

156.1

REPORT ON SOURCES, USES, AND CONSTRAINTS  
ON FUNDS AVAILABLE TO THE CHANCELLOR'S  
OFFICE OR ALLOCATED TO CALIFORNIA  
COMMUNITY COLLEGES

MARCH 1973

# Joint Legislative Audit Committee

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## California Legislature

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March 23, 1973

Assemblyman Kenneth Cory  
Room 5016, State Capitol  
Sacramento, California 95814

Dear Ken:

Transmitted herewith is a report prepared in response to your questions of January 16, 1973, relative to the sources, uses, and allocation and legal constraints of funds available to or controlled in whole or in part by the Chancellor's Office of the California Community Colleges.

Major findings discussed in the report are:

- The Chancellor's Office has accumulated a surplus of credential fees in excess of expenditures in an amount of \$221,899 as of January 31, 1973. The use of the surplus for any purpose other than credentials issuance or refunds will require legislative authorization.
- The existence of this surplus was not disclosed in the financial statements of the Chancellor's Office in the Governor's Budget because the Board of Governors has not decided what they wish to do with the surplus.
- The Chancellor's Office has not formally adopted policy related to the types of federal contracts and grants that should be developed and obtained for the Chancellor's Office, and assistance to be provided to community colleges; nor has it specifically assigned responsibility or developed systematic procedures to develop grants and contracts or to advise and assist community college districts to develop grants and contracts.

Assemblyman Kenneth Cory  
March 23, 1973  
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Our staff is continuing its review of the community colleges and will report on specific programs in the future.

With my warm best wishes,

Sincerely,

A handwritten signature in cursive script that reads "Vince".

VINCENT THOMAS, Chairman  
Joint Legislative Audit Committee

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## INTRODUCTION

We have made a general review of the sources, uses, allocation and legal constraints of funds available to or controlled in whole or in part by the Chancellor's Office of the California Community Colleges.

Education Code Section 196 describes the intent of the Legislature that the Board of Governors "...shall provide leadership and direction in the continuing development of community colleges..." while "...maintaining and continuing, to the maximum degree permissible, local autonomy and control in the administration of the community colleges."

A statement of the sources of funds expended by the Chancellor's Office or allocated in whole or in part by the Chancellor's Office is presented as Attachment "A". Amounts available for and expended for the support of the Chancellor's Office and funds distributed to community colleges for capital outlay, extended opportunity program, and for support of new districts were reconciled to the Controller's balances. We relied upon records and estimates of the Department of Education to report funds available and allocated to districts for local assistance and vocational education.

Attachment "B" consists of a description of the use of funds, legal and policy constraints, control exercised by the Chancellor's Office, and the procedures used to allocate federal vocational education funds.

The Legislative Counsel provided a list of citations to California law, and federal law and regulations, by which funds are made available to or

authorized to be expended by the Chancellor's Office. This included program descriptions of federal grants and contracts which the Chancellor's Office may be able to obtain.

The Legislative Counsel also assisted us in determining the legal constraints for the use of certain funds.

SUMMARY OF FINDINGS

- |  | <u>Page</u> |
|--|-------------|
| 1. The Chancellor's Office has accumulated a surplus of credentials fees in excess of expenditures in an amount of \$221,899 as of January 31, 1973. The use of the surplus for any purpose other than credentials issuance or refunds will require legislative authorization.   | 6           |
| 2. The existence of this surplus was not disclosed in the financial statements of the Chancellor's Office or in the Governor's Budget because the Board of Governors has not decided what they wished to do with the surplus.  | 7           |
| 3. The Chancellor's Office has not formally adopted policy related to the types of federal contracts and grants that should be developed and obtained for the Chancellor's Office, and assistance to be provided to community colleges, nor has it assigned responsibility or developed systematic procedures to develop grants and contracts or to advise and assist community college districts to develop grants and contracts. | 9           |

FUNDS FOR SUPPORT OF THE  
CHANCELLOR'S OFFICE

The Chancellor's Office is supported by an annual general fund appropriation of approximately \$1 million, federal vocational education funds of approximately \$750,000, and miscellaneous grants and fees amounting to approximately \$250,000 per year. In general, these funds are included in the budget of the Chancellor's Office. However, the amount of fees received for community college credentials and the accumulated surplus of \$195,554 on June 30, 1972, have not been disclosed in the budget or financial statements. The surplus from credential fees had increased to \$221,899 at January 31, 1973.



FUNDS ALLOCATED TO COMMUNITY  
COLLEGES

Allocations to community colleges for the 1972-73 fiscal year are summarized below.

- State support	\$204 million
- State capital outlay	\$ 40 million
- Federal vocational education	\$ 13 million
- Extended opportunity program	\$4.85 million

The state support provides approximately 35 percent of the cost of education at community college. In addition, the state provides approximately 50 percent of the capital outlay funds.

The Board of Education is the state agency which administers the allocation of ADA state support and the federal vocational education funds received by California annually for all segments of education. The Chancellor's Office assumes its authority over the allocation of community college vocational education funds through agreements with the Board of Education.

### CREDENTIAL FEES

An opinion prepared for us by the Legislative Counsel cited Sections 13183 and 13184 of the Education Code as they existed on July 1, 1968 and stated that the proceeds from credential fees are "...appropriated to the board for the issuance of credentials, including the making of necessary refunds." The Board of Governors has the authority to set the fee. Some carry over of funds from year to year was anticipated.

As of January 31, 1973, the Chancellor's Office has accumulated a surplus of credential fees in excess of expenditures in an amount of \$221,899. The surplus at January 31, 1973, was equal to one and one-half years operating expense of the credentials unit.

From 1970, when the Chancellor's Office began issuing credentials, until July 31, 1972, the fee for a community college credential was \$20. The fee was set at \$20 prior to beginning operations, based upon a consultant's analysis of expected volume. Effective July 30, 1972, the fee was reduced to \$15. The cost of administering community college credentials during the 1971-72 fiscal year was approximately \$11.70 per application (not including the Chancellor's Office general administrative costs).

In the financial statements of the Chancellor's Office for the year ended June 30, 1972, the surplus (which then totaled \$195,554) was reported as "uncleared collections". This account is used to show the amount of cash collections which are being checked to determine whether they are to be accepted for a fund in the State Treasury or are to be refunded to payers. The Department of

General Services which does the accounting for the Chancellor's Office advises that they held the surplus as "uncleared collection" because the Board of Governors did not make decisions on what to do with the surplus. Although this method of accounting allowed the surplus to be carried forward from year to year as provided by statute, it did not disclose the surplus. The Department of General Services is considering establishing a special deposit fund which will disclose the surplus in the future.

In 1971, the Department of Finance requested "...the Board of Governors to explore the alternatives of contracting with the new Commission for Teacher Preparation and Licensing for administrative tasks involved in the processing of community college credentials."

No official written response to the Department of Finance has been made by the Board of Governors.

At its December 1972 meeting, the Board of Governors reviewed a report by its staff which recommended retaining the credentials function and which analyzed ways of improving community college instruction by increasing credential requirements. The Chancellor's Office was informally considering plans to use the surplus to develop in-service training programs for community college personnel.

The Legislative Analyst, in reviewing the 1973-74 budget, recommends that the Chancellor eliminate credentials for holders of master's degrees (approximately 50 percent of the workload) and study and report by December 1973 on "...the feasibility of (1) eliminating credentials altogether and (2) contracting for credentialing services from the Commission on Teacher Preparation and

Licensing". The Analyst also recommends using the credentials fee surplus as general fund revenue.

In February 1973, the Board of Governors deferred action on staff proposals to introduce legislation which would raise standards for community college credentials. Action was deferred, according to the Chancellor's Office, because of the Analyst's report.

The Chancellor's Office is currently considering refunding \$5 to each applicant who paid \$20. They estimate that if the surplus is transferred to a special deposit fund, it would cost about \$5-6 per refund via state warrants. If the money is left in "uncleared collections", refund checks could be issued at a cost of about \$2 each.

#### CONCLUSION

At present, the surplus can be used by the Chancellor's Office only for issuing credentials or refunds. Other uses of the surplus require legislative authorization.

Because of the present size of the surplus relative to the credentials operations of the Chancellor's Office, the question of what to do with the surplus has been presented to the Legislature. This and other policy questions raised by the Legislative Analyst and the Chancellor's Office should be decided before the money is transferred to a special deposit fund.

Ideally, the fee structure should be adjusted on a timely basis to approximate costs of administration and eliminate the costs and need for refunds.

FEDERAL FUNDS WHICH MAY BE AVAILABLE TO THE CHANCELLOR'S  
OFFICE AND/OR COMMUNITY COLLEGES

One of the objectives of the administration and public affairs unit of the Chancellor's Office as expressed in the 1972-73 and previous Governor's budgets is "...to develop and review contracts and grants". Within the basic intent provided by the Legislature in Section 196 of the Education Code, the Chancellor's Office may provide assistance to community colleges in developing grants and contracts. Section 25543 of the Education Code further provides that "To the extent permitted by federal law, the Chancellor of the California Community Colleges shall administer federal funds allocated to the public community colleges."

CLAIMING AVAILABLE FEDERAL FUNDS

The Chancellor's Office has not developed a systematic procedure nor specifically assigned responsibility to develop federal grants and contracts or to advise and assist community colleges to obtain grants and contracts. Grants and contracts are sometimes obtained by middle management of the Chancellor's Office for their area of responsibility. Each community college develops its own grants and contracts.

In response to our request, the Legislative Counsel provided descriptions of 66 federal programs by which funds may be available to the Chancellor's Office or to community colleges. The descriptions were taken from the 1972 Catalog of Federal Domestic Assistance published annually and updated as required by the Executive Office of the President, Office of Management and Budget. The

primary purpose of the catalog is to aid potential beneficiaries in identifying and obtaining available assistance and to improve coordination of federal, state and local programs. Catalog instructions state that the catalog does not include programs which are no longer active or programs for which no funding is currently available.

Examples of federal programs which are available and which have not been explored by the Chancellor's Office are as follows:

Teacher Preparation and Education

Adult Education - Teacher Education

Educational Research and Development - General Education Research

Education Research Training

Educational Staff Training - School Personnel Utilization

Higher Education Personnel Development - Institute and Short-term Training.

Information Systems

Educational Dissemination

Leadership

Strengthening State Department of Education - Grant for Special Projects

The descriptions of these programs as provided in the 1972 Catalog of Federal Domestic Assistance is included as Attachment "C".

The Chancellor's Office has expressed the belief that they should not compete for every available grant merely for the purpose of demonstrating how many grants they can obtain. We concur. The Chancellor's Office, however, has no formal policy which describes the types of grants which should be developed.

Five of the federal grants listed above and described in Attachment "C" may make federal money available for improvement of teaching. Since the Board of Governors had an item on their February 1973 agenda to require added professional preparation of its instructors, the availability of these federal funds and the possibility of coordinating state and federal objectives should be explored. The Chancellor's Office is informally considering use of the \$220,000 surplus which has resulted from the credentialing operation for this purpose.

One grant relates to developing state leadership. This is the primary role of the Chancellor's Office as expressed in Section 196 of the Education Code.

One of the grants relates to providing information to education decision makers. Section 200.12 of the Education Code provides that the Board of Governors shall conduct necessary statewide research of community colleges and shall provide appropriate information services, including but not limited to, definitions for the purpose of uniform reporting, collection, compilation and analysis of data for effective planning and coordination, and dissemination of information.

Because there are many grants and contracts, and because many are awarded on a competing project basis, the effect of the Chancellor's actions in terms of money not obtained for the Chancellor's Office or community colleges would be difficult to determine. Because of current proposals to consolidate many federal aid programs in the 1973-74 fiscal year and the possible elimination of some programs, such a study may not indicate sources of future revenue.

We have been advised by the Chancellor's staff that several of the large districts have personnel assigned the responsibility to develop grants and contracts. The possibility to consolidate research efforts and reduce districts'

costs may exist. The Chancellor's staff has also advised that several of the smaller colleges are not claiming federal grants and contracts which they are eligible for especially in the extended opportunity program and financial-aid area because the college staffs have too many duties to research the possibility of obtaining federal grants and contracts. The amount of money not obtained for community college districts is not known.

Responsibility to develop grants and contracts is not specifically assigned to anyone in the Chancellor's Office. An employee who had many contacts in Washington, D.C. assumed for a time a role in obtaining federal grants and contracts for the Chancellor's Office even though this was not part of the employee's job description. There was, however, no systematic approach. At present, middle management of the Chancellor's Office can develop grants and contracts for approval of the Vice-Chancellor. There is, however, no responsibility on their part and no systematic approach or guidelines adopted by management.

The Chancellor's Office advises that they realized about one year ago that they were not making a concerted effort to develop grants and contracts. In the 1973-74 budget, the Chancellor's Office requested a Washington, D.C. office and representative, stating that California Community Colleges were receiving a proportionately low share of federal funds. This request was eliminated from the 1973-74 budget by the Department of Finance.

The primary responsibility of the proposed Washington representative, as stated in the Chancellor's Office justification for the position, would be "...in working on legislative matters in Congress with secondary duties in helping districts, when needed, in application for aid".



## RECOMMENDATIONS

1. The Chancellor's Office should formally adopt policies related to the types of contracts and grants that should be developed and obtained for the Chancellor's Office, and assistance to be provided to community colleges.
2. The Chancellor's Office should adopt a systematic approach to developing contracts and grants for itself and for the community colleges.

Once policy and a systematic approach are developed, middle management can assume responsibility in their area of specialty provided someone centrally coordinates the activities.

### TITLE X OF THE HIGHER EDUCATION ACT OF 1965 AS AMENDED BY PUBLIC LAW 92-318

Public Law 92-318 authorizes the expenditure of substantial sums of federal money for post secondary education. At present, however, there is doubt as to (1) whether under present California law there is a state agency which can claim these funds, and (2) whether these funds will be budgeted by the federal government and released to the states.

For the year ended June 30, 1973, PL 92-318 authorized expenditures of \$165,700,000 nationwide. California's share would be about \$15 million. For the years ended June 30, 1974 and June 30, 1975, \$325 million and \$650 million were authorized for the nation.

We understand that legislation is currently being considered in California to enable the state to claim these funds if they are budgeted by the federal government and released to the state, and also, that the Governor may institute a reorganization plan to enable a state agency to claim these funds.



Walter J. Quinn  
Acting Deputy Auditor General

March 21, 1973

Staff: Richard LaRock  
Randall Young

Board of Governors of The California Community Colleges  
Sources of Funds Expended By Or Controlled In  
Whole Or In Part By The Chancellor's Office

	<u>Year Ended June 30, 1972</u>		<u>Year Ended June 30, 1973</u>		<u>Amount Encumbered December 31, 1972 Per Agency Budget Report</u>
	<u>Amount Available</u>	<u>Amount Expended</u>	<u>Amount Available or Budgeted</u>		
<u>For Support of The Chancellor's Office</u>					
<u>State Budget - Administration</u>					
Ch. 266/71, Item 291	\$ 960,574	\$ 912,272	\$1,062,139	\$ 968,679	
Ch. 156/72, Item 295					
<u>Reimbursements</u>					
<u>Vocational Education:</u>					
Federal Vocational Act of 1968					
Health, Education and Welfare					
Bulletin Sales (Dept. of General Services)	23,241	10,000	3,000	-0-	
Department of Mental Hygiene	5,165	5,165	6,000	2,515	
	5,000	3,504			
<u>Facilities Planning:</u>					
Plan Review Fees	34,935	34,935	38,000	11,716	
Construction Review Fees	1,850	1,850		413	
Coordinating Council on Higher Education	5,450	5,400			
Credentials Fees	252,482	143,742	154,826	70,000	
Office of Economic Opportunity - Community Action Program					
Grant #9017	129,313	72,286	57,027	-0-	
Total	1,073,396	854,166	1,055,953	84,644	
Total Funds for Administration	\$2,033,970	\$1,766,438	\$2,118,092	\$1,053,323	

<u>For Allocation to Community Colleges</u>		<u>Legal References</u>	<u>Amount Available</u>	<u>Amount Expended</u>	<u>Amount Available or Budgeted</u>	<u>Estimated Expenditures For Year Ended June 30, 1973</u>
<u>State Budget for Extended Opportunity Program</u>						
	Ch. 266/71, Item 291	\$ 3,350,000	\$ 3,350,000		\$ 4,850,000	4,850,000
	Ch. 156/72, Item 296					
	Sec: 25524 through 25528.7 of Ed. Code.					
<u>State Budget for Local Assistance</u>						
	Ch. 266/71					
	Ch. 156/72					
	Section 17300 et. seq. of Ed. Code	176,000,000 (approx.)	176,000,000 (approx.)	204,000,000 (approx.)	204,000,000 (approx.)	
<u>State Budget For Capital Outlay</u>						
	Section 20052 of Ed. Code.	40,871,920	39,079,534	Information Not Available		
<u>State Budget for Support of Newly Formed Districts</u>						
	Sections 20202 and 20211 of Ed. Code. Chapter 266/71, Item 270.2	1,300,000	1,149,846	-0-	-0-	
<u>State Support From Psychiatric Technician Fund</u>						
	Ch. 1324/70	100,000	98,000	-0-	-0-	
<u>Federal Vocational Education Act</u>						
	Public Law 90-576	<u>13,126,652</u>	<u>13,126,652</u>	<u>13,022,675</u>	<u>13,022,675</u>	
<u>Total Funds for Allocation to Community Colleges</u>						
		<u>234,748,572</u>	<u>232,804,032</u>			
<u>Total Funds for Support of The Chancellor's Office and Allocation to Community Colleges</u>						
		<u>\$236,782,542</u>	<u>\$234,570,470</u>			

LEGAL AND POLICY CONSTRAINTS  
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LEGAL AND POLICY CONSTRAINTS

The legal and policy constraints relative to use of funds for the support of the Chancellor's Office and for allocation to Community College Districts are described in this section of the report.

I. SUPPORT OF CHANCELLOR'S OFFICE

A. STATE GENERAL FUND BUDGET APPROPRIATIONS

1971-72 fiscal year, Chapter 266/71, Item 291	\$ 960,574
1972-73 fiscal year, Chapter 156/72, Item 295	\$1,062,139
<u>Use of Funds</u> - 1971-72 fiscal year	

Expenditures By Programs or Functions

Executive	\$131,396
Administration and public affairs	158,657
Facilities planning	194,576
Financial services	150,356
Academic and student affairs	186,136
Administration of extended opportunity program	94,931
Other	<u>(3,780)</u>
Total expenditures	912,272
Uncommitted funds at June 30, 1972	<u>48,302</u>
	<u>\$960,574</u>

Legal and Policy Constraints (Item 291, Chapter 266, Statutes of 1971)

State general fund money is annually appropriated for the continuing operation of the Chancellor's Office to accomplish the functions listed in the enabling legislation for the Board of Governors (Education Code, Sections 184 - 200.22). Other regulations of these funds are found in budget control language, Title V of the Administrative Code, inter-agency agreements and other sections of the Education Code. Other limitations or duties are imposed by legislative or Coordinating Council resolutions and by requests from state and federal agencies. The following are recent legislative resolutions which required some action by the Chancellor's Office:

- Assembly Concurrent Resolution No. 127 of 1972 relative to the elderly population in California.
- Assembly Joint Resolution No. 62 of 1971 relative to proposed efforts to develop and maintain academic programs that are relevant to the manpower needs of society.
- Assembly Concurrent Resolution No. 68 of 1971 relative to vocational education and training.
- Assembly Concurrent Resolution No. 174 of 1971 relative to transfer of educational credits.

The following are examples of recent resolutions of the Coordinating Council on Higher Education which required some action by the Chancellor's Office:

- Resolution No. 388, adopted January 5, 1971 relative to articulation and coordination of early childhood programs.
- Resolution No. 401, adopted March 2, 1971 relative to programs in criminal justice.
- Resolution No. 403, adopted March 2, 1971 relative to development of policies on minimum class sizes.
- Resolution No. 428, adopted December 7, 1971 relative to the development of procedures and criteria for sharing educational facilities.

The Chancellor's Office exercises the same control over its support budget as other state agencies. This control is limited by the normal controls imposed by the Department of Finance, Department of General Services, Personnel Board, Controller, State Board of Control.

In the following descriptions of each funding source for the support of the Chancellor's Office, any additional limitations on the Chancellor's Office control of each fund will be described.

B. REIMBURSEMENTS

1. <u>Vocational Education</u>	<u>1971-72</u>	<u>1972-73</u>
a. Federal Vocational Education Act of 1968	\$577,284	\$797,100
b. Federal Occupational Health and Safety Act of 1970	10,000	NA
c. Bulletin Sales	5,165	NA
d. Department of Mental Hygiene	<u>3,504</u>	-0-
	<u>\$595,953</u>	



Use of Funds

The sources of funds listed above reimbursed the Chancellor's Office for the cost of administering the Vocational Education Program. The costs of administering the program for the 1971-72 fiscal year were as follows:

Administration and Public Affairs Program	\$ 14,150
Administration - Extended Opportunity Program	20,443
Vocational Education Program:	
Personal services	392,893
Operating expenses	164,473
Equipment	294
Unexpended balance	<u>3,700</u>
	<u>\$595,953</u>

a. Federal Vocational Education Act of 1968

Legal and Policy Constraints (PL 90-576)

From funds allotted to California for vocational education \$615,960 was appropriated through the budget act and an inter-agency agreement with the Department of Education for the vocational education program administrative costs of the Chancellor's Office for the year ended June 30, 1972. For the year ended June 30, 1973, \$797,100 was made available. These funds were allotted to the Chancellor's Office subject to the provisions of an interagency agreement with the Board of Education. Other constraints are included in PL 90-576, federal regulations, and the State Plan For Vocational Education.

Control Exercised by Chancellor's Office

The selection of agency vocational education personnel is controlled by the Chancellor's Office, but the background requirements for employment, and the types of positions are dictated by the State Plan For Vocational Education.

b. Federal Occupational Health and Safety Act of 1970

Legal and Policy Constraints (Department of Health, Education and Welfare grant No. 1-TOL EC 00156 SOH)

The Chancellor's Office was awarded an eighteen-month grant in the amount of \$23,241 to design a curriculum guide for instruction in the health safety occupations. The grant was awarded to the vocational education section. The Chancellor's Office cost of producing the guide is expected to be \$13,000 which includes consulting fees.

Control Exercised by Chancellor's Office

The Chancellor's Office controlled the selection of the contractor who prepared the curriculum guide.

c. Bulletin Sales (Department of General Services)

Legal and Policy Constraints

The State Plan For Vocational Education permits the Chancellor's Office to prepare and disseminate publications that "deal with the progress of vocational education". These publications are sold to the public by the Department of General Services, Document Section. In accordance with the policies of the Document Section, the Chancellor's Office receives a portion of the proceeds of sales which is considered a reimbursement of costs incurred in preparing the bulletins.

d. Department of Mental Hygiene

Legal and Policy Constraints (Contract 70-468)

The Board of Governors contracted with the Department of Mental Hygiene to organize and administer a program of instruction for psychiatric technicians. Employees of the Department of Mental Hygiene were used as instructors. The contract limited administrative costs of the Chancellor's Office to \$5,000. The Chancellor's Office claimed reimbursement for administrative costs totaling \$3,504 during the 1971-72 fiscal year.

2. Reimbursements for Facilities Planning

	<u>1971-72</u>
a. <u>Plan Review and Construction Review Fees</u>	\$36,785

Use of Funds

The fees were a small partial reimbursement to the facilities planning program of the Chancellor's Office which expended monies as follows:

	<u>1971-72</u>
Personal Services	\$183,960
Operating Expenses	<u>52,802</u>
Total cost of facilities planning	<u>\$236,762</u>

Legal and Policy Constraints (Education Code 15302, 15303 and 13200.15)

The Chancellor's Office is required to review and approve community college construction programs (see Allocations to Community College Districts - State Support - Capital Outlay

Budget (page 30). Fee income is controlled by a formula in Section 15302 of the Education Code which specifies fees of \$25 per acre for site review and one-twentieth of one percent of estimated cost for construction review.

Control Exercised by Chancellor's Office

Section 15303 of the Education Code provides that this money is available for the use of the Chancellor's Office if it is appropriated by the Legislature.

b. Coordinating Council on Higher Education \$5,400

Legal and Policy Constraints (Contract CHE-48)

The Board of Governors agreed to provide the staff of the Coordinating Council on Higher Education with certain services and data for development and testing of a facilities analysis model. The agreement stated that the amount of reimbursement for costs should not exceed \$5,450 and that the Board of Governors cost would be computed pursuant to Section 8760 of the State Administrative Manual. The Chancellor's Office in turn contracted with the State Center Community College to develop the data at a cost of \$5,400.

3. <u>Community College Credentials Fees</u>	<u>1971-72</u>
<u>Fees collected</u>	<u>\$252,482</u>
<u>Use of Funds</u>	
Personal Services	\$ 77,975
Operating Expenses	65,701
Increase In Uncleared Collections Cash Account	<u>108,806</u>
	<u>\$252,482</u>

Legal and Policy Constraints (Section 13182, 13183 and 13184 of the Education Code as of July 1, 1968)

Section 13183 of the Education Code provides that credential fees are appropriated without regard to fiscal year to support the issuance of teacher credentials. In 1971-72, 12,282 credentials were applied for.

Control Exercised By The Chancellor's Office

As of January 31, 1973, the amount of fees collected in excess of expenditures and encumbrances totaled \$221,899. A surplus of \$195,554 was reported on the June 30, 1972 financial statements as, "uncleared collections". Although this method allowed the surplus to be carried forward from year to year, it did not disclose the surplus.

The surplus at January 31, 1973 was equal to about one and one-half years operating expenses of the credentials unit. The Department of General Services does the accounting for the Chancellor's Office and plans to establish a special deposit fund which will properly disclose the surplus.

Section 13182 of the Education Code provided that the credential fee is set by the Board of Governors. On July 30, 1972, the Board of Governors reduced the fee from \$20 to \$15. The Chancellor's cost of issuing credentials during the 1971-72 year was \$11.70.

4. Office of Economic Opportunity -  
Community Action Program Grant

Funds Available

The Office of Economic Opportunity, Community Action Program grant award of June 18, 1970 made \$172,345 available to the Chancellor's Office to plan how community colleges may more effectively extend opportunities for higher education to residents of poverty areas and better integrate existing resources to meet the needs of this special clientele. The federal share of the cost is to be \$145,477 or not to exceed 85 percent of the cost of the program. The non-federal share is to be provided by in-kind matching from funds within the existing budget of the Chancellor's Office by providing time and service of existing staff members to the extent that the costs of these services equal \$26,868.

Before the grant was awarded, the Chancellor's request was reduced by the Office of Economic Opportunity by the amount of \$44,400 to eliminate personnel costs from the Chancellor's proposal which, in the opinion of the Office of Economic Opportunity, were for the support of ongoing programs of the Chancellor's Office.

The original grant was to expire June 30, 1971. The grant period was subsequently extended to June 30, 1972. As of June 30, 1972, \$57,043 of federal funds remained unexpended. On November 2, 1972, the Chancellor's Office was authorized by the Office of Economic Opportunity to use the remaining \$57,027 of federal

funds for five specific study areas related to the purpose of the original grant.

Use of Funds

The federal funds expended as of June 30, 1972 were as follows:

Personal services	\$ 58,604
Contracts	13,266
Rent	7,332
Travel in state	3,145
Travel out of state	1,071
Office equipment rent	2,198
Telephone	1,737
Supplies and miscellaneous	<u>1,097</u>
Total	\$ 88,450
Unexpended federal funds 6-30-72	57,027
Amount of federal grant	<u>\$145,477</u>

The Office of the Chancellor has executed seven consulting contracts since November 1972 totaling \$52,264.

A separate accounting has not been made of in-kind matching funds provided by time and service of existing staff members of the Chancellor's Office.

Legal and Policy Constraints (Grant 9017)

The grant award requires quarterly progress reports and specifies that the federal funds shall be released by the Office of Economic Opportunity in three parts, the last part

to be released upon approval of the second quarterly report by the Office of Economic Opportunity. The Chancellor's Office issued progress reports in June 1971, November 1971, and May 1972.

All of the federal funds have been released to the Chancellor's Office. The grant award requires a final report. The Chancellor's Office advised us that a final report will be prepared.

The grant award requires the Chancellor's Office to arrange for an annual audit to be performed in accordance with guidelines set forth by the Office of Economic Opportunity.

An audit by the Department of Finance is currently in progress.



II. ALLOCATIONS TO COMMUNITY COLLEGE DISTRICTS

A. STATE SUPPORT

1. School Fund Apportionments for Community Colleges

<u>1971-72</u>	<u>1972-73</u>
\$176 million	\$204 million

Use of Funds

State School apportionment funds are for the general support of community college districts.

Legal and Policy Constraints (Chapter 266, Statutes of 1971 and Education Code 17301 et. seq.)

The Chancellor's Office accumulates data from community college districts which are used by the Department of Education in making the apportionments which are based on the formula in the Education Code. Data submitted by community college districts is verified in audits performed by the Department of Finance and independent accountants.

Control Exercised by Chancellor's Office

In accordance with Section 196 of the Education Code, the Board of Governors is to provide leadership for community colleges while maintaining local autonomy. Actions taken by the Chancellor's Office pursuant to Section 196 are a mild form of "control" over the use of these funds by community college districts.

2. Capital Outlay Budget

Amount Budgeted

Approximately \$40 million per year generally available for several years, made available by executive order.

Use of Funds

1971-72

Community College Capital  
Outlay Projects

\$39,079,534

Legal and Policy Constraints (Education Code 20050-20085)

Expenditure of these funds is subject to the constraints of the Community College Construction Act of 1967 (Education Code 20050-20085), the Community College Construction Program Bond Act of 1972 and annual budget appropriations. The Chancellor's Office establishes construction standards for community college capital outlay projects. Based upon these standards and the academic master plans, the Chancellor's Office receives and approves or disapproves ten-year master plans for construction which are revised annually by each district.

Each construction project must then be approved by the Chancellor's Office as conforming to the approved ten-year capital outlay plan and construction standards before it is submitted to the Department of Finance for inclusion in the Governor's Budget.

Control Exercised by Chancellor's Office

Approval or disapproval of construction projects gives the Chancellor's Office substantial control over these funds, from the viewpoint of the districts. However, approval by the Chancellor's Office is not a guarantee of funding by the Department of Finance and the Legislature. Furthermore, a project which is not approved at any point in this process can become the subject of special legislation.

The Chancellor's Office establishes criteria for the disbursement of community college capital outlay funds. The Chancellor's Office also approves claims for payment of these funds by the State Controller.

3. Extended Opportunity Programs and Services

<u>Amount Budgeted</u>	<u>1971-72</u>	<u>1972-73</u>
	Item 291	Item 295
	\$3,350,000	\$4,850,000

Use of Funds

Allocations to community colleges.

Legal and Policy Constraints (Item 295, Chapter 156, Statutes of 1972 and Education Code 25524-25528.7)

EOPS funds allocated to community colleges are subject to the provisions of the Education Code and regulations of the Chancellor's Office. The 1972-73 budget act requires the allocation of these funds "...on a priority basis and only to local programs which demonstrate their effectiveness and which have the most pressing need for financial aid for students".

Control Exercised by Chancellor's Office

The Chancellor's Office establishes the criteria for and controls the allocations of EOPS funds to community colleges.

4. In-lieu Taxes for Newly Created Districts

<u>Funds Budgeted</u>	<u>1971-72</u>	<u>1972-73</u>
Chapter 266/71 Item 270.2		
\$1,300,000		-0-

<u>Use of Funds</u>	<u>1971-72</u>
Apportioned to districts for general support	\$1,149,846

Legal and Policy Constraints (Education Code 20211 and 25457-25457.4)

Education Code 25457-25457.4 requires all territory not now included in a community college district to be so included by September 15, 1975. Presently, non-district territory taxpayers pay a "tuition" tax after service is rendered. Once in a district, taxpayers are charged in advance for the cost of community college services. Section 20211 provides for state payments to districts to avoid a "double-tax" in the first year of inclusion of new territory. In effect, the state pays for the last year of "tuition" while the taxpayer starts immediately supporting his new district.

Control Exercised by Chancellor's Office

All payments are "certified" by the Chancellor's Office, but are based on formula in the Education Code. The Chancellor's

Office exercises no control over these funds, but has substantial control over the process of compliance with the "inclusion" requirements of Sections 25457-25457.4.

5. Psychiatric Technician Program (Chapter 1324, Statutes of 1970)

<u>Funds Available</u>	<u>1971-72</u>
Vocational Nurse and Psychiatric Technician Examiners' Fund	\$100,000

<u>Use of Funds</u>	
Allocated to community college districts	\$98,000

Legal and Policy Constraints

Chapter 1324, Statutes of 1970, made \$200,000 available from the Vocational Nurse and Psychiatric Technician Examiners' Fund for the 1970-71 and 1971-72 fiscal years to permit the establishment and operation of accredited training programs for psychiatric technicians for community mental health programs. The enabling legislation allowed for planning and overhead costs, but emphasized scholarships and student expense reimbursements.

B. FEDERAL FUNDS FOR VOCATIONAL EDUCATION

Funds Available

Allotments of the State Board of Education to community college districts upon recommendations of the Joint Committee on Vocational Education were as follows:

	<u>1971-72</u>	<u>1972-73</u>
Part A - Disadvantaged students	\$ 719,000	\$ 969,800
Part B - Ongoing program support	10,816,392	10,590,537
Part C - Research	353,673	253,768
Part D - Exemplary programs	160,500	44,778
Part F - Consumer/Homemaking	279,372	374,218
Part G - Cooperative education	529,266	586,755
Part H - Work study	<u>268,449</u>	<u>202,819</u>
	<u>\$13,126,652</u>	<u>\$13,022,675</u>

In both periods, the funds allocated to community college districts equalled approximately one-third of the total federal vocational education funds allocated to California.

#### Use of Funds

The funds listed above are disbursed to community college districts for support of vocational education programs.

#### Legal and Policy Constraints

Federal funds are annually apportioned to California by the U.S. Commission of Education on the basis of state population and wealth. The funds are assigned for use in accordance with the parts of Vocational Education Amendments of 1968 (P.L. 90-576) as follows:

Part "A" - Disadvantaged student, Part "B" - Ongoing program support, Part "C" - Research, Part "D" - Exemplary programs, Part "F" - Consumer and homemaking. Funds are subject to regulations in PL 90-576 and policy set by the Joint Committee on Vocation Education, the State Board of Education, and the Board of Governors of the California Community Colleges.

The State Board of Education allocates the funds upon the recommendations of the Joint Committee on Vocational Education. Funds from various parts are "set aside" for staff initiated special projects with statewide impact. Administrative costs of the Department of Education, the Chancellor's Office, and county vocational coordinators are budgeted from various parts.

Under a cooperative agreement effective November 1, 1972, all funds awarded to California shall be divided between community colleges and secondary education by a residual cost formula contained in the State Plan for Vocational Education. In the past, only funds for parts "B" and "F" were divided in this manner. Funds for part "B" and "F" were then allocated to secondary and community college districts on the basis of formulas in the state plan which gives primary consideration to statewide average daily attendance but also considers vocational education average daily attendance. In 1972-73, statewide average daily attendance was given 80 percent weight and vocational education was given 20 percent weight. The weight granted each factor in future years will be determined by the Joint Committee on Vocational Education, but is planned for a 50-50 weighting within three years.

Funds for parts "A", "C", "D", "G", and "H" were in the past awarded by the state board on the basis of project proposals received from all high school and community college districts. In the future, community college districts will compete only against community college districts for these funds which will be divided between high schools and community colleges in advance by the residual cost formula.

A summary of the total funds available to California for the 1971-1972 and the 1972-73 fiscal year, and the allocation of these funds is shown below.

	<u>1971-72 Fiscal Year</u>		<u>1972-73 As Of</u> <u>January 1973</u>	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
Funds available				
Federal allocation	\$36,289,585		\$36,289,585	
Carry over	<u>2,652,909</u>		<u>3,111,763</u>	
Total funds available	<u>\$38,942,494</u>	<u>100.00%</u>	<u>\$39,401,348</u>	<u>100.00%</u>
Funds committed				
Administration				
Department of Education	3,699,591	9.50	4,370,543	11.09
Board of Governors	615,960	1.58	765,951	1.95
County Coordinators	<u>1,415,295</u>	<u>3.63</u>	<u>1,115,330</u>	<u>2.83</u>
Total administration	<u>5,730,846</u>	<u>14.71</u>	<u>6,251,824</u>	<u>15.87</u>
Special projects	<u>1,910,651</u>	<u>4.91</u>	<u>1,592,523</u>	<u>4.04</u>
Allocations				
High school districts	16,668,402	42.80	16,638,773	42.23
Community colleges	13,126,652	33.71	13,022,675	33.05
Other	<u>812,529</u>	<u>2.09</u>	<u>234,088</u>	<u>.59</u>
Total allocations	<u>30,607,583</u>	<u>78.60</u>	<u>29,895,536</u>	<u>75.87</u>
Total funds committed	38,249,080	98.22	37,739,883	95.78
Funds released			(193,977)	(.49)
Funds uncommitted	<u>693,414</u>	<u>1.78</u>	<u>1,855,442</u>	<u>4.71</u>
Total	<u>\$38,942,494</u>	<u>100.00%</u>	<u>\$39,401,348</u>	<u>100.00%</u>



The above statements were prepared from the records of the Vocational Education Section of the Department of Education and are used by the Joint Committee on Vocational Education to allocate funds. The records of the vocational education section have not been reconciled to the records of the fiscal office of the Department of Education for several years. For the year ended June 30, 1972, the fiscal office reported expenditures \$190,923 in excess of those reported by the vocational education section and an unencumbered balance as of June 30, 1972 of \$471,899 more than the vocational education section. We did not determine the reasons for the differences at this time.

The vocational educational section carries forward funds uncommitted at year end and encumbers and uses the funds on a first-in, first-out basis. Section 2.3 of the State Plan for Vocational Education states that, "Funds may be encumbered during the period of availability." Funds are considered encumbered to the extent that a valid obligation is created. Further auditing is needed in this area.

Although PL 90-576 authorizes the expenditure of federal money for the 1972-73 fiscal year, there has been no federal appropriation. In the absence of a federal appropriation, the program is funded by HEW on a quarterly basis at the same level as 1971-72.

#### Control Exercised by Chancellor's Office

All federal vocational education funds are received by the Board of Education as the "single agency" under federal law. A cooperative agreement between the Board of Education and the Board of Governors

specifies that the Board of Governors will provide direction, priorities, goals, maintain statistics, allocate federal vocational education funds to community college districts and evaluate community college programs. In the future, the Chancellor's Office will in effect designate the recipients of parts "A", "C", "D", "G", and "H" grants allocated to community colleges subject to the veto of the Board of Education.

The Joint Committee on Vocational Education is composed of three members of the Board of Education and the Superintendent of Public Instruction, and three members of the Board of Governors and the Chancellor of the California Community Colleges. The function of this joint committee is to coordinate the total statewide program of federally aided vocational education by advising the State Board of Education with regard to policies, procedures, fund allocations, staffing responsibilities, planning and program development.

ATTACHMENT C

SELECTED FEDERAL GRANTS WHICH MAY BE AVAILABLE  
TO THE CHANCELLOR'S OFFICE

## 13.402 ADULT EDUCATION - TEACHER EDUCATION

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Adult Education Act, Title III, Section 309(c) of Public Law 91-230; 20 U.S.C. 1201-1213.

**OBJECTIVES:** To provide training for personnel involved, or preparing to work, in adult education.

**TYPES OF ASSISTANCE:** Project Grants.

**USES AND USE RESTRICTIONS:** To be used only to prepare personnel who work or will work in adult education programs. Grants cannot be made to divinity schools or departments of divinity.

**ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** institutions of higher education, State or local educational agencies, or other appropriate public or private agencies or organizations.

**Beneficiary Eligibility:** Adults 16 years of age and over with less than a twelfth-grade level of competency or who do not have a secondary school certificate.

**Credentials/Documentation:** None.

**APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** A local educational agency submitting a proposal should attach a letter providing evidence of cooperation with the State educational agency. An applicant that is not a local educational agency should attach a letter describing the extent to which the proposed project has been discussed with local and State adult education officials. The Division of Adult Education Programs, Bureau of Adult, Vocational, and Technical Education, and the OE Regional Director of AVTE will provide guidance on specific problems and technical assistance in the preparation of proposals.

**Application Procedure:** Complete proposals include: Proposal Cover Sheet (OE Form 3120); Proposal Abstract (OE Form 3120-1); Narrative Description of the Project; Proposal Budget Summary (OE Form 3120-2); and Budget Explanations. Proposals are submitted to the Business Management Unit, Office of Associate Commissioner, Bureau of Adult, Vocational, and Technical Education, Office of Education, Washington, D.C. 20202.

**Award Procedure:** The Associate Commissioner, BAVTE, approves a proposal for support and a Procurement Cover Sheet (OE Form 5291) is issued. After negotiation is completed, the Office of Education Grants Officer sends the "Notification of Grant Award" (OE Form 5232) to the grantee.

**Deadlines:** As announced by the Commissioner of Education.

**Range of Approval/Disapproval Time:** 30 to 120 days.

**Appeals:** None.

**Renewals:** Not applicable.

**ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** None.

**Length and Time Phasing of Assistance:** 12 months.

**POST ASSISTANCE REQUIREMENTS:**

**Reports:** "Estimated Requirements and Report of Disbursement of Federal Cash" (OE Form 5140) as required; "Participant Information" (OE Form 3120-3) 2 weeks after enrollment; progress reports as required; "Final Expenditure Report" (OE Form 3120-4) within 60 days after termination of project; final project report.

**Audits:** All records directly relating to transactions under a grant are subject to inspection and audit by agencies representing the Department of Health, Education, and Welfare at all reasonable times during the period of retention.

**Records:** Records must be kept for 3 years after the close of the budget period in which final expenditures are made; or, if a Federal audit is not made within 3 years, records are retained for 5 years or until completion of the Federal audit, whichever is earlier.

**FINANCIAL INFORMATION:**

**Account Identification:** 09-40-0273-0-1-603.

**Obligations:** (Grants) FY 71 \$3,360,016; FY 72 est \$3,000,000; and FY 73 est \$3,000,000.

**Range and Average of Financial Assistance:** \$43,000 to \$363,000; \$250,000.

**PROGRAM ACCOMPLISHMENTS:** A total of 35 projects were supported in fiscal year 1971 to provide inservice and preservice training opportunities for 2,800 personnel. It is estimated that 12 projects will be funded in fiscal year 1972 which will provide training for approximately 3,400 teachers and paraprofessionals.

**REGULATIONS, GUIDELINES, AND LITERATURE:** Rules and Regulations - 45 CFR Part 167; "Policies and Procedures for the Preparation of Proposals and Operation of Projects under Title III, Section 309 of the Adult Education Act, Public Law 91-230," no charge.

**INFORMATION CONTACTS:**

**Regional or Local Office:** HEW regional offices (see appendix for addresses).

**Headquarters Office:** Director, Division of Adult Education Programs, Bureau of Adult, Vocational, and Technical Education, Office of Education, Washington, D.C. 20202. Telephone: (202) 963-7445.

**RELATED PROGRAMS:** 13.400, Adult Education - Grants to States; 13.401, Adult Education - Special Projects.

**13.422 EDUCATIONAL RESEARCH AND DEVELOPMENT -  
GENERAL EDUCATION (PROJECT) RESEARCH  
(Cooperative Research)**

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Cooperative Research Act; Public Law 83-531; 68 Stat. 533, as amended by the Elementary and Secondary Education Act of 1965; Public Law 89-10; Title IV; 79 Stat. 44; 20 U.S.C. 331; and subsequent public laws.

**OBJECTIVES:** To improve educational teaching and learning through basic and applied research and development.

**TYPES OF ASSISTANCE:** Project Grants.

**USES AND USE RESTRICTIONS:** To improve general educational activities which are not limited to the settings in which they are carried out. Support is not available for purely operational activities, which normally are supported from local funds or from other sources. However, support may be requested for the research component of operational programs.

**ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** Colleges, universities, State departments of education, or other public or private profit or nonprofit agencies, organizations, groups or individuals.

**Beneficiary Eligibility:** Same as applicant eligibility.

**Credentials/Documentation:** Principal investigator's credentials required at time application is made.

**APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** Not applicable.

**Application Procedure:** (1) Secure application packet from National Center for Educational Research and Development to submit unsolicited proposals. (2) Submit applications in accordance with specifications outlined in official announcements in the

case of solicited research and development activities.

**Award Procedure:** Proposals are evaluated by staff and nongovernment experts in terms of educational significance, soundness of procedure, adequacy of personnel and facilities, economic efficiency, and other criteria. Those approved for funding are subject to final negotiation.

**Deadlines:** In the case of unsolicited basic research and solicited research and development, deadlines are established by official announcement. In other cases, they may be suggested by preparing institution at the time of application.

**Range of Approval/Disapproval Time:** Time depends upon the size of the project. The normal period is 2 to 4 months.

**Appeals:** Not applicable.

**Renewals:** New proposal required.

**ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** The type of award (grant or contract) is determined at time of negotiation. Contribution, or cost sharing (minimum of 1 percent), is required on all grants, encouraged on contracts.

**Length and Time Phasing of Assistance:** Most awards are for 1 year to a year and a half. Extreme ranges are from 3 months to 5 years. Multi-year projects are usually funded in 12-month increments, subject to re-evaluation for each new period.

**POST ASSISTANCE REQUIREMENTS:**

**Reports:** Depend upon requirements set forth in the negotiation of each contract or grant. Usually, fiscal and progress reports are required. Monitoring is geared to the nature of the individual project. The end products are carefully evaluated, and a formal

## 13.424 EDUCATIONAL RESEARCH TRAINING

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Cooperative Research Act; Public Law 83-531; 68 Stat. 533, as amended by the Elementary and Secondary Education Act of 1965; Public Law 89-10, Title IV; 79 Stat. 44 and by Public Law 89-750, Title I, Part D; 80 Stat. 1202; and Public Law 90-247; Title VII, Section 706; 81 Stat. 820; 20 U.S.C. 331.

**OBJECTIVES:** To increase the number and competency of professionally trained educational research, development, dissemination, and evaluation personnel through support of graduate, inservice, and other training activities, and the development of more effective training programs and resources.

**TYPES OF ASSISTANCE:** Project Grants (and Contracts).

**USES AND USE RESTRICTIONS:** Assistance can be used to develop research training programs, to support the development of research training materials and aids, and for other activities which increase educational research manpower competencies.

**ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** Colleges and universities, State and local education agencies and systems, and other public profit and nonprofit organizations.

**Beneficiary Eligibility:** Individuals having current or potential major responsibilities in educational research and development. Not classroom teachers, or school administrators having major responsibilities in areas not directly related to doing research and development.

**Credentials/Documentation:** Not applicable.

**APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** Not applicable.

**Application Procedure:** Proposals are submitted according to the guidelines available from the National Center for Educational Research and Development, Office of Education. Applications are generally submitted in response to formal Requests for Proposals (RFP).

**Award Procedure:** Proposals are evaluated by staff and nongovernment experts in terms of research manpower needs, soundness of procedure, adequacy of personnel and facilities, economic efficiency, and other criteria. Those approved for funding are subject to final negotiation.

**Deadlines:** Vary according to individual program.

**Range of Approval/Disapproval Time:** Announced in request for proposal.

**Appeals:** Not applicable.

**Renewals:** Can be renewed one year at a time on the basis of

evaluation of a continuation application.

**ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** Project grants are based on negotiations for the work specified in the proposal. Matching, although encouraged, is not a determining factor in selection of training activities to be funded.

**Length and Time Phasing of Assistance:** Varies according to type of project.

**POST ASSISTANCE REQUIREMENTS:**

**Reports:** Continuing projects require detailed annual reports as part of continuation applications. All other projects require final reports. Quarterly reports may be required for certain specific projects.

**Audits:** Audits are conducted by the General Accounting Office on a routine basis.

**Records:** Records should be accessible for three years after the close of the fiscal year in which an expenditure was made.

**FINANCIAL INFORMATION:**

**Account Identification:** 09-40-0292-0-1-605.

**Obligations:** (Grants and contracts) FY 71 \$3,250,000; FY 72 est \$3,500,000; and FY 73 est \$4,600,000.

**Range and Average of Financial Assistance:** \$10,000 to \$450,000; \$50,000.

**PROGRAM ACCOMPLISHMENTS:** During fiscal years 1971-72, the research training program was restructured to place greater emphasis on consortia, practical internships, and other ways to upgrade the competencies of research personnel and assure manpower resources for development, evaluation, dissemination, and other research functions.

**REGULATIONS, GUIDELINES, AND LITERATURE:** "Guidelines for Educational Research Training Program," available to applicants upon request.

**INFORMATION CONTRACTS:**

**Regional or Local Office:** Not applicable.

**Headquarters Office:** Associate Commissioner for Research, National Center for Educational Research and Development, Office of Education, Washington, D.C. 20202. Telephone: (202) 963-6965.

**RELATED PROGRAMS:** 13.411, Educational Research and Development Centers; 13.412, Educational Research and Development - Regional Educational Laboratories; 13.421, Educational Personnel Training Grants - Career Opportunities; 13.425, Educational Staff Training - School Personnel Utilization; 13.476, Research and Development - Regional Research; 13.498, Vocational Education - Research.

## 13.425 EDUCATIONAL STAFF TRAINING - SCHOOL PERSONNEL UTILIZATION (School Personnel Utilization Program)

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Education Professions Development Act, Part D, Sections 531-533; Public Law 90-35; 20 U.S.C. 1111-1119a.

**OBJECTIVES:** To recruit and train new personnel and to retrain experienced personnel for new roles in schools which provide promotional opportunities within the instructional process; and to develop training projects that enable schools to develop staffing plans which provide more effective instruction for children and make maximum use of the talent available in a school system and its community.

**TYPES OF ASSISTANCE:** Project Grants.

**USES AND USE RESTRICTIONS:** Part D Grants may be used to supervise, train, or improve the qualifications of persons who are serving or preparing to serve in educational programs. Funds cover stipends, dependency allowances and instructional costs. EPDA funds may not be used to support regular undergraduate teacher preparation programs.

### ELIGIBILITY REQUIREMENTS:

**Applicant Eligibility:** Institutions of higher education, State departments of education, and local public educational agencies, or two or more of the above types of agencies in combination.

**Beneficiary Eligibility:** Present or prospective educational personnel of all types who will be trained for work in elementary, secondary, or postsecondary vocational schools.

**Credentials/Documentation:** Where applicable, proposals must include signatures indicating approval by cooperating agencies or institutions; local education agencies applying for Part D grants must have the signature of the chief State school officer indicating coordination with EPDA, Part B.

### APPLICATION AND AWARD PROCESS:

**Preapplication Coordination:** Proposals submitted by local education agencies must be signed by the chief State school officer, signifying coordination with Part B programs.

**Application Procedure:** Program materials describe application procedures. Initial application is a prospectus, briefly outlining program need, objectives, and design. Following prospectus, evaluation, certain applicants are encouraged to submit full proposals.

**Award Procedure:** In final selection, outside evaluators' ratings, geographical distribution, and availability of funds will be considered. When a proposal is approved for negotiation, a grant award document is issued, usually for a portion of the target figure allocated for the project. After completion of necessary negotiations, the grant is amended to reflect any programmatic or fiscal changes.

**Deadlines:** Prospectus is due August 1. Proposal is due November 1.

**Range of Approval/Disapproval Time:** 90 days from the time of proposal submission. Prospectus will be encouraged or discouraged within 60 to 90 days after submission.

**Appeals:** None. Unfunded applicants will be notified of the reasons for refusal on request.

**Renewals:** Grants are awarded annually; proposals may be projected for more than 1 year only if (1) the project will train the same personnel for the whole time; or (2) will not succeed unless continued for more than 1 year. But continued funding is not guaranteed, and will be based on the availability of funds, a clear demonstration of need, and evidence of satisfactory performance.

### ASSISTANCE CONSIDERATIONS:

**Formula and Matching Requirements:** Applicants are encouraged to seek partial funding for the project from local and other sources.

**Length and Time Phasing of Assistance:** 6 to 18 months. Payments on demand, based on quarterly estimates of need.

### POST ASSISTANCE REQUIREMENTS:

**Reports:** Interim technical reports. Final expenditure reports within 60 days of grant termination.

**Audits:** None.

**Records:** Detailed records covering all funds expended under the grant must be kept for 5 years or until an audit is performed.

### FINANCIAL INFORMATION:

**Account Identification:** 09-40-0292-0-1-605.

**Obligations:** (Grants) FY 71 \$2,780,602; FY 72 est \$3,000,000; and FY-73 est \$3,000,000.

**Range and Average of Financial Assistance:** \$25,000 to \$225,000; \$75,000.

**PROGRAM ACCOMPLISHMENTS:** In fiscal year 1971, 1,376 teachers, administrators, supervisors, and trainers of teachers benefited from intensive training in 23 projects at 21 institutions of higher learning and State and local education agencies. The projects extended educational benefits to an additional 6,000 educators through inservice workshops and sessions at the grantee institutions and local school systems.

**REGULATIONS, GUIDELINES, AND LITERATURE:** CFR 45-174; Education Professions Development Act - Facts About Programs for 1971-72 OE-58030-72; no charge. Education Professions Development Act-Program Information: School Personnel Utilization Program; no charge.

### INFORMATION CONTACTS:

**Regional or Local Office:** Persons may communicate with the EPDA coordinators, Office of Education, HEW Regional Offices (see appendix for a list of addresses).

**Headquarters Office:** Office of Associate Commissioner SPU Program Officer, Bureau of Educational Personnel Development, Office of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202. Telephone: (202) 962-7041.

**RELATED PROGRAMS:** 13.421, Educational Personnel Training Grants-Career Opportunities; 13.490, Training of Teacher Trainers; 13.505, Educational Personnel Development - Urban/Rural School Development; 13.509, Educational Personnel Development - Pupil Personnel Specialists.

## 13.461 HIGHER EDUCATION PERSONNEL DEVELOPMENT - INSTITUTES AND SHORT-TERM TRAINING (EPDA, Part E Institutes)

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Education Professions Development Act of 1967; as amended, Part E, Sections 541 through 543; Public Law 90-35 and Public Law 90-575; 20 U.S.C. 1119b.

**OBJECTIVES:** To train personnel in higher education by providing support for institutes and short-term training programs to train persons who are serving or preparing to serve as teachers, administrators, or educational specialists in institutions of higher education.

**TYPES OF ASSISTANCE:** Project Grants.

**USES AND USE RESTRICTIONS:** For inservice or preservice training, part-time or full-time training programs of up to 12 months' duration; training of college personnel in a variety of fields, including academic subject matter areas, instructional methods and equipment, administrative skills, student personnel services, etc. Grants to the training institution cover all direct operating costs of the training program, participant support plus indirect costs.

Training must be of graduate-level quality; seminars, conferences, symposia, and workshops are not eligible for support unless part of a continuing training program; funds may not be used for purchase of equipment or for travel expenses of trainees.

### **ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** Institutions of higher education, including junior colleges, 4-year undergraduate colleges, and universities.

**Beneficiary Eligibility:** Persons who are serving or preparing to serve as teachers, administrators, or educational specialists in institutions of higher education.

**Credentials/Documentation:** The applicant must submit a signed statement that it meets the definition of institution of higher education given in Section 1201 of the Higher Education Act of 1965, as amended.

### **APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** None.

**Application Procedure:** Part I - Institutional Summary; Part II - Program Application; Part II-A - Institutional Eligibility and Assurances and Conditions; Part II-B - Letters of Commitment from Cooperating Institutions; Part II-C - Minority Students and Family Income. A narrative statement outlining the training program must be submitted with the forms. Guidelines for preparation of proposals are available. Proposals must be submitted to the Bureau of Higher Education of the Office of Education.

**Award Procedure:** Proposals and applications are evaluated by outside consultants, experts in fields of education, and the OE Division staff. The Division of College Support, Bureau of Higher Education, makes final awards. These offices also provide notification of grant approval to members of Congress as well as to the institutions of higher education.

**Deadlines:** Usually August 1.

**Range of Approval/Disapproval Time:** 135 to 165 days from the deadline date for submission of proposals.

**Appeals:** If a proposal is disapproved for funding, the reasons for disapproval will be explained. If the applicant wishes to resubmit the proposal in a subsequent fiscal year, he should make changes needed as indicated by the explanation of disapproval.

**Renewals:** Training programs may be approved for renewal one or more times. Applications for renewal are submitted according to the same procedures as applications for new programs.

### **ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** Not applicable.

**Length and Time Phasing of Assistance:** Assistance is normally available for a period up to but not exceeding 12 months. The grant funds are released as required.

### **POST ASSISTANCE REQUIREMENTS:**

**Reports:** (1) Enrollment report, due shortly after the beginning of the training program; (2) director's final report due 30 days after completion of the program; (3) "Final Budget and Financial Report" due 90 days after termination of program.

**Audits:** It is desirable that an audit be conducted by the Department of Health, Education, and Welfare within 5 years after the termination of the training program.

**Records:** The grantee institution must maintain records pertaining to the grant for 5 years after the close of the fiscal year during which expenditure was made, or until the grantee is notified that the records are no longer needed.

### **FINANCIAL INFORMATION:**

**Account Identification:** 09-40-0293-0-1-602.

**Obligations:** (Grants) FY 71 \$5,000,000; FY 72 est \$5,000,000; and FY 73 est \$8,236,000.

**Range and Average of Financial Assistance:** \$1,859 to \$240,058; \$49,504.

**PROGRAM ACCOMPLISHMENTS:** In fiscal year 1971, 101 training programs were supported and approximately 7,049 persons received training. In fiscal year 1972, it is estimated that 96 training programs will be supported which will train approximately 7,000 educational personnel.

**REGULATIONS, GUIDELINES, AND LITERATURE:** "Higher Education Personnel Training Programs, 1972 - 73: Instructions and Application Forms for Submitting Fellowship, Institute, and Short-Term Training Proposals for Support under Part E of the Education Professions Development Act, Public Law 90-35," no charge; "Higher Education Personnel Training Programs 1971-72," no charge.

### **INFORMATION CONTACTS:**

**Regional or Local Office:** Not applicable.

**Headquarters Office:** Assistant Director, Division of College Support, Bureau of Higher Education, Office of Education, Washington, D.C. 20202. Telephone: (202) 962-3034.

**RELATED PROGRAMS:** 13.462, Higher Education Personnel Fellowships; 13.407, College Teacher Graduate Fellowships.



## 13.485 STRENGTHENING STATE DEPARTMENTS OF EDUCATION - GRANTS FOR SPECIAL PROJECTS

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Elementary and Secondary Education Act of 1965 as amended, Title V-A, Section 505; Public Law 89-10; 20 U.S.C. 865.

**OBJECTIVES:** To pay part of the cost of experimental projects for developing state leadership or for the establishment of special services which hold promise of making a substantial contribution to the solution of problems common to state educational agencies.

**TYPES OF ASSISTANCE:** Project Grants.

**USES AND USE RESTRICTIONS:** Each special project must include activities of an experimental nature (or, in the case of public regional interstate commissions and agencies, educational planning and research) to develop state leadership in education or to establish special services that may help to solve the problems common to the state educational agencies of all or several of the states.

### **ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** The state educational agencies of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands are eligible for project grants. Public regional interstate commissions and agencies for educational planning and research also are eligible for project grants for educational planning and research.

**Beneficiary Eligibility:** Same as applicant eligibility.

**Credentials/Documentation:** Applications must be certified by an authorized official of the state educational agency and by the state's attorney general or other legal officer.

### **APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** Agencies wishing to participate in a multi-state project jointly develop a proposal. Technical assistance is available from the Office of Education. Applicants must secure a Certification of DHEW Model Cities Relatedness (OMB Form No. 85-R0145) from the local City Demonstration Agency (CDA) Director for projects with a significant impact in the Model Neighborhood Area of Model Cities.

**Application Procedure:** One state educational agency, on behalf of all the agencies to be involved in a project, submits an application for a grant (Form OE-4439) in accordance with the instructions provided through the Office of Education (listed below).

**Award Procedure:** Upon approval, the applicant becomes the administering agency for the grant. The Director, Division of State Agency Cooperation, approves all applications and makes notification to the grantee and also to the State Central Information Reception Agency and OMB on SF 240.

**Deadlines:** Applications are accepted throughout the fiscal year.

**Range of Approval/Disapproval Time:** 3 to 4 weeks.

**Appeals:** None. However, proposals may be resubmitted at times when additional funds become available for grants or when they have been modified to meet the intent of the law.

**Renewals:** Continuation grants for a second or a third year are

awarded if a project is progressing satisfactorily toward its proposed objectives. The administering agency applies for such grants according to instructions provided.

### **ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** Participating agencies are required to contribute, either in dollars or services, to the cost of a project. The adequacy of a proposed contribution is determined on an individual project basis.

**Length and Time Phasing of Assistance:** A project may be awarded a continuation grant at the end of a grant period. This will not necessarily coincide with the fiscal year.

### **POST ASSISTANCE REQUIREMENTS:**

**Reports:** Grantees are required to submit an annual report (Form OE-4440) at the end of a specified grant period. Projects are monitored by Office of Education coordinators.

**Audits:** All records covering expenditures for activities of the grantee will be audited by the Department of Health, Education, and Welfare.

**Records:** All records supporting claims for Federal grants are to be maintained (1) for 5 years after the end of the period for which the funds could be spent, or (2) until the grantee is notified that such records are no longer needed.

### **FINANCIAL INFORMATION:**

**Account Identification:** 09-40-0279-0-1-601.

**Obligations:** (Grants) FY 71 \$1,487,500; FY 72 est \$1,650,000; and FY 73 est \$1,650,000.

**Range and Average of Financial Assistance:** \$3,808 to \$271,000; \$67,614.

**PROGRAM ACCOMPLISHMENTS:** In fiscal year 1971, 22 projects were in operation, six being newly funded. In fiscal year 1972, an estimated 27 projects will be in operation, 21 continuing from prior years and six being newly funded.

**REGULATIONS, GUIDELINES, AND LITERATURE:** "Improving State Leadership in Education," OE-23407, \$0.60; "Reinforcing the Role of State in Education," OE-23050, \$0.50; "Focus on the Future - Education in the States," OE-23050-68, \$0.70; "The State of State Departments of Education," OE-23050-69, \$2.00; "The Federal-State Partnership for Education," OE-23050-70, \$1.50; "State Departments of Education and Federal Programs," OE 23056-71, (price not yet known). Available from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Project publications available from the administering agency.

### **INFORMATION CONTACTS:**

**Regional or Local Office:** Not applicable.

**Headquarters Office:** Division of State Agency Cooperation, Bureau of Elementary and Secondary Education, Office of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202. Telephone: (202) 962-4231.

**RELATED PROGRAMS:** 13.486, Strengthening State Departments of Education - Grants to States.

## 13.513 EDUCATIONAL DISSEMINATION

**FEDERAL AGENCY:** OFFICE OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

**AUTHORIZATION:** Cooperative Research Act; Public Law 83-531; 68 Stat. 533, as amended by the Elementary and Secondary Education Act of 1965; Public Law 89-10; Title IV; 79 Stat. 44; 20 U.S.C. 331.

**OBJECTIVES:** To (1) accelerate the spread and installation of validated practices and research-based products; (2) strengthen state and local education agency communication capabilities; (3) increase access to the current knowledge base in education through ERIC; (4) provide interpreted information to educational decision-makers; and (5) apply research and development toward improving dissemination.

**TYPES OF ASSISTANCE:** Project Grants (and Contracts).

**USES AND USE RESTRICTIONS:** May be used to support dissemination of information about current knowledge, tested exemplary practices, and research-based materials and to encourage their application at all levels of education. The applicant must have the professional competence and fiscal accountability necessary to carry out the supported activities.

**ELIGIBILITY REQUIREMENTS:**

**Applicant Eligibility:** Grants and contracts may be awarded to local school systems, state departments of education, colleges, universities, and other public or private agencies, organizations, groups, or individuals. Profitmaking organizations are eligible for research support contracts but not for grants.

**Beneficiary Eligibility:** Same as applicant eligibility.

**Credentials/Documentation:** An established subject or technical competence in the area to be covered by the applicant.

**APPLICATION AND AWARD PROCESS:**

**Preapplication Coordination:** National Center for Education Communication may be contacted for advice and assistance. Applicants must secure a Certification of DHEW Model Cities Relatedness (OMB Form No. 85-R0145) from the local City Demonstration Agency (CDA) Director for projects with a significant impact in the Model Neighborhood Area of Model Cities.

**Application Procedure:** Apply to National Center for Educational Research and Development. Guidelines explain procedures. Available on request.

**Award Procedure:** Procedures vary depending upon funding circumstances (e.g., competitive bids, sole source procurement).

Notification of grant award must be made to the designated State Central Information Reception Agency and OMB on SF 240.

**Deadlines:** As required by proposal solicitation.

**Range of Approval/Disapproval Time:** Variable.

**Appeals:** Not applicable.

**Renewals:** Provisions exist for renewals.

**ASSISTANCE CONSIDERATIONS:**

**Formula and Matching Requirements:** Local contribution desired (5 percent minimum).

**Length and Time Phasing of Assistance:** Varies from 1 to 3 years; Time phasing: not applicable.

**POST ASSISTANCE REQUIREMENTS:**

**Reports:** Quarterly progress reports and annual summary reports are required.

**Audits:** Subject to audit by HEW Audit Agency.

**Records:** Required in accordance with contract provisions.

**FINANCIAL INFORMATION:**

**Account Identification:** 09-40-0292-0-1-605.

**Obligations:** (Grants) FY 71 \$8,494,000; FY 72 est \$8,000,000; and FY 73 est \$15,500,000.

**Range and Average of Financial Assistance:** \$8,500 to \$650,000; \$75,000.

**PROGRAM ACCOMPLISHMENTS:** In fiscal year 1971, 66 projects were funded (39 new, 27 continuations). In fiscal year 1972, 63 projects are expected to be funded (28 new, 35 continuations).

**REGULATIONS, GUIDELINES, AND LITERATURE:** "NCEC," no charge; "How to Use ERIC," OE-12037B, \$0.35; Two brochures: "ERIC Can Help," OE-12039, no charge. Educational Reference Center brochure, no charge.

**INFORMATION CONTACTS:**

**Regional or Local Office:** Director of Research for each Office of Education regional office within the Department of HEW regional offices (see appendix for addresses).

**Headquarters Office:** Assistant Commissioner for Educational Communication, Office of Education, Washington, D.C. 20202. Telephone: (202) 962-6346.

**RELATED PROGRAMS:** 13.411, Educational Research and Development Centers; 13.413, Educational Broadcasting Facilities; 13.422, Educational Research and Development—General Education (Project) Research; 39.005, National Audiovisual Center.