



UNITED STATES DEPARTMENT OF EDUCATION
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Deborah S. Delisle
Assistant Secretary
Office of Elementary and Secondary Education
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, DC 20202-4300

Dear Ms. Delisle:

This **final audit report**, “U.S. Department of Education’s and Selected States’ Oversight of the 21st Century Community Learning Centers Program,” presents the results of our audit. The objectives of the audit were to (1) determine whether the U.S. Department of Education (Department) effectively monitored and tracked program performance measures for 21st Century Community Learning Centers (21st CCLC) grantees¹ to ensure that grantees met program objectives and (2) assess the processes and controls that four selected State educational agencies (SEA) used to award and monitor subgrants.

The Department designed and followed a monitoring plan to provide oversight of SEAs and relied on the subgrantees’ submitted data to track program performance measures. However, we found that the Department can improve its oversight of the accuracy, reliability, and completeness of the SEAs’ annual reports on 21st CCLC program performance. In addition, although the Department monitored the SEAs’ processes to award and monitor subgrants, we identified areas in which the Department can improve its oversight of the SEAs’ award and monitoring processes.

Our review covered the Department’s monitoring of SEAs and the processes used by the four selected SEAs—the Alabama State Department of Education (Alabama), Florida Department of Education (Florida), Mississippi Department of Education (Mississippi), and Puerto Rico Department of Education (Puerto Rico)—to award and monitor subgrants during fiscal year (FY) 2011, from October 1, 2010, through September 30, 2011. We expanded our scope to FY 2010 for Florida and Puerto Rico based on circumstances related to those SEAs’ grant award competition periods. Specific details of the expanded scope are discussed in the “Objective, Scope, and Methodology” section of this report.

¹ The term “grantee” refers to State educational agencies that received 21st CCLC formula grants from the Department.

BACKGROUND

The 21st CCLC program is authorized under Title IV, Part B, of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (ESEA). The purpose of the program is to establish or expand community learning centers that provide academic enrichment opportunities during non-school hours to students to help them meet State and local academic achievement standards in core academic subjects. Targeting students in high-poverty areas who attend low-performing schools, the program supports a broad range of before- and after-school activities such as tutoring services, drug and violence prevention, counseling, art, music, recreation, technology, and character education programs. The support activities are designed to reinforce and complement the students' regular academic program. The program also offers literacy and other educational services to the families of participating children.

The Department awards 21st CCLC program formula grants to SEAs based on each State's funding under Title I, Part A of the ESEA (Title I). SEAs award the 21st CCLC grants through subgrants to eligible local educational agencies (LEA), community-based organizations, other eligible public and private entities, and consortiums of two or more of such agencies, organizations, or entities. The SEAs award subgrants to eligible entities on a competitive basis through a peer review process of subgrant applications or other method that ensures the quality of the applications. The awards must be for a period of not less than 3 years and not more than 5 years, in amounts not less than \$50,000 per year.

The Department's Academic Improvement and Teacher Quality Programs, under the Office of Elementary and Secondary Education (OESE), has oversight responsibility of the 21st CCLC program. The Academic Improvements Programs Group (AIPG) within the Academic Improvement and Teacher Quality Programs is composed of nine staff—a group leader and eight program officers—who monitor the SEAs' administration and implementation of 21st CCLC formula grants and provide technical assistance to promote program success and ensure compliance with statutory requirements. Each program officer is responsible for overseeing from 3 to 10 assigned SEAs. In addition, the AIPG is supported by Berkeley Policy Associates, a contractor who assists AIPG in planning and conducting monitoring site visits to SEAs and reporting site visit results.

For FY 2011, the Department awarded nearly \$1.1 billion in 21st CCLC program funds to the States and territories, of which nearly \$131.7 million was awarded to the four SEAs we selected for review, as detailed in the following table.² The SEAs awarded the 21st CCLC grants to 378 subgrantees.

² Related to the expanded scope, Florida was awarded nearly \$53.9 million and Puerto Rico nearly \$43 million in FY 2010.

Table 1: 21st CCLC Grant Awards Fiscal Year 2011 (Dollars in Millions)

SEA	Grant Award Amount	Number of Subgrantees
Alabama	\$16.7	93
Florida	\$56.1	121
Mississippi	\$15.4	87
Puerto Rico	\$43.5	77
Total	\$131.7	378

The Department is required under the Government Performance and Results Act of 1993 (GPRA), as amended by the GPRA Modernization Act of 2010, to develop an annual performance plan with performance goals and indicators for each program activity set forth in its budget and report annually on the actual performance achieved. The Department uses the GPRA indicators to evaluate the effectiveness and efficiency of 21st CCLCs operating nationwide. The Department uses data the SEAs and subgrantees submit to report program performance related to 16 GPRA-related performance indicators. Specifically, the Department tracks 21st CCLC program performance from data collected through the Profile and Performance Information Collection System (PPICS), a Web-based system maintained by Learning Point Associates. PPICS consists of various data collection modules, compiled from data the SEAs and subgrantees provided. The Annual Performance Report module within PPICS collects the data required to address the GPRA indicators for the 21st CCLC program, which include information on the progress subgrantees made during the preceding year toward meeting their established program objectives. The SEAs either collect the Annual Performance Report data from subgrantees and upload it into PPICS, or have the subgrantees upload the data and the SEA approves the submitted data in the system. In FY 2011, Alabama, Mississippi, and Puerto Rico delegated the responsibility for performance data submission through PPICS to their subgrantees, whereas Florida delegated some data entry responsibilities to its subgrantees and performed some data entry tasks at the State level from data provided by its subgrantees.

AUDIT RESULTS

The Department could more effectively monitor and track SEAs' 21st CCLC program performance measures by ensuring that SEAs develop processes sufficient to provide reasonable assurances of the accuracy, reliability, and completeness of the performance information provided. Although the Department used PPICS to track 21st CCLC program performance measures, we found that neither the Department nor three of the four SEAs we reviewed validated the performance data that the subgrantees submit. As a result, the Department is unable to ensure grantees have met program objectives because it cannot be sure of the accuracy, reliability, and completeness of the performance data reported by SEAs.

In addition, although the Department monitored the SEAs' processes to award and monitor subgrants, we found that the Department did not identify internal control weaknesses we found at the selected SEAs. We identified areas in which the Department can improve its oversight of the SEAs' award and monitoring processes. Specifically, we identified deficiencies in the award process at all four of the

SEAs reviewed and in the SEAs' subgrantee monitoring processes at three of the four SEAs—Alabama, Mississippi, and Puerto Rico. The Department had previously identified and reported the peer reviewer selection process deficiencies we found at Alabama, the monitoring deficiencies we found at Alabama and Mississippi, and the program evaluation issues we found at Puerto Rico. At the time of our review, the Department had recently reported these deficiencies in monitoring reports and was in the process of either obtaining SEA responses and corrective action plans (CAP) or evaluating the ones received. In addition, we identified deficiencies in the award process at Alabama, Mississippi and Puerto Rico and monitoring deficiencies at Puerto Rico that the Department had not identified in its monitoring site visits.

The Department's most recent monitoring visits³ conducted in FY 2012 identified deficiencies in SEAs' processes to award and monitor subgrants. This indicates that the deficiencies in this report are not limited to the States we reviewed and, therefore, warrant the Department's follow-up and continuous oversight of the 21st CCLC program funds.

In the "Other Matters" section of this report, we discuss the Department's and the SEAs' performance measures for timely issuance of reports detailing deficiencies identified in monitoring site visits.

In response to the draft audit report, the Department agreed with the two findings and either agreed or partially agreed with all but one of the recommendations. Although the Department disagreed with Recommendation 1.2, it proposed additional training to the 21st CCLC program office to address the finding. Based on the Department's comments, we revised Recommendation 1.2 and 2.1. We added training as an option to the Department for assessing the SEAs' monitoring efforts over the SEAs' validation of the reported 21st CCLC performance data to Recommendation 1.2. We clarified that the Department's monitoring and oversight procedures should include a review of how states are assessing peer reviewers' qualifications in Recommendation 2.1. We did not make any other changes to the findings or related recommendations. The Department's comments are summarized at the end of each finding. The full text of the Department's response and proposed corrective actions are included as Attachment 2 to this report.

FINDING NO. 1 – The Department Can Improve Oversight of Program Performance Data

The Department designed and followed a monitoring plan that provided oversight of SEAs. Specifically, the Department

- tracked 21st CCLC program performance using data collected from SEAs and subgrantees through PPICS;
- conducted monitoring site visits⁴ at 19 SEAs during FY 2011 and 17 SEAs during FY 2012 in accordance with its monitoring plan for each fiscal year based on its 3-year cycle for providing monitoring visits to all SEAs; and
- reported deficiencies that, if properly corrected, could result in improvements in the grantees' program performance.⁵

³ The Department's FY 2012 monitoring plan used the same monitoring protocol as its FY 2011 plan.

⁴ The Department conducted the site visits from January through September 2011.

⁵ Examples of the deficiencies the Department identified through monitoring SEAs are detailed in Finding No. 2 in this audit report.

However, the Department did not effectively monitor the SEAs to ensure that the data submitted are reliable for use in assessing SEA program performance. We found that the Department can improve its oversight of the accuracy, reliability, and completeness of the SEAs' annual reports on 21st CCLC program performance. We also found that the Department did not have comprehensive written policies and standard operating procedures for monitoring the 21st CCLC program.

Performance Data Validation Could Improve Program Oversight

The Department relies on the SEAs to report accurate, reliable, and complete 21st CCLC program performance data through PPICS. However, it does not ensure that the SEAs validate the data that subgrantees submit. Absent sufficient testing to provide reasonable assurance of the accuracy, reliability, and completeness of reported performance data, the Department cannot ensure that grantees have met program objectives because it has not been assured that the data it uses to report program performance addressing GPRA indicators are accurate, reliable, and complete.

PPICS includes internal edits that are designed to validate the internal consistency of the reported data; detect any extreme values or values outside the norm (outliers); confirm that all required sections have been completed; and notify the subgrantees, the SEAs, and the Department of any problems detected with the data. However, the Department relies on the SEAs to ensure subgrantees take appropriate action to address problems detected with the data and ensure that the data are accurate, reliable, and complete. As detailed below, we found that three of the four SEAs reviewed—Alabama, Mississippi, and Puerto Rico—did not sufficiently verify the accuracy, reliability, and completeness of the program performance data reported by their subgrantees. In addition, we identified a data validation practice at one of the SEAs reviewed—Florida—that may be considered a promising practice for SEAs.

Alabama required each 21st CCLC grant recipient to input the required subgrantee performance data to PPICS, and Alabama used a contractor to ensure that each grant recipient entered the data into the system. However, neither the contractor nor Alabama verified whether the data reported to the Department were accurate, reliable, and complete. We conducted limited tests on the accuracy of selected data elements that 2 of the 93 Alabama subgrantees reported in their FY 2011 Annual Performance Reports.⁶ In reviewing the data for reported students at all of the grade levels, we found that both subgrantees reported an inaccurate number of students served by grade level. Specifically, one subgrantee reported 103 students served in 6 grade levels (kindergarten through fifth grade) and, although the subgrantee accurately reported 103 students served, the number reported by each grade level contained discrepancies. The second subgrantee reported 92 students served in 9 grade levels (kindergarten through eighth grade) but the actual number of students served was 94 and the number reported by each grade level contained discrepancies except for those reported in the sixth grade. The inaccuracies in the grade level served ranged from two to nine students overreported and from one to eight students underreported when compared with the number of students actually served by grade level. Alabama did not detect the reported inaccuracies. Such discrepancies in grade level reporting are important because 10 of the 16 GPRA-related performance indicators for the 21st CCLC program used student grade level to measure program performance. In response to our finding, Alabama stated that, to strengthen its monitoring of the 21st CCLC performance data reported to the Department through PPICS, it

⁶ We did not conduct similar tests for any of the other SEAs reviewed. More details of the limited tests conducted of the accuracy of the selected data elements is discussed in the "Objective, Scope, and Methodology" section of this report.

was in the process of updating its written policies, procedures, and instruments to include monitoring steps to (1) verify the accuracy, reliability, and completeness of the reported data and (2) ensure that subgrantees implement adequate data management systems that allow for accurate reporting of the data.

Mississippi compared the data reported in the subgrantees' Annual Performance Reports with data included in the subgrantees' applications for continuation grants. The Director of Mississippi's 21st CCLC program stated that during onsite monitoring and desk audits, staff compared the reported data with data in documents reviewed. However, although Mississippi has a total of 87 subgrantees, we found that it conducted only three onsite monitoring reviews and no desk audits in FY 2011. The three FY 2011 onsite monitoring reports did not contain any information indicating that Mississippi assessed the accuracy, reliability, and completeness of the program performance data gathered as of the date of the reviews. In response to our finding, Mississippi stated that it had developed written policies, procedures, and monitoring instruments to verify the accuracy, reliability, and completeness of 21st CCLC performance data reported to the Department through PPICS. Mississippi stated that it planned to implement the procedures in the closeout reviews to Year 5 subgrantees, scheduled for the summer of 2012, and to all subgrantees in its FY 2013 monitoring cycle.

Puerto Rico approved the 21st CCLC program data that its subgrantees submitted in PPICS. Specifically, a staff member was responsible for reviewing and approving the data prior to FY 2011 and the 21st CCLC Coordinator approved the FY 2011 data. According to the Puerto Rico 21st CCLC program office, it did not have sufficient staff to review subgrantee documentation and validate the reported data. In addition, the written policies, procedures, and instruments that Puerto Rico used for fiscal and programmatic monitoring visits did not include steps to review a sample of documents to test the accuracy, reliability, and completeness of the subgrantees' reported program performance data. In response to our finding, Puerto Rico stated that it was reviewing the fiscal and programmatic monitoring guides and instruments to determine the steps it needed to add to verify the accuracy, reliability, and completeness of the program performance data its subgrantees reported through PPICS. By updating the monitoring instrument to include data verification, Puerto Rico would shift the responsibility for review from the 21st CCLC program office to Puerto Rico's Office of Federal Affairs monitoring unit.

Florida provided a data collection instrument that assisted its subgrantees in collecting and reporting the profile and performance data they needed to complete Annual Performance Reports submitted through PPICS at the end of the year. Florida required its subgrantees to submit the data and information demonstrating progress in a midyear report, an end-of-year report, and a summative evaluation report. Florida also required its subgrantees to submit monthly reports on the participating students' average daily attendance and the number of hours of operation; further, Florida required attendance lists and sign-in sheets in support of the information the subgrantees reported. According to the Director of Florida's 21st CCLC program, monitoring the average daily student attendance data, rather than enrollment, allowed Florida to assess the level of funding the subgrantees needed to provide the services. In addition, Florida developed a calendar of evaluative visits to selected subgrantees based on a number of risk factors (for example, year of program funding and findings from previous years' evaluations). During these visits, staff reviewed specific, tangible evidence, such as results of pre- and post- tests administered to participant students and student report card grades, that the

subgrantees collected and used to report on program performance. According to the Director of Florida's 21st CCLC program, Florida compared the Annual Performance Report data with the data subgrantees reported to Florida throughout the year and to observations obtained from the site visits. Florida provided us 33 evaluation reports completed in FY 2010 and 70 evaluation reports completed in FY 2011. We found that Florida's process provided adequate validation and could be presented to other SEAs as a promising practice for overseeing reported performance data.

The GPRA, as amended by the GPRA Modernization Act of 2010, requires agencies to clarify their missions, set strategic and annual performance goals, and measure and report on performance towards those goals. According to the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government, internal control plays a significant role in helping managers achieve those goals.

The Department's monitoring instrument for SEAs includes a step to assess whether the SEAs monitored subgrantees to ensure that PPICS data were accurate and submitted on time. However, that step lacked specificity to adequately assess the SEAs' monitoring efforts. Consequently, the most recent monitoring reports that the Department issued to Alabama, Mississippi, and Puerto Rico did not identify deficiencies with the subgrantees' written policies, procedures, and monitoring instruments related to validating the reported 21st CCLC performance data.

Without sufficient oversight of the accuracy, reliability, and completeness of the SEAs' reported 21st CCLC program performance data through PPICS, the Department risks using inaccurate, unreliable, or incomplete information to determine the overall success of the 21st CCLC program, SEAs' progress in achieving program performance objectives, and technical assistance needs of SEAs to ensure the successful program implementation.

The Department Should Have Comprehensive Written Policies and Standard Operating Procedures for Monitoring

Although the Department implemented oversight activities, it did not have written comprehensive standard operating procedures for monitoring the 21st CCLC program. The AIPG had written procedures in the form of a monitoring logistics guide, which outlined the roles and responsibilities of the Department staff and a contractor for planning and conducting monitoring site visits to all SEAs once during a 3-year cycle and issuing monitoring reports. The AIPG also had monitoring instruments, which were tools with questions and steps to be completed during monitoring. However, the Department did not have written policies and standard operating procedures for coordinating and conducting key monitoring activities, including approving or rejecting CAPs submitted by SEAs, notifying the SEAs of the acceptance or rejection of the CAP, and providing technical assistance to the SEAs. Further, the Department did not have written procedures for other key monitoring activities that it conducted, including

- calling SEAs quarterly to discuss their training, technical assistance, and monitoring activities for subgrantees and the States' evaluation of the program;
- reviewing SEAs' drawdown activity of 21st CCLC program funds during the quarter;

- reviewing SEAs' grant award competition data submitted through PPICS;⁷ and
- evaluating CAPs in response to 21st CCLC program-related findings reported in the U.S. Office of Management and Budget Circular A-133 single audit reports.⁸

Both the Acting Director of the Academic Improvement and Teacher Quality Programs and the former AIPG Group Leader acknowledged the need to develop and implement written policies and standard operating procedures governing the monitoring process. According to the U.S. Government Accountability Office's Standards for Internal Control in the Federal Government, internal control is a major part of managing an organization, and written policies and standard operating procedures are instrumental components of effective internal control. Without such policies and standards for monitoring SEAs and for ensuring adherence to those policies and standards, the Department's ability to consistently monitor and improve the operational efficiency of the 21st CCLC program is limited.

RECOMMENDATIONS

We recommend that the Assistant Secretary for OESE require the AIPG to—

- 1.1 Ensure that SEAs implement written policies, procedures, and monitoring instruments to sufficiently test the 21st CCLC performance data and provide reasonable assurance of the accuracy, reliability, and completeness of data reported to the Department.
- 1.2 Revise its SEA site visits monitoring instrument or develop complementary written guidance to sufficiently evaluate SEA monitoring activities over the reliability of the performance data reported to the Department; and provide training to 21st CCLC staff on the implementation of the revised instrument or guidance.
- 1.3 Identify promising practices from the Department's monitoring visits and communicate those practices to all SEAs.
- 1.4 Develop and implement written policies and standard operating procedures for coordinating and conducting key monitoring activities, including approving or rejecting CAPs submitted by SEAs, notifying the SEAs of the acceptance or rejection of the CAP, and providing technical assistance to the SEAs.

Department Comments

The Department agreed with Finding No. 1, agreed with Recommendations 1.1 and 1.3, disagreed with Recommendation 1.2, and partially agreed with Recommendation 1.4. In response to Recommendation 1.1, the Department proposed additional training to its staff to ensure that SEAs implement written policies, procedures, and monitoring instruments to sufficiently test 21st CCLC data. In response to Recommendation 1.3, the Department acknowledged that it would be useful to collect, review, and share promising practices on performance data quality. As such, the Department

⁷ SEAs report about the outcomes of State-level grant competitions—the number of applicants for each competition and the number and amounts of grants awarded.

⁸ All non-Federal entities that expend \$500,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act of 1984, as amended in 1996; and the Office of Management and Budget Circular A-133. The Post Audit Group within the Department's Office of the Chief Financial Officer is responsible for following up on and resolving single audit findings.

proposed developing and implementing a plan to efficiently and effectively collect and disseminate promising practices to SEAs, and to identify compliance issues for monitoring.

The Department disagreed with Recommendation 1.2 and stated that its existing monitoring instruments already include a step that requires (1) addressing SEA monitoring activities over subgrantees to ensure that PPICS data are submitted accurately and on time and (2) reviewing the SEAs' documentation, procedures, guidance, and sanctions for noncompliance. According to the Department, its proposed plan to address Recommendation 1.1 also addresses Recommendation 1.2. Specifically, the Department proposed additional training to the 21st CCLC program office staff, including providing examples of what constitutes sufficient testing, and providing more detailed, written guidance articulating how subgrantee monitoring plays a critical role in ensuring performance data reliability.

The Department partially agreed with Recommendation 1.4 and stated that the existing 21st CCLC monitoring instruments provide guidance regarding the types of evidence that should be reviewed and the factors that should be considered in determining compliance. However, it agreed that more detailed guidance on how to assess the evidence and address issues related to inadequate evidence would be useful. The Department further agreed that its monitoring teams could benefit from clear, written guidance on activities such as reviewing SEAs' CAPs and assessing the need for, and providing appropriate, technical assistance to the SEAs. The Department proposed revising its monitoring instruments and procedures based on the results of an analysis of its monitoring site visit findings. The Department also agreed that it needed to provide technical assistance to SEAs about its CAP process.

OIG Response

In response to the Department's comments to the draft audit report and its proposed corrective actions, we revised Recommendation 1.2. Specifically, we acknowledged the Department's proposal of training as an option for focusing on the SEAs' monitoring efforts over PPICs data reliability. We agree that using the Department's current monitoring instrument, a sufficiently trained reviewer could reasonably assess the SEAs' monitoring efforts over the validation of the reported 21st CCLC performance data. However, because written guidance will facilitate a reviewer's evaluation of SEA monitoring activities, we did not make any other changes to the finding or related recommendations. The Department's implementation of the proposed corrective actions in response to our finding and related recommendations should help the Department improve its oversight of the 21st CCLC program performance data.

FINDING NO. 2 – The Department Can Improve Oversight of SEAs' Processes to Award and Monitor 21st CCLC Program Subgrants

The Department monitored the SEAs' processes to award and monitor subgrants, and its monitoring efforts identified deficiencies and reported those deficiencies to the SEAs. However, we found unreported deficiencies in the subgrant award process and the subgrantee monitoring efforts. Further, we found that the Department's monitoring instrument did not include key steps to assess whether SEAs carried out key steps in the subgrant award process. As a result, the Department can improve its oversight of the SEAs and provide greater assurance that SEAs have adequate processes and controls for awarding and monitoring 21st CCLC subgrants. In addition, in FY 2012 site visits to Maryland and North Dakota, the Department identified similar deficiencies to those included in this report,

indicating that the deficiencies we identified in SEAs' processes to award and monitor subgrants are not limited to the States we reviewed. The prevalence of these deficiencies warrant the Department's follow-up and continuous oversight of the 21st CCLC program funds.⁹

SEAs' Process to Award 21st CCLC Program Subgrants Need to be Improved

We identified deficiencies in the process used to award 21st CCLC program subgrants at all four of the SEAs reviewed.¹⁰ Specifically, we found

- internal control weakness in the peer reviewer selection process at Alabama, Florida, and Mississippi;
- inaccurate application scores used by Alabama to award subgrants to new subgrantees;
- deficiencies in Puerto Rico's grant application assessment process; and
- lack of supporting documentation for one of five peer reviewers' scores used to award 1 of the 87 subgrants at Mississippi.

The Department's monitoring instrument included steps to assess whether the SEAs awarded subgrants to eligible entities on a competitive basis and established and implemented a peer review process for awarding grants. However, the Department's monitoring instrument did not include steps to assess whether SEAs (1) verified the peer reviewers' educational qualifications and professional experience, (2) implemented processes for ensuring accurate scoring and ranking of subgrant applications, (3) maintained sufficient documentation to support the award of subgrants, (4) used scoring rubrics or checklists that verified grant applications' compliance with State-established eligibility requirements, and (5) resolved monitoring findings with subgrantees. Lacking these specific steps, the Department's monitoring efforts had not previously identified deficiencies in the award process at the SEAs we reviewed, with the exception of the internal control weaknesses in Alabama's peer reviewer selection process. The Department used the same monitoring protocol in 2012.

Internal Control Weaknesses in the Peer Reviewer Selection Process. Alabama, Florida, and Mississippi did not sufficiently verify the peer reviewers' educational qualifications and professional experience before selecting them to evaluate and score 21st CCLC grant applications.¹¹

Alabama's Request for Application for FY 2011 required entities that applied for 21st CCLC grants to submit the name and contact information of a person to be a peer reviewer. Alabama preferred that the entities selected an individual with some knowledge of the 21st CCLC program and the grant reviewing process. Subsequently, Alabama approved and selected all the individuals referred by the grant applicants as peer reviewers without verifying the peer reviewers' educational qualifications and professional experience or requiring any form of

⁹ In May 2012, the Department reported that the Maryland State Department of Education did not have a written monitoring plan and the monitoring process in effect did not adequately integrate technical assistance to subgrantees. In August 2012, the Department reported that the North Dakota Department of Public Instruction did not provide evidence that 21st CCLC subgrants were awarded on a competitive basis, failed to conduct thorough outreach to eligible entities about the award competition, and did not provide written documentation of a comprehensive and detailed peer review process for selecting applications.

¹⁰ The four States reviewed were judgmentally selected. See the "Objective, Scope, and Methodology" section of the report for more detail on the selection process.

¹¹ States select their own peer reviewers based on each State's selection criteria.

assurances from the peer reviewers that they had no potential conflicts of interest. We reviewed expenditure information for 5 of 93 Alabama subgrantees and found that 2 subgrantees paid the peer reviewers whom the subgrantees had referred.¹² Although the peer reviewers did not evaluate and score the applications of the subgrantees from which they received payment, they scored applications that were in competition with their employer's application. In response to our finding, Alabama stated that it had implemented updated policies and procedures that ensure that Alabama obtains evidence of the peer reviewers' qualifications and professional experience, such as a resume or curriculum vitae; assesses each peer reviewer's qualifications; and obtains conflict of interest assurances from peer reviewers.

Florida required peer reviewer applicants to complete a Web-based peer reviewer profile form that required the applicants to describe their experience in education or a related field and their familiarity with Federal education programs and program reviews. Florida selected the peer reviewers who (1) met the desired expertise and experience based on information submitted on their applications, (2) completed a conflict of interest form, and (3) completed mandated online training. However, Florida officials acknowledged that they did not require peer reviewer applicants to provide evidence of their educational qualifications and professional experience. We reviewed the documentation supporting the information for 5 of Florida's 147 peer reviewers. For one of the five, Florida could not locate the conflict of interest form to verify the documentation supporting compliance with Florida's qualification criteria. We did not find any subgrantee payments to Florida's peer reviewers in our review of expenditure information for 1 of 121 Florida subgrantees. In response to our finding, Florida stated that it did not agree that it was necessary to require evidence of peer reviewers' qualifications and professional experience because many were known to Florida or had been recommended by reliable sources and because Florida did not pay its peer reviewers for their services. In response to our finding that a conflict of interest form was missing, Florida stated that in FY 2012, it implemented an online system to collect and upload the peer reviewers' conflict of interest forms.

Mississippi's 21st CCLC program coordinator stated that peer reviewers were selected from a pool of service providers. To be added to the pool of peer reviewers, applicants submitted a resume and an application; Mississippi reviewed the information submitted in the resume and application, and the deputy superintendent's office approved the addition to the pool of reviewers. According to the coordinator, the selection of peer reviewers for the 21st CCLC program application review gave preference to applicants who had experience with after-school programs, school improvement, teaching, and school administration and to personnel from community and faith-based organizations. Although peer reviewers were required to sign a confidentiality agreement and conflict of interest statement, Mississippi officials acknowledged that they did not verify or obtain evidence of the peer reviewers' educational qualifications and professional experience. In addition, Mississippi did not have written policies and procedures that specified the method for entry to the pool of 21st CCLC program peer reviewers and the minimum qualifications (selection criteria) wanted from the peer reviewers. In response to our finding, Mississippi provided a revised written peer reviewer selection process with added procedures that included (1) peer reviewer selection criteria, (2) a requirement for verification of teachers' licenses in a Mississippi database, as applicable, and (3) a requirement for contacting peer reviewers' references for verification of qualifications and experience.

¹² We reviewed information of five Alabama subgrantees' expenditures to determine whether any of the peer reviewers who participated in the grant award competition received payments from the grant applicants.

Title IV, Part B, Section 4204(e) of the ESEA requires SEAs to use a peer review process or other methods to ensure the quality of their review of applications for subgrants. The Department's 21st CCLC Non-Regulatory Guidance, Section F-26, encourages SEAs to seek qualified individuals to review applications and to consider soliciting potential reviewers from a large array of organizations to develop a pool of highly-qualified reviewers and thereby ensure that quality applicants are chosen as grantees. The 21st CCLC Guidance also suggests that SEAs consider potential conflicts of interest that may arise in selecting peer reviewers.

Inaccurate Application Scores to Award Grants to New Subgrantees. Alabama did not have sufficient controls to ensure the accuracy of the scoring process used to award the 21st CCLC grants to new subgrantees for FY 2011. Out of 96 entities that applied for new 21st CCLC grants in FY 2011, 51 received grant awards. We reviewed the calculation of scores¹³ for 13 of the 96 applications (7 of the 13 reviewed received grants) and found that the scores for 5 of the 13 applications were not added correctly. Two of the five applications with incorrect scores received grants. However, the scoring errors did not affect the overall results of the grant award competition. Without sufficient controls over the scoring of applications, Alabama risks awarding future funds to grantees that may not be the most qualified.

We also found that one of the three entities that did not receive a grant award received a low score (one out of eight possible points) in 1 of 18 sections of the application. Alabama did not provide the sustainability section of the application to one of the three peer reviewers. The peer reviewer who did not receive the complete application scored the section even though it was not provided, giving it a score of one out of eight possible points. The other two peer reviewers reviewed the sustainability section and scored it higher (one reviewer gave it a six and the other gave it a seven out of eight possible points). Alabama did not select the application for a grant based on the application's overall score, which missed the minimum average score needed to be eligible for an award by five points. If the peer reviewer had received the complete application and scored the sustainability category consistent with the other two readers, the applicant may have been eligible to receive the grant.

According to 34 C.F.R. Section 76.770, States must have procedures for reviewing and approving applications for subgrants, and according to Section 76.731, States and subgrantees must keep records to show compliance with program requirements.

In response to our finding, Alabama stated that it will implement updated grant award procedures in the next 21st CCLC grant award competition. The updated procedures will include the electronic calculation of application scores, and Alabama will recalculate the electronic scores for a sample of applications to ensure accurate scores.

Deficiencies in the Applications' Assessment Process. Puerto Rico did not comply with its guidelines for awarding 21st CCLC grants; as a result, it approved an application for a grant that did not meet the established eligibility requirements. Puerto Rico's 21st CCLC Program Guide provided instructions for conducting an assessment of subgrant applications' eligibility. According to the Guide, grant applications that propose the purchase of brand-name equipment or material from an exclusive distributor will be rejected. However, we found that in FY 2010, Puerto Rico approved an application

¹³ To award 21st CCLC grants to eligible entities for the FY 2011 competition, Alabama used teams of three peer reviewers to score and rank all applications. Each team of peer reviewers received three applications, and each member of the team reviewed and scored the three applications. Each category in an application was given points on a scoring sheet to arrive at a cumulative score per application, known as the Absolute Criterion Score.

proposing the purchase of brand-name products—800 brand-name software licenses at a cost of \$10,250 and 165 brand-name handheld devices at a cost of \$98,175, representing about 27 percent of the \$396,745 proposed project cost. As such, the subgrantee’s application should have been rejected without further consideration based on Puerto Rico’s established criteria.

The checklist that Puerto Rico used to assess applications did not include a step to assess whether the applications included a proposal for the purchase of brand-name products from an exclusive distributor. In response to our finding, Puerto Rico stated that it included steps in a revised application assessment checklist to determine whether grant applicants complied with the eligibility requirements. However, we reviewed the revised checklist and did not find a step to assess whether the application proposed the purchase of brand-name products from an exclusive distributor.

Lack of Supporting Documentation for a Peer Reviewer’s Score. Mississippi awarded 21st CCLC grants to eligible entities for the FY 2011 competition using a peer review process that consisted of scoring and ranking grant applications. However, Mississippi did not maintain documentation of one of five peer reviewer’s score for one of six funded grant applications we reviewed.¹⁴ In response to our finding, Mississippi stated that the peer reviewers will begin to input their scores into electronic scoring rubrics, and Mississippi’s 21st CCLC program office will maintain electronic files of all scoring rubrics so the documentation will be available when needed.

SEAs’ Processes to Monitor 21st CCLC Program Subgrants Need to be Improved

We found deficiencies in Alabama, Mississippi, and Puerto Rico’s monitoring processes. The Department also identified and included in monitoring reports the deficiencies discussed below, with the exception of the monitoring deficiencies we found at Puerto Rico. At the time of our review, the Department was in the process of either obtaining SEA responses and CAPs or evaluating the ones received.

Alabama did not have a formal monitoring plan for all types of entities that received 21st CCLC subgrants. In its March 2011 monitoring report, the Department reported that Alabama’s monitoring plan included monitoring of each LEA subgrantee once every 3 years as a part of Alabama’s overall Federal Programs monitoring process. However, it did not include monitoring of non-LEA subgrantees such as community-based organizations, and other public and private entities that received 21st CCLC subgrants from Alabama. According to PPICS, of the 51 Alabama subgrantees that received new grant awards in FY 2011, 46 were LEAs or school districts, 4 were community-based organizations, and 1 was a faith-based organization. Of the 42 Alabama subgrantees that received continuation grant awards, 34 were LEAs or school districts, 7 were community-based organizations, and 1 was a nonprofit organization. In an April 2011 response to the Department’s monitoring report, Alabama proposed implementing a revised monitoring plan that included (1) onsite monitoring for each subgrantee, including non-LEA subgrantees, on a rotating 3-year cycle starting in FY 2012, and (2) remote reviews of subgrantees during the years of the cycle when onsite monitoring does not occur.

Mississippi did not conduct regular systematic monitoring of its 21st CCLC subgrantees in FY 2011. Mississippi’s “Consolidated Federal Program Monitoring Protocol” applied to Title I

¹⁴ We reviewed 6 of 19 applications that Mississippi awarded grants in FY 2011. Five peer reviewers reviewed and scored each application for a 21st CCLC subgrant.

grants. The Protocol required monitoring of all 87 subgrantees in FY 2011. In a January 2011 monitoring report, the Department reported that Mississippi did not have a monitoring process that was specific to the 21st CCLC program. In response to the Department, Mississippi revised its monitoring policies and procedures to include a monitoring plan and protocol specific to the 21st CCLC program. The revised monitoring plan still required Mississippi to monitor all 87 subgrantees in FY 2011. However, Mississippi monitored only 14 of the 87 subgrantees. Mississippi did not dispute that it had not completed all planned FY 2011 monitoring, but stated that it was on schedule to complete its FY 2012 monitoring activities in accordance with its policies, procedures, and monitoring plan, and it provided a summary of the activities completed. The summary indicated that Mississippi had completed 36 monitoring activities for FY 2012 as of March 2012.

Puerto Rico monitored subgrantees but did not resolve monitoring findings within required time frames with a subgrantee to ensure that corrective actions were implemented to address findings in a monitoring report. In June 2011, Puerto Rico reviewed one of the subgrantee's FY 2010 invoices and issued a monitoring report in July 2011 requiring the subgrantee to submit its comments or a CAP within 30 days.¹⁵ Puerto Rico awarded a total of \$590,683 to the subgrantee in FY 2010 and \$753,842 in FY 2011 for the continuation of the project. After we discussed the issue with Puerto Rico officials, Puerto Rico sent a follow-up email to the subgrantee in November 2011. The subgrantee responded to Puerto Rico's findings in November 2011, but as of February 2012, the monitoring report's findings had not been fully resolved. The Department did not identify the deficiency in Puerto Rico's monitoring process in its August 2011 onsite monitoring report. In response to our finding, Puerto Rico stated that it will include in its monitoring guides and instruments a specific timeline for subgrantees to respond to monitoring reports, and will inform subgrantees of the possible consequences of not responding within the specified time, which could include the return of funds.

We also found that Puerto Rico did not conduct a comprehensive Statewide evaluation of the effectiveness of the 21st CCLC program and activities implemented during FY 2011. The Department issued a monitoring visit report to Puerto Rico in August 2011 and, based on a Department's finding that the program evaluations Puerto Rico's contractor conducted in FY 2010 were inadequate, Puerto Rico delayed action to determine what corrective actions were required so that it could implement those actions in a new external program evaluation contract. As a result, Puerto Rico did not evaluate the effectiveness of the FY 2011 21st CCLC program. In its September 2011 response to the Department's monitoring report, Puerto Rico submitted a CAP stating that it was in the process of procuring a new contractor for external program evaluations. In response to our finding, Puerto Rico provided documentation indicating that in March 2012 it initiated an internal process for contracting an external evaluator. However, as of March 2013, Puerto Rico had not awarded a contract.

In addition, we found that Florida has reasonable processes and controls to monitor subgrants. However, we found that Florida can improve on the timeliness of its monitoring reports. (See the "Other Matters" section in this report for more details.) Florida used a tiered approach for monitoring subgrantees with a focus on two types of monitoring activities: (1) subgrantees' self-evaluations and (2) onsite and desktop monitoring. Florida reviewed self-evaluations conducted by all Florida's

¹⁵ The subgrantee is the same one that included brand-name products in its application, as discussed earlier in this finding. One of Puerto Rico's monitoring findings was that the subgrantee had purchased 50 units of brand-name handheld devices at a cost of \$50,000 without obtaining three quotes.

subgrantees using a set of documents called work papers¹⁶ that assessed the subgrantees' level of compliance with the requirements for 21st CCLC funding. Florida conducted onsite¹⁷ and desktop¹⁸ monitoring for a sample of subgrantees selected based on a risk analysis. Florida completed 10 desktop monitoring reviews and 10 onsite monitoring site visits in FY 2011. In addition, Florida evaluated the quality and effectiveness of Florida's 21st CCLC programs by (1) analyzing qualitative and quantitative data submitted by all subgrantees through completion of data collection instruments and (2) site visits to 21st CCLC programs (subgrantees' community learning centers) selected based on a number of risk factors.

According to 34 C.F.R. Section 80.40(a), grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities covering each program, function, or activity, including subgrant supported activities, to ensure compliance with applicable Federal requirements and that grantees and subgrantees are achieving performance goals.

Title IV, Part B, Section 4203(a)(13) of the ESEA requires a State to describe the process it will use to evaluate the effectiveness of programs and activities carried out with 21st CCLC program funds. According to the Department's 21st CCLC Non-Regulatory Guidance, Section H-5, States must conduct a comprehensive evaluation (directly or through a grant or contract) of the effectiveness of programs and activities provided with 21st CCLC funds.

RECOMMENDATIONS

We recommend that the Assistant Secretary for OESE require the AIPG to—

- 2.1 Provide sufficient monitoring and oversight of SEAs' processes to award and monitor 21st CCLC formula grants to subgrantees, including assessing the qualifications of peer reviewers, evaluating and scoring grant applications, and maintaining sufficient documentation to support the award of subgrantees.
- 2.2 Enhance monitoring of SEAs receiving 21st CCLC formula grants to ensure they develop and implement sufficient policies, procedures, instruments, and plans that allow the SEAs to promptly resolve monitoring findings with subgrantees.
- 2.3 Assess whether additional technical assistance would benefit SEAs in the areas of peer reviewer selection, processes for awarding 21st CCLC grants, subgrantee monitoring, and conducting program evaluations.

Department Comments

The Department agreed with Finding No. 2, partially agreed with Recommendation 2.1, and agreed with Recommendations 2.2 and 2.3. In response to Recommendation 2.1, the Department stated its monitoring instrument and written guidance to 21st CCLC program staff required that they review

¹⁶ The monitoring and self-assessment work papers are a set of questions that addresses general compliance with the requirements for 21st CCLC funding.

¹⁷ Onsite monitoring is an in-depth review of both documentation and procedures that support grant activities within the organizational structure of the subgrantee.

¹⁸ Desktop monitoring is a remote (desktop) review of documentation requested from the subgrantees, generally addressing identified risk factors or areas that have been identified as common weaknesses through prior monitoring activities.

various elements related to the SEAs' selection of peer reviewers and their qualifications, including criteria for selecting peer reviewers, the vetting process for assessing the peer reviewers' qualifications, and the SEAs' peer reviewers' comments to ensure that they support the scores. However, the Department proposed strengthening its monitoring instrument by adding a probe to look into the peer reviewers' educational qualifications and professional experience. The Department also agreed to examine ways to sufficiently sample, test, and provide technical assistance on common problems with State scoring and evaluation documentation.

The Department agreed with Recommendation 2.2 and proposed revising its monitoring instrument, as necessary, to ensure rigorous oversight of SEAs' policies, procedures, instruments, and plans to ensure that the SEAs promptly resolve monitoring findings with subgrantees. The Department also agreed with Recommendation 2.3 and proposed developing a plan to conduct a needs assessment to identify technical assistance needs specific to program requirements and refine the technical assistance guidance offered to SEAs.

OIG Response

We did not make any changes to the finding, but made a clarifying change to Recommendation 2.1 based on the Department's comments. As stated in the finding, the Department's monitoring instrument included a question that asked whether the SEA established and implemented a peer review process for awarding grants. To answer that question, the monitoring instrument called for the review of certain documents, including the criteria for selecting the peer reviewers and peer reviewers' comments. However, the Department's monitoring instrument did not include steps to test to what extent the SEAs verified the peer reviewers' educational qualifications and professional experience. We modified our recommendation to clarify that we are recommending that the Department's monitoring and oversight procedures should include a review of how states are assessing peer reviewers' qualifications. The Department's implementation of the proposed corrective actions in response to our finding and related recommendations should help the Department improve its oversight of the SEAs' processes to award and monitor 21st CCLC program subgrants.

OTHER MATTERS

The Department Should Evaluate its Performance Standard for Issuing Monitoring Reports

The Department did not meet its performance standard in issuing site visit monitoring reports to the four SEAs we reviewed. The report issuance ranged from 5 to 109 days beyond the 45 business day standard in the Department's Guide. In addition, the Department did not officially notify the SEAs that it could not send them monitoring reports within the established time frames. The Department's Monitoring Logistics Guide states that the team leader for the 21st CCLC program should mail the final monitoring reports to the SEAs within 45 business days of the last day of the site visits. The Guide also states that the Department should notify the SEAs if the team leader cannot send the reports within the 45 business days due to legal or other issues. However, the 45-day standard in the Guide is inconsistent with the established GPRA performance target for FY 2010 that was 40 days. In its

FY 2011 GPRA indicators, the established target was 35 days. The GPRA indicators are intended to measure the Department's progress in achieving the objective of improving the operational efficiency of the 21st CCLC program. As a result, even if the Department met the standard established in its Guide for issuing monitoring reports to SEAs during the two fiscal years, the Department would not have met its GPRA performance target.

According to the former AIPG group leader, the delays in issuing the monitoring reports to the SEAs were primarily due to limited personnel. Delays in issuing site visit monitoring reports and notifying the SEAs may result in delays in the SEAs implementing corrective actions needed to achieve program goals and ensure effective administration of 21st CCLC grants in compliance with applicable laws and regulations.

We suggest that the Assistant Secretary for OESE evaluate the current GPRA performance target for issuing site visit monitoring reports and determine whether the target is reasonable or should be adjusted to reflect the process necessary to issue a report.

In its response to the draft report, the Department stated it is coordinating the monitoring and technical assistance across program staff and tracking completion and report dissemination dates. This effort will help the Department determine whether the 45-day standard for monitoring report issuance is reasonable and identify any substantive barriers in achieving the standard.

The Department Should Encourage SEAs to Issue Timely Monitoring Reports

Florida issued untimely final onsite monitoring reports to four of seven subgrantees for which it conducted onsite monitoring during FY 2010.¹⁹ Florida's 21st CCLC Policy, Monitoring, and Compliance Unit Standard Operating Procedures required Florida to issue final monitoring reports to subgrantees within 45 calendar days of the date of the preliminary report, or 45 calendar days from the date of receiving the subgrantee's request for reconsideration of findings. However, we found that Florida issued the final onsite monitoring reports to the four subgrantees from 25 to 83 days beyond the established targeted calendar days.

We suggest that the Assistant Secretary for OESE encourage SEAs to communicate monitoring findings timely to subgrantees to facilitate corrective actions needed to ensure that subgrantees spend funds for their intended purposes and achieve program goals.

In its response to the draft report, the Department stated that it hopes that renewed efforts to meet its own 45-day reporting standard and future SEA technical assistance opportunities will enhance existing monitoring and oversight efforts and serve to encourage SEAs to issue timely monitoring reports.

¹⁹ Florida's monitoring activities included onsite monitoring to 7 of its 131 subgrantees during FY 2010.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objectives of the audit were to (1) determine whether the Department effectively monitored and tracked program performance measures for 21st CCLC grantees to ensure that grantees met program objectives and (2) assess the processes and controls that four selected SEAs used to award and monitor subgrants.

To evaluate the Department's monitoring and tracking of 21st CCLC performance measures, we reviewed the Department's monitoring of SEAs during FY 2011, from October 1, 2010, through September 30, 2011. In addition, we reviewed the most recent monitoring reports the Department issued to the four selected SEAs (the reports were dated from November 30, 2009 through August 18, 2011). We also reviewed the SEAs' responses to the monitoring reports and the Department's acceptance or rejection of the proposed corrective actions as of November 21, 2011. Further, we reviewed the Department's monitoring reports to Maryland issued in May 2012 and to North Dakota issued in August 2012 because the Department identified significant issues in both States' processes for awarding and monitoring subgrants relevant to our work on the 21st CCLC program.

To evaluate the SEAs' processes to award and monitor subgrants, we judgmentally selected four SEAs—Alabama, Florida, Mississippi, and Puerto Rico. We selected Alabama and Florida based on potential risks identified through available information on ongoing related work, and Mississippi and Puerto Rico based on recommendations made by the Department due to issues it identified in monitoring site visits. We reviewed the processes the selected SEAs used to award and monitor subgrants during the FY 2011 period. We expanded our scope at Florida and Puerto Rico based on circumstances related to those SEAs' grant award competitions. Specifically, Florida did not perform a grant award competition for new subgrants during the period reviewed; as such, we expanded our scope and reviewed the processes Florida used to award subgrants in FY 2010. In addition, we conducted a limited review of the grant award processes Puerto Rico used in FY 2010 because 20 of its FY 2010 subgrant applications were reevaluated in FY 2011²⁰ and because Puerto Rico issued a report in FY 2011 that reported deficiencies that occurred in FY 2010.

To accomplish our objectives, we—

- Assessed the Department's written policies, procedures, monitoring plans, and monitoring instruments for monitoring SEAs and tracking program performance measures.
- Reviewed monitoring reports the Department issued to the four selected SEAs and the proposed corrective actions for findings related to the SEAs' grant award processes and subgrantee monitoring.
- Reviewed a contract the Department awarded to a third party to manage PPICS and analyze the performance data, and a contract the Department awarded to a third party to support the Department's monitoring and evaluation activities for the 21st CCLC program.
- Gained an understanding of the PPICS' internal data validation controls and of the processes the four selected SEAs used to validate PPICS data submitted by subgrantees.

²⁰ We had selected 2 of the 20 FY 2010 subgrant applications that Puerto Rico reevaluated in FY 2011 for our review.

- Assessed the SEAs' written policies, procedures, and processes for awarding 21st CCLC program subgrants, requests for proposals, scoring rubrics, and application assessment tools.
- At each SEA, reviewed the records of the professional qualifications for a selection of peer reviewers, and interviewed some of the peer reviewers from Alabama and Puerto Rico. The selection criteria of peer reviewers' records varied by SEA. (See Tables 2 through 5 below for more detail on the selection criteria used to select the peer reviewers' records at each SEA.)
- Reviewed a selection of funded and unfunded subgrant applications submitted to the four SEAs and records showing peer reviewers' scores given to those applications. The selection criteria of funded and unfunded applications varied by SEA. (See Tables 2 through 5 below for more detail on the selection criteria used to select the subgrant applications at each SEA.)
- Recalculated the scores peer reviewers gave to the applications reviewed at each SEA and verified that the scores were accurately calculated and adequately supported, and that SEAs ranked the applications consistent with the scores the applications received.
- At Alabama, Florida, and Puerto Rico, reviewed expenditure information for a judgmental selection of subgrantees. Our review was limited to verifying whether the subgrantees issued any payments to the peer reviewers who evaluated 21st CCLC subgrant applications during the grant award competition that the subgrantees participated in. The basis of the judgmental selection of subgrantees for reviewing their expenditure information varied by SEA. (See Tables 2 through 5 below for more detail on the selection criteria used to select the subgrantees' expenditure information at each SEA.)
- Assessed the SEAs' written policies, procedures, monitoring plans, and monitoring instruments for monitoring subgrantees.
- Reviewed monitoring and program evaluation reports issued by the SEAs, and the proposed corrective actions for subgrantees.
- Performed limited tests of the accuracy of selected data elements reported by two Alabama subgrantees in their FY 2011 Annual Performance Reports. We judgmentally selected Alabama to determine the effect of weaknesses in monitoring subgrantees. In conducting the tests on the accuracy of data reporting, we judgmentally selected the only two community-based organization subgrantees within the seven funded applications reviewed based on the availability of expenditure information at the SEA. For both subgrantees, we reviewed documents provided by the subgrantees in support of data elements reported in their Annual Performance Reports, including the total number of students who participated in the program during the reporting period, the number of students who participated in the program by grade level, the number of reported community partners who contributed to the program, and the number of paid staff. We also verified whether the two subgrantees met one of the program performance objectives each reported as met in their Annual Performance Reports.
- Interviewed Department AIPG officials with responsibility over the 21st CCLC program and from the four SEAs reviewed.
- Conducted a limited assessment of the Department's and the SEA's internal controls significant to our audit objectives.

We used electronic data for sampling purposes; we did not use electronic data to develop report findings and conclusions. Specifically, we selected the examples of the items reviewed randomly and

judgmentally from nonstatistical samples of data provided by the States. We did not test the data provided by the States for completeness, but conducted tests to assess the accuracy of the data as outlined in the report. The results presented in this audit report are based on our review of the selected samples and cannot be projected to the universe of the items reviewed. The universe of the various items tested and the selection methodology is described in more detail by SEA in Tables 2 through 5.

Selection Methodology of Examples of Items Reviewed

Table 2: Alabama

Item	Universe	Number of Examples Selected	Selection Methodology
Funded Subgrant Applications	51	7	5 Random 2 Judgmental selections based on potential risks identified in our review of the grant awards.
Unfunded Subgrant Applications	45	6	5 Random 1 Judgmental selection based on potential risks identified in our review of the grant award.
Peer Reviewer Records	96	14	10 Random 4 Judgmental selections based on community-based organizations with new subgrant referrals (5 referrals, but 1 was already included in the random sample).
Expenditure Information	51	5	Judgmental selections based on availability of expenditure information for the community-based organizations.
Monitoring Reports	11	5	Random
Program Evaluation Reports	93	5	Random
Subgrantees' Annual Performance Reports	7	2	Judgmental selections of the community-based organizations in our sample of funded applications.

Table 3: Florida

Item	Universe	Number of Examples Selected	Selection Methodology
Funded Subgrant Applications	59	3	Random
Unfunded Subgrant Applications	80	3	Random
Peer Reviewer Records	147	5	Random
Expenditure Information	3	1	Judgmental selection based on largest amount of funds received.
Monitoring Reports	FY 2010: 7 FY 2011: 20	FY10: 1 FY11: 2	Random
Program Evaluation Reports	FY 2010: 33 FY 2011: 162	FY 2010: 2 FY 2011: 2	Random

Table 4: Mississippi

Item	Universe	Number of Examples Selected	Selection Methodology
Funded Subgrant Applications	19	3	Random
Unfunded Subgrant Applications	20	3	Random
Peer Reviewer Records	10	2	Random
Monitoring Reports	3	3	N/A

Table 5: Puerto Rico

Item	Universe	Number of Examples Selected	Selection Methodology
Funded Subgrant Applications	16	3	Random
Unfunded Subgrant Applications	54	3	Random
Peer Reviewer Records	6	6	Entire Universe
Expenditure Information	77	1	Judgmental selection based on potential issues identified with one subgrantee's use of funds.
Monitoring Reports	26 Site Visits 18 Invoices	3 Site Visits 1 Invoice	3 Random 1 Judgmental selection based on potential issues identified with one subgrantee's use of funds.
Program Evaluation Reports	No information available after contract expired with the external evaluator	1	Judgmental selection based on potential issues identified with one subgrantee's use of funds.

During fieldwork, we visited the Department's AIPG offices located in Washington, D.C., and performed site visits to the four SEAs selected for review—Alabama on June 20–24, 2011; Florida on June 7–10, 2011; Mississippi June 20–24, 2011; and Puerto Rico on June 20–24, 2011. We also held exit conferences with the Department on March 26, 2012, and the four SEAs during the month of March 2012, and discussed the results of our review. In addition, we obtained written comments from the four SEAs on the preliminary audit results discussed during the exit conferences and summarized their comments in the body of this draft audit report. We provided the Department with the preliminary audit results for the four SEAs and copies of their written comments.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

ADMINISTRATIVE MATTERS

Corrective actions proposed (resolution phase) and implemented (closure phase) by your office will be monitored and tracked through the Department's Audit Accountability and Resolution Tracking System (AARTS). Department policy requires that you develop a final CAP for our review in the automated system within 30 days of the issuance of this report. The CAP should set forth the specific action items and targeted completion dates necessary to implement final corrective actions on the findings and recommendations contained in this final audit report.

In accordance with the Inspector General Act of 1978, as amended, the Office of Inspector General is required to report to Congress twice a year on the audits that remain unresolved after 6 months from the date of issuance. Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinions of the Office of Inspector General. Determinations of corrective action to be taken will be made by the appropriate Department of Education officials.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation given us during this review. If you have any questions, please call Denise Wempe at (404) 974-9416.

Sincerely,

/s/

Patrick J. Howard
Assistant Inspector General for Audit

Attachments

Attachment 1

Acronyms, Abbreviations, and Short Forms Used in This Report

21st CCLC	21st Century Community Learning Center
AIPG	Academic Improvement Programs Group
Alabama	Alabama State Department of Education
CAP	Corrective Action Plan
C.F.R.	Code of Federal Regulations
Department	U.S. Department of Education
ESEA	Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001
Florida	Florida Department of Education
GPRA	Government Performance Results Act of 1993, as amended by the GPRA Modernization Act of 2010
LEA	Local Educational Agency
Mississippi	Mississippi Department of Education
OESE	Office of Elementary and Secondary Education
OIG	Office of Inspector General
PPICS	Profile and Performance Information Collection System
Puerto Rico	Puerto Rico Department of Education
SEA	State Educational Agency
Title I	Title I, Part A of the ESEA

Attachment 2

**WRITTEN COMMENTS
FROM THE OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
IN RESPONSE TO THE DRAFT AUDIT REPORT,
U.S. DEPARTMENT OF EDUCATION'S AND SELECTED STATES' OVERSIGHT OF
THE 21ST CENTURY COMMUNITY LEARNING CENTERS PROGRAM, ED-OIG/A04L0004
May 20, 2013**

The Office of Elementary and Secondary Education (OESE) appreciates the opportunity to provide written comments on the Draft Audit Report entitled, "U.S. Department of Education's and Selected States' Oversight of the 21st Century Community Learning Centers Program," ED-OIG/A04L0004, dated March 21, 2013 (Draft Audit Report).

Our comments will help clarify the additional steps we are taking to provide effective monitoring and oversight of 21st Century Community Learning Centers program (21st CCLC). We believe these steps will help ensure that the funds Congress appropriates for this grant program are used to significantly improve the quality of out-of-school time services that support student academic achievement in core subject areas.

OESE's comments to this Draft Audit Report and our Corrective Action Plan follows. Any subsequent questions, comments, or concerns should be addressed to:

Dr. Sylvia Lyles
Director, Academic Improvement and Teacher Quality
U.S. Department of Education
Office of Elementary and Secondary Education
400 Maryland Avenue, SW
Washington, DC 20202

We appreciate your efforts in helping OESE continuously improve the operation of the 21st Century Community Learning Centers program.

FINDING NO. 1 – The Department Can Improve Oversight of Program Performance Data

Recommendation 1.1 – Ensure that SEAs implement written policies, procedures, and monitoring instruments to sufficiently test the 21st CCLC performance data and provide reasonable assurance of the accuracy, reliability, and completeness of data reported to the Department.

Comments. OESE agrees with Finding 1, and agrees with Recommendation 1.1. The Draft Audit Report notes that the Department’s existing monitoring instrument “assess[es] whether the SEAs monitored subgrantees to ensure that PPICS data were accurate and submitted on time” (page 7). Moreover, the existing monitoring instrument requires the monitoring team to review the SEAs’ “1) written communication and guidance to subgrantees regarding PPICS collection efforts; 2) quality assurance procedures for data collection; and 3) sanctions for subgrantees not in compliance.” The protocol further prompts the monitoring team to consider how data quality is verified, whether it is verified for all subgrantees, and how often.

Although we believe that our existing monitoring instrument is adequate, to better ensure that SEAs implement written policies, procedures, and monitoring instruments to sufficiently test 21st CCLC performance data and provide reasonable assurance of its validity and completeness, we plan to provide additional training to program staff around assessing SEAs’ efforts in this area.

Recommendation 1.2 – Add a step in its SEA site visits monitoring instrument to ensure that SEAs are including monitoring activities to sufficiently test the reliability of the performance data reported to the Department.

Comments. OESE agrees with Finding 1 but disagrees with Recommendation 1.2. As noted in our response to Recommendation 1.1 above, the existing monitoring instruments already include a step that requires the monitor to address whether “the SEA monitor[s] subgrantees to ensure that the PPICS data are submitted accurately and on time” and to review the SEAs’ documentation, procedures, guidance, and sanctions for non-compliance, as described in our response to Recommendation 1.1 above.

However, consistent with our response to Recommendation 1.1, we plan to provide additional training to 21st CCLC program staff that includes examples of what constitutes sufficient testing and more detailed, written guidance articulating how SEAs’ subgrantee monitoring plays a critical role in ensuring performance data reliability.

Recommendation 1.3 – Identify promising practices from the Department’s monitoring visits and communicate those practices to all SEAs.

Comments. OESE agrees with Finding 1, and agrees with Recommendation 1.3. While past monitoring visits have identified SEA promising practices, we acknowledge that it would be useful to collect, review, and share SEA promising practices on performance data quality.

It is important to note that we provide ongoing technical assistance to grantees on program requirements and implementation guidance, including information on promising practices. During 2012, our annual Summer Institute and quarterly SEA meetings -- led by the Academic Improvement and Teacher Quality (AITQ) Program Director -- provided a forum for approximately two thousand 21st CCLC SEA coordinators, center directors, and subgrantee staffs to discuss and address issues of concern that the 21st CCLC program staff has identified through monitoring. For example, one of the most recent meetings (Beyond School Hours Conference 2013) featured an overview, guidance, and question-and-answer period with SEA coordinators and representatives of local educational agencies (LEAs), community based organizations (CBOs), other subgrantees, and prospective applicants on program eligibility for LEAs and non-LEAs. A second example of how the Department is facilitating the sharing of promising practices is the ongoing peer-to-peer technical assistance that we have facilitated since 2005 amongst SEAs around the effective use of SEA evaluations to help SEAs address concerns that they are spending significant award funds for program evaluations but are not using them to inform program improvements.

Beginning in mid-2013, in response to the Department's new policy limiting the cost and scale of large meetings like the Summer Institute, the 21st CCLC program has been coordinating small scale Regional Meetings to provide targeted technical assistance. So far, these technical assistance sessions, conducted by AITQ program staff, have occurred in February 2013 in Jacksonville, FL, and in March 2013 in Richmond, VA. Additional Regional Meetings are scheduled for later this year and in 2014, to allow for continued opportunities to share promising practices geared towards ensuring effective and efficient program implementation.

Recommendation 1.4 – Develop and implement written policies and standard operating procedures for coordinating and conducting key monitoring activities, including approving or rejecting CAPs submitted by SEAs, notifying the SEAs of the acceptance or rejection of the CAP, and providing technical assistance to the SEAs.

Comments. OESE agrees with Finding 1, and we partially agree with Recommendation 1.4. It should be noted that Recommendation 1.4 is outside the scope of this finding, since it reaches beyond Finding 1's focus on testing the accuracy of performance data. This recommendation appears to focus on developing and implementing policies and procedures for other types of monitoring activities, such as those related to the review and approval of CAPs and providing technical assistance to SEAs.

The 21st CCLC grant program has standard operating procedures in place for coordinating and conducting monitoring site visits. The monitoring protocols provide guidance regarding the

types of evidence that should be reviewed and the factors that should be considered in determining compliance.

Nevertheless, we agree that more detailed guidance regarding how to assess the evidence and address issues related to inadequate evidence would be useful. We further agree that our monitoring teams could benefit from clear, written guidance on activities such as reviewing SEA Corrective Action Plans (CAPs) and assessing the need for and providing appropriate technical assistance to SEAs. We describe our plans for improving on these monitoring activities in our proposed corrective action plan.

FINDING 2—The Department Can Improve Oversight of SEAs’ Processes to Award and Monitor 21st CCLC Program Subgrants

Recommendation 2.1 – Provide sufficient monitoring and oversight of SEAs’ processes to award and monitor 21st CCLC formula grants to subgrantees, including selecting peer reviewers, evaluating and scoring grant applications, and maintaining sufficient documentation to support the award of subgrantees.

Comments. OESE agrees with Finding 2 in that we can improve oversight of SEAs’ processes to award and monitor 21st CCLC program subgrants, and agrees in part with the specific strategy suggested in Recommendation 2.1. The Draft Audit Report states that the Department’s “monitoring instrument did not include steps to assess whether SEAs (1) verified the peer reviewers’ educational qualifications and professional experience.” The monitoring protocol does include the question, “Has the SEA established and implemented a peer review process for awarding grants on a competitive basis?” Additionally, the written guidance to 21st CCLC staff who conducts monitoring activities requires that they review a number of elements related to the selection of peer reviewers and their qualifications, including the criteria for selection of peer reviewers, the list of peer reviewers and organization affiliations, conflicts of interest, and the vetting process for assessing the qualifications of reviewers. The monitoring protocol guidance further instructs program staff to review peer reviewers’ comments to ensure that they support the scores. However, to strengthen the monitoring protocol, a probe regarding the peer reviewers’ educational qualifications and professional experience will be added. The Department will examine ways to efficiently sample, test, and provide technical assistance on common state scoring and evaluation documentation problems.

Recommendation 2.2 – Enhance monitoring of SEAs receiving 21st CCLC formula grants to ensure they develop and implement sufficient policies, procedures, instruments and plans that allow the SEAs to promptly resolve monitoring findings with subgrantees.

Comments. OESE agrees with Finding 2 and agrees with Recommendation 2.2. The Draft Audit Report appropriately notes that all but one of the deficiencies identified during the audit had already been identified by the 21st CCLC program staff and discussed in monitoring reports. Further, the 21st CCLC monitoring protocol includes the inquiry, “Does the SEA notify subgrantees of recommendations, findings and corrective actions?” The protocol instructs the monitoring team to review written SEA procedures for corrective actions and review written correspondence to subgrantees regarding findings and corrective actions. We acknowledge, however, that the development of clear, written guidance on reviewing SEAs’ monitoring findings from monitoring reviews of subgrantees for prompt action and resolution would improve the overall effectiveness of our monitoring protocol.

Recommendation 2.3 – Assess whether additional technical assistance would benefit SEAs in the areas of peer reviewer selection, processes for awarding 21st CCLC grants, subgrantee monitoring, and conducting program evaluations.

Comments. OESE agrees with Finding 2 and agrees with Recommendation 2.3. A systematic needs assessment would assist SEAs, some of which have experienced repeated staff turnover since 2010, and the 21st CCLC program office by providing reliable data needed to prioritize monitoring, program staff training, and technical assistance efforts more effectively.

We will also continue to utilize and, where appropriate, expand upon our ongoing technical assistance efforts, including the annual Summer Institutes, quarterly meetings led by the AITQ Program Director, and quarterly monitoring calls that include technical assistance opportunities. This ongoing technical assistance has already served as a helpful resource for SEAs to gain new knowledge and share strategies for addressing the issues they face.

Other Matter – The Department Should Evaluate its Performance Standard for Issuing Monitoring Reports

We concur with the former Program Group Leader’s statement that limited personnel, including the lack of a Team Leader, created challenges in issuing monitoring reports within the preferred timeframe. A 21st CCLC Program Group Leader and Team Leader are now in place in the 21st CCLC program and they will coordinate monitoring and technical assistance efforts across program staff, including tracking completion and dissemination of monitoring reports. This coordination effort, along with the monthly team debriefings that are now taking place, will help the Department determine, by July 31, whether or not the 45-day standard for monitoring report issuance is reasonable and identify any substantive barriers to meeting this standard.

Other Matter – The Department Should Encourage SEAs to Issue Timely Monitoring Reports

We agree that timely reports improve overall monitoring efforts. We are hopeful that our renewed efforts to model timeliness by meeting our own 45-day standard, while also noting the

benefits of timely reports during future technical assistance opportunities with SEAs, will enhance our existing monitoring and oversight efforts and serve to encourage SEAs to issue timely monitoring reports.

**PROPOSED CORRECTIVE ACTION PLAN
FROM THE OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
IN RESPONSE TO THE DRAFT AUDIT REPORT,
U.S. DEPARTMENT OF EDUCATION'S AND SELECTED STATES' OVERSIGHT OF
THE 21ST CENTURY COMMUNITY LEARNING CENTERS PROGRAM, ED-OIG/A04L0004
May 20, 2013**

I. FINDING NO. 1 – The Department Can Improve Oversight of Program Performance Data

- a. Recommendation 1.1 – Ensure that SEAs implement written policies, procedures, and monitoring instruments to sufficiently test the 21st CCLC performance data and provide reasonable assurance of the accuracy, reliability, and completeness of data reported to the Department.***

Proposed Corrective Action: We agree with Recommendation 1.1 and plan to provide additional training to program staff around assessing SEAs' efforts in this area.

- b. Recommendation 1.2 – Add a step in its SEA site visits monitoring instrument to ensure that SEAs are including monitoring activities to sufficiently test the reliability of the performance data reported to the Department.***

Proposed Corrective Action: We disagree with Recommendation 1.2 for the reasons stated in the Written Comments. Nevertheless, as stated in the Written Comments, we plan to provide additional training to 21st CCLC staff.

- c. Recommendation 1.3 – Identify promising practices from the Department's monitoring visits and communicate those practices to all SEAs.***

Proposed Corrective Action: We agree with Recommendation 1.3. The 21st CCLC program monitoring visits are intended to identify compliance issues as well as identify promising practices. To that end, program staff will develop a draft plan for an efficient and effective approach to collecting and disseminating promising practices on performance data quality to SEAs by September 1, 2013, to be fully implemented in fiscal year 2014.

- d. Recommendation 1.4 – Develop and implement written policies and standard operating procedures for coordinating and conducting key monitoring activities, including approving or rejecting CAPs submitted by SEAs, notifying***

the SEAs of the acceptance or rejection of the CAP, and providing technical assistance to the SEAs.

Proposed Corrective Action: We partially agree with Recommendation 1.4. In the short-term, the Team Leader shared the Draft Audit Report concerns with program staff during the scheduled monthly team meeting (April 26, 2013). The team is actively conducting monitoring reviews through early June and can begin to take action to address concerns raised in the Draft Audit Report during monitoring visits and desk monitoring reviews scheduled during May and June 2013.

The new 21st CCLC monitoring contractor has been working closely with the program staff to identify some key areas where patterns of concern have arisen (e.g., SEAs' oversight of fiscal management by community-based organizations and faith-based organizations). The 21st CCLC program's immediate response to those concerns was to augment on-site monitoring teams with contracted monitoring staff who have knowledge of and experience in non-profit financial management in order to effectively monitor how SEAs are providing oversight of this issue.

Upon the completion of the spring 2013 monitoring site visits and desk reviews, program staff will work with the Department's contractor to chart and analyze findings across sites visited in 2012 by July 31, 2013. We anticipate using this analysis to inform a longer-term, comprehensive review and revision process of the monitoring protocols and procedures. We propose submitting a draft plan for this robust monitoring protocol revision process by September 1, 2013. This deadline will allow the plan to incorporate all issues that emerge from final monitoring reports of all monitoring reviews conducted in spring 2013 (reports which are scheduled to be completed by late July, based on the current monitoring schedule).

We also agree that there is a need to provide technical assistance to SEAs around the CAP process. We plan to incorporate this technical assistance into our proposed comprehensive technical assistance plan described under II.c.

II. FINDING 2 – The Department Can Improve Oversight of SEAs' Processes to Award and Monitor 21st CCLC Program Subgrants

- a. **Recommendation 2.1 – Provide sufficient monitoring and oversight of SEAs' processes to award and monitor 21st CCLC formula grants to subgrantees, including selecting peer reviewers, evaluating and scoring grant applications, and maintaining sufficient documentation to support the award of subgrantees.**

We agree with Recommendation 2.1 in part. We will strengthen the monitoring protocol by adding a probe regarding the peer reviewers' educational qualifications and professional experience. We agree to examine ways to efficiently sample, test, and provide technical assistance on common problems with state scoring and evaluation documentation problems.

- b. **Recommendation 2.2 – Enhance monitoring of SEAs receiving 21st CCLC formula grants to ensure they develop and implement sufficient policies, procedures, instruments and plans that allow the SEAs to promptly resolve monitoring findings with subgrantees.**

Proposed Corrective Action: We agree with Recommendation 2.2. To ensure we continue rigorous oversight and to more thoroughly monitor SEAs' policies, procedures, tools, and plans to resolve subgrantee findings, we will review this specific section of the monitoring protocol to determine whether additional written guidance for the monitoring team is needed. We propose to incorporate any necessary additions, revisions, and written guidance around these issues as part of the monitoring protocol revision process described under Recommendation 1.4 by July 31, 2013.

- c. **Recommendation 2.3 – Assess whether additional technical assistance would benefit SEAs in the areas of peer reviewer selection, processes for awarding 21st CCLC grants, subgrantee monitoring, and conducting program evaluations.**

Proposed Corrective Action: We agree with Recommendation 2.3. We propose a two-pronged approach to technical assistance. First, we will develop a plan for conducting a needs assessment of current technical assistance needs specific to program requirements. We propose to complete a needs assessment plan by June 30, 2013. We anticipate the needs assessment will include feedback from SEA coordinators and center directors of multiple subgrants. We will ensure that the needs identified and addressed include support to SEAs around corrective action plans, as suggested in Recommendation 1.4 of the Draft Audit Report.

Second, the program will continue to refine the technical assistance guidance it will offer during Regional Meetings with SEA coordinators and a subset of subgrantees that SEA coordinators select. The following Regional Meetings will be conducted by the 21st CCLC program staff over the next 12 months:

- **August 6, 2013 (confirmed):** Southwest Regional Meeting, to host Texas, Arkansas, Oklahoma, Louisiana, Mississippi, Alabama, Tennessee, Missouri, Kansas, New Mexico and Colorado.

- October 23, 2013 (confirmed): Northwest Regional Meeting, to host Utah, Arizona, Idaho, Montana, Wyoming, Washington, Oregon, Nevada, Alaska, Hawaii and California.
- November 21, 2013 (confirmed): Northeast Regional Meeting, to host New Jersey, Connecticut, Rhode Island, Massachusetts, New York, Maine, New Hampshire and Vermont.
- April 2014 (tentative): Midwest Regional Meeting, to host Iowa, North Dakota, South Dakota, Minnesota, Wisconsin, Illinois and Nebraska.

In addition to these meetings, we are in the preliminary planning stages for a 2014 all-virtual Spring Institute, tentatively scheduled for May 2014. This virtual conference would entail the identification of promising practices across both program requirements and implementation, with possible video clips, video conferencing, and similar web-based delivery of technical assistance that would reach approximately 2,500 grantees and subgrantees. This virtual approach is among the increasingly limited options open to the program since the Department instituted its policy that generally prohibits large-scale conferences such as the 21st CCLC Summer Institute conducted during 2012.