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UNITED STATES GENERAL ACCOUNTING OFFICE
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STATEMENT OF
ELMER B. STAATS, COMPTROLLER GENERAL OF THE UNITED STATES
BEFORE THE
JOINT COMMITTEE ON CONGRESSIONAL OPERATIONS
ON
EFFORTS TO STRENGTHEN CONGRESSIONAL INFORMATION
AND ANALYSIS CAPABILITIES

Mr. Chairman and Members of the Joint Committee:

I appreciate being invited to testify on the work we have done and what we plan to do to fulfill our responsibilities under the Legislative Reorganization Act of 1970.

My comments today will concentrate on our review and evaluation of the results of Government programs and activities, and our cooperative work with the Office of Management and Budget and the Department of the Treasury to improve congressional access to fiscal, budgetary and program-related data and the usefulness of that data to the Congress. I will also comment on some of our plans for carrying out our responsibilities under H.R. 7130 if that bill is enacted into law.

Increases in GAO's capability to do program evaluation work

We have been devoting a substantial amount of our effort to examining the results of Government programs, as required by section 204 of the Legislative Reorganization Act of 1970. Section 204 did not increase our authority for such work since the full scope of our audit responsibility

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outlined in the Budget and Accounting Procedures Act of 1921, the Legislative Reorganization Act of 1946, and the Accounting and Auditing Act of 1950 includes auditing for financial integrity, efficiency and economy, and effectiveness in achieving desired results of authorized programs. However, section 204 of the 1970 act did supply statutory evidence of the desire of the Congress for increased emphasis on this kind of audit work, including making and analyzing cost-benefit studies. This statutory evidence has been reiterated in H.R. 7130.

Our capability in this area has been demonstrated by the reports we have issued to the Congress dealing with the measurement of program effectiveness. The number of such reports has grown rapidly in the last five years. A summary of some of the major reports that we have issued in the past 18-months is attached to my statement.

During the past year, several Members of Congress told me they thought it would be helpful if we summarized from time to time from our audit reports the recommendations for congressional action which were still open. Because of the large number of reports that we send to the Congress each year, it was felt that if such summaries were prepared and made available to the congressional committees concerned, it would make it easier for those committees to remain aware of our recommendations and consider them in conjunction with their ongoing activities.

We believe that this suggestion was a good one. We therefore are summarizing our open recommendations by cognizant committees in the Senate and the House and are submitting these summaries to the chairman and ranking minority member of each of these committees. The first summaries were submitted in February 1974 and we intend to continue to submit them early each year. These summaries include our recommendations based on program results reviews as well as the other reviews and audit work we do. We believe that these summaries will be useful to the committees in carrying out their legislative and oversight responsibilities in the specific areas covered by the recommendations.

Our capability to conduct reviews and deal with congressional requests which involve program evaluation, cost effectiveness, cost benefit, computer modeling and simulation and other advanced methods has been expanded by the growth in the numbers as well as the experience of our multidisciplinary staff.

Of our professional staff of 3,300, 376 have skills in specialized disciplines other than accounting. One hundred and five members of our staff have skills in mathematical sciences, 62 in computer science, 46 in engineering, and 163 in economics and other social sciences. A number of staff members have advanced degrees in these areas; for example more than 50 members of the staff have advanced degrees in economics. In the future we will further increase the number of staff members drawn from disciplines of this type. We are also continuing to use consultants extensively.

We have maintained a central staff of about 50 people who specialize in specific fields such as actuarial science, statistics, systems analysis and computer science. This multidisciplinary staff is currently assisting throughout the GAO on approximately 100 reviews requiring analytical approaches to solve audit and evaluation problems. For example, we are currently conducting a comparative analysis of causes of attrition from all five military service academies. To conduct this survey, we are using highly sophisticated questionnaires, computer-supported data storage and retrieval and mathematical analysis involving a very large number of variables.

Our work also includes efforts to locate and organize information on the latest state-of-the-art in analysis and evaluation, and to have this available when needed. For example, we have collected information on the scope and possible uses of a number of computer models available on subjects such as energy, transportation, and logistics which have been designed by various public agencies and private firms. Such models are used to represent a real world situation closely enough so that the effects of changes in resources or different courses of action can be studied. The models are usually programed for computers because the computer provides an efficient method of obtaining results quickly.

Throughout their work our multidisciplinary staff is documenting the lessons learned so that our entire staff can gain a better understanding of how to improve our evaluations of programs. To further train our staff in the techniques needed in program review and evaluation, we offer internal orientation and training courses. For instance, about 600 of our senior people have attended a course in systems analysis techniques. Also, we have provided--in cooperation with the Wharton School--a course in the design, use, and evaluation of computer-based systems to about 200 supervisory-level people.

We are now beginning to develop and offer more highly specialized courses which will further teach our staff at all levels the best ways to apply their skills to our needs. For example, we recently offered a full week training course in how computer models and simulation can be used to provide analytical data needed to assess the effectiveness of inventory operations and the effect of various decisions on availability and cost of inventory.

Members of our staff also maintain close liaison with professional societies in quantitative disciplines to keep abreast of latest developments in these fields. Our association with these professional groups helps us identify prospective experts whose services we can obtain to supplement the skills of our staff. We use such experts to assist us in either designing program measures or in structuring analytical methods. In some reviews, we have established groups of experts and have met with them several times as a group during the course of our work to obtain their suggestions and comments.

Also, we have obtained excellent help in making our reviews by having carefully selected tasks performed under contract. For example, in a review of factors affecting the cost of hospitals, a recently built hospital was selected as a case study example. This effort was part of a comprehensive study which we were directed to make by the Comprehensive Health Manpower Training Act of 1971 to review the factors affecting the costs of constructing and operating health facilities. Using computer models developed under contract, we simulated the effect of redesigning certain parts of the case study hospital to incorporate various innovative features. We estimated that with these features, the initial construction cost could have been reduced by about $1.5 million and life cycle costs could have been reduced by $10.3 million.

The proportion of our overall staff devoted to program evaluations has been growing and currently is about 33 percent. The enactment of the Congressional Budget and Impoundment Control Act of 1974 (H.R. 7130) could well provide an impetus for further congressional requests for us to make evaluations of Federal programs.

Improving the program evaluation process

Although considerable progress has been made in developing a capability for reviewing and evaluating program results, there are many problems ahead. For example, our reviews of contracts awarded by certain agencies for evaluation work have indicated a number of problems in obtaining useful products. These appear to be due mainly to poor definition of work requirements and to poor monitoring of the contractors. Other problems are:

--inadequate statements of specific objectives which makes it difficult to assess results;

--lack of quantitative measures related to objectives in many cases;

--inadequate information systems to collect reliable data;

--inadequate planning of evaluations resulting in information that does not meet the needs of decision-makers;

--poor documentation of the evaluation design so that it is difficult to review the methods used; and

--lack of timeliness and clarity in reporting the results of evaluations.

Many of these problems stem from the absence of generally accepted criteria and methods for planning, conducting and reporting on such work. To overcome this, we are developing a statement of suggested criteria and methods for the conduct of evaluation studies. In preparing such a statement, we will obtain suggestions of experts, professional societies, and Federal/State/local units of Government.

The preparation of a statement of criteria and methods should also enable GAO to be more specific on how the evaluation process can be improved. Expenditure of at least 150 million dollars per year by the Federal agencies are made for evaluations. Because the evaluations are or can be used in policy making and decision making involving sums many times the cost of the evaluations themselves, we believe improvement in program evaluation is a high priority matter.

Special assistance in defining fiscal, budgetary and program-related data needs of congressional committees and members

Section 202 of the Legislative Reorganization Act of 1970 provided for a standard classification of budgetary and fiscal data. Responsibility for development of that classification was assigned to OMB and Treasury in cooperation with the GAO.

H.R. 7130, as agreed to by the conference committee, would amend Title II of the Legislative Reorganization Act of 1970 to place primary responsibility for the development of standard data classifications and congressional reporting requirements with the Comptroller General.

I have testified on many occasions and we have worked closely with the many parties involved in the development of H.R. 7130. We firmly support the objectives of this legislation. We recognize the congressional needs for and the problems involved in developing data classifications that will meet these needs. We will devote the resources required to effectively carry out that responsibility.

To carry out our responsibilities under sections 201, 202, and 203 as they exist now, we have a full-time 24 person staff. This group has developed and maintains an informal but close working relationship with various congressional committees' staffs, especially the appropriations committees.

The group's major activities are aimed at improving the accessibility and usefulness of data currently reported to the Congress or available in the executive agencies. For example, they have been conducting a pilot study with the Subcommittee on HUD, Space, Science, and Veterans of the House Committee on Appropriations to identify its needs for budgetary and program information about the Department of Housing and Urban Development (HUD) and to specify the classifications to be used in reporting to the Subcommittee.

We referred to this effort in a May 1973 report to this Committee. We are pleased to report that we have now developed proposed classifications for each of the 49 HUD appropriations accounts and have presented them to the Subcommittee staff.

More recently, we have directed our attention to 14 Department of Agriculture accounts in a similar effort. With the increase in staff and the expereince gained in the HUD pilot study we will be moving into other areas in the near future.

We are confident that we have developed the capability and established the working relationship with the Congressional committees and the executive agencies which will enable us to carry out the reporting requirements and classifications work that would be assigned to us under H.R. 7130.

Since our prior report to the Joint Committee, the Office of Management and Budget and Treasury have created a team to develop a plan for addressing the Congressional information needs identified by the survey of committees and members we conducted in 1971 and reported in February and November 1972.

We are continuing to serve as the agent of Congress in working with the Office of Management and Budget and Department of the Treasury team on a day-to-day basis. Their team issued its plan on March 7, 1974.

This plan covers a wide range of the information needs of the Congress. Of particular interest at this time when H.R. 7130 is in focus are the categories which deal with Federal budget and supporting information, budget and fiscal status information, program oriented information and tax expenditure information. The plan also includes categories of information on fiscal policy, foreign currency, Federal employment, grant programs and social and economic conditions.

Several task groups have been created to assess the executive branch capabilities to meet these needs. We are participating in this work, especially in the further identification of congressional information requirements.

The OMB and Treasury March 7th plan does not propose to address needs which deal with social and economic information on the grounds that these types of data are not within the scope of budget and fiscal data included in Title II. We do not agree with their position. However, enactment of Title VIII of H.R. 7130 will settle that issue--the Congressional requirement is made clear that program-related data and information, such as social and economic data, are within the scope of this title.

In addition to efforts directed at improving the classification and reporting to the Congress, we believe it essential that Congress be given assistance in obtaining the information it needs. The OMB/Treasury team recognizes this problem. In their plan they state that "it is apparent that many of the information problems are due to difficulties in identifying information sources and in obtaining and aggregating disparate data, and are not due to a lack of data." An inventory and directory service for the Congress to permit it to obtain data from executive branch sources is needed. We are exploring ways such a service could be established. H.R. 7130 would amend section 203 to require such assistance from us. We agree that it is needed and feasible to develop.

The Chairman of the House Committee on Appropriations has requested us to help them develop procedures for acquiring and using 3- to 5-year projections of Federal outlays and receipts, especially for the major programs that are not subject to annual congressional funding. In addition, the GAO staff is identifying the resources available in the executive branch for providing such forecasts or data from which forecasts can be made. We are also cooperating with the Congressional Research Services in its work on budget analysis and estimating procedures.

Special assistance to congressional committees in methods of program review and evaluation

Title VII of H.R. 7130, would amend section 204 of the Legislative Reorganization Act to provide that GAO assist the committees of the Congress in program evaluation.

Program evaluation in a general sense is the determination of whether a program is effectively achieving the objectives intended and in a more technical sense to determine what has happened as a result of the program that would not have happened in its absence. To be most helpful in policy making and decision making, available and tested alternative programs or alterations in the program should be evaluated so that comparable indicators of effectiveness and cost are available. In summary, program evaluation should provide the objective information needed to support policy analysis and decision making.

We have found that terms such as program evaluation mean different things to different people. We are planning to prepare and publish a pamphlet describing in language as non-technical as we can make it the various types and examples of program evaluation which are found in various Federal agencies and at different levels of Government.

There is a basic need for a common thread of expressed program objectives and measures in evaluation and policy analysis, to support legislative decisions. The Congress should expect and demand that proposals for new legislation are specific in these matters.

In a letter to all committee chairmen in August 1972, I offered the assistance of the GAO in helping to draft legislative language which would require evaluation of programs in terms of stated objectives and measures.

To the extent this can be done it would help to determine whether the evaluative information collected by the agencies provides an adequate measurement of the achievement of objectives intended. It would also help the GAO in its own reviews of program results. We have had to collect our own data and devise our own evaluation methods in some cases where acceptable data were not available to determine if the program was accomplishing its objective.

We supported the amendments to section 204 that statements of legislative objectives and goals should be available. We agree with the language of this section that such statements should also cover methods of assessment, information to be reported, responsibility for reporting, frequency of reports, and feasibility of pilot testing.

Our work for the Senate Committee on Agriculture and Forestry is an example of this type of effort. In response to my letter of August 1972, that Committee initiated an ongoing activity with GAO to improve the timeliness and evaluative quality of the data and reports the Committee receives. A senior specialist of the Congressional Research Service cooperated with us in planning this effort. Our work for this Committee represents a possible prototype for GAO review of the agency evaluation process on a continuing basis in support of other Committees' oversight work.

Our support to the Senate Agriculture and Forestry Committee has been concerned primarily with reviewing statutory requirements for evaluation reporting and with reviewing the agency's evaluation plans, procedures and reports. Statutory requirements have been reviewed for all agricultural reports; the evaluation process has been reviewed generally, with more in-depth review in the Rural Development and Child Nutrition programs. In the future, we should be able to assist this Committee in: (1) commenting on agency evaluation plans and strategies with respect to Committee needs, (2) suggesting types of studies needed to fill gaps in knowledge, (3) assessing the quality of evaluations, and (4) using results of completed evaluations to prepare summary statements of program accomplishments for use in hearings.

In an effort to provide information on the availability of previous evaluation efforts, we issued in June 1973 a guide to sources of evaluation studies. Copies were sent to each member of the Congress. We have had requests for assistance from several congressional staffs in searches of some of these sources.

Finding the best available studies quickly also requires selecting from a large number of available studies. We are starting to develop a clearinghouse activity in which we will select the most significant evaluation studies, policy analysis papers, and models we find which we believe to be of interest to the Congress.

It is our goal to make use of existing directories of studies and models, and categorize the most promising information by budget functional category initially and possibly by type of program later. It is our intention to screen studies and models against our criteria and methods and to maintain storage of information only on those which appear to meet our requirements and provide the kind of information requested by the Congress. As we see it, this will become part of the inventory and directory envisioned by amendments to Section 203 of H.R. 7130.

We are also interested in obtaining the best studies available at the State and local levels. This is becoming more important because of the growth of Federal assistance and because of decentralization of programs such as manpower training as provided in the Comprehensive Employment and Training Act. As administration of these programs is decentralized, there will be less incentive for the collection of the program data itself at the Federal level. This may increase the need for improved reporting and for summarizing and synthesizing results of evaluations conducted at the State level.

In our work with Committees, we were told on many occasoins of their need for more cost benefit and program evaluation information. Generally we do not find many comprehensive studies which can be related directly to the budget requests without a considerable amount of additional data and analysis. In most cases, we found that large numbers of studies are conducted of some aspect of the program or of its target groups, but that these had not been related directly to items in the Federal budget.

Many of the studies could be made to pertain more closely to budget requests if the studies could be summarized and related to overall program objectives. We have found several cases where agencies have attempted to do this by what is called synthesis. Synthesis consists of reviewing a group of studies, then preparing a condensed report which summarizes all the studies and brings in any new insights the reviewer may have obtained. There are examples where synthesis has been attempted in elementary education, in vocational education, and in manpower training. We believe it may be feasible in other areas such as housing, transportation and health services. We are experimenting to determine how we can synthesize evaluations in a way that would be of most assistance to the Committees in their use of program review and evaluation studies.

Coordination of activities of GAO, Congressional Research Service, and the Office of Technology Assessment

I mentioned earlier several specific instances where GAO and CRS staff members have been coordinating their work on similar projects. It is our policy to encourage close cooperation so that our work is mutually supportive and certainly not duplicative.

The Office of Technology Assessment is quite new and, consequently, its relationship to our activities is still not fully defined.

As you know, I am a member of the Technology Assessment Advisory Council. We have also worked closely with OTA in providing initial administrative support. In addition, we have furnished information on recent GAO reports and assignments in process to assist OTA in its selection of areas for technological assessment and to avoid unnecessary duplication of effort.

OTA has selected the areas of food, energy, oceans, materials resource, technology and international trade and the bio-equivalence of drugs for technology assessment. They are acquiring staff to monitor the work in each area.

In order to assure that our efforts with OTA are effective, I have designated a focal point in GAO to work with OTA and to arrange for the appropriate GAO staff to meet directly with counterpart OTA staff to exchange information.

As for our relationship with the Congressional Research Service, our Director of Program Planning serves as liaison with the Deputy Director of CRS. They have approached their job with the objective of furthering informal cooperation between the two agencies on ways in which GAO and CRS can assist each other. The result has been that staff at all levels within GAO are aware of and utilize the information and consultative services of CRS. Similarly, we feel that we have been of considerable assistance to CRS. The process is, of course, a developing one in which our staffs continue to get to know each other better and, on a day-to-day basis, help each other within resource availability and with recognition of the different roles that the agencies play in their service to the Congress. We feel that the approach is working quite well.

Legislation needed to improve GAO effectiveness

During this Congress, we have been working with the Senate and House Committees on Government Operations on legislation we believe is essential to improve our effectiveness in supporting the Congress. On June 5, 1974, I testified before the House Committee on Government Operations on H.R. 12113. That bill provides for the following changes we are seeking:

--to transfer responsibility for audit of transportation bills and recovery of overcharges to one or more executive agencies.

--to require audits of Government corporations at least once every three years, instead of annually, as currently required.

--to authorize GAO audits of non-appropriated fund activities.

--to expand our authority to employ experts and consultants.

Although not the subject of the June 5th hearing, we have also submitted another bill (H.R. 12114)--the so-called "Accounting and Auditing Act of 1973"--which would result in substantive improvements in GAO's authority:

--to enforce decisions and settlements.

--to enforce access to Government records.

--to enforce access rights to private industry records through subpoena power.

--to periodically conduct studies of Government contractor profits.

Ways congressional oversight can be improved over the next few years

The work we do to review the results of programs can be most effective if it is closely coordinated with the legislative and oversight work of the committees and if Congress would be more explicit about intended results of the programs it creates and funds.

Our reviews generally require considerable field work to establish the actual results of the programs. Accordingly, it is necessary for us to plan for and initiate our work many months in advance of the time a report is needed by the committees. We would like to make the results of our work most timely and useful to committees--we would like to have our reports available to committees just at the time they start their review of a program or take reauthorization or appropriation action and we would like to be available and prepared to testify on our work. As I mentioned earlier we are sending summaries of our recommendations to the committees early each year to assist them in using the results of our work. We believe that the committees together with GAO can do a better job of establishing and coordinating the long-range plans for committee oversight and GAO reviews to make sure that our work is timely and useful to the committees. Where our staff and the committee staff are in continuous contact and the committee advises us of the areas they intend to cover in the coming year or two, we have been able to provide them better support.

Looking at what we have done in recent years suggests some directions for the future. We are assuming that the Congress will continue to seek GAO help in improving its oversight of major programs in relation to the objectives of legislation. We would hope that we can continue to cooperate closely with committee staffs and work with them in jointly developing measures which are the best available for measuring the achievement of legislative objectives. We will need to work closely with committee staffs to consider the best balance among indicators which emphasize sensitivity, feasibility of reliable measurement, and other desirable features. Members of the Congressional Research Service could be helpful in these joint discussions. Such guidance before we plan our field work and data collection can assure that our work is the most relevant possible with the resources we have.

* * * * *

In conclusion, Mr. Chairman and Members of the Committee, perhaps I should point out that, while I have discussed some of the new responsibilities which will be given us by H.R. 7130, if that bill becomes law, I have not commented on the impact of H.R. 7130 on our staff requirements and the consequent impact on our budget for fiscal year 1975 and future years. I do want to talk briefly about this, although our analysis is not yet far enough along to permit definitive and explicit comment.

I have briefly discussed the new program evaluation responsibilities given us by Title VII of the bill which amends section 204 of the 1970 act. I have also talked about the work required by Title VIII of the legislation which amends sections 202 and 203 of the 1970 act. In brief summary, sections 202 and 203 deal with the establishment of standard terminology, definitions, classifications, etc., for Federal fiscal budgetary and program-related data; with the establishment of an inventory and directory of sources of this data; and with the establishment of any necessary central files I have not, heretofore, made reference to our responsibilities under Title X, Impoundment Control. While the workload with respect to Title X is difficult to estimate, it could be quite substantial if the volume of impoundments is heavy and if some of these were controversial in character.

I believe that the direct impact of the provisions of H.R. 7130 will require a substantial number of additional staff members in the General Accounting Office. Some re-ordering of the priorities or our operating divisions and field offices undoubtedly will also be necessary.

We need to further evaluate our capacity to absorb this new work and to readjust our workload.

Appendix to
Statement of
Elmer B. Staats, Comptroller General
of the United States
before the
Joint Committee on Congressional Operations
June 19, 1974

Contained in this appendix are summaries of selected General Accounting Office reports issued during the past 18 months in which our primary objective was to evaluate the effectiveness of Federal programs.

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REVENUE SHARING: ITS USE BY AND IMPACT ON LOCAL GOVERNMENTS

The State and Local Fiscal Assistance Act of 1972, commonly known as the Revenue Sharing Act, provides for the distribution of $30.2 billion to State and local governments for the 5-year program period ending December 31, 1976. This report describes the uses and status of the $1.7 billion in revenue sharing distributed to 250 selected local governments through June 30, 1973.

We reported that of the $920 million authorized for expenditure in the operations and maintenance categories, about 58 percent was designated for public safety, 14 percent for public transportation, 9 percent for environmental protection, and 7.6 percent for health. Of the $454 million authorized for capital outlays, 15 percent was used for recreation, 14 percent for highways and streets, 13.8 percent for public safety, 13.4 percent for general public buildings and 12.2 percent for environmental protection.

With regard to the impact of the funds, we reported that (1) the actual effect of uses of revenue sharing funds could be quite different from uses indicated by a governments' financial records because of the considerable latitude that exists in the use of local funds freed by expenditure of revenue sharing funds, (2) the Revenue Sharing Act's requirements for priority expenditures are illusory because, through the displacement of local funds, revenue sharing funds can be indirectly used for non-priority expenditures, and (3) an objective identification and measurement of the extent to which specific tax levels, programs, or groups of citizens are benefiting from revenue sharing, will be extremely difficult. (B-146285, 4/25/74)

PROGRESS AND PROBLEMS IN PROVIDING
HEALTH SERVICES TO INDIANS

The Federal Government, by historical precedent and by treaty, is responsible for providing comprehensive health care to American Indians and Alaska Natives (Indians), especially those living on reservations and in isolated villages where economic and educational disadvantages are prevalent.

We reported that:

1. Otitis media--inflammation of the middle ear--has been the number one reported disease among Indians since 1964. Elements of a comprehensive program to control otitis media were missing or incomplete at the six service units.
2. Providing safe water and basic sanitation facilities is essential in preventing environmentally related diseases, such as gastroenteritis, bacillary dysentery, infectious hepatitis, and impetigo. In visits to 381 randomly selected households, we found a large number with potential health hazards due to environmental problems.
3. Although the tuberculosis problem has significantly decreased, Indians die of tuberculosis at a rate about four times that of the general population and contract tuberculosis at a rate about 4-1/2 times that of the general population. IHS standards for tuberculosis control services were based on generally accepted public health standards. However, some people needing these services had not received them in accordance with IHS standards.

4. Venereal disease is considered to be a national health problem of epidemic proportions with the reported rate among the Indian population many times that of the general population. To control syphilis, IHS generally reported cases it treated to the appropriate public health agencies. However, IHS

--did not maintain proper management controls to insure that all cases were reported and

--was not aware of the disposition of reported cases to determine whether further control was needed.

Control measures for gonorrhea were being applied only on a limited basis.

(B-164031(2), March 11, 1974.)

RESEARCH AND DEMONSTRATION PROGRAMS TO ACHIEVE WATER QUALITY GOALS: WHAT THE FEDERAL GOVERNMENT NEEDS TO DO

On January 16, 1974, GAO submitted a major report to the Congress on its in-depth review of Federal water pollution research, development, pilot, and demonstration (R&D) programs to determine whether they are producing the results necessary to help clean up the Nation's waterways.

GAO recommended that the Environmental Protection Agency (EPA) prepare an R&D strategy to carry out that agency's R&D requirements established by the Federal Water Pollution Control Act Amendments of 1972, estimate the amount of money needed to meet these requirements, and present this information to the Congress. GAO also made several recommendations to EPA and the Office of Management and Budget to improve the management and coordination of water pollution R&D programs.

GAO suggested that the Congress:

--consider the current and planned funding levels for water pollution R&D, in relation to research needed, to determine if increased funding is warranted; and

--explore with EPA and industry whether current procedures for exchanging information on R&D efforts and results can be strengthened to help EPA decide which R&D water pollution projects to pursue and to avoid unnecessary duplication of effort. (B-166506, 1/16/74)

TELLING AMERICA'S STORY TO THE WORLD--PROBLEMS AND ISSUES

The United States Information Agency annually spends about $200 million to tell America's story to the world. Yet it is unable to measure, with any preciseness, the effectiveness of its products or its worldwide operations.

We reported our belief that before the measuring capability of USIA can be strengthened, a fundamental issue must be resolved: the Congress and the executive branch must agree on the aims and expected achievements of USIA operations.

The agreement should provide aims which USIA can further define in terms of specific goals that can be objectively measured within a specific time frame.

USIA agreed that a closer association with the Congress in setting its overall mission was necessary, but also felt that a stronger role in the policy making process of the executive branch was necessary for increasing the effectiveness of the Agency.

We recommended legislative action which would provide guidance on the Agency's basic mission. (B-118654, 3/25/74)

THE ARMY REORGANIZATION FOR THE 1970s:
AN ASSESSMENT OF THE PLANNING

The Army followed sound management practices in considering the Continental Army Command-Combat Developments Command portion of the reorganization, except that it did not provide for effectively following up and measuring the change. The Army adequately diagnosed its problems in the Army Materiel Command portion of the reorganization, but it has not documented why or how specific decisions were reached.

We recommended that the Army staff a high-level interdisciplinary group of specialists with appropriate skills to evaluate the reorganization. The group's findings should be made available to the Army's key decision-makers for periodic review.

The Department of Defense advised GAO that it agreed with the conclusions and recommendations and that the Army has developed a program to assess how well the CONUS Reorganization is implemented and the effectiveness of the new organization once it is in place. (B-172707, 8/13/73)

STUDY OF ALTERNATIVE COURSES OF ACTION FOR THE STRATEGIC MANNED BOMBER

In its study, GAO considered cost and operational capabilities of (1) the planned B-1, (2) the B-52 G/H aircraft, (3) the FB-111A aircraft, and (4) a re-engined version of the B-52 G/H proposed by the Boeing Company.

GAO found that (1) the deterrence mission can be accomplished, in varying degrees, by any of the systems analyzed, and (2) the B-1 shows the most advanced operational capabilities but that total projected costs for the B-1 will significantly exceed the costs for the other options.

In view of the options still open, GAO recommended that the Secretary of Defense have a new cost-effectiveness study prepared for the manned bomber mission. GAO was advised that in preparing for a production decision in 1976, the Air Force plans to make a thorough cost-effectiveness study of the alternative bomber forces required for strategic deterrence. (B-178845, 4/16/74)

REPORT TO THE CONGRESS ON OBSERVATIONS ON HOUSING ALLOWANCES AND THE EXPERIMENTAL HOUSING ALLOWANCE PROGRAM--DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

In 1972 the Department of Housing and Urban Development (HUD) began implementing one of the largest social experiments ever undertaken in the United States--the Experimental Housing Allowance Program (EHAP). EHAP, which was authorized by the Housing and Urban Development Act of 1970, was intended to provide low-income families with housing allowances to help them rent housing of their choice in existing standard housing units.

We evaluated EHAP and analyzed other similar programs and provided the Congress with information thereon, as well as observations on the costs and some likely effects of a national housing allowance program.

Because the impact of a direct cash assistance program is unknown and because of the great cost involved, we recommended that the Congress, in considering future legislation authorizing a national housing allowance program, weigh the benefit that could be derived from waiting until EHAP is complete and more information is available on the likely impact of the program.

Because the sites selected for EHAP were near average or above in terms of both housing quality and vacancy rates, we recommended that the Congress require HUD to provide assurances that the results achieved are representative of what might occur at other locations which have low housing quality and low vacancy rates and which are representative of many urban metropolitan areas. (B-171630, 3/28/74)

ASSESSMENT OF THE FOOD AND DRUG ADMINISTRATION'S HANDLING OF REPORTS ON ADVERSE REACTIONS FROM THE USE OF DRUGS

The Food and Drug Administration (FDA) is responsible by law, for insuring that drugs involved in interstate commerce are safe and effective.

We reported that FDA's adverse drug reaction reporting system has not been used adequately to regulate drugs. Some medical officials in the regulatory divisions (1) did not use it, (2) did not know it existed, or (3) were uncertain whether FDA had the burden of proving whether a specific drug caused adverse reaction.

Moreover, the regulatory divisions do not receive complete or adequate information from the monitoring units. The primary deficiencies of the reporting system are that the monitoring unit

--receives only a limited number of adverse reaction reports,

--does not always obtain additional information needed to evaluate reports received,

--does not store centrally all information available within FDA, and

--does not send complete information to the regularly divisions, nor send it on a systematic basis.

(B-164031(2), March 7, 1974.)

PROBLEMS OF THE UPWARD BOUND PROGRAM IN PREPARING DISADVANTAGED STUDENTS FOR A POSTSECONDARY EDUCATION

The Office of Education's (OE) Upward Bound program is a precollege preparatory program designed to generate the academic skills and motivation needed for success in education beyond high school.

We reported that:

1. Although Upward Bound might be motivating students to enroll in college, OE does not know how effective the program has been in achieving its goals of equipping students with the academic skills and motivation necessary for success in college.
2. In terms of college retention and graduation, Upward Bound has been substantially less effective than indicated by earlier research studies and OE's annual evaluation report to the Congress.
3. OE's reported college enrollment and retention rates were overstated by 10 percent and 30 percent, respectively.
4. Contrary to HEW guidelines, OE did not develop specific, measurable objectives for improving academic skills and increasing motivation.
5. Upward Bound curriculums were not designed to correct students' educational weaknesses most likely to adversely affect their success in college.

(B-164031(1), March 7, 1974.)

PROBLEMS IN MEETING MILITARY MANPOWER NEEDS IN THE ALL VOLUNTEER FORCE

As July 1, 1973, drew near, the Congress was faced essentially with three choices in legislating the future method of obtaining men and women to serve in the Armed Forces: (1) let the existing draft authority expire and rely entirely on volunteers; (2) extend the existing draft system; or (3) rely on an All Volunteer Force, but enact some form of standby draft authority. GAO's report to the Congress sought answers to some of the major issues associated with putting the volunteer system into operation.

The report raised several questions that GAO believed the Congress and/or its committees might wish to explore with the Department of Defense. These questions related to such matters as (a) what are realistic minimum quality standards for each service, (b) what is the probable force level of minimum quality that could be supported without using the draft, (c) whether some form of standby induction authority should be enacted, (d) whether some type of draft would be required for physicians after fiscal year 1974, (e) whether some type of draft would be required for the Reserve components, and (f) whether the Uniformed Services Special Pay Act would overcome the foregoing problems. (B-177952, May 2, 1973.)

DIFFICULTIES OF ASSESSING RESULTS OF LAW ENFORCEMENT ASSISTANCE ADMINISTRATION PROJECTS TO REDUCE CRIME DEPARTMENT OF JUSTICE

During fiscal years 1969-1973, the Law Enforcement Assistance Administration (LEAA) awarded State and local governments about $1.5 billion in Federal funds for 30,000 projects to fight crime. One purpose of LEAA funds provided to States is to encourage the development of new and innovative projects to fight crime, but without information on whether such projects work, determining whether such funds have been spent effectively is not possible.

We reported that although LEAA encouraged the States to evaluate projects, it did not take steps to make sure that comparable data were collected. Each project based its evaluation on different criteria, and there was no way to compare the success of various approaches to fight crime. For the four types of projects that we reviewed, we found that evaluations of these projects were inconsistent and generally did not provide sufficient data to allow LEAA and the States to make objective decisions regarding project success.

Although LEAA has taken steps to improve its evaluations, we believe that these actions are not adequate to provide the Congress needed accountability for Federal funds spent by States. Therefore, we recommended that the cognizant legislative committees further discuss the matter with officials of the Department. (B-171019, 3/19/74.)

REPORT TO THE CONGRESS ON PROBLEMS IN THE HOMEOWNERSHIP OPPORTUNITIES PROGRAM FOR LOW-INCOME FAMILIES

The homeownership opportunities program for low-income families (HOPLIF) was established by the Department of Housing and Urban Development (HUD) in 1968 to help low-income families become homeowners.

Our report showed that:

--HOPLIF has not attracted a sufficient number of qualified low-income families with homeownership potential;

--many local housing authorities (LHAs) altered selection standards to qualify some participants in HOPLIF:

--many families accepted in the program did not have homeownership potential and have not accepted homeownership responsibilities;

--LHAs or homebuyer associations had failed to provide adequate homeownership training; and

--that various other factors have hindered the accomplishment of program objectives.

We recommended that the Secretary of HUD should evaluate the significance and seriousness of the problems noted and assess the relative merits of either (1) discontinuing the program or (2) strengthening the program to insure that the stated objectives are achieved.

In commenting on our report, HUD stated that it assessed the HOPLIF program as being on its way toward an orderly operation. HUD deferred making a final decision on the future of the program because it believed it did not have enough experience on which to base a definite decision on the programs effectiveness. HUD stated that it would continue its evaluations and make a final decision, at a later time, on whether to continue the program. (B-171630, March 27, 1974.)

IMPROVED FEDERAL EFFORTS NEEDED TO EQUALLY CONSIDER WILDLIFE CONSERVATION WITH OTHER FEATURES OF WATER RESOURCE DEVELOPMENTS

GAO conducted a study to determine the manner in which Federal agencies were implementing Sections 2 and 3 of the Fish and Wildlife Coordination Act. The act provides that wildlife conservation receive equal consideration and be coordinated with other features of water resource developments, licensed or funded by the Federal Government. We found that:

1. Generally, wildlife conservation had not been considered equally with other features of the 28 water resource developments covered by our review.
2. The roles and responsibilities of the wildlife agencies need to be clarified to avoid duplication of efforts, overlapping of responsibilities, and to achieve effective utilization of the agencies' limited resources.
3. There is a need for establishing criteria for determining the nature, extent, and justification of the wildlife mitigation or enhancement measures that should be taken on water resources developments. (B-118370, March 8, 1974.)

LANGUAGE TRAINING PROGRAMS AND ASSIGNMENTS FOR U.S. GOVERNMENT PERSONNEL OVERSEAS

In 1960 the Congress required that foreign language competence of key U.S. Government representatives be improved. Our report showed that little progress was achieved in the past decade toward substantially raising foreign language competence of U.S. staffs abroad.

In the State Department, language-essential positions not satisfactorily filled increased from 38 percent in 1963 to 43 percent in 1972. In virtually all agencies, language-essential positions were staffed with individuals lacking required capabilities.

We made a number of recommendations to improve Government management of language-training facilities and programs and use of the language-proficient personnel. (B-176049, January 22, 1973.)

SOCIAL SERVICES: DO THEY HELP WELFARE RECIPIENTS ACHIEVE SELF-SUPPORT OR REDUCED DEPENDENCY?

Federal expenditures for social services have increased greatly in recent years, especially in the aid to families with dependent children program which increased from $625 million in fiscal year 1970 to an estimated $1.9 billion in fiscal year 1973. The goals of social service programs are to help recipients get off welfare, to prevent or reduce illegitimate births, to strengthen family life, to attain or retain personal independence, and to protect children.

Our report to the Congress stated that social services had only a minor impact on helping recipients to develop and use the skills necessary to become more independent or self-supporting. Therefore, one of the basic goals for the services has not been achieved.

Considering the nature of services provided, the method for determining who should receive certain services, and present economic constraints, it is unrealistic to expect social services to play a major role in helping recipients become more independent or self-supporting. Still, the social services program has positive aspects. Developmental services helped some recipients obtain employment and maintenance services helped many recipients cope with and overcome specific day-to-day problems, strengthen their family life, and increase their self-confidence. In the long run, these benefits are necessary if recipients are to ultimately become self-supporting. (B-164031(3), June 27, 1973.)

IMPROVED FEDERAL AND STATE PROGRAMS NEEDED TO INSURE THE PURITY AND SAFETY OF DRINKING WATER IN THE UNITED STATES

This report was self-initiated resulting from public and congressional concern over the purity and safety of drinking water. With respect to the State's responsibility for administering the public water supply systems, GAO concluded that potentially dangerous water was being delivered to some consumers, and in many instances the quality of the water was not fully known.

With respect to Federal programs impacting on drinking water, GAO concluded that

--Federal authority to regulate drinking water is restricted to the drinking water used on interstate carriers and to domestic and imported bottled drinking water sold interstate,

--a number of interstate carrier water supplies were using laboratories to conduct bacteriological test analyses which had not been certified as recommended by EPA,

--over half of the interstate carrier water supply systems reviewed had not been inspected by the States in 1972,

--EPA did not always reclassify water supplies promptly from approved to provisionally approved when deficiencies were noted during inspections, and

--the Federal Government did not have a formal program for monitoring the quality of bottled water and had not established standards for bottled water quality.

GAO recommended that EPA improve its administration of the interstate carrier water supply program by making sure that

--laboratories used to conduct bacteriological test analyses are certified every 3 years,

--more frequent sanitary surveys of the supply systems are made by EPA and the States, and

--classifications of systems are revised promptly when deficiencies are found.

GAO also recommended that the Secretary of Health, Education, and Welfare require the Commissioner, FDA, to finalize the standards for bottled drinking water. (B-166506, November 15, 1973.)

AGRICULTURAL PROGRAM EVALUATION LAWS AND STUDIES

A total of approximately 400 citations (sections of laws), relating to agriculture and forestry, require reports from various sources--Agriculture and other departments--that go to Congress, as well as other Government officials. Of the total, 183 citations are considered significant to the Committee.

Of these, 45, or 24 percent of the total, include language indicating that the report should contain information on program evaluation.

Agriculture has made program evaluations for 12 of the 21 major programs in the past 3 years. Five have legal requirements for program evaluations and Agriculture has made them. (B-167401, November 23, 1973.)

REPORT ON THE AGENCY FOR INTERNATIONAL DEVELOPMENT'S HOUSING INVESTMENT GUARANTY PROGRAM

At the request of the Chairman, Senate Committee on Foreign Relations, we reviewed the program's effectiveness in Central America and the financial aspects of the program managed in Washington, D.C. In attempting to fulfill its legislative objectives, the Housing Investment Guaranty Program in Central America:

--Financed functional, attractive, and generally self-liquidating housing.

--Contributed immeasurably to the development of housing institutions and the mobilization of savings.

--Had no appreciable impact on improving housing conditions for lower income families because only the upper 25 percent of the economic stratum could afford housing under the program.

--Had no appreciable impact on improving housing conditions when measured against relative need.

We made several other recommendations directed at improving financial reporting and management of the program. (B-171526, May 22, 1973.)

PROGRESS AND PROBLEMS IN ACHIEVING OBJECTIVES OF SCHOOL LUNCH PROGRAM

Department of Agriculture statistics showed that participation in the school lunch program by both schools and students had increased in recent years but that, in school year 1971-72, about 24,900 eligible schools with about 8.7 million students enrolled were not participating and about 1.5 million needy students at participating schools were not eating free or reduced-price lunches.

Officials at some schools told us they chose not to participate because of special local conditions or because they were not interested in participating or preferred to operate their own programs. Other schools did not have the necessary food service buildings and equipment. We said that, in some cases, these problems could be resolved but others were not subject to Federal persuasion. Also, of 183 non-participating needy students or their families whom we interviewed, 75 told us they chose not to participate for personal reasons, such as pride or student preference not to eat the lunches; the other 108 wanted free or reduced-price lunches but were not participating for various reasons, some of which appeared to be related to schools' administrative practices which did not comply with Federal regulations. Also, the Department lacked accurate data on the number and needs of nonparticipating schools and on schools' lunch costs.

The Department generally agreed with our conclusions and said that, in line with our recommendations, it was updating data on nonparticipating schools and their needs, had begun a nationwide drive to promote the program, and was taking steps to obtain accurate lunch cost data.

(B-178564, 6/29/73)

OBSERVATIONS ON THE PREFERENTIAL MAIL SYSTEM UNITED STATES POSTAL SERVICE

The report presented our observations on Postal Service plans to implement a nationwide Preferential Mail System (PMS) using certain sophisticated mail processing equipment—the Letter Mail Code Sort System (LMCSS)—currently being tested at the Cincinnati, Ohio, post office. The economic justification for PMS was based largely on a study performed for the Postal Service by a contractor who analyzed two basic types of mail processing equipment and two alternative letter mail processing systems. Our evaluation of these analyses and of the equipment performance shows that: (1) the study overstated the economic advantages of the new type of equipment—LMCSS—relative to the type of equipment in use or under development, (2) the new type of equipment has not yet been proven in the field, and (3) the study overstated the advantages of a PMS network of about 180 processing centers relative to the less expensive alternative of 588 centers, generally the same as the existing system.

The report noted that the Postal Service has deferred implementation of the PMS until LMCSS has been successfully demonstrated and the Service has proved that it has the technical and managerial ability to implement the National Bulk Mail System—another nationwide system for handling nonpreferential mail. We concluded that, overall, the Postal Service's decision to defer action on PMX is appropriate.
(B-114874, 10/30/73)

MORE USABLE DEAD OR DAMAGED TREES SHOULD BE SALVAGED TO HELP MEET TIMBER DEMAND

Although Forest Service and Bureau of Land Management policies placed high priority on minimizing avoidable waste by harvesting usable timber from trees that had been killed or damaged by insects, diseases, fire, wind, and other elements, only a small portion of the trees killed or damaged annually on the agencies' lands were being salvaged. Such trees, if promptly salvaged, are as good or better than some live trees for making lumber, plywood, and other products.

We recommended that the Forest Service develop and apply timber sale preparation, contracting, and contract administration procedures and practices tailored especially for promptly salvaging such trees which otherwise would be left to deteriorate and that the Bureau of Land Management consider using such procedures and practices to the extent feasible when the Forest Service had developed them. In April 1974, the Forest Service advised us that it had made a commitment to increase sale offerings of dead, dying, or damaged material; that it had set a tentative national goal for fiscal year 1975 of harvesting 900 million board feet of such material; and that it had disseminated ideas on simplifying sale procedures and techniques to its field offices. (B-125053, 10/5/73)

FEDERAL AND STATE EFFORTS TO CONTROL WATER POLLUTION CAUSED BY ACID DRAINAGE FROM MINES

GAO submitted a report to the Conservation and Natural Resources Subcommittee, Committee on Government Operations, House of Representatives on its review of Federal and State efforts to control water pollution caused by acid drainage from mines.

We concluded that until significantly more Federal and State funds are made available for the development of additional technology and for an action program to systematically identify and control acid drainage from abandoned mines, only limited progress can be made toward reducing pollution caused by discharges of acid into the Nation's streams, rivers, lakes, and ponds. (B-177011, August 14, 1973)

ENFORCEMENT OF FEDERAL MOTOR VEHICLE SAFETY STANDARDS

We reported to the Congress that the National Highway Traffic Safety Administration's testing program--its major activity for determining manufacturers' compliance with Federal motor vehicle safety standards--provided little assurance that motor vehicles complied with the standards and provided the safety benefits intended--protection against unreasonable risk of accidents, injury, or death.

The testing program had not systematically focused on problem areas having a high potential for reducing highway accidents, deaths, and injuries. Also, the Safety Administration had not used manufacturers' certification data to supplement and refine its limited testing program and had not acted promptly to resolve test failure cases.

The Department said it was doing as well as could be expected with available resources. The Department and automobile industry representatives cautioned that use of accident data should inolve meaningful evaluation of its relationship to specific vehicle safety standards. The representatives agreed, however, that results of accident investigations could help determine priorities for compliance checking and enforcement. (B-164497(3), April 24, 1973.)

IMPROVING THE EFFECTIVENESS OF THE GOVERNMENT EMPLOYEES' INCENTIVE AWARDS PROGRAM

During fiscal year 1972, the Government granted over $33 million for 133,731 performance awards (lump-sum special achievement awards and quality increases). About $4.6 million was granted for 56,606 employee suggestions. The Civil Service Commission reported measurable benefits of $315 million related to special achievements and adopted suggestions; benefits related to employee suggestions were not measured.

GAO reported that performance awards were not as effective as they could have been. Of more than 1,900 randomly selected employees, 56 percent indicated the program had not motivated them to do a better job and 67 percent believed favoritism was shown in granting cash performance awards.

We recommended to the Chairman, Civil Service Commission, a number of actions that we believed would improve the operation and management of the program and increase its credibility among Federal employees. The Commission responded promptly to implement the recommendations.
(B-166802, November 1, 1973.)

U. S. FOREIGN AID TO EDUCATION: DOES BRAZIL NEED IT?

U. S. aid to Brazil for education development--a priority program--from 1965 through 1972 totaled $187 million.

We reported a number of U. S. management shortcomings adversely affecting the effectiveness of this assistance. We made a series of recommendations to the Secretary of State and the Administrator, Agency for International Development for correcting these shortcomings.

We also reported that such aid was in support of educational systems allocating a substantial amount of public resources to private schools which, because of tuition fees charged, discriminated against the less affluent. We suggested that this raised a basic policy question as to the support's appropriateness. In view of Brazil's economic well-being, we also questioned the need for concessional assistance.

We reported that the question of when a foreign aid recipient, like Brazil, reaches the point in it's development when it no longer needs further U. S. concessional assistance, has not been addressed by State and AID program managers.

We recommend legislative action to require the Department of State and AID to identify precisely and objectively that point at which a country, such as Brazil, no longer requires concessional assistance.

(B-133283, July 30, 1973)

DEVELOPMENT ASSISTANCE TO ECUADOR

We reported to the Congress on the administration and effectiveness of U. S. economic and military aid to Ecuador--a country where political instability has affected U. S. policy decisions and continuity of operations. We noted that:

--Short-term U.S. program objectives, goals, and priorities in Ecuador have shifted frequently and that long-term U.S. objectives remain uncertain.

--U.S. assistance has helped to (1) construct or modernize transportation and power production facilities, health accommodations, and schools, (2) feed people, (3) transfer skills, (4) change attitudes, (5) cement relations, and (6) protect certain U.S. economic interests. Some accomplishments were small, measured against the aggregate need.

--U.S. assistance has not helped Ecuador achieve increased political stability or accelerate progress in economic productivity, social reform, educational opportunity, housing, health, or employment availabilities--the basic and ultimate purpose of U.S. developmental assistance.

We recommended legislative action which would provide guidance for foreign assistance program implementation. (B-146998, February 27, 1973.)

AIRMAIL IMPROVEMENT PROGRAM
OBJECTIVES UNREALIZED
UNITED STATES POSTAL SERVICE

The objectives of the Service's Airmail Improvement Program are to arrest and reverse the decline in airmail volume, and, thus, increase revenues, by offering improved service. This was the first program for which the Service established a goal of next-day delivery of 95 percent of the airmail letters meeting certain conditions and addressed to designated cities within a 600-mile radius.

We reported that: (1) the Service established the Airmail Improvement Program without making a market study to determine whether the program would be economical—of the 173 large business mailers we questioned, only 4 had increased their use of airmail because of the improved service, and (2) two tests by the Service's Inspection using unmarked test letters showed that the program was meeting its next-day delivery goal only 76 to 80 percent of the time.

Airmail volume decreased from 1,457.4 million pieces in fiscal year 1971, when the program was initiated, to 1,359.6 million pieces in fiscal year 1972. Because of declining airmail volume and the increased costs associated with the improved service, we questioned whether the program objectives of increasing the revenue from airmail will be achieved. We recommended that the Service re-evaluate the Airmail Improvement Program to determine whether it could be modified to better meet customer needs, and, in turn, to increase participation; or whether it should be curtailed. (B-114874, August 6, 1973)

USE OF EXCESS DEFENSE ARTICLES AND OTHER RESOURCES TO SUPPLEMENT THE MILITARY ASSISTANCE PROGRAM

At the request of the Chairman, Senate Committee on Foreign Relations, we reviewed certain aspects of the use of excess or surplus property under the Military Assistance Program and other ways the United States assists countries. We found that the magnitude of U. S. military assistance to foreign countries is not readily apparent because some assistance flows through pipelines, such as the use of excess defense articles, outside regular funded programs approved by the Congress.

To preclude providing defense articles to other countries under existing legislation, without congressional approval, we recommended that the Committee consider legislation to authorize military assistance by grant, lease, loan, or other transfer only under the Foreign Assistance Act or successor legislation, except when another law expressly authorizes the transfer. Our report to the Committee was specifically cited by the Committee Chairman as the basis for proposed legislative changes for more effective use of excesses and improved control over the transfer of naval vessels to foreign countries. We were also asked to assist the Committee in preparing legislative language to implement the report's recommendation. (B-163742, March 21, 1973)

ARMY AIR DEFENSE
THE SAM-D PROGRAM

GAO reviewed the SAM-D program early in 1972 to assist the Congress in determining whether the system would fulfill, at an acceptable cost, an essential air defense need for the United States.

GAO found that (1) missile flight testing of the critical track-via-missile guidance was postponed until 1974, (2) testing of the sensitive warhead-fuzing interface would not take place until the SAM-D system was well into engineering development when about $793 million would have been invested in the program.

The Secretary of Defense directed the Secretary of the Army in January 1974 to (1) reexamine and redirect the SAM-D program to emphasize greater austerity and permit early flight verification of the missile guidance concept, (2) and to expend a minimum amount of funds prior to the completion of tests designed to prove the concept. In addition, DOD is undertaking a new cost effectiveness study of SAM-D as directed by the Senate Appropriations Committee in its report on the FY 1974 Military Appropriations Bill. (B-163058, June 20, 1973)

IN-FLIGHT ESCAPE SYSTEMS FOR HELICOPTERS SHOULD BE DEVELOPED TO PREVENT FATALITIES

We reviewed Army and Navy efforts to develop helicopter personnel survival systems--mainly in-flight escape systems--and their plans to install them in planned, developmental, and operational helicopters.

We found that the Navy had made studies to show that in-flight escape systems could prevent significant numbers of helicopter deaths and had begun developing escape systems. However, in GAO's opinion, not enough effort was being made by the military in this area.

The Department of Defense contended that in-flight escape systems had not been demonstrated to be the most effective method of improving flight safety, considering both human life values and dollar costs.

We brought the issues involved to the attention of Congress because of the continuing interest in developments affecting the safety of military personnel. (B-177166, June 12, 1973)

EFFECTIVENESS OF VOCATIONAL REHABILITATION IN HELPING THE HANDICAPPED

Because of the large and increasing costs and the number of persons affected, we reviewed programs under the Vocational Rehabilitation Act to determine the programs' ability to meet the needs of handicapped persons. We reviewed programs in Michigan, North Carolina, and Oklahoma.

The vocational rehabilitation program has not been able to help all handicapped persons--possibly 7 million--who need and would benefit from the program. Although the number of persons rehabilitated annually is increasing, it is still not as large as the number of persons becoming eligible each year, according to Rehabilitation Services Administration estimates.

The Administration projected that in a few years more persons would become rehabilitated than would become eligible. Then the number of persons needing services would begin to decrease. Whether this happens could be affected by many factors, such as new legislation making more groups eligible for services.

We reported that some clients received only intangible benefits but that there were other measurable benefits. Often the accomplishments were limited, although some clients may have improved or progressed to their capacity. Others who had been helped considerably still needed additional services. Many persons reported as successfully rehabilitated did not become self-sufficient or competitive with nonhandicapped persons. (B-164031(3), April 3, 1973.)

EVALUATION OF THE OFFICE OF ECONOMIC OPPORTUNITY'S (OEO) PERFORMANCE CONTRACTING EXPERIMENT

OEO conducted an educational experiment in performance contracting during the 1970-71 school year at an estimated cost of about $6 million. The experiment was designed to assess the overall impact of private educational firms' remedial reading and mathematics programs upon students who were performing well below average in these subjects. OEO's report released in June 1972 stated that the experiment clearly indicated that the firms operating under performance contracts did not perform significantly better than the more traditional school systems.

We evaluated the experiment because of its potential impact on education. We reported to the Congress that, because of shortcomings in both the design and implementation of the experiment, the question of the merits of performance contracting versus traditional educational methods remains unanswered. (B-130515, May 8, 1973.)

DIFFICULTIES IN THE NEIGHBORHOOD YOUTH CORPS IN-SCHOOL PROGRAM AND ITS MANAGEMENT PROBLEMS

A part of the Neighborhood Youth Corps program, called the in-school program, provides part-time employment and support services to economically disadvantaged youths to help them stay in school. The Department of Labor allocated about $59.1 million for about 95,000 youths to participate in the program in fiscal year 1971. Community sponsors--public or private nonprofit agencies--plan, administer, coordinate, and evaluate the program.

Our earlier reviews indicated that the in-school program did not significantly affect whether a youth stayed in school. This situation has not changed. Also, many enrollees did not have meaningful jobs. Sponsors need to develop useful and diversified work assignments, consistent with the enrollees' goals or interests. (B-130515, February 20, 1973.)

STUDY OF FEDERAL PROGRAMS FOR MANPOWER SERVICES FOR THE DISADVANTAGED IN THE DISTRICT OF COLUMBIA

In the District of Columbia, funds are provided under 17 federally assisted manpower programs—job training and related services—for unemployed, underemployed, or other disadvantaged persons. These programs are administered by four District of Columbia agencies, a Department of Labor organizational unit, and several private organizations. These agencies and organizations contracted with 76 private and public manpower service operators to provide services in 91 centers at a Federal contribution of about $23 million in fiscal year 1972.

We found a maze of local systems for the delivery of similar job training and employment services to the same group of District residents. These delivery systems were uncoordinated in their efforts to assist persons in becoming gainfully employed.

We recommended to the Commissioner that his Manpower Advisory Committee, as the planning and coordinating group for manpower programs, strive for management control by taking certain actions to help alleviate some of these programs. These actions would provide for (1) a coordinated outreach-intake system for determining persons in need of job training and employment services, (2) assessment techniques for determining the capabilities of such persons fairly and consistently, and (3) periodically disseminating information on training available under all programs.

We also recommended that the Congress consider legislation to reorganize the federally assisted manpower programs through consolidation or through other such means that it may consider appropriate to assist in overcoming the problems we described in our report. (B-146879, January 30, 1973.)

INDUSTRIAL MANAGEMENT REVIEWS

Industrial Management review concepts attempt to evaluate an industrial facility's total system of operations, management and cost control, and the procedures used to achieve efficiency and economy. To date, three reports have been issued to the Secretary of Defense:

> Industrial Management Review of The Naval Air Rework Facility, Alameda, California, B-133014, July 3, 1973
>
> Industrial Management Review of the Army Aeronautical Depot Maintenance Center, Corpus Christi, Texas B-159896, December 17, 1973
>
> Industrial Management Review of the Maintenance Directorate, San Antonio Air Materiel Area B-159896, April 11, 1974

These reviews have consistently identified opportunities for improving productivity of men, materials, and machines which could amount to several million dollars in maintenance cost savings by:

--reducing idle time of the production workforce

--improving work measurement and labor standards programs

--reducing excess repair material in repair shops

--increasing use of production equipment and getting rid of equipment which isn't needed

--improving information systems for better decisions on repairing vs. replacing parts

--improving quality control programs to reduce unnecessary rework

MORE INTENSIVE REFORESTATION AND TIMBER STAND IMPROVEMENT PROGRAMS COULD HELP MEET TIMBER DEMAND

Special and appropriated funds for reforestation and timber stand improvement had not been adequate to reduce backlogs of about 4.8 million acres in need of reforestation and 13.4 million acres of timber stands needing thinning and other improvement work. Limitations had been placed on the use of special funds collected from timber purchasers for such work; not enough appropriated funds had been requested or made available; and special laws authorizing additional reforestation funds had never been used. Also the Forest Service needed better land inventory data and fund allocation procedures to insure that available funds are used on the highest priority work.

We recommended that, in annual reports required to be sent to the Congress on reforestation needs, plans, and progress, the Secretary include (1) similar information on timber stand improvement and (2) information on progress in improving land inventory data and fund allocation procedures. We said that the Congress might wish to consider such progress in determining annual funding levels for the programs and we pointed out some funding alternatives for accelerating such work if the Congress so desired. Agriculture told us that, as a result of our review, it had already acted to resolve most of the problems and it cited actions it would take to implement our recommendations to resolve the others. It also said that, of the suggested alternatives for increasing reforestation and timber stand improvement funds, increases in regular appropriations would be the most appropriate. (B-125053, 2/14/74)

ADVANTAGES AND LIMITATIONS OF COMPUTER SIMULATION IN DECISIONMAKING

Over $250 million has been spent annually for the development and operation of computer simulations, war games, and contract studies. Computer models are the basic tools in many DOD operations research and systems analysis study efforts.

GAO reviewed the development and use of computer models in DOD and found that (1) independent checks were not made to insure the accuracy, timeliness, consistency, and overall quality of the data used in about one-third of the models examined; and (2) indications that uncertainties may not be adequately considered in the studies employing a computer model and that DOD decisionmakers frequently may not be made aware of the uncertainties inherent in the study results. (B-163074, May 3, 1973)

EVALUATION OF IMPROVEMENTS BEING MADE TO RESERVATION, INFORMATION, AND TICKETING SERVICE OF NATIONAL RAILROAD PASSENGER CORPORATION (AMTRAK)

We interview 1,900 passengers concerning reservations on 340 train trips in June and July 1972. About 60 percent of these passengers commented on their difficulties in getting train information, making reservations, and obtaining tickets.

At two of AMTRAK's major reservation offices (Chicago and New York), about 30 percent of customers' telephone calls during an 8-week period in the summer of 1972 were not completed because of insufficient telephone equipment and personnel.

Unserviceable cars were frequently removed from trains, and cars with different capacities were substituted. Without prompt notification of such changes, reservation and ticket offices were uncertain of train capacities and sold space on the basis of the capacity of the smallest car. As a result, many AMTRAK trains operated with some vacant coach or sleeping spaces although there had been many requests for those accommodations.

AMTRAK has taken a number of actions to improve these conditions but it did not expect full benefits until a new reservation system was completely operational late in 1974. (B-175155, August 22, 1973.)