

Mr. Parson
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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20546

B-197464

February 11, 1980

The Honorable Harrison A. Williams
Chairman, Committee on Labor and
Human Resources
United States Senate

SEN 07100

Dear Mr. Chairman:

This letter provides our [comments on S. 2130] 96th Congress, a bill cited as the "Developing Institutions Amendments of 1979." Our views concerning the definition of developing institution, as contained in section 301(b)(1), are provided.

The proposed bill provides that the term developing institution means an institution of higher education

"(A) the enrollment of which includes a substantial percentage of students from low-income families, and

"(B) the average educational and general expenditures of which are low, per full-time equivalent student, in comparison with the average educational and general expenditures per full-time equivalent student of institutions that offer similar instruction."

The bill also provides that such term also includes an institution of higher education that does not meet the criterion contained in subparagraph (B) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as a developing institution is otherwise consistent with the purposes of this title.

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In a February 1979 report to the Congress, 1/ we pointed out that the operating problems and the most basic problem of adequately defining a "developing institution" were so fundamental and pervasive that we believed the program as presently structured was largely unworkable. Therefore, we recommended that the Congress first determine whether or not the title III program should be continued. If it determines that the program should be continued, the Congress should clarify the purpose of the Strengthening Developing Institutions of Higher Education Program by providing specific additional guidance to the Department of Health, Education, and Welfare concerning the types of institutions that the program should serve and the ultimate goals that should be achieved by these institutions.

We believe that the definition of a developing institution as contained in the proposed legislation will likely result in those institutions that are most in need of and which can benefit from the types of services provided by the title III program being identified as eligible for the program. However, we believe a further distinction needs to be made in the funding process.

The Congress should provide specific guidance which is now lacking on how the Office of Education should decide which of those eligible institutions are most in need and could benefit most from funding.

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We will be happy to discuss these matters with you.

Sincerely yours,

R. F. Keller
Deputy Comptroller General
of the United States

1/"The Federal Program to Strengthen Developing Institutions of Higher Education Lacks Direction," HRD-78-170, Feb.13, 1979.

bc: Mr. Ahart, HRD
Mr. Lauve, HRD
Mr. Jojokian, HRD