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STATEMENT OF
GREGORY J. AHART, DEPUTY DIRECTOR, CIVIL DIVISION ^{W 1513}
BEFORE THE LEGAL AND MONETARY AFFAIRS SUBCOMMITTEE
OF THE COMMITTEE ON GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES

ON

[ADMINISTRATION OF GRANTS BY
THE LAW ENFORCEMENT ASSISTANCE ADMINISTRATION]

Mr. Chairman and Members of the Subcommittee:

We are here today to discuss reviews we are making of programs authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968 and administered by the Law Enforcement Assistance Administration (LEAA), Department of Justice. 187

The objective of the act is simply stated in 12 words: "To prevent crime and to insure the greater safety of the people."

Declaring crime to be essentially a local problem, the act provides for planning and law enforcement grants to State and local governments, namely:

--planning grants to State Planning Agencies for development of State-wide comprehensive plans which establish priority programs for the improvement of law enforcement throughout each State.

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--action grants to State Planning Agencies for subgranting to State and local governments to be used for projects conforming with the comprehensive plans. These grants, which account for 85 percent of the funds provided for action grants, are called block grants and are allocated among the States according to their respective populations.

--action grants to units of State and local governments as LEAA may determine. These grants, which account for 15 percent of the funds provided for action grants, are commonly referred to as discretionary grants.

As the result of amendment on January 2, 1971, the act also provides for grants for correctional institutions and facilities with the stipulation that 50 percent of the funds appropriated for that purpose be made available to State Planning Agencies and that the remaining 50 percent be allocated as LEAA may determine.

In addition to the foregoing planning and action grants, the act provides for training, education, research, demonstration, and special grants and, among other things, authorizes the Administration to carry out programs of academic educational assistance to improve and strengthen law enforcement.

BLOCK GRANTS

We have recently completed field work on a review of the block grant program and are evaluating the results. The block grant program accounts for the major part of the total funds appropriated to LEAA in fiscal years 1969 and 1970 and administration of the program forms the principal focus of LEAA activities.

In the course of our review, we visited State Planning Agencies in California, Illinois, and New York, as well as selected local agency subgrantees in those States. These States were chosen for review because they collectively received about one-fourth of all block grant funds awarded.

While we have not yet arrived at firm conclusions on our findings, we are concentrating our attention on several basic areas which may be of interest to the Subcommittee.

PROGRAM INERTIA

The high priority which Congress placed on the need to fight crime and improve the criminal justice system--police, courts, and corrections--is evidenced by the rapid growth in funds made available for LEAA activities. Appropriations for fiscal years 1969, 1970, and 1971 totaled \$63 million, \$268 million, and \$529 million, respectively. Appropriations authorizations for fiscal years 1972 and 1973 are \$1.15 billion and \$1.75 billion, respectively.

There has been a slowness in using the appropriated funds. For the three States which we visited, LEAA allocated \$49.5 million in block grant funds appropriated for fiscal years 1969 and 1970. As of December 31, 1970:

--only \$11.9 million had been withdrawn by the three States.
--only \$9.2 million of this amount had been forwarded by the State Planning Agencies to State and local units of government. As will be discussed later, not all of the \$9.2 million had been expended since some part represented cash being held by the subgrantees.

While expenditures should be made only when it appears that a useful result will obtain, we believe that the inertia evidenced by the aforementioned figures is a matter which should be of concern both to the Congress and LEAA, particularly in light of the high priority assigned the program.

It may be that expectations have been too great. The sudden infusion of substantial amounts of money on the one hand, and a stated policy of reliance on local initiative and administrative machinery on the other, could be expected to open the door to difficulties and delay.

Some difficulties of LEAA which may have contributed to delay have already been well publicized--such as the inability of the administrator and the two associate administrators to reach a consensus on certain matters and the recent 10-month period during which the position of administrator was vacant.

Other, more specific explanations for delay which we have heard in our discussions with State Planning Agencies' officials have been:

--an unwillingness by State and local agencies to undertake some of the projects under programs planned by the State Planning Agencies, and

--various difficulties in arranging for matching funds.

Within the past year LEAA, evidencing concern about the small percentage of block grant funds which have been received by subgrantees, requested comments by the State Planning Agencies. In a February 1971 summary of excerpts from the responses received, LEAA stated that it was difficult to draw conclusions from the comments provided. The summary presented a wide-range of comments on problems encountered, including the aforementioned categories.

In this connection, one of the goals identified in May 1971 by an LEAA Task Force, which was appointed by the Administrator to study the LEAA program, was to improve the "delivery" system. It proposed to accomplish this by greater delegation of authority within the organization, including decentralization of LEAA operations by expanding the authority, responsibility, and capability of the regional offices.

PROJECTS SIMILAR TO THOSE OF OTHER PROGRAMS

It is clear that in enacting the Omnibus Crime Control and Safe Streets Act Congress intended a comprehensive attack on the crime problem including concentrated efforts at improvements of the criminal justice system.

The Act authorized the Administration to make grants for certain enumerated purposes which included:

public protection;

recruiting and training of law enforcement personnel;

organizing, educating, and training of special units to combat organized crime and to prevent, detect, and control riots and other violent civil disorders;

recruiting, organizing, training, and educating community service officers;

developing and operating community-based delinquent prevention and correctional programs, emphasizing rehabilitation centers; expanded probation programs; community service centers for the guidance and supervision of potential repeat youthful offenders;

construction of facilities to fulfill or implement the foregoing purposes, including local correctional facilities, centers for the treatment of narcotic addicts, and temporary courtroom facilities in areas of high crime incidence.

We have found, however, that about 30 percent of the grant funds approved through December 31, 1970, by the State Planning Agencies in California and New York have been for projects dealing with the underlying causes of crime rather than the criminal justice system. Many of these projects are in program areas that are administered by other Federal departments and agencies, notably the Departments of Health, Education, and Welfare and Labor, and the Office of Economic Opportunity.

Examples of these projects are:

1. Two consecutive 6-month subgrants of \$108,000 each were awarded to sustain a youth employment service project. The project was to provide vocational education and training, individual and group counseling, remedial education, job development and placement, and had been previously funded by OEO through a city manpower and career development agency. This project is similar to the Department of Labor's Neighborhood Youth Corps program which also provides an out-of-school program to assist economically deprived school dropouts to obtain practical work experience and on-the-job training as well as in-school and summer programs. Another Department of Labor program provides occupational training for unemployed and underemployed persons who could not reasonably obtain appropriate full-time employment. In addition, HEW's Social and Rehabilitation Service provides grants to assist State and other public or private non-profit agencies in providing training services to clients to prepare them for gainful employment.

2. A subgrant of \$75,602 was made to a county board of education to aid kindergarten pupils with potential chronic learning problems. Under this pilot project, to be operated in a selected school, special student observation techniques and parent interviews were to be used to identify the roots of potential learning problems at the kindergarten level. Project personnel and special consultants were to assist teachers in the use of individualized instructional techniques and interested parents were to be provided advice on preparing their children for progress in school. The theory underlying the development of the project was that

by assisting schools in reducing the incidence of chronic student failure this program would, over the long run, have an influence in helping a broader spectrum of young people to become less delinquency prone. Under the Elementary and Secondary Education Act, HEW makes funds available to assist States in providing programs for educationally disadvantaged children. Also, grant programs in the juvenile delinquency area are conducted by HEW under the Juvenile Delinquency Prevention and Control Act of 1968.

3. A subgrant of \$100,000 was made for participation in a city methadone project designed to test the feasibility and efficiency of methadone maintenance as a treatment modality for heroin addicts. The block grant funds were part of the \$1.8 million estimated project budget for the period November 1969 through June 30, 1970, \$1 million of which was provided by the National Institute of Mental Health, HEW.

While the funding of projects such as these are permissible under the broad coverage of the act, the substantial funding of projects outside the criminal justice system is somewhat at odds with the emphasis of the program as publicly expressed by LEAA. In its December 1970 "LEAA Newsletter" LEAA stated:

"* * * LEAA does not seek to solve social and economic problems which contribute to crime. That is the responsibility of other Federal and State agencies. The purpose of LEAA is to give large-scale financial and technical aid to strengthen criminal justice at every level throughout the nation."

Also, in congressional testimony an LEAA Associate Administrator stated that there are other Federal programs and State programs designed to work in areas dealing with the causes of crime.

We think the funding of such projects logically gives rise to several questions. Are monies appropriated by the Congress for LEAA block grant activities to some extent merely financing old programs under

a new label? Will the diffusive effect of channeling funds into projects which deal with the underlying causes of crime detract from the attention, as well as the funding, which will be focused on the police--courts--correction areas? Which leads to a final question... Is prevention of crime a workable criteria in delineating block grant program limits when the causes of crime are commonly thought to be related to education, employment, housing, and so forth--fields where Federal activities are administered by other departments and agencies?

LEAA guidelines require that the State comprehensive plans include discussion of programs within the States that have a relationship to law enforcement, such as urban renewal, model cities, comprehensive manpower, poverty, or education programs. Specific information is also required on the plans' relationship to, and coordination with, the juvenile delinquency programs of HEW and the law enforcement aspects of the model cities program and Highway Safety Act. We found that, for the most part, the 1970 State plans of California, Illinois, and New York included merely a brief description of the programs available and, in some instances, listings of funds received. There was little mention of the extent of coordination by the State Planning Agencies with other agencies.

It has been recognized that crime is primarily a local problem to be dealt with by the State and local governments and State agencies have been established for the purpose of coordinating activities in this area. These State agencies should provide the focal point for determining the types of projects needed--those directly related to the criminal justice system and those related to the underlying causes of crime--and for coordinating with the appropriate agencies for the necessary support.

EVALUATION OF PROGRAM AND PROJECT EFFECTIVENESS

Title I of the act authorizes LEAA to "conduct evaluation studies of the programs and activities assisted under the title" and also authorizes LEAA's National Institute of Law Enforcement and Criminal Justice to make continuing studies of the effectiveness of projects and programs carried out under title I. In turn, LEAA has advised the State Planning Agencies that their responsibilities include evaluations of the total State effort in implementing plans and improving law enforcement.

LEAA has done little toward making its own evaluation of the effectiveness of programs or projects funded with block grants. Also, LEAA has not provided the State Planning Agencies with the assistance necessary to perform such evaluations in their respective States.

In the SPA Guide for 1969 (a manual issued by LEAA to the State Planning Agencies for guidance on application, award, and administration of planning and block grants), LEAA stated that it would issue guidelines suggesting appropriate procedures, techniques, and measures for evaluating the contribution to crime control of the block grant projects and expenditures. The Guide provided that the State Planning Agencies, pending issuance of the guidelines, outline in their 1969 State plans a tentative program for project evaluation and measurement of overall plan performance.

Prior to submission of the 1969 State plans, however, LEAA, in the interest of saving time, simplified the plan requirements and eliminated the provision calling for an evaluation program description. Subsequent editions of the SPA Guide for 1970 and 1971 also omitted reference to such a program.

We were advised by LEAA that it had not issued guidelines to the State Planning Agencies on evaluation methods because of a shortage of manpower. Also, we noted that on occasions information or guidance has been requested from LEAA on monitoring and evaluation methods and LEAA has been unable to provide the assistance.

A somewhat better picture is seen at the State level but, there also, more remains to be done than has been done. All three States we visited had taken steps to measure the effectiveness of individual projects and consultants were used for such purposes.

In California we found that all projects were required to have an evaluation component and that evaluations were being made, but procedures had not been developed for systematic utilization of the final evaluation reports. In Illinois we noted instances where the consultants stated that they were not able to fully evaluate the projects because they believed project goals and objectives were inadequately defined and/or necessary records for an evaluation were not established or maintained. In New York only a minimal number of evaluation reports had been received at the time of our review and none had been accepted by the State Planning Agency staff as final. However, none of the three States had developed systems for evaluating the effectiveness of State-wide efforts to improve law enforcement programs.

LEAA officials told us that, although evaluations had been made of certain specific activities, an overall assessment of the law enforcement assistance program will not be possible for a number of years. They also told us that, with some exceptions, the State Planning Agencies had not attempted to measure the impact of their

projects because of a shortage of planning funds, especially in the smaller States. In a statement to the Bureau of the Budget in April 1970, LEAA explained that the State Planning Agencies in the first few years of operation, had been so totally involved with planning and program development that virtually no resources had been devoted to project evaluation.

We do not think the matter can be allowed to rest. Evaluations of project effectiveness are vital to the administration of a program where:

--it is hoped that State and local governments will be induced to assume the costs of improvements after a reasonable period of Federal assistance, and

--the basic planning is performed by 55 different planning organizations, all having a use for such information.

And, finally, the cost and urgency of the program demand some reporting as to whether the individual projects, the State comprehensive plans, and the LEAA program are reaching toward the statutory goals of preventing crime and ensuring the greater safety of the people.

DISSEMINATION OF INFORMATION ON RESEARCH ACTIVITIES

The act authorizes LEAA to collect and disseminate information on the condition and progress of law enforcement in the States. It also authorizes the LEAA National Institute to collect and disseminate information obtained by recipients of LEAA funds and to recommend actions which can be taken to improve law enforcement. LEAA, however, has not been in a position to provide the State Planning Agencies with information on block grant projects which have been proven to have an impact-- or no impact--on the criminal justice system.

In a September 1970 reply to an Illinois State Planning Agency official's request for information on programs and projects that had been successful and that had failed, LEAA stated that it was in the process of developing an information system but:

"* * *At present, we have to rely on LEAA's annual report, soon to be released, and upon discussions and contacts that take place at regional and national meetings of SPA personnel. The former may be too sketchy to provide an adequate insight into the nature of demonstration programs, and the latter are not well structured for in-depth exchange of information.

"At the moment, therefore, we are unable to respond to you with sufficient information. * * *"

-- As we have just discussed, the fact that evaluations of project effectiveness are not being made in an organized and systematic way is the first stumbling block to adequately informing State Planning Agencies about projects in other jurisdictions.

There remains the matter of simply informing the State Planning Agencies of the research projects (such as studies, experiments, demonstration of pilot projects) which have been or are being supported with block grant funds. Some progress has been made, but it has been slow and much remains to be done. The major effort to date has been the Institutes'

Federal-State Criminal Justice Research Index which was released to the State Planning Agencies in January 1971. This index was compiled from replies to requests sent to the State Planning Agencies for summaries of all research projects that they were funding.

The Index is only a partial listing. Apart from the fact that only 19 States furnished items for inclusion, it appears that those contributing did not report all research projects. Two of the States-- California and New York--included in our review accounted for 118 of the projects listed in the Index. Our review of projects approved by the two State Planning Agencies turned up 187 projects which appeared eligible for inclusion.

The Institute is planning to establish and operate a national reference service which it envisions will disseminate information on law enforcement research, including research under block grants, and will aid in prevention of needless repetition of projects and in the widespread adoption of those which have merit. We understand, however, that the Institute is only in the process of awarding a contract for design of the service and that it will not be operational for several more years.

The importance of dissemination of information on LEAA block grants is underlined by the substantial amounts of monies being channeled into research projects. As an illustration, the 187 research projects approved in California and New York accounted for \$14.7 million, or 54 percent, of the total \$27.1 million approved for funding in those States.

FINANCING OF PROJECTS

When a grant has been awarded to a State Planning Agency, LEAA uses the letter-of-credit method for financing cash advances. The letter of credit is a commitment specifying an amount which the recipient may withdraw, when needed, through any commercial bank which it selects, by issuance of a payment voucher. The purpose of this method of financing is to reduce Federal debt levels and the interest cost of borrowings.

We reviewed letter-of-credit reports submitted to LEAA headquarters by 52 of the 55 State Planning Agencies and found that, contrary to the Federal Government's policy and LEAA instructions, excessive cash balances were maintained at the State level. The Agencies had maintained a combined average monthly cash balance of about \$11 million for planning and action grants (the major part of which is block grant funds) from the time that LEAA adopted the letter-of-credit system in July 1969 through December 1970. These balances resulted in interest costs of about \$973,000 to the Government. We believe that interest costs could have been reduced substantially if withdrawals had been more in line with the immediate cash needs.

When we brought the matter of excess funds to the attention of the California State Planning Agency, we were advised that the Agency would begin withdrawing funds on a weekly basis instead of monthly as it had been doing, which should reduce the outstanding balances. The Treasury Department instructions provide that the timing and amount of cash advances be as close to actual daily disbursements as is administratively feasible.

We also noted that the State Planning Agencies were advancing grant funds to subgrantees in amounts greater than necessary to meet their actual needs, thus further increasing the interest cost to the Federal Government. In the three States reviewed, we visited 27 subgrantees and found that 13 of them had funds in excess of current requirements. For example, in Illinois 4 of 7 subgrantees were advanced funds 3 to 5 months before the funds were needed. One subgrantee had received about \$58,700 of a \$117,000 grant in August 1970 and in January 1971 the subgrantee still had the funds and did not anticipate spending them for several more months.

LEAA AUDIT OF STATE PLANNING AGENCIES

In May 1969 LEAA informed the State Planning Agencies that it intended to conduct an annual audit of grant fiscal administration of each agency with major emphasis on evaluation of grant accounting and control systems and limited sampling of individual grant programs at both the State and local level. Since that time overall reviews have been made in only four States--Florida, Maryland, Alabama, and Massachusetts--and a report has been prepared on only one of these reviews--Florida. However, LEAA has conducted miscellaneous audits, reviews, and investigations under various programs and prepared reports on those reviews.

At June 1, 1971, LEAA's audit staff had 26 professional auditors, including seven transferred on a temporary basis from the Department of Justice central staff. LEAA, in its fiscal year 1972 budget, requested additional positions to increase the staff to 38. We believe that LEAA's audit staff would have to be increased substantially over the 38 professional positions requested to provide adequate audit coverage of the 55 State Planning Agencies and the 50,000 active grants and contracts estimated for 1972.

We were recently told that LEAA's audit staff began on-site surveys of the State Planning Agencies and that all States will be visited. Following the surveys, the staff plans to make financial compliance audits at 21 selected States. Also, at the direction of LEAA headquarters, LEAA regional office personnel recently visited the State Planning Agencies and completed check lists covering their operations. We noted that information shown on the check lists indicated that no audits of subgrants had been made in many States.

STATE PLANNING AGENCY AUDITS OF SUBGRANTS

LEAA's objective is to assist the State Planning Agencies in developing sufficient audit capability so that it can delegate certain audit functions to them. According to LEAA's survey data, only a few State Planning Agencies now have sufficient capability to audit subgrantee activities and some agencies have no audit staffs at all. It appears that there will be very limited auditing of subgrantee activity until LEAA succeeds in developing audit capability at the State level.

During our visits to the three States and to selected subgrantees, we found a variety of administrative and financial deficiencies indicating a need for more State audit efforts. Some cases in point:

- Records kept by some subgrantees were not adequate to properly account for grant funds. For example, the books of account of one New York subgrantee were incomplete and disorganized rendering them unauditable. The subgrantee, a nongovernmental agency, has since contracted with an accounting firm to revise its accounting system.
- The entire salaries and fringe benefits of the probation officers were included as the subgrantee's matching contribution in a New York project to train paraprofessionals to perform the routine duties of probation officers. We were informed by the project director that, in addition to the probation officers' training of the paraprofessionals, they were to perform their normal duties. While records of the time actually spent training the paraprofessionals were

not maintained, it appears that only part of the probation officers' salaries should have qualified for matching purposes.

--Community aides who, by the terms of a New York project, were specifically limited to police-community relations work, were spending a portion of their time on functions which were within the jurisdiction of other city agencies. For example, aides assigned to one community service center were performing clerical duties in neighborhood health and urban progress centers.

--Timely follow-up on reported deficiencies in a public defender services project was not made by an Illinois State Planning Agency. The monitor was advised by an independent evaluator that: clearly defined functions and responsibilities were not established, personnel were involved in unnecessary duplication of effort, certain professional personnel were being poorly utilized, and administrative delays were occurring in the filing of appeal briefs.

LAW ENFORCEMENT EDUCATION PROGRAM

In the Law Enforcement Education Program LEAA advances funds to educational institutions primarily on the basis of estimates of program needs submitted by the institutions. In fiscal year 1970, about \$18 million was advanced to 735 educational institutions. Because institutions overestimated their program needs and because they were allowed to carry unexpended funds forward for use in the succeeding fiscal year, large amounts of unexpended funds remained in the possession of many institutions, thereby increasing Federal interest costs. In addition, interest costs were further increased because funds were advanced to institutions too far ahead of the time that students normally pay their tuition and expenses.

We estimated that, from inception of the program in January 1969 through August 1970, these practices have resulted in unnecessary interest costs to the Government of about \$440,000. This estimate was based on the amount of unexpended funds on hand at the end of each fiscal year.

We brought this matter to the attention of Department of Justice officials who told us that they were taking actions to eliminate the unnecessary interest costs by (1) delaying the issuance of funds to schools until the last possible moment and (2) completely revising the funding and billing system to provide for the funding of institutional needs on a term basis. This new system was put in operation on July 1, 1971.

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It should be noted that LEAA is currently undergoing a major reorganization. In May 1971 the recently appointed Administrator released the report of a Task Force which he had appointed to study the LEAA program and to recommend ways that it could be made more effective. The Task Force recommended a more decentralized organization for LEAA, which the Administrator approved. Major changes include

- increased authority for the regional offices, which were increased from seven to ten, with the regional staffs doubled or in some cases almost tripled and
- reorganized staff functions at LEAA Headquarters into five offices directly responsible to the Administrator.

In announcing the reorganization, the Administrator stated that it had two objectives: (1) to provide long-range programs for improving the criminal justice system and (2) develop programs which have an immediate impact, especially on street crime.

It remains to be seen whether the reorganization and increased emphasis in certain areas will have a favorable impact on the problems we have observed.

That concludes my statement, Mr. Chairman.