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RELEASED

DEC 7 1970

Dear Senator Cotton:

In accordance with your request of July 14, 1970, the General Accounting Office reviewed the manner in which certain Federal funds granted by the Office of Education, Department of Health, Education, and Welfare (HEW), to the University of New Hampshire were expended. The Federal funds involved were granted under title I of the Higher Education Act of 1965 (P.L. 89-329), to conduct community service and continuing education programs.

The purpose of title I of the Higher Education Act of 1965 is to assist the people of the United States in the solution of community problems such as housing, poverty, government, recreation, employment, youth opportunities, transportation, health, and land use by enabling the Commissioner of Education to make grants under this title to strengthen community service programs of colleges and universities. Community service programs are intended to assist in the solution of these problems through educational programs, activities, or services, including research programs and university extension and continuing education courses.

For a community service program to be eligible for Federal financial assistance the grantee institution must determine that the proposed program, activity, or service is not otherwise available and is consistent with the institution's overall educational program and effectively utilizes its resources and the competencies of its faculty. Where courses are offered, they must be acceptable towards a degree or be of a college level.

The total Federal appropriations for title I and the amounts granted to the State of New Hampshire for fiscal years 1966 through 1970 are as follows.

<u>Fiscal year</u>	<u>Total Federal appropriations</u>	<u>New Hampshire's allotment</u>
1966	\$ 10,000,000	\$ 116,298
1967	10,000,000	116,434
1968	10,000,000	116,434
1969	9,500,000	114,625
1970	9,500,000	114,912

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In June 1966, the Governor of New Hampshire designated the University of New Hampshire as the State agency responsible for the administration of the State plan for the title I community service and continuing education programs. Also, in June 1966, the President of the University of New Hampshire appointed a university professor as the State Director for the title I program. The professor is chairman of the University's Resources Development Center which carries out the activities of title I as well as other programs.

For fiscal years 1966-1970 the State agency granted about \$518,000 of title I monies to finance 41 projects at seven colleges in New Hampshire. Administrative costs incurred by the State agency for this period amounted to about \$46,000. The participating institutions provided matching resources totaling about \$311,000. The State agency granted the University of New Hampshire about \$276,000 of the above Federal monies for use on 21 approved projects. The University provided matching resources for these projects totaling about \$161,000.

RESULTS OF GAO REVIEW

We tested the propriety of expenditures made for 4 of the 21 University projects. The estimated costs of these projects totaled about \$139,000, or about 32 percent of the total estimated costs of the 21 projects. Of the total estimated costs of the four projects reviewed, \$82,000 represented Federal grant funds and \$57,000 represented the University's contribution. The expenditures reviewed, totaling about \$46,000, consisted of charges for travel, supplies, salaries and wages, and other direct costs of the projects.

The primary objectives of the four projects were to (1) develop healthy and creatively productive leisure time activities for the adults of the area through a continuing education program in music, (2) teach adults how to provide educational stimulation in the home using the resources of the family and the community, (3) assist low-income groups to develop skills in identifying and solving community problems, and (4) acquaint town school boards, town officials, and school administrators with modern and efficient means of solving growth and administrative problems in local schools.

Our review showed that these four projects met the criteria of the act as eligible projects. The expenditures tested, with the exception of about \$430 that involved equipment and travel costs, were eligible costs as defined in the Code of Federal Regulations (45 CFR 173.27), and the funds were expended for the purposes of the projects. The records relating to the expenditures tested did not indicate that the funds were used

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for the "Communiversy" effort. We discussed the questionable charges of \$430 with the State Director for the title I program who agreed to restore these funds to the title I program.

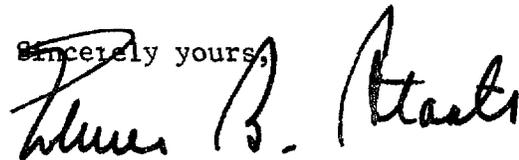
In addition to our review of expenditures for the above-mentioned four projects, we scanned the stated purposes of the remaining 17 University projects. The purposes of these projects appeared to be consistent with the criteria set forth in the Higher Education Act.

During our review, we noted certain weaknesses in the administration of the title I program by the State agency--the University of New Hampshire. These matters relate to (1) the need for periodic evaluations of the status and progress of title I programs by the State agency in accordance with applicable Federal regulations and the State plan, (2) non-compliance with the requirement of the State plan that all expenditures under the programs be subjected to audit after the close of each fiscal year, and (3) unobligated funds of about \$13,000 which were not returned to the Office of Education. Additional details pertaining to these matters were furnished you informally.

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We trust that the foregoing information will be of assistance to you.

Sincerely yours,



Comptroller General
of the United States

The Honorable Norris Cotton
United States Senate