



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



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HUMAN RESOURCES
DIVISION

B-130515(6)

JUL 20 1976

The Honorable Samuel R. Martinez
Director, Community Services Administration

Dear Mr. Martinez:

We have reviewed the Community Services Administration's (CSA's) policies and procedures for evaluating the effectiveness of Community Action Agencies (CAAs) funded to deliver social services to the poor. Our review centered on the agency's system requiring grantee self-evaluation. We assessed how grantees in CSA's Chicago, San Francisco, and Philadelphia regions had implemented the system. Our review included discussions with Federal, State, and local program officials and an examination of self-assessment, planning, and other related reports used in evaluating antipoverty programs.

In January 1975 the Congress enacted the Community Services Act of 1974 (P.L. 93-644) creating CSA, an independent executive agency, to succeed the Office of Economic Opportunity (OEO). During the 3 years preceding the act, OEO employment levels dropped from over 2,000 to under 1,000 because of the transfer of several OEO functions to other Federal agencies and the uncertain future of an antipoverty agency. As of July 1, 1976, CSA still had less than 1,000 employees, whose primary mission was to administer, fund, monitor, and evaluate the operations of some 865 CAAs. CAAs and their delegate agencies employ about 110,000 staff members nationally and are responsible for administering Federal, State, and local program funds estimated at about \$1.5 billion annually.

Both CSA and OEO have had a significant problem in monitoring and evaluating community action activities with limited staff. As a partial solution to this problem, the agencies in recent years have used a CAA self-evaluation process, which reduces the amount of direct Federal oversight required. However, we believe implementation of the process has lagged because of uncertainty of an independent Federal antipoverty agency's future and the delay in adopting a new organizational structure for CSA.

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SELF-EVALUATION SYSTEM FOR
CSA PROGRAM GRANTEES

To increase the independence and self-reliance of its grantees, OEO in 1972 established a system whereby it would rely on grantees' self-evaluations of program progress rather than the then-existing practice of intensive onsite team evaluations by OEO employees. As part of the new system, OEO required each grantee to establish a program progress review system and to report twice a year on progress toward its goals. CSA still uses the system OEO established, and CSA regional officials are primarily responsible for monitoring and evaluating CAAs and other CSA funded programs. CSA field representatives may periodically visit CAAs and other grantees to give technical assistance or monitor grantee operations; such visits are usually made as needed.

Title IX of the Community Services Act of 1974 gave CSA's Director authority similar to that of OEO's Director with regard to making program evaluations covering CAAs and other grantees and developing standards for program evaluation. The act also included a provision that program measurement against the standards be considered in determining whether to renew or supplement financial assistance.

In July 1975 CSA issued standards to evaluate the effectiveness of CSA administered programs and projects. In June 1976 CSA was completing development of guidelines for using these standards in making CAA funding determinations. Following are CSA's standards which generally restate the 1969 OEO standards of effectiveness for local community action and other programs.

- Strengthen community capacity to plan and coordinate poverty-related programs.
- Improve organization of services related to needs of the poor.
- Maximize participation of poor in the program.
- Broaden community resources invested in antipoverty activities.
- Increase innovative approaches attacking the causes of poverty.

- Maximize employment and training opportunities for groups served.

In June 1975 the President's National Advisory Council on Economic Opportunity reported that past programs for the poor have not had uniform evaluation procedures, and project monitoring was generally inconsistent and often either insufficient or overzealous. The Council noted that the new Community Services Act contained a valuable component which focuses on CAAs' program results and the standards for measuring them which could be used to modify or terminate ineffective programs and expand and duplicate successful ones.

The Council also found that CSA did not have the personnel within its own organization to initiate and operate even a limited evaluation program. Furthermore, procedures established for reporting evaluation results of program and grantee project performance were inadequate to conform to the act's requirements. To correct these weaknesses, the Council recommended that CSA (1) strengthen its evaluation capabilities and reporting procedures to maintain information on grantee performance and (2) establish procedures for evaluations to be made by trained staff within a reasonable time after initial project funding and at regular intervals thereafter.

CSA headquarters needs to provide better oversight and guidance to its regional offices on implementing the self-evaluation process. Specifically, we found that:

- Regional and headquarters offices had not established or appropriately staffed formal organizational structures for oversight of CAA evaluation activities.
- Regional offices were not obtaining and using relevant CAA self-evaluation and planning reports.
- Inconsistent regional guidance contributed to disparity in the existence and quality of CAA self-evaluation systems.

CSA organizational structure
for program evaluation

The former CSA Director recognized the need for a new organization plan during confirmation hearings held shortly before enactment of the Community Services Act in January 1975.

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The agency began initial efforts on the reorganization plan in March 1975 and submitted the proposed plan in July 1975 for his consideration.

The plan called for separate evaluation units in CSA headquarters and regional offices. In CSA headquarters the plan called for an Evaluation Branch charged with

- analyzing the overall effectiveness of CSA programs,
- maintaining liaison with other agency evaluation units,
- developing an implementation plan for effectiveness standards and providing technical assistance to operating staff,
- developing methods for grantees to make self-evaluations and for CSA evaluations, and
- coordinating and participating in joint poverty-related program evaluations involving other Federal agencies.

The reorganization plan provided for regional Plans, Budget and Evaluation Divisions, which were delegated the the last three of the above functions, to complement the headquarters Evaluation Branch.

The CSA Director did not implement the plan immediately. In July 1975 a reorganization committee was established consisting of CSA headquarters senior staff and regional directors.

The agency's inability to reach internal agreement on the plan, and related staffing problems, caused more delay, and the Subcommittee on Manpower and Housing, House Committee on Government Operations, requested CSA to submit the plan for discussion at hearings held in September 1975. The Subcommittee indicated that completion of a reorganization plan was the most pressing matter facing the agency. After its hearings, the Subcommittee reported that the plan appeared to have been hastily assembled and noted that the regional offices had 1 week before the hearings to complete requirements to fill the plan. At the time of the hearings, CSA officials said they would submit the reorganization plan to the Office of Management and Budget and the Civil Service Commission by

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October 31, 1975, for their approval. However, delays occurred, and in January 1976 the Subcommittee reported that the reorganization plan had not been implemented.

On February 18, 1976, the CSA Associate Director for Administration, with concurrence of the then CSA Director, advised agency officials that the reorganization had reached the implementation stage. The Associate Director noted in his directive that CSA's employment ceiling was being reduced to 960, as compared to 1,187 called for in the reorganization plan, and unless an adjustment was obtained, regional staff levels would have to be reduced. He told us that if the ceiling was retained, each region would probably be limited to one staff member for the evaluation function, which would be insufficient.

As of July 1, 1976, the reorganization plan was still being considered. However, one region had, on its own initiative, begun transferring staff members into the proposed evaluation unit positions.

CSA regional evaluation efforts

CSA regional offices are responsible for appraising CAA progress and effectiveness. CSA's directive provides that this will be accomplished primarily through review of reports on grantee self-assessments of program progress and that such reviews will be supplemented by information gained through CSA program assistance field visits, State Economic Opportunity Office (SEOO) evaluation reports, and certified public accountant audit and CSA inspection reports.

CAAs have been required since 1972 to submit program progress review reports twice a year to CSA containing self-assessments of progress in relation to locally established goals and national mission effectiveness standards. CAA reporting systems were to be established with CSA's guidance and assistance.

We reviewed the fiscal year 1975 records relating to CSA's self-evaluation process for 21 CAAs in 3 regions. These CAAs covered a broad spectrum ranging from large urban CAAs to small rural CAAs. Based on our review and discussions with CSA and CAA officials, we found that

--CSA was receiving less than half the required program progress review reports,

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--some reports did not discuss required national effectiveness standards, and

--a number of CAAs had not established formal self-evaluation systems, including one in a major city.

Regional officials said that the reporting conditions were generally representative of all CAAs in their region.

In February 1976, while our review was in progress, the then CSA Director notified all grantees, CSA officials, and affected organizations that the 1972 instructions for program progress review reporting were still in force. The reminder was issued to alleviate confusion among grantees regarding OEO policies remaining in effect after 1973, when the continued operation of OEO became uncertain.

Limitations also existed in using information intended to supplement data available through CAA self-evaluation reports. In one region, field monitoring reports were generally not written and, thus, were unavailable for CSA evaluators. In another region, field reports ordinarily were not used for evaluation, and CSA staff charged with evaluation maintained limited contact with CSA field representatives. Also, little correlation existed between the problems cited in CSA field reports and CAA self-evaluation reports.

In the three regions, SEOO reports usually were not received and limited use was being made of the reports that were received for evaluation purposes. Officials in one region said that during their field visits to CAAs they seek participation of SEOO officials to obtain some informal views for inclusion in CSA's field visit report.

In general, independent audit reports contained little information which could be used for evaluating program progress against national and local agency goals and objectives. While most audit reports gave useful data on the adequacy of grantee financial reporting systems, the reports for CAAs contained no comments on the agencies self-evaluation system or progress toward program goals and objectives.

Contrasts in CAA self-evaluation systems

We found material differences in the existence and quality of systems established by CAAs for self-evaluation.

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These differences are partly due to the lack of guidance from CSA headquarters to its regional offices, specifying the elements and criteria required for an effective CAA self-evaluation system.

CSA headquarters has delegated responsibility for establishing CAA self-evaluation systems requirements to its regional offices. Only two of the three regions we reviewed had issued guidelines to local CAAs specifying the basic requirements for CAA self-evaluation systems. Officials of the third region said that they were reluctant to issue self-evaluation guidelines without uniform guidance from CSA headquarters.

Guidelines issued by the two regions differed in the following respects.

- One region advocated evaluation participants comprised primarily of CAA staff and board members; the other advocated individuals from the community at large served by the CAA.
- One region's instructions concluded that the self-evaluation was an eligibility requirement for CSA funding; no reference was made to this requirement in the other region's instructions.
- One region's guidance emphasized a systematic approach to conducting and reporting on the evaluation; the other region's guidance centered on documenting actions to meet local agency objectives.
- One region's guidance provided instructions concerning the organizational structure of evaluation teams; the other region offered no specific guidance on this subject.
- One region's guidance provided suggested time frames and deadlines for self-evaluation; the other region's guidance made each agency responsible for developing its own evaluation schedule.

Because of the uncertainty of OEO's continued existence and the lack of uniform CSA self-evaluation guidelines, many CAAs had not developed or implemented self-evaluation systems. We questioned officials of the 21 CAAs in our review and found that 7 had no written procedures for self-evaluation

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and 2 had written procedures that were not being used. Another CAA had developed general one-page instructions for use in its self-evaluation process. Many CAA officials indicated the need for increased guidance and technical assistance from CSA in developing self-evaluation systems for their agencies.

Of three large urban CAAs, only one had developed and implemented evaluation procedures and regularly reported its results to CSA. The other two had not submitted any required program progress review reports during 1974 or 1975. One CAA's board of directors had authorized a subcommittee to make evaluations but had not staffed the subcommittee. The other CAA had developed evaluation procedures but had not used them because they were too complex for its small evaluation staff to follow.

One medium-sized CAA had developed a reasonably comprehensive system of self-evaluation with detailed written procedures requiring semiannual evaluations of each CAA unit. The system includes two parallel evaluations--one by the CAA internal representatives and a second by a team of outside evaluators drawn from local government agencies, banks, private businesses, and other sources in the community. Both groups use the same locally developed evaluation procedures and results are compared to provide a system of checks and balances.

The results of the completed evaluation and planned actions are conveyed to all participants in the evaluation process. The CAA executive director said that its open evaluation policy has both increased community interest and support for its goals and provided the CAA with an independent check on its accomplishments.

Separate independent evaluations of a local CAA by outside evaluators may not always be possible. Accordingly, CSA should have the capability to make such evaluations when necessary.

CONCLUSIONS AND RECOMMENDATIONS

Increased guidance to CSA regional offices and a viable CSA organizational structure for evaluating CAA programs are needed. CSA's limited staff resources have delayed the effective implementation of the self-evaluation process. As a result, CSA cannot determine with certainty whether CAA program grantees are meeting national standards and

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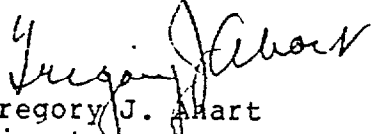
program objectives set in accordance with enabling legislation. To obtain more effective control over CSA programs through the present system of evaluation, we recommend that you:

- Provide for appropriate staff and organizational units within CSA to effectively administer the self-evaluation process for CAAs.
- Make a national survey to determine which CAA's have not established required self-evaluation systems and which CAA systems need improvement.
- Establish meaningful target dates for completing needed CAA systems and improvements.
- Develop and disseminate uniform national guidelines for CAAs to use in establishing self-evaluation systems and for regions to use in evaluating the systems.
- Make grant approvals contingent upon CSA acceptance of a satisfactory grantee self-evaluation system and evaluation report submission or an evaluation by CSA.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Chairmen, Senate Committee on Labor and Public Welfare; House Committee on Education and Labor; and Subcommittee on Manpower and Housing, House Committee on Government Operations; and to the Director, Office of Management and Budget.

Sincerely yours,


Gregory J. Hart
Director