



**FLORIDA DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL**

MEMORANDUM

DR. ERIC J. SMITH
Commissioner

Date: December 9, 2009

To: Linda Champion, Deputy Commissioner, Finance and Operations

From: Ed Jordan, Inspector General

Re: ARRA Data Quality Review – Review of Data Systems and Jobs
Calculations Survey (OIG 09/10-09 CTA)



ED W. JORDAN
Inspector General

The Office of Inspector General is engaged in continuing efforts to help ensure the accuracy of data reported by the Department under the American Recovery and Reinvestment Act of 2009 (ARRA). These efforts include reviewing and comparing data systems used by the Department to track and report ARRA grant and jobs data.

Our office recently performed a survey of selected ARRA grant sub-recipients, principally to review methodologies being used in calculating the full-time equivalent for jobs saved, created and continued by grant award. A listing of sub-recipients surveyed is included in Attachment A. Sub-recipients surveyed were asked to respond to specific questions and submit documentation supporting jobs data reported for the quarter ended September 30, 2009. Survey questions used are included in Attachment B.

Review of Data Systems

In preparation for our review of ARRA jobs reporting, we obtained grant information from two Department data systems. Grants Management System (GMS) data on ARRA grants was accessed as of early-October 2009. The Grant Reporting System (GRS) was reviewed later in the same month for grant award and jobs data. For the sub-recipients included in our jobs calculation survey, we compared grant award amounts reported by these systems, and noted the following.

1. Differences noted between data systems – In comparing grant award amounts recorded on the GMS and GRS data systems, we noted instances where amounts did not agree as follows:

- 1) Eight school districts showed award amounts in the GRS that were exactly twice that of the GMS. Thirteen grants in all were noted – Title I, Disadvantaged Children (5), IDEA, Part B (4), IDEA, Part B, Preschool Grants (4).
- 2) Six school districts showed amounts in the GRS that were higher than the awards noted in the GMS (but not double as above). Six

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grants in all were noted and each related to Title I, Disadvantaged Children.

- 3) Six school districts showed amounts in the GMS that were not shown in the GRS. Six grants in all were noted – Title I, Disadvantaged Children (2), Title 1 – School Choice (2), and Title 1 – School Improvement (2).

Note: Revisions to database systems may have occurred to correct some of the issues noted. Details are included in Attachment C for a sample of sub-recipients.

Recommendation 1 – Grants management staff should determine why these differences occurred and make corrections as appropriate.

2. Questionable entries noted in reported jobs data – Our review of jobs reported in the GRS by a sample of sub-recipients found several questionable entries as follows:

- 1) *Brevard County District School Board* – Education Stabilization Fund K-12 (\$23,390,869) saved 455 FTEs, but saved head count is entered as zero. Similarly, two Government Services Fund awards saved FTEs, but the saved head counts were shown as zero.
- 2) *Franklin County District School Board* – IDEA, Part B (\$153,130) saved and created FTEs, but the head counts were shown as zero.
- 3) *H. Lee Moffit Cancer Center* – Government Stabilization Fund saved 18 FTEs, but saved head count is entered as zero.
- 4) *Hillsborough County District School Board* – Saved head count for Education Stabilization Fund is nine times the number of FTEs saved. Saved head count for Government Services Fund is eight times the number of FTEs saved.
- 5) *Marion County District School Board* – IDEA, Part B (\$10,039,225) created 82 FTEs, but the saved head count is a smaller figure (66).
- 6) *St. Lucie County District School Board* – IDEA, Part B, Preschool Grants (\$293,778) created less than one FTE, but the created head count is 28.

Recommendation 2 – Grants management staff should evaluate the questionable entries reported above and facilitate corrections in future ARRA quarterly reports, as appropriate, in coordination with sub-recipients. In addition, further review of jobs data reported by other sub-recipients not included in our sample should be performed. Department management should consider providing additional guidance to sub-recipients on reporting of jobs data.

3. Instances where zero jobs resulted from grant awards – Numerous instances were noted where zero jobs were saved, created, or continued. Most instances were related to the following grants: Government Stabilization (5); IDEA, Part B, Preschool Grants (5); Educational Stabilization (3); and Title 1, Part D (2).

Note: Low or zero expenditure of ARRA funds by sub-recipients may be a factor in the lack of jobs. Details are included in Attachment D for our sample of sub-recipients.

Recommendation 3 – Grants management staff should consider an evaluation of selected sub-recipients who have expended significant funds but reported no job impacts.

Sub-recipient Jobs Calculations Survey

Sub-recipients surveyed were selected on a judgmental basis. We chose 15 school districts, based primarily on the dollar value of the ARRA grants awarded, and included large, medium, and small school districts. Three state colleges also were included as well as three non-profit agencies. Grant award information on the selected sub-recipients was obtained from the GMS. We focused on awards greater than \$100,000.

Discussion of sub-recipient responses to survey questions

- 1) *Methodology used/ authoritative sources cited* – The level of detail in the descriptions of methodology varied widely among sub-recipients surveyed. Most described that calculating the number of full time equivalent positions was based on the number of hours the employee worked divided by the standard number of hours for the type of position. One large school district indicated that if teachers work more than their normal contracted hours, the FTE was computed as greater than one for those individuals (add-on work). Several respondents indicated that if employees spent a fraction of their time on ARRA work, the FTE reported is prorated to match the actual time worked. Staff with state colleges indicated they used the methodology developed for the 28 state and community colleges by the Division of Florida Colleges.

Most sub-recipients cited authoritative sources used to compute and report jobs data provided by the Department in email correspondence. Other sources included Cost Principles for Non-Profit Organizations, USED guidance, OMB guidance and standard cost accounting procedures.

- 2) *Support documents submitted* – Most sub-recipients submitted some type of documentation. Some submissions included complex Excel spreadsheet documents. Others sent sample support for only some of their grant awards. Some indicated that support was available upon request. Others sent scanned copies of forms used in the process (e.g., payroll distributions, cost center reports, personnel listings, etc.). Finally, some indicated that based on size of awards (number of jobs impacted) support was “not needed.” One sub-recipient stated that “*There is no formal documentation to show these calculations. The decisions were the result of numerous administrative team meetings.*”

In most instances, documentation submitted was insufficient to support reported jobs figures. Of the 21 sub-recipients included in the survey, only five provided us with support that could be used to match with the Department's data systems. Others provided only example documentation at best. Of the five, we were not able to match information on jobs to that reported in the GRS.

- 3) *Support retained on file* – Most sub-recipients said they were retaining supporting documentation. Support described included listings of teacher, salaries and benefits; detailed payroll records; budget documents, excel spreadsheets, email correspondence between internal and external staff related to ARRA, etc.
- 4) *Data control checks* – Most sub-recipients described control checks being employed. Examples included: clearly established processes/ responsibilities, employee certifications of effort, special project coding to better account for ARRA transactions, independent review and approval of reporting, use of discrepancy reports, correction of identified errors, etc.

- 5) *Guidance requested* – Most sub-recipients indicated they had sufficient understanding of the reporting process and needed no assistance. Others asked for additional technical support or welcomed guidance and suggestions to improve and streamline the process.

Example comments: request for additional information from Department staff on the mechanics of the budget amendment process; comment on conflicting guidance from Department program and fiscal staff members; need for additional guidance regarding pass-through ARRA funds to charter schools; requests for technical assistance to streamline the reporting process, etc.

Another sub-recipient suggested Department guidance come from a single source (regardless of the program involved). Finally, a comment was received requesting the Department provide sample methods and noteworthy practices used by different sub-recipients. Implementation of the methods could lead to more efficient administration and reporting. Detailed sub-recipient responses to survey questions were provided to staff in the Bureau of Contracts, Grants, and Procurement Services.

Recommendation 4 – Grants management staff should review sub-recipient responses to our survey (provided under separate copy) for insight into: a) how sub-recipients are computing jobs reported; b) whether appropriate levels of support are being generated and retained; c) steps sub-recipients are taking to ensure accuracy of data; and d) whether guidance has been requested. Based on the results, additional guidance and training for sub-recipients should be provided.

Conclusion

We concluded from our review that an audit trail does not currently exist either at the Department level or with sub-recipients. That is, Department and sub-recipient systems in place to report ARRA information have not been formally documented to provide an independent reviewer with a procedure for duplicating the reported data. In addition, records supporting the ARRA data reported do not appear to be readily available.

We **recommend** that grant management staff develop Department written procedures for reporting data required by ARRA, and assist sub-recipients in developing procedures especially for calculating the jobs impact of ARRA expenditures. These procedures should address the supporting documentation required.

/gw

C: Dr. Eric J. Smith
Martha Asbury
Jon Manalo

Attachment A

Sub-recipients included in the survey

Sub-Recipient	Grant Awards per the GMS as of 10/7/2009
School Districts (Large)	
Duval County	Education Stabilization Fund K-12 (\$42,084,859) Title I (\$14,729,844) Government Services Fund K-12 (\$1,582,073) IDEA, Part B, Preschool Grants (\$982,940) IDEA, Part B (\$31,217,919) Title I Part D Local Delinquent (\$376,017)
Hillsborough County	Education Stabilization Fund K-12 (\$63,921,308) Education Stabilization Fund-Workforce Dev (\$1,767,529) Title I (\$16,997,904) Government Services Fund K-12 (\$2,402,958) Government Services Fund Workforce Dev (\$266,275) IDEA, Part B, Preschool Grants (\$705,386) IDEA, Part B (\$22,402,886) Title I Part D Local Delinquent (\$1,036,919)
Miami - Dade County	Education Stabilization Fund K-12 (\$115,384,339) Education Stabilization Fund-Workforce Dev (\$5,296,633) Title I (\$48,253,054) Government Services Fund K-12 (\$4,337,579) Government Services Fund Workforce Dev (\$797,925) IDEA, Part B, Preschool Grants (\$1,403,702) IDEA, Part B (\$44,581,205) Title I Part D Local Delinquent (\$780,369) Title I School Choice (\$19,301,221)
Palm Beach County	Education Stabilization Fund K-12 (\$58,666,602) Title I (\$22,217,094) Government Services Fund K-12 (\$2,205,421) Government Services Fund Workforce Dev (\$1,013,003) IDEA, Part B (\$20,364,139) IDEA, Part B, Preschool Grants (\$641,193) Title I Part D (\$563,643) Title I School Improvement Initiative-Targeted (\$848,176)
Polk County	Education Stabilization Fund K-12 (\$29,994,124) Education Stabilization Fund-Workforce Dev (\$599,298) Title I (\$8,926,851) Government Services Fund K-12 (\$1,127,552)

Sub-Recipient	Grant Awards per the GMS as of 10/7/2009
	IDEA, Part B (\$22,483,149) IDEA, Part B, Preschool Grants (\$707,914) Title I Part D Local Delinquent American Recovery Act (\$367,593) Title I School Improvement Initiative-Targeted (\$596,174)
School Districts (Medium)	
Brevard County	Education Stabilization Fund K-12 (\$23,390,869) Title I (\$7,054,403) Government Services Fund K-12 (\$879,320) Government Services Fund Workforce Dev (\$194,963) IDEA, Part B (\$16,856,251) IDEA, Part B, Preschool Grants (\$530,742) Title I Part D (\$195,284)
Collier County	Education Stabilization Fund K-12 (\$14,769,894) Education Stabilization Fund-Workforce Dev (\$386,334) Title I (\$439,378) Government Services Fund K-12 (\$555,236) IDEA, Part B (\$10,017,891) IDEA, Part B, Preschool Grants (\$315,427)
Lake County	Education Stabilization Fund K-12 (\$13,112,180) Education Stabilization Fund-Workforce Dev (\$248,397) Title I (\$2,325,528) Government Services Fund K-12 (\$492,919) IDEA, Part B (\$4,774,339) IDEA, Part B, Preschool Grants (\$150,326)
Marion County	Education Stabilization Fund K-12 (\$13,336,974) Education Stabilization Fund-Workforce Dev (\$174,596) Title I (\$6,535,350) Government Services Fund K-12 (\$501,369) IDEA, Part B (\$10,039,225) IDEA, Part B, Preschool Grants (\$316,099) Title I Part D Local Delinquent (\$153,930)
St. Lucie County	Education Stabilization Fund K-12 (\$13,009,437) Title I (\$4,615,567) Government Services Fund K-12 (\$489,057) IDEA, Part B (\$9,330,317) IDEA, Part B, Preschool Grants (\$293,778) Title I School Choice (\$1,153,892)

Sub-Recipient	Grant Awards per the GMS as of 10/7/2009
School Districts (Small)	
Bay County	Education Stabilization Fund K-12 (\$8,090,198) Education Stabilization Fund-Workforce Dev (\$185,192) Title I (\$3,218,781) Government Services Fund K-12 (\$304,130) IDEA, Part B (\$5,778,159) IDEA, Part B, Preschool Grants (\$181,933) Title I Part D Local Delinquent (\$109,512)
Franklin County	Education Stabilization Fund K-12 (\$374,223) Title I (\$194,329) IDEA, Part B (\$153,130)
Glades District	Title I (\$155,605) IDEA, Part B (\$306,164)
Liberty County	Education Stabilization Fund K-12 (\$460,440) IDEA, Part B (\$324,268)
Walton County	Education Stabilization Fund K-12 (\$2,112,080) Title I (\$406,922) IDEA, Part B (\$1,530,295)
State Colleges	
Daytona State College	Education Stabilization Fund-College (\$3,315,686) Government Services Fund-College (\$657,639)
Florida State College At Jacksonville	Education Stabilization Fund K-12 (\$460,440) IDEA, Part B (\$324,268)
Polk Community College	Education Stabilization Fund-College (\$1,266,061) Government Services Fund-College (\$251,112)
VR Provider	
Coalition for Independent Living Options	Not shown on system
Not for Profit	
Florida Institute for Human and Machine Cognition	Government Stabilization Fund (\$447,937)
Florida Virtual School	Education Stabilization Fund K-12 (\$6,982,068) Government Services Fund K-12 (\$262,473)
H. Lee Moffit Cancer Center	Government Stabilization Fund-Specialty Unit (\$1,526,584)

Attachment B

Questions and documentation request regarding sub-recipient calculation of jobs saved, created, and continued related to Section 1512 of the Recovery Act:

1. Please describe your methodology for calculating the number of full time equivalent positions saved/created/continued.
2. What authoritative source(s) did you use to develop the methodology used?
3. Please provide documentation to support your calculation of full time equivalent positions saved/created/continued for each ARRA grant program. Send documents to the email address greg.white@fldoe.org.
4. Are you retaining detailed documentation/ data that support such calculations? Please describe these records.
5. What quality control checks are applied to the data which is collected and used in the calculations? (For example, independent review, clearly established responsibilities, written procedures, tests for missing data, looking for duplicate records, analyzing values outside a designated range, etc.)
6. Do you have a clear understanding of the mechanics of the ARRA reporting process? If not, in what area(s) would you benefit from additional Florida DOE staff guidance?

Attachment C**Differences noted between data systems (Detail)**

In comparing grant award amounts recorded on the GMS and GRS data systems, we noted instances where amounts did not agree, as shown below. We provided this comparison to Department staff in November 2009.

Award amounts from GMS are as of October 7, 2009. GRS award amounts were obtained later in the month.

1. Award amounts for eight school districts in the GRS were exactly twice those shown in the GMS. Thirteen grants in all were noted – Title I, Disadvantaged Children (5), IDEA, Part B (4), and IDEA, Part B, Preschool Grants (4). See detail below.

Sub-recipients/ ARRA Grants	GMS Award Amount	GRS Award Amount
Dade County District School Board Title I	48,253,054	96,506,108
Duval County District School Board Title I	14,729,844	29,459,688
IDEA, Part B, Preschool Grants	1,403,702	2,807,404
IDEA, Part B	44,581,205	89,162,410
Franklin County District School Board IDEA, Part B	153,130	306,260
Hillsborough County District School Board IDEA, Part B, Preschool Grants	705,386	1,410,772
IDEA, Part B	22,402,886	44,805,772
Lake County District School Board Title I	2,325,528	4,651,056
IDEA, Part B	4,774,339	9,548,678
IDEA, Part B, Preschool Grants	150,326	300,652
Palm Beach District School Board IDEA, Part B, Preschool Grants	641,193	1,282,386
Polk District School Board Title I	8,926,851	17,853,702
Walton County District School Board Title I	406,922	813,844

2. Amounts in the GRS for six school districts were higher than the awards noted in the GMS (but not double as above). Six grants in all were noted and each related to Title I, Disadvantaged Children. See detail below.

Sub-recipients/ ARRA Grants	GMS Award Amount	GRS Award Amount
Bay County District School Board Title I	3,218,781	4,023,476
Brevard County District School Board Title I	7,054,403	8,840,104
Collier County District School Board Title I	439,378	5,060,051
Marion County District School Board Title I	6,535,350	8,169,187
Palm Beach District School Board Title I	22,217,094	27,771,368
St. Lucie County District School Board Title I	4,615,567	5,769,459

3. Amounts shown in the GMS for six school districts were not shown in the GRS. Six grants in all were noted – Title I, Disadvantaged Children (2), Title 1 – School Choice (2), and Title 1 – School Improvement (2). See detail below.

Sub-recipients/ ARRA Grants	GMS Award Amount	GRS Award Amount
Dade County District School Board Title I School Choice	19,301,221	Not Shown
Franklin County District School Board Title I	194,329	" "
Hillsborough County District School Board Title I	16,997,904	" "
Palm Beach District School Board Title I School Improvement Initiative	848,176	" "
Polk District School Board Title I School Improvement Initiative	596,174	" "
St. Lucie County District School Board Title I School Choice	1,153,892	" "

Attachment D

Zero Job Impact (Detail)

Numerous instances were noted where zero jobs were reported saved, created, or continued. Most instances were related the following grants – Government Services (5), IDEA, Part B, Preschool Grants (5), Educational Stabilization (3), and Title 1, Part D (2). See detail below.

Bay County District School Board

Education Stabilization Fund-Workforce Dev (\$185,192)

Government Services Fund K-12 (\$304,130)

IDEA, Part B, Preschool Grants (\$181,933)

Brevard County District School Board

IDEA, Part B, Preschool Grants (\$530,742)

Dade County District School Board

Education Stabilization Fund-Workforce Dev (\$5,296,633)

Government Services Fund K-12 (\$4,337,579)

Government Services Fund Workforce Dev (\$797,925)

Title I Part D Local Delinquent (\$780,369)

Duval County District School Board

Government Services Fund K-12 (\$1,582,073)

IDEA, Part B, Preschool Grants (\$982,940)

Florida State College at Jacksonville

Education Stabilization Fund K-12 (\$460,440)

IDEA, Part B (\$324,268)

Franklin County District School Board

Education Stabilization Fund K-12 (\$374,223)

Glades District School Board

Title I (\$155,605)

IDEA, Part B (\$306,164)

Hillsborough County District School Board

IDEA, Part B, Preschool Grants (\$705,386)

Lake County District School Board

Education Stabilization Fund-Workforce Dev (\$248,397)

IDEA, Part B, Preschool Grants (\$150,326)

Palm Beach District School Board

Title I Part D (\$563,643)

Polk Community College

Education Stabilization Fund-College (\$1,266,061)

Government Services Fund-College (\$251,112)

Polk District School Board

IDEA, Part B, Preschool Grants (\$707,914)