

BUREAU FOR FOOD FOR PEACE  
AND VOLUNTARY ASSISTANCE

OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD

FY 1988 ANNUAL BUDGET SUBMISSION

OFFICE OF AMERICAN SCHOOLS AND HOSPITALS ABROAD  
FY 1988 ANNUAL BUDGET SUBMISSION

Table of Contents

Table 1 - Long Range Plan by Appropriation . . . . . 1  
Program Narrative . . . . . 2  
Attachment - Grants by Country and Institution, FYs 1982-1986



Office of American Schools and Hospitals Abroad

PROGRAM NARRATIVE

BACKGROUND

The Office of American Schools and Hospitals Abroad (ASHA) assists private, U.S.-sponsored non-profit schools and hospitals overseas which serve citizens of other countries. These institutions meet all or most of their operating expenses from sources other than the U.S. Government -- from tuition, fees, private contributions, earnings from endowments and the sale of services.

ASHA grants help selected institutions to build and renovate facilities, to purchase equipment and, in a few cases, to meet operating costs of educational and medical programs.

ASHA-assisted institutions train future leaders in a wide variety of disciplines. These include agriculture, economics, business and public administration, medicine, nursing, public health, education, engineering and the arts and sciences. They also conduct a variety of adult education programs to improve the skills of those already in the workforce.

Training is provided at a fraction of the cost of comparable education in the United States, ranging from \$1,000 to \$10,000 a student per year depending on the country, level and kind of education. These institutions effectively adapt American methods to local needs using professional staffs composed principally of U.S. citizens and U.S.-educated foreign nationals. They make a continuing contribution to the institutional and human resources development in the countries they serve.

In the last five years (FYs 1982-1986), 79 institutions have received ASHA assistance. These institutions educate 190,000 students annually from more than 100 countries and provide medical services to almost four million people each year. The number of beneficiaries has increased by more than one third in five years, reflecting both new grant recipients and the expansion of services by prior recipients.

ACTION PLAN

ASHA will evaluate the impact of management changes initiated in FY 1986 and undertake additional measures to improve the program.

### Comprehensive Application Form

The impact of ASHA's revised application form, approved by OMB in 1985 and initially used by applicants in FY 1986, will be evaluated to determine whether additional refinements are needed. ASHA's objective is to have the best possible structured application form, one which places squarely on the applicant the burden of demonstrating the role and importance of the U.S.-sponsoring organization and the merit of the overseas institution and grant request. The application form is the key document for obtaining information essential to a fair and objective assessment of proposals by reviewers from within and outside the Agency and to ASHA's effort to determine which proposals merit investment and best meet Section 214 objectives, program criteria, tests of need, impact and cost effectiveness, as well as broader Agency development objectives.

### Grantee Self-Evaluation

ASHA will evaluate the usefulness to program management of the newly required grantee self-evaluation report. As of FY 1986, grant agreements require the submission of reports evaluating the impact of ASHA-financed projects 12 to 15 months after completion. The self-evaluation report is designed to complement existing quarterly progress and financial reports, selective site visits and ad hoc reports by grantees. It requires grantees to address all or a majority of the following to show how assistance has increased an institution's capabilities for:

- a. transfer of skills and knowledge which promote economic and social development,
- b. adaptation of American educational and/or medical practices to the area served and promoting innovative approaches to problem solving,
- c. training of independent thinkers and promoting free inquiry,
- d. educating a cadre of citizens with individual initiative, including those who can communicate, share values and work with Americans in business, government, the sciences and other mutually beneficial endeavors,
- e. serving as a model for replication,
- f. increasing understanding between the people of the United States and citizens of the area served, and
- g. promoting a favorable image of the United States.

### Local Currency Budgets and Dollar Conversions

ASHA will assess the impact on project management of more rigorous requirements initiated in the FY 1986 grant agreements for grantee local currency budgeting and the reporting of dollar conversions. The objective is to track more closely the use of resources for projects involving the conversion of dollars to local currencies.

### Auditing by Independent Accountants

ASHA will assess the impact of tighter standards for grantee auditing by independent accountants, a requirement in grant agreements as of FY 1986. The objective is to broaden the scope of existing audits to more adequately address the use and handling of grant resources, thereby strengthening the Agency's monitoring of grantee activities.

### Improving the Program's Geographic Balance

There has been a major improvement in the geographic diversity of the program in recent years. However, action is required to avoid a concentration of grants and/or resources in any one country in any one year. Based on past and prospective applications, it is likely that an increasing number of applications each year (four or more) will be received for institutions in one country, for example, Greece, Haiti, India, Israel, Korea, Philippines and Turkey. In FY 1986 a total of 34.8 percent of ASHA's budget and 27 percent of its grants assisted institutions in only two countries. To provide more geographic diversity, ASHA's annual grant recommendations will be guided by two limitations -- not more than three institutions in any one country to receive, in total, not more than ten percent of the budget.

### Two Year Record of Service

A small number of prior and prospective applicants lack minimum track records. Experience shows that such applicants cannot compete successfully because of their inadequate management and financial planning capabilities. Accordingly, ASHA will accept applications for institutions only if they have provided educational or medical services to the general public on a regular basis for at least two full years prior to the date of the application.

### English Language Course Work

The present requirement that English be taught as a second language is inadequate to the fully successful demonstration of American ideas and practices. Experience shows that program objectives are best met when at least a portion of the course work is conducted in English. Accordingly, ASHA will require a minimum of 20 percent of the regular course work (excluding the teaching of English) to be conducted in the English language.

### Investing and Leveraging Funds

To the maximum extent possible, ASHA will:

- a. target funds to activities offering the greatest possibilities for improvement of institutional quality and demonstration capabilities;
- b. favor projects which make long-term contributions toward development of education and health opportunities;
- c. encourage all institutions -- especially the few dependent on ASHA for operating assistance -- to increase income from private contributions, tuition, fees and sales of services; and
- d. require cost-sharing and matching arrangements to the maximum extent possible, and require institutions in advanced developing countries to achieve higher levels of private fund-raising.

### Independent Evaluations

Independent evaluations of the impact of ASHA assistance in two regions, Africa and the Caribbean Basin, and two countries, Israel and the Philippines, are planned, funds permitting. The objective is to supplement information from grantee applications, self-evaluations, periodic reviews and site visits with independent appraisals of the institutions and ASHA assistance.

For example, in the Caribbean Basin, both the number of institutions and amount of assistance have increased with 14 institutions receiving \$35 million in the period FYs 1980-86. Additional institutional capacity, increases in enrollment and improvements in programs and curricula have been and are being carried out. However, it would be desirable to more precisely answer various questions, such as: Could the institutions make

greater contributions to the development process? Are they adequately preparing students to meet the needs of society? Are graduates engaged in innovative and challenging work? In what ways can the management of the institutions be improved? How much assistance can institutions absorb without jeopardizing their privateness and financial integrity?

FISCAL YEAR 1986

The Agency has established a \$10 million ASHA request level for FY 1988, less than one-third of the budget for FY 1986. In recent years, 60 to 70 applications for assistance have been submitted annually. These requests have totalled in excess of \$80 million a year. In the past year, over 200 institutions have expressed interest in submitting future year applications.

Attachment:

Grants by Country and Institution, FYs 1982-1986