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A New Vision*

Office of the Inspector General

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OIG Report No. 95-19(H)

Dr. Robert S. Montjoy, Director
Economic Development Institute
Auburn University
3354 Haley Center
Auburn, AL 36849-5252

Ref: Contract 92-49, ARC Grants
No. CO-10947I and AL-11296.

Dear Dr. Montjoy:

As discussed with Ann James during our visit of February 8-10, 1995, we are providing, through this letter, the results of our review of the Appalachian Regional Commission (ARC) grant for Project LEED (Linking Education to Economic Development).

A Project LEED grant was awarded to the Auburn University Economic Development Institute (EDI) to develop a partnership that would educate students in Appalachian Alabama to be technically competent and employable. Initially, Contract 92-49 (Grant Nos. CO-10947I-92-I-302-0115 and AL-11296-93-C1-302-0312) was for \$214,039 and the period of performance was February 4, 1992 through April 3, 1993. The grant agreement was amended twice to increase the amount of the award to \$413,506 and to \$611,283. The period of performance was also extended through June 30, 1995. The grantee was required to provide \$237,884 in cash, contributed services, or in-kind contributions.

Specific tasks to be completed under the grant agreement included:

- 1) Initiate and coordinate a collaborative planning process through the Technology Preparation Team to restructure and design an integrated technology-based education and training prototype among four LEAs, community and technical colleges, universities and manufacturing industries which will generate a new technology professional labor force in the fields of manufacturing;
- 2) Define "reasonable accommodation" in the education and employment environment which complies with PL 94-142, Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990;
- 3) Recruit and select academically capable students from graduating classes who are interested in pursuing a two-year associate degree with emphasis on the automated manufacturing industry process;

- 4) Evaluate and monitor the feasibility, reliability and replicability of the collaborative planning and program development process and the technology based prototype in terms of the educational priorities articulated by state and federal educational leaders, manufacturing technicians and engineers, and professional manufacturing and education organizations to ensure that the tasks identified as necessary to achieve the objectives were effectively carried out and to assess the quality and efficacy of the deliverables.

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grant, (2) to determine if the grant objectives were met, and (3) to determine the current status of the project. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget (OMB) Circulars A-21, A-110, A-133, and the ARC Code.

During our on-site visit, we met with EDI staff and consultants, reviewed project records in Montgomery and Auburn, Alabama and visited a LEED school in Morgan County, Alabama. We also reviewed grantee's progress reports, program evaluation report, and the most recent independent auditor's report.

Although the grant period does not end until June 30, 1995, our review indicated that the grantee has substantially accomplished the objectives required by the grant agreement and continues to make progress.

Specifically, we found that:

- 1) The grantee selected local education agencies (LEAs), individual schools, industries and collaborative team members in the Appalachian Region to participate in the LEED program. They participated in the development, implementation and field testing of the prototype model. Curriculum in the participating school systems was modified to reflect the needs of manufacturing and health care industries and improvements and revisions continue to be made as needed.

- 2) Guidelines and procedures were developed for defining essential tasks of each job and the requirements of students and/or employees with special needs. A management plan was also developed to coordinate reasonable accommodations guidelines with EEOC.

- 3) The grantee exceeded their goal of enrolling up to 100 qualified students in the LEED program and developed a tracking system to enable the student participants to be followed into advanced training and/or the job market.

4) Program monitoring and evaluation has been conducted on an ongoing basis throughout the period of the grant agreement and adjustments continue to be made as needed.

5) The grantee provided other services specified by their grant proposal including the establishment of a LEED coordinating office on the campus of Calhoun Community College, providing teacher training and support services, and collecting and analyzing data from students, teachers, industries, parents and communities.

We relied primarily on the grantee's annual audit with respect to the adequacy of systems and controls and compliance with grant requirements. However, during our visit, we reviewed grantee's accounting records and tested a sample of expenditures charged to the ARC grant. No deficiencies were noted. We were also pleased to tour a LEED school, observe students using equipment purchased with grant funds, and visit with teachers and staff about the benefits to the school and the students from participating in the LEED program.

The courtesies and cooperation extended during our visit were appreciated. No response to this letter is necessary; however, if you have any questions or comments, please call me or Jo Ann Brenner at (202) 884-7675.

Sincerely,



Hubert N. Sparks
Inspector General