

AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT



**ANNUAL BUDGET SUBMISSION**  
**FY 1981**

PRIVATE and DEVELOPMENT COOPERATION BUREAU  
OFFICE of AMERICAN SCHOOLS and HOSPITALS ABROAD

JUNE 1978

DEPARTMENT  
OF  
STATE



BEST AVAILABLE

AMERICAN SCHOOLS AND HOSPITALS ABROAD

FY 1981 Annual Budget Submission

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TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ THOUSAND)

	FY 1979 Est.	FY 1980 Est.	FY 1981 Request <u>1/</u>		Decision Unit PDC/ASHA					
			Minimum	Current	AAPL	1982	1983	1984	1985	
<u>Development Assistance</u>										
American Schools and Hospitals Abroad (Section 214 of the FAA)	25,000	15,000 <u>2/</u>	15,000 <u>3/</u>	15,000 <u>3/</u>	15,000	15,000	15,000	15,000	15,000	15,000

Appropriation Acct.

AS

1/ Budget Guidance for FY 1981 and beyond carries a request level of \$15 million which is no longer appropriate. In view of the ASHA progress in geographic dispersion, particularly for institutions in developing countries, and in view of increased costs of capital improvements, \$20 million is a more appropriate and realistic planning level for the current and immediate future (See Decision Package Narrative).

2/ The Administration request for FY 1980 was \$15 million. However, from Congressional action to date, it appears \$25 million may well be the authorization and appropriation level for the FY 1980 ASHA program.

3/ \$15 million is the barest minimum possible, enabling response to less than 30% of the FY 1980 requests and inadequate to cover expected meritorious requests such as those described in the Decision Package Narrative.

TABLE III PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT FY 1979 - FY 1981 (Thousands \$)		DECISION UNIT PDC/ASHA				
APPROPRIATION ACCOUNT/PROJECT NO./TITLE	I/G	FY 1979	FY 1980	Minimum	FY 1981* Current	AAPL
AS - American Schools and Hospitals Abroad (Section 214 of the FAA)	G	25,000	15,000 **	15,000	15,000	15,000
<p>* \$15 million was set as the AAPL level under the FY 1981 Budget Guidance. possible level, and would provide for only 30% of anticipated requests.</p> <p>** \$15 million represents the Administration request for FY 1980. However, from Congressional action to date, it may well be that \$25 million will be authorized and appropriated for the FY 1980 ASHA program.</p>						
<p>This is also the minimum (See Decision Package Narrative.)</p>						

DECISION UNIT  
PDC/ASHA

TABLE IV PROJECT BUDGET DATA

PROJECT NUMBER	PROJECT TITLE	OBLIGATION DATE		DATE OF NEXT PLANNED NON-ROUTINE EVAL.	CUM. PIPELINE AS OF 9/30/78	FY 1979		FY 1980		FY 1981 APPL. OBLIG.	FORWARD FUNDED TO (MO/YR)	FUTURE YEAR OBLIGATIONS	
		INITIAL	FINAL			OBLIG.	EXPEND.	OBLIG.	EXPEND.			FY 1982	FY 1983 & BEYOND
AS	American Schools and Hospitals Abroad (Section 214 of the FAA)	NA	NA	June 1979	39.3	25.0	35.0	15.0*	30.0	15	14.3	15	45

\* \$15 million is the Executive Branch request for FY 1980. Congressional action to date indicates \$25 million may well be the authorization and appropriation level for the FY 1980 ASHA program.

AMERICAN SCHOOLS AND HOSPITALS ABROAD

Background

The CPSS statement for FY 1981, the recent revision and publication in the Federal Register of ASHA program criteria, and the CP for FY 1980 describe the ASHA program and its objectives.

The program was begun in 1959 to assume support of several American institutions in Greece, Turkey and Lebanon when post-war bilateral assistance programs were being phased out of those countries. Since then, the program has assisted private U.S. non-profit organizations with institutions in 30 countries.

It is anticipated that about 30 grants will be made in FY 1979. Over a third of these grants will be for institutions never before supported by ASHA and located in countries or areas of countries where there has been no previous ASHA assistance. These grants will assist American sponsored institutions in such countries as Botswana, Haiti, India, Indonesia, Liberia, Malawi, Philippines, the Central Amazon area of Brazil, and the West Bank. In view of the fact that other recent grants have been made for institutions in Zaire, Thailand, Indonesia, Peru, Jamaica, Philippines, Guatemala, Honduras and Ecuador, it is clear that ASHA assistance is being directed increasingly to areas of greatest concern to A.I.D.

Comparison of Recent Request and Appropriation Levels for ASHA

A comparison of recent request and appropriation levels shows that the Congress has been more consistent and generous in its handling of the ASHA program than has the Executive Branch.

Annual Executive Branch dollar requests for ASHA over the past five years have ranged from \$7.5 million to \$20 million with the average being \$11 million.

Congressional appropriations have been more consistent. In the past five years appropriations have varied from \$17.5 million to \$25 million with the average being \$22 million.

Within the Executive Branch it has been thought that a higher ASHA request would only serve to encourage the Congress to unduly increase the ASHA appropriation. The facts indicate the contrary. In FY 1976, when the highest Executive Branch request was made (\$20 million), the Congressional appropriation was \$20 million. In FY 1979, when the Executive Branch requested only \$8 million, the Congress appropriated \$25 million.

The average Congressional appropriation has more closely met the requirements for conducting an effective and geographically diversified program, for which over \$50 million is requested by American organizations annually.

#### Geographic Diversification

The ASHA program usually receives about 50 applications a year and from these selects 25 to 30 grantees. As the CF for FY 1980 showed, in recent years applications have come in larger numbers and from a wider geographic area than ever before and ASHA funds and grants have correspondingly been given a wider geographic distribution.

For example, in FY 1978, institutions in Asia and Latin America received 45 percent of ASHA funds, whereas in the previous five years they had averaged only 25 percent.

It is expected that in FY 1979, 12 percent of program funds will go to institutions in Africa, a region which received only 1% during the previous five years.

#### Impact of Near East Requirements on the ASHA Program

In FY 1978, 44 percent of ASHA funds went to institutions in the Near East -- the first year in this decade that institutions in that region received less than 50 percent of the ASHA budget. There has been a steady decline from the all-time high of 93 percent in FY 1970, the second last year in which Congress made line item appropriations for specific institutions.

Requirements for certain institutions in the Near East are likely to remain high because severe inflationary pressures have threatened their survival. Nonetheless, a continued decline, although more moderate than that achieved in recent years, is anticipated if appropriations are not less than those proposed for FY 1981 and future years.

ASHA grant selection is based on an assessment of the strengths and weaknesses of all applicants individually and competitively. Numerous applications continue to be received for projects in the Near East, especially in Israel, but the great majority of these are weak when compared to other applicants and to the requirements of Section 214 and ASHA program criteria.

However, at least 6 institutions in the Near East (in Turkey, Lebanon, Israel and Egypt) will continue to be strong applicants. Any final analysis made outside the ASHA office and PDC Bureau would likely give some priority to such institutions as the American University in Cairo,

the Feinberg Graduate School of the Weizmann Institute of Science and the Hadassah Medical Center in Israel, the American University of Beirut, Robert College in Istanbul and the American Hospital in Istanbul. In view of this, the minimum and proposed level of \$15 million set for the ASHA program will result in other meritorious proposals being funded at a less than desirable level or not at all. A few examples will illustrate this point.

Escuela Agricola Panamericana in Honduras -- which has received small amounts of assistance in the past and whose impact in Latin America is clearly much greater than its size and number of alumni working in 18 Spanish speaking countries would appear to indicate -- is considering becoming coeducational and doubling its enrollment from 250 to 500. This year the school had 1,200 applicants for 100 seats in its freshman class. ASHA plans to provide FY 1979 funds for an assessment of expansion requirements and feasibility. As Latin America's population pushes the 400 million mark, it will become increasingly difficult to feed its population without trained agronomists, livestock specialists and extension agents. It would be desirable to accord priority to anticipated requests for funds to expand this school during the early 1980s.

Similarly, Cuttington University in Liberia plans to expand its classroom facilities with the help of ASHA financing this fiscal year and to develop a campus plan to alleviate crowding in other facilities and to determine its requirements for expansion. ASHA hopes to be in a position to respond to requests to further strengthen Cuttington in the early 1980s.

As a third example, educational institutions in the Philippines sponsored by American Catholic, Protestant and Episcopal organizations are keenly interested in strengthening their institutions over the next several years. An ASHA financed library at Silliman University, which serves principally the Visayan region, will be completed this year. In addition to Silliman, De La Salle University, Trinity College and Xavier University need to improve their facilities if they are to respond at all to increasing numbers of requests for enrollment. Some assistance in FY 1979 and FY 1980 is anticipated. Other facilities are envisioned for the early 1980s. The strengthening of American sponsored educational institutions in the Philippines is clearly in the long term interest of the U.S.

#### FY 1981 Request

PDC has been requested to hold ASHA's minimum and proposed level for FY 1981 and beyond at \$15 million. Adequate response to the institutions described above, in the Near East and elsewhere will not be possible at the \$15 million level. That level represents the barest minimum for the program. It would enable less than 30% of anticipated requests to be funded.

Another important consideration in ASHA budget-making is the escalation of costs for capital improvements (about 70% of ASHA's grants in FY 1978). An analysis made by ASHA indicates that costs today, depending on the area, are 50 to 100 percent higher than in the early 1970s. This is based on competitive bidding by grantees earlier in the decade and recently, plus estimated costs of proposed projects involving renovation of existing facilities, new construction and/or equipment. It is likely that costs will be even higher in 1981. Further, most ASHA recipients have been meeting their basic operating expenses from tuition, fees, and private contributions but are finding it increasingly difficult to do so because of inflationary pressures. Operating assistance may be required in some of these cases in the early 1980s pending worldwide stabilization of inflation or improved ability of institutions to accommodate to it. Robert College in Turkey, which has not received assistance since FY 1975, and the American Hospital in Istanbul are examples.

Given the above, the Agency should reconsider its decision to establish \$15 million as the proposed level for ASHA. The Agency and OMB should recognize this program as an increasingly valuable resource and fund it accordingly. It is urged that \$20 million be approved. At the \$20 million level less than 40% of anticipated requests could be approved, thereby ensuring funding of only the most meritorious proposals.

PDC/ASHA

DECISION UNIT

TABLE V - FY 1981 PROPOSED PROGRAM RANKING

RANK	DECISION PACKAGES/PROGRAM ACTIVITY DESCRIPTION	TERM/ NEW/ CONT.	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		WORK FORCE (Number of Positions)	
					INCR	CUM	INCR	CUM
	<u>Proposed (AAPL) - FY 1981</u> American Schools and Hospitals Abroad Program (Section 214 of FAA)	Cont. Grant	Grant	AS	15,000	1	7	-

WORKFORCE REQUEST

BUREAU/OFFICE \_\_\_\_\_ PDC/ASHA \_\_\_\_\_

(In Workyears of Effort)

<u>CATEGORY</u>	FY 79 Estimated	FY 80	FY 81 Min	FY 81 Curr	FY 81 Proposed
FTEPP	6	6	6	6	7
NON FTEPP <u>1/</u>	1	1	1	1	1
CONSULTANTS <u>2/</u>	-	-	-	-	-
IPA's/Details from other Agencies	-	-	-	-	-
TOTAL	7	7	7	7	8

TYPE

ADMIN./PROF.	4	4	4	4	5
SEC./CLER. <u>3/</u>	3	3	3	3	3
TOTAL	7	7	7	7	8

OVERTIME HOURS*	25	50	50	50	50
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\*Include both paid and compensatory overtime

1/ Includes 2 part-time positions (1 clerical and 1 professional).

2/ Includes one consultant who works 0.2 of one work year.

3/ Includes 1 part-time clerical position (0.6 man year).

## BUDGET REQUEST

BUREAU/OFFICE PDC/ASHA

(Dollars in Thousands)

	FY 79 Estimated	FY 80	FY 81 Min	FY 81 Curr	FY 81 Proposed
Salaries & Benefits- FTEPP & NON-FTEPP	205	212	212	212	244
IPA's	-	-	-	-	-
CONSULTANTS	5	5	5	5	5
OVERTIME	-	1	1	1	1
ENTERTAINMENT	-	-	-	-	-
TRAVEL	19	39	39	39	43
CONTRACTUAL SERVICES	-	-	-	-	-
INDIRECT COSTS	41	41	41	41	48
TOTAL	270	298	298	298	341

WORKFORCE DETAIL

BUREAU/OFFICE PDC/ASHA

FY 1981 POSITIONS ADDED

Current to Proposed

No. of Positions	General Position Title	Division or Branch	Function*
1	Project Manager	PDC/ASHA	Program Analyst

Note: \* If the position(s) are specified on a Table V Project Ranking, please indicate.

TRAVEL DETAIL

BUREAU/OFFICE PDC/ASHA

(Dollars in Thousands)

TYPE OF TRAVEL	FY 79 Estimated		FY 80		FY 81 Min		FY 81 Curr		FY 81 Proposed	
	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount	No. of Trips	Amount
Training/Education	-	-	-	-	-	-	-	-	-	-
Conferences/Seminars	-	-	-	-	-	-	-	-	-	-
Project Support	5	19	11	39	11	39	11	39	12	43
Invitational	-	-	-	-	-	-	-	-	-	-
Other: (specify)										
1.	-	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-	-	-
TOTAL	5	19	11	39	11	39	11	39	12	43

FY 1980

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Cumulative Obligation Percent	10	15	30	40	50	60	65	75	85	95	95	100

Cumulative Obligation Percent

Note: All travel will be funded by the office requesting travel regardless of the length of the TDY.

CONTRACTUAL SERVICES DETAIL

BUREAU/OFFICE PDC/ASHA  
 (Dollars in Thousands)

Purpose/Description of Service	FY 79 Estimated	FY 00	FY 01 M/Jn	FY 01 Curr	FY 01 Proposed
None					
Total					

FY 1980

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Cumulative Obligation Percent												

TABLE IX - SUPPORTING DATA ON PROPOSED PROGRAM RANKING  
 POSITION REQUIREMENTS - FY 1979 - 1981  
 (By Function, Organizational Unit, Position Title and Professional Speciality)

FUNCTION/ORGANIZATIONAL UNIT/ POSITION TITLE/PROFESSIONAL SPECIALITY	NUMBER OF POSITIONS													
	FY 1979			FY 1980			FY 1981			Current				
	Minimum			Minimum			Minimum			AAPL				
	USDH	FNDH	FNDH	USDH	FNDH	FNDH	USDH	FNDH	FNDH	USDH	FNDH	FNDH		
Bureau for Private and Development Cooperation, Office of American Schools and Hospitals Abroad:  Director, PDC/ASHA Program/Project Officers Secretarial/Clerical Staff	1	-	-	1	-	-	1	-	-	1	-	-	1	-
	3	-	-	3	-	-	3	-	-	3	-	-	4	-
	2	-	-	2	-	-	2	-	-	2	-	-	2	-
Totals	6	-	-	6	-	-	6	-	-	6	-	-	7	-

WORKFORCE AND OPERATING EXPENSES  
AMERICAN SCHOOLS AND HOSPITALS ABROADRequest:

PDC/ASHA requests an increased personnel ceiling in FY 1981 at the latest to assist in program analysis and management of both on-going activities and potential projects. Additional travel funds are requested also beginning in FY 1980 to cover both the ASHA program and DS/ENGR on-site assessments at overseas institutions.

Justification:

PDC/ASHA's staff of four professionals (including the Director) plus two secretaries full-time, is responsible for planning, programming, budgeting, implementing, monitoring and evaluating a portfolio of about \$50 million in grants to about 46 institutions in 27 countries at any given time. General responsibilities include developing, negotiating and executing about 25-30 grant agreements totalling between \$20 and \$25 million each year. There were 27 new grants totalling \$23.8 million in FY 1978; for FY 1979 there is an expected 30 grants worth \$24 million plus \$1 million earmarked for a student exchange program for Arab and Israeli students to study at American sponsored institutions in Israel and Arab countries. The likely \$25 million authorization and appropriation level for FY 1980 would continue the imbalance between the size and scope of the program and its staff resources.

These are the realities of the program, and work force requirements should be measured against such realities if ASHA is to continue at the pace and efficiency expected of good program management.

Put another way, each of the currently authorized professional positions, including that of the Director, carries the responsibilities associated with:

- over \$12 million in projects at any time - over \$7 million worth in varying stages of implementation and over \$5 million in the process of intensive review, negotiation and execution;
- serving as project manager for about 13 active grant projects involving about 10 different U.S. sponsoring organizations and nine individual institutions (hospitals, health centers, universities, high schools, vocational training centers and libraries);
- monitoring and evaluating these projects in 8 different countries, about half of which are recognized as developing countries, which by virtue of their lesser economic status, present greater difficulties in the negotiation and implementation of projects, particularly those involving capital improvement;

- over 12 new project applications, all representing different institutions, but 3/5 of which in FY 1979 and an expected half of which in FY 1980 are applications on behalf of institutions and/or countries not previously represented in the ASHA program;
- tracking closely the progress on a sizeable share of the annual implementation of new construction worldwide valued at \$50 million (including ASHA funds).

Of course, in addition, ASHA handles a large portion of the PDC Bureau's Congressional correspondence; establishes and maintains personal working relationships with both the U.S. sponsoring group executives and officials and board members of the overseas institutions; and tries to meet the objectives of on-site reviews of all potential projects at the pre-grant stage as well as assessments of on-going institutional performance in meeting the intent of the ASHA legislation and program criteria. In addition, there are requirements resulting from the ABS, CP and Congressional hearings.

ASHA presented in its ABS for last year a summary of the office's workload which clearly indicated that ASHA is understaffed. Workload has increased this year with no increase in full-time staff.

Additional travel funds are requested to allow needed on-site reviews and program assessment of both active grants and potential projects overseas. The estimate is based on two trips per professional per year from the ASHA staff and 3 trips for the DS/ENGR architect/planner who periodically monitors progress on the construction projects--about 70% of the program obligations in FY 1978. ASHA was not able to conduct on-site assessments in FY 1979 to the extent desirable due to personnel shifts and workload.