aid Study (IPEDS). <i>Frequency:</i> Annual <i>Next Update:</i> 1996-97 for private institutions; 1997/98 for all institutions. Validation Procedures: Data validated by NCES review and NCES Statistical Standards Limitations of Data and Planned Improvements Data tend to be several years old. NCES is planning on instituting a web-based data collection for IPEDS that should dramatically reduce the time required for information to be available.
	<i>All institutions</i>	<i>Public institutions</i>										
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Attachment B

<p>Aid for Institutional Development, Title III (HEA)--\$259,825,000 (FY 2000)/Requested budget--\$XXXX(FY 2001)</p>
<p>Goal: To assist institutions that have limited resources and that traditionally served large numbers of low-income and minority students to continue to serve these students, and to improve the capacity of these institutions to provide on-going, up-to-date quality education in all areas of higher education.</p> <p>Relationship of Program to Volume 1, Department-wide Objectives: More specifically, Title III supports Objectives 3.1 (successful preparation for postsecondary education) and 3.2 (postsecondary students receive support for high-quality education) by serving large numbers of low-income and minority students for whom postsecondary access, retention, and degree attainment have been elusive.</p>
<p>Key Strategies</p> <p>Strategies continued from 1999</p> <ul style="list-style-type: none"> ❖ Assist Title III institutions in serving low-income and minority students by disseminating information to institutions on effective practices. ❖ Establish a formal mechanism for exchange of information with Title III-related organizations and higher education agencies and associations. ❖ Conduct consistent, thorough reviews of performance reports with feedback to grantees. <p>New or Strengthened Strategy(s)</p> <ul style="list-style-type: none"> ❖ Develop a list serve for obtaining grantee feedback on performance indicators. ❖ To address the lack of program data on specific outcomes of grantee activities, identify and collect measures of the impact of Title III funds on institutions. In addition, identify and collect data on specific outcomes related to the various component programs that make up the Title III program.
<p>How This Program Coordinates with Other Federal Activities</p> <ul style="list-style-type: none"> ❖ Program works with the White House Initiative on HBCUs, Educational Excellence for Hispanic Americans, and Tribal Colleges to coordinate assistance being provided across the federal government to these institutions.
<p>Challenges to Achieving Program Goal</p> <ul style="list-style-type: none"> ❖ The Inspector General (IG) is expected to release a report on the Title III programs shortly. Once the report has been received, a plan for addressing the IG's concerns will be developed. ❖ Title III funds are given to institutions in order to meet specific needs identified in their Comprehensive Development Plan. This flexibility greatly increases the usefulness of the program for institutions but makes it difficult to identify common goals and indicators that apply to all schools.
<p>Indicators that have been Adjusted or Dropped since the 1999 Plan</p>

Attachment B

<p>Aid for Institutional Development, Title III (HEA)--\$259,825,000 (FY 2000)/Requested budget--\$XXXX(FY 2001)</p>
<p>Goal: To assist institutions that have limited resources and that traditionally served large numbers of low-income and minority students to continue to serve these students, and to improve the capacity of these institutions to provide on-going, up-to-date quality education in all areas of higher education.</p> <p>Relationship of Program to Volume 1, Department-wide Objectives: More specifically, Title III supports Objectives 3.1 (successful preparation for postsecondary education) and 3.2 (postsecondary students receive support for high-quality education) by serving large numbers of low-income and minority students for whom postsecondary access, retention, and degree attainment have been elusive.</p>
<p>From two year old Annual Plan (FY 1999)</p> <p><u>Adjusted</u></p> <p>Old indicator 1.2 was modified to replace institutional persistence rates with the IPEDS GRS data in order to reduce burden on schools since they already have or will have to report the IPEDS data. Also, the IPEDS data are likely to be much more uniform since they have standard definitions.</p> <p>Old indicator 2.2 was modified to replace institutional endowment information with the IPEDS Finance data in order to reduce burden on schools since they already have to report the IPEDS data. Also, the IPEDS data are likely to be much more uniform since they have standard definitions.</p> <p><u>Dropped</u></p> <p>The remaining indicators were dropped for three reasons. Old indicators 1.1, 1.3, 4.1, 4.2, 4.3, 5.1, and 6.1 were dropped because there was no data collection plan in place to obtain the needed information and were replaced by indicators based on on-going national data collection systems. Old indicators 2.1, 2.3, 3.1, 3.2, and all the indicators listed under management improvement were dropped because these are internal indicators needed to operate and manage the program but are not suitable for reporting the outcomes of the program to external constituents. The remainder of the indicators related to the specific component programs of the Title II program and were dropped in favor of uniform measures across the Title III program.</p> <p>From last year's Annual Plan (FY 2000)</p> <p><u>Adjusted</u></p> <p>Old indicator 2.2 was modified to reflect more current information available from audited financial statements related to the fiscal strength of institutions.</p> <p>Old indicator 3.2 was modified to replace institutional degree attainment rates with the IPEDS GRS data in order to reduce burden on schools since they already have or will have to report the IPEDS data. Also, the IPEDS data are likely to be much more uniform since they have standard definitions.</p> <p><u>Dropped</u></p> <p>Old indicators 1.1, 1.2, 2.1, and 3.1, were dropped because there was no data collection plan in place to obtain the needed information and were replaced by indicators based on on-going national data collection systems. The remainder of the indicators related to the specific component programs of the Title II program and were dropped in favor of uniform measures across the Title III program.</p> <p><u>New</u></p> <p>Indicator 1.1 uses nationally available data on specialized accreditations to address issues regarding improvements in the quality of academic programs.</p>

March 9, 2000

TO: Dr. A. Lee Fritschler
Assistant Secretary for Postsecondary Education [OPE]

THROUGH: Claudio Prieto
Deputy Assistant Secretary for Higher Education Programs [HEP]

FROM: Margarita Benítez
Director of Institutional Development and Undergraduate
Program Service [IDUES]

**SUBJECT: URGENT NEED TO IMPLEMENT A MULTI-PRONGED ACTION PLAN
TO ANSWER AND RESOLVE THE FINDINGS OF FIVE AUDITS OF THE
INSPECTOR GENERAL WITH REGARD TO IDUES**

ISSUE:

Since 1995, the Office of the Inspector General [IG] has conducted a series of audits of the HEP unit currently known as IDUES, that have focused mainly on the Title III Program. These audits consistently call for an in-depth reassessment of current procedures at IDUES with regard to the grant award process, customer service, and program monitoring, as well as for a wide-ranging effort to gather, analyze, and evaluate information about grantee and program performance in order to assess whether program goals are being met.

The issues raised in the IG audits have gone unanswered for a number of years. They must be addressed without further delay.

PROPOSAL:

What follows is a plan that will take the urgent need to respond to the findings of the IG audits as the point of departure for the conversion of the IDUES Service Area from the Cinderella of OPE into a more efficient, accountable, technologically adept, and customer focused organization in accordance with the Department's Strategic Plan. Strategies include:

- an ambitious effort to gather, aggregate, and analyze data relevant to program assessment;
- comprehensive employee training and development in collaboration with other Department offices and expert consultants;
- the development of an annual institutional monitoring plan;
- further development of a "capacity-building curriculum" in grants management and performance evaluation for the various grantee populations;
- and the design of a process for the development/revision of performance indicators and

performance reports, which will involve members of the grantee community.

BACKGROUND

In the past five years, the Office of the Inspector General has conducted a number of audits regarding the operation of programs presently under the jurisdiction of Developing Institutions and Undergraduate Education Service [IDUES]. Some of the concerns and findings identified therein have been addressed, but many have not been resolved yet. According to the Office of the Chief Financial Officer [OCFO], no status reports have gone forward since the submission of the original Corrective Action Plans [CAPs] some years ago. IDUES Corrective Action Plans should have been implemented and completed already for the three IG audits that date from 1995 and 1996. OCFO is requesting our immediate attention to this matter. Updated CAPS for all three outstanding audits have been requested by February 29.

Old audits with outstanding corrective actions are a matter of great concern to ED Deputy Secretary Holleman and to the Congress. The Office of Postsecondary Education is listed with three outstanding audits in the Inspector General's Semiannual Report to Congress No. 39 [April-September 1999] under "Recommendations Described in Previous Semiannual Reports on Which Corrective Action Has Not Been Completed." The three audits listed all have to do with IDUES. The three audits are:

- ACN-04-40100 "Helping to Assure Equalized Educational Opportunities with HEA, Title III Institutional Aid Funds," issued 8/28/95. IDUES Corrective Action Plan submitted in November 1997.
- ACN-17-30305 "Annual Interest Grants: Improving the Process for Paying the Remaining Grants," issued 9/28/95. Original IDUES Corrective Action Plan submitted in September 1997. In this case, all corrective actions were completed by March 31, 1999, and the final CAP was submitted in February 2000.
- ACN-04-60001 "Process Enhancements in the HEA, Title III, Institutional Aid Program Would Increase Program Efficiency, Despite Limited Resources," issued 3/27/96. CAP submitted in November 1997.

According to the OCFO—some HEP officials disagree--, no status reports were submitted to the IG after the initial CAPs. This is not to say that no action was taken, but it appears that none was reported to the appropriate authorities in a 27-month period.

In addition, in November 1998 the IG notified then-Assistant Secretary David A. Longanecker of its plans "to evaluate whether the program [Title III A and B] is being administered in an efficient and effective manner, and our focus will be on monitoring, problem resolution process/enforcement, performance measures, the grant application renewal process for Part A grantees, and the need for legislative change(s)." The IG conducted this evaluation in 1999. So far, it has produced two draft IG audits of IDUES which must be addressed as well. They are:

- A04-90013 “Review of Title III Program Monitoring and Enforcement.” An undated draft document is available.
- A04-90014 “Review of Title III Program, HEA, Compliance with GPRA Requirements for Implementation of Performance Indicators.” This was received in draft audit form in February 2000.

OVERVIEW OF IG FINDINGS

The situation at IDUES described and documented by the IG is widespread and serious. Most of the audits focus on the Title III Program (Parts A and B), which is the largest program run by IDUES. The issues raised in ACN 17-30305 with regard to the work of the Institutional Receivables Team are of a lesser nature and have all been resolved, as documented in the CAP submitted in February 2000.

1. “In our opinion, the Title III Program lacks specific, measurable goals and measures to assess overall Title III program achievement.” ACN 04-40100-1. August 1995.
 - “Overall Title III Performance Currently Not Assessable”
 - “Performance Not Currently Globally Measured”
 - “Global Goals and Indicators Needed”
 - GAO’s 1979 study of the Title III program raised a question which, in the IG’s view, remains unanswered two decades later: “Are institutions which are receiving Title III funds moving towards financial stability and being brought into the mainstream of academic life, or is Title III merely a form of continued subsidy to institutions that are no more developed after years of assistance than when their participation first began?”
2. The IG refers to the 1993 National Performance Review [NPR] report “From Red Tape to Results: Creating a Government that Works Better and Costs Less,” where the Department of Education [ED] was urged to streamline and improve its grant process; improve employee development opportunities; and develop a strategy for technical assistance and information dissemination. With regard to the Title III Program, the IG found that: “The processes that could be enhanced include those of determining eligibility, reviewing applications, granting awards, as well as those of providing technical assistance and conducting monitoring.” ACN 04-60001. March 1996.
3. In a 1999 draft document related to A04-90013 [“Review of Title III Monitoring and Enforcement”] the IG states: “The Higher Education Programs (HEP) Office needs a systemic approach to monitor Parts A and B of the Title III Program to assure performance and compliance by grant recipients. ...
 - A system to obtain needed data such as performance reports, audit reports, accreditation reports and follow-up status reports on issues identified during monitoring site visits.

- Criteria to apply to data obtained to determine if monitoring is needed.
 - A formal monitoring plan . . .
 - A uniform monitoring guide for conducting monitoring reviews; and
 - Written policies and procedures for providing technical assistance and performing monitoring site visits.”
4. IG draft audit A04-90014, released to ED officials in February 2000, makes the following recommendations:
- Develop a system for collecting and aggregating the data needed for reporting on the Title III Program performance indicators in ED’s Annual Performance Plan.
 - Assure that the annual and final grantee performance reports are formatted in a manner conducive to providing needed data for the report on Title III Program performance indicators required by GPRA.
 - Develop a plan for assuring that the data collected are reliable and valid and available in a timely manner.
 - Identify alternate sources of data, such as a standardized form with information on the performance indicators.

WHY A MULTI-PRONGED PLAN IS NECESSARY NOW

Irrespective of whether OPE and IDUES management agree or disagree with every IG finding and recommendation, they cannot go unanswered any longer.

A serious and widespread situation such as the one described by the IG must be addressed by a serious and wide-ranging effort. A particular urgency is added to the IDUES situation by the fact that most of the IG audits are four to five years old, and no IDUES responses to the IG audits appear to have been recorded since 1997-98. IDUES must respond to those audits forthwith, and in a substantive manner.

To set in motion a concerted effort to address and resolve this long-standing situation must be a priority for the Assistant Secretary for Postsecondary Education [AS/OPE], the Deputy Assistant Secretary for Higher Education Programs [DAS/HEP], and the newly appointed Director of IDUES, Dr. Margarita Benítez, who has inherited the situation, and will oversee the effort to respond appropriately to the IG’s findings.

Not only is it evident that the concerns raised in IG audits since 1995 must be addressed and resolved without delay. It is also evident that IDUES staff must be thoroughly involved in the realization of these resolutions, so that they become established practices and procedures, as opposed to stopgap remedies.

At the present time we are facing two realities that can neither be denied nor postponed. The first one has already been acknowledged: the issues addressed by the IG audit reports must be addressed

forthwith, particularly the ones where recorded IDUES responses are years behind schedule. The second reality is that Title III program officers have just entered their busiest period: grant competition, peer review and funding slates for Title III-A; a March 31 deadline for submission of materials for Title III-B institutions.

This means that, in the immediate future, the majority of IDUES staff will be heavily involved in the regular grant award process, where there are a number of upcoming deadlines to be met. ED programs have been asked by the Deputy Secretary of Education to meet a May 31st deadline for grant awards. Meeting the grant award deadlines is very important to IDUES, HEP, OPE, and to the institutions we serve; however, that accomplishment does not begin to address the serious issues raised by the IG audits.

Since the grant award deadlines must be met, and since the issues raised by the IG audits must be addressed without further delay, it becomes necessary to outline, develop, and carry out a multi-pronged plan that will not fly in the face of these realities, but yield both immediate and long term results. To develop and carry out such a plan, especially within a tight time frame, calls for expert assistance on an intense and ongoing basis. Also necessary is the involvement of key offices within OPE and beyond—most prominently Program Monitoring and Information Technology [PMIT]--, as well as the increasing participation of IDUES staff once they discharge their present pressing obligations.

PLAN OUTLINE

Goals

This plan seeks to address the findings contained in the IG audits about the operation of IDUES without delay, and with lasting results. Key goals are:

- To resolve the current lack of substantial and systematic information gathering, analysis, and evaluation about: program achievements; customer service; and grantee, program and IDUES compliance with GPRA and other legislative requirements.
- To build staff capacity in order to increase IDUES responsiveness and service to institutions.

Objectives:

1. Establish a fast-track timeline for initial results—responding to the IG findings without delay—and a long-term timeline for lasting results—integrating effective customer service as well as monitoring and assessment procedures as part of IDUES standard operations.
2. Identify resources within and without OPE.
3. Design and develop a combination of qualitative and quantitative approaches to data-gathering that will address the information needs pointed out by the IG, and that can be put into practice in the near future.
4. Carry out a training needs assessment and develop a training program for IDUES staff in essential competencies and required activities as indicated by the audits.

Tasks

1. Define the scope of work and the resources needed to do it, both short-term and long-term.
2. Design, obtain OMB clearance when necessary, and carry out a comprehensive and multifaceted supplemental data collection effort about grantee institutions. This data collection effort will include the following initiatives:
 - a. Design, develop, distribute, and analyze a survey to be circulated among a representative sample of Title III-Title V institutions in order to obtain information pertinent to the IG audit requirements.
 - b. Design, develop, distribute, and analyze a customer satisfaction survey about IDUES services to be circulated among grantee institutions. Use PricewaterhouseCoopers IDUES customer survey as a point of departure.
 - c. Develop a protocol and timeline for site visits of a representative sample of institutions. Use PMIT Area Representatives or external resources as needed. Explore the possibility of replicating the peer review/capacity building model developed by PMIT for the GAANN program. Integrate IDUES staff as they complete their pressing grant award commitments.
 - d. Design and carry out an expert analysis of a sample of annual and final grantee performance reports for the purpose of identifying what data may be extracted, aggregated, and compared among institutions using existing performance reports. Make use of the emerging HEPInfo initiative [HEP Information and Communication System].
 - e. Conduct a review of other existing data collection instruments and institutional research data to identify possible additional sources of data. Make use of HEPInfo.
 - f. Develop a protocol and carry out focus group sessions among grantees.
 - g. Conduct a longitudinal case study of an aggregate number of institutions that have participated in Title III over the years.
3. Conclude a collaborative agreement between IDUES and PMIT to obtain PMIT assistance in addressing the tasks mentioned herein.
4. Develop a long-range training plan for IDUES staff which addresses the concerns and needs pointed out in the IG report, the PwC report, and at division and team meetings.
5. Develop one or more sets of performance indicators for IDUES programs, and a model or models for grantee performance reports.

Key players

- IDUES Director and IDUES senior staff at the first stage; all IDUES staff thereafter.
- PMIT senior staff and area representatives.
- Expert consultants and contractors, as needed.

Roles of the expert consultants

- Consultants with expertise in data mining and analysis, program and institutional assessment, and program evaluation and monitoring, as well as in professional development training in those areas. Their combined efforts will bring about the development of a reliable system to collect, aggregate and analyze pertinent data about grantee institutions and program accomplishments, as well as the development of a training plan for IDUES staff to ensure their continued commitment to and competence in this system.
- A pilot project developed by PMIT for use in performance monitoring the GAANN program could be applied here. It applies the peer review model, providing training in performance monitoring to a cadre of faculty and university officials from grantee institutions, and sending them out to visit other institutions as field reviewers for the federal government. This model makes possible two accomplishments: more efficient information gathering, and institutional capacity building through professional staff development.
- Contractors, as needed, to speed up the mailing and data entry of the survey instruments.

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