

DOCUMENT RESUME

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[The Basic Educational Opportunity Grant Program at Holliston Junior College]. B-164031(1); HRD-77-45. February 15, 1977. 4 pp.

Report to Commissioner of Education, Department of Health, Education, and Welfare; by Gregory J. Ahart, Director, Human Resources Div.

Issue Area: Education, Training, and Employment Programs (1100).

Contact: Human Resources Div.

Budget Function: Education, Manpower, and Social Services: Research and General Education Aids (503).

Organization Concerned: Department of Labor; Holliston Junior Coll., MA; Massachusetts: Div. of Employment Security; Office of Education.

Authority: Higher Education Act of 1965, as amended, title IV-A (20 U.S.C. 1070a). Education Amendments of 1976 (P.L. 94-482). 45 C.F.R. 190.2(e).

The Holliston Junior College Basic Educational Grant Program, which provides grants to needy students enrolled in a special secretarial program, was reviewed in response to charges of abuse of the program. Findings/Conclusions: As of June 1976, the college had awarded 248 Basic Grants, totaling about \$238,000, to students enrolled in what appeared to be an ineligible secretarial program established in June 1975. Holliston introduced the special secretarial program to provide welfare mothers with a marketable skill. The failure of the program to lead to a degree or certificate made the program ineligible. In addition, for a program to be eligible, it must be of at least 6-months duration; a semester at Holliston was 15 weeks long. Holliston has changed the program to include 30 credit hours of study, which leads to a certificate, and has made the program satisfy the 6-month criteria. Recommendations: The Office of Education should determine if the college circumvented the Basic Grant eligibility criteria and whether restitution should be made to the Federal Government. The Office of Education should also determine whether the changes made in the special secretarial program bring it into compliance with Basic Grant eligibility criteria. (SW)

00136



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

HUMAN RESOURCES
DIVISION

FEB 15 1977

B-164031 (1)

The Honorable
Commissioner of Education
Department of Health, Education,
and Welfare

Dear Mr. Commissioner:

In response to charges of abuse regarding the Basic Educational Opportunity Grant (Basic Grant) Program (authorized by title IV-A of the Higher Education Act of 1965, as amended (20 U.S.C. 1070a)) at Holliston Junior College, Holliston, Massachusetts, we reviewed the college's grant program which your agency administers to provide grants to needy students enrolled in eligible postsecondary educational programs.

In summary, we found that as of June 1976, Holliston Junior College had awarded 248 Basic Grants totaling about \$238,000 to students who were enrolled in what appeared to be an ineligible secretarial program which had been established in June 1975.

BACKGROUND

To apply for a Basic Grant, students forward their completed applications to a central processor, the American College Testing Program, which uses a Basic Grant need analysis formula to determine the eligibility of the applicants. Students receive eligibility reports which they submit to the school they wish to attend. The schools' financial aid officers then determine the Basic Grant award amount from an Office of Education payment schedule. The school in turn bills the Office of Education for awards made to students and either credits the student's account or makes direct payments to the student when the funds are received. At the time of our review, a student could receive up to \$1,400 for each academic year. The Education Amendments of 1976 (Public Law 94-482) raised this limit to \$1,800 for 1978-1979.

Holliston introduced the special secretarial program to provide welfare mothers with a marketable skill. The program was developed in cooperation with a work incentive coordinator for the Massachusetts Division of Employment Security.

The Work Incentive Program is designed to provide certain recipients of assistance under the aid to families with dependent children (AFDC) program with training and employment opportunities and with such supportive services as are necessary to move them from welfare dependency to economic self-sufficiency through meaningful jobs.

The Work Incentive Program is administered at the Federal level jointly by the Department of Labor and the Department of Health, Education, and Welfare. State and local welfare agencies are responsible for referring all appropriate AFDC recipients to nearby State employment service offices for enrollment in the Work Incentive Program and for providing supporting services.

CERTIFICATES WERE NOT AWARDED TO PARTICIPANTS
IN THE SPECIAL SECRETARIAL PROGRAM

The Code of Federal Regulations (45 C.F.R. 190.2(e)) defines an eligible Basic Grant program as "a program of training at an institution of higher education which *** leads to a degree or certificate." A discussion of this section of the regulations with the Basic Grant program director, at Office of Education headquarters, confirmed that the failure of a program to lead to a degree or certificate is, in and of itself, enough to make the program ineligible.

Since inception of the special secretarial program at Holliston, none of the 248 AFDC mothers (mostly Work Incentive Program referrals) enrolled in the program have been awarded certificates. In order for a student to be eligible for a certificate at this school, the student must, among other things, have completed a minimum of 30 credit hours of study. The special secretarial program, until recently, never offered 30 hours of course study. In fact, about 87 percent of the AFDC recipients never accumulated more than half of the 30 credit hours required for a certificate.

QUESTIONABLE LENGTH OF THE
SPECIAL SECRETARIAL PROGRAM

The Code of Federal Regulations (45 C.F.R. 190.2(e)) also defines an eligible Basic Grant program as a program

of training at an institution of higher education which "is of at least 6 months duration." In commenting on this section of the regulations, the Basic Grant program director confirmed that a program to be eligible must be of at least 6-months' duration and that its eligibility would be questionable if a high percentage of students did not complete this minimum requirement.

Of the 248 AFDC recipients enrolled in the special secretarial program at Holliston, 215, or about 86 percent, never enrolled in a course of study beyond one semester. A semester at Holliston is 15 weeks long--far short of the 6-month Basic Grant eligibility requirement.

Although a second semester program is offered at one of the five campus locations, very few of the AFDC recipients enrolled. Only 24 of the 248 enrolled for the second semester full-time and part-time (6 of whom did not complete it). Most AFDC recipients after completing the first semester, seek employment on their own or through the school or Division of Employment Security placement office. In fact, officials at the Division of Employment Security advised us that they attempt to place the AFDC recipients before the end of the first semester.

Three factors which indicate that the special secretarial program consisted of only one semester are:

1. Most recipients attended only the one-semester course.
2. Holliston's president issued an August 1976 letter to the Division of Employment Security stating that the one-semester program was being offered to provide marketable skills to work incentive mothers.
3. The school catalog for the 1976 spring semester identified the special secretarial program as a one-semester program.

SCHOOL AND AGENCY COMMENTS

We discussed our findings with Holliston Junior College officials and they agreed with us. They stressed the successful placement rate they have experienced with the one-semester program. They felt that a program of this duration should

not be overlooked as a means of helping AFDC recipients get off the welfare rolls because it equips them with a marketable skill for employment at the earliest possible time. Holliston officials also stated that the program has now been changed to include at least 30 credit hours of study--thus leading to a certificate and that it now consists of 2 semesters of 15 weeks each--thus satisfying the 6-month criteria. The program is being offered at all five campus locations. We were also advised that in August 1976 the school notified former students of the special secretarial program that they were eligible to continue their education and to complete the requirements for a certificate.

We also discussed the matters in this letter with the regional commissioner, Office of Education, and he stated that the Office of Education had requested that the HEW Audit Agency undertake a review of these and other matters at Holliston Junior College.

CONCLUSIONS AND RECOMMENDATIONS

The Basic Grant eligibility criteria, or at least their intent, appear to have been circumvented at Holliston Junior College by awarding Basic Grants to students in a noncertificate, 15-week program. We recommend that the Office of Education, in its consideration of the matters discussed in this report, determine if this did occur and if Holliston Junior College should make restitution to the Federal Government.

We also recommend that the Office determine whether the changes made in the special secretarial program bring it into compliance with Basic Grant eligibility criteria which require, among other things, that (1) training at an institution of higher education lead to a degree or certificate and (2) the program be of at least 6 months' duration.

We would like to thank you for the courtesies extended to us during this review. We would appreciate being advised of the actions taken on these matters.

Sincerely yours,


Gregory W. Ahart
Director