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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-208465

AUGUST 13, 1982

The Honorable Terrel H. Bell
The Secretary of Education

Dear Mr. Secretary:



119194

Subject: Improper Use of Federal Student
Aid Funds for Lobbying Activities
(GAO/HRD 82-108)

In response to a recent Congressional request, our office inquired into the use of Federal funds to lobby against proposed cuts in student financial aid programs administered by the Department of Education.

The request concerned the California State University, Northridge (CSUN) and its efforts to urge student recipients of financial aid to write to their members of Congress to oppose proposed funding cuts for student financial aid programs.

Our inquiry into this matter revealed that less than an estimated \$300 of Federal funds was expended by CSUN on these lobbying activities in violation of applicable appropriation act restrictions. The estimate is based on data requested from and furnished by CSUN's Financial Aid Office. There were no records showing actual time spent on this project.

As part of our inquiry we (1) reviewed pertinent Federal laws and regulations, (2) obtained selected financial reports from the Department of Education and (3) visited the CSUN campus from June 14-16, 1982, and met with CSUN officials and employees.

The Federal funds involved were allowances for CSUN's costs to administer three Department of Education student aid programs --the National Direct Student Loan Program, the Supplemental Educational Opportunity Grants Program and the College Work-Study Program--for school year 1981-82. There were no administrative cost allowances to administer the Pell Grant Program or the Guaranteed Student Loan Program for 1981-82.

During early March 1982, officials of CSUN's Financial Aid Office held several meetings with recipients of student financial aid. At these meetings students were encouraged to write members of Congress to urge their support to oppose proposed funding cuts for student financial aid programs. Students were provided sample letters, stationery, and postage. The Federal funds involved

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in the lobbying activities were from administrative funds provided the CSUN for administering the three Federal student aid programs, and were expended primarily for staff salaries of the Financial Aid Office.

There are two anti-lobbying restrictions applicable to the Department of Education appropriations. One of these restrictions was included in the Treasury, Postal Service, and General Government Appropriations Acts for fiscal years 1981 and 1982, and reads as follows:

"No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any corporation or agency, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress."

This prohibition applies to the use of any appropriation "contained in this or any other act." Thus, it is applicable to the use of appropriated funds by any Federal agency or department.

The other anti-lobbying appropriation restriction was contained in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts, for fiscal years 1981 and 1982, and reads as follows:

"No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentations to the Congress itself.

No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient or agent acting for such recipient to engage in any activity designed to influence legislation or appropriations pending before the Congress."

This provision precludes the expenditure of Federal funds for activities that request members of the public to contact their congressional representatives and urge them to support or oppose legislation and/or appropriation measures.

The General Accounting Office has long held that these prohibitions, which were also included in previous appropriation acts, apply primarily to expenditures of appropriated funds involving appeals addressed to members of the public

suggesting that they contact members of Congress to indicate support of or opposition to pending legislation, or to urge members of Congress to vote in a particular manner.

The activities of the Financial Aid Office in urging students to contact their congressional representatives and request support for increased Federal aid for student assistance programs violated the provisions of the two appropriation restrictions.

The amount of funds illegally expended was quite small and we believe it would not be cost effective for the Department of Education to recover these improper expenditures. However, similar activities may have been carried out at other institutions. We, therefore, suggest that you advise institutions receiving Federal funds under programs administered by the Department of Education that such lobbying activities are improper.

We would appreciate your advising us of any action which you take.

Sincerely yours,

Edward A. Hensmore

for Gregory J. Ahart
Director