



April 12, 1995

OIG Report No. 95-22(H)

Dr. John W. McMillian
Principal
Dalton High School
1500 Manly Street
Dalton, GA 30720

re: ARC Contract No. 92-86
GA-11011-92-I-302-0318
Education Excellence
Project

Dear Mr. Thomason:

We are providing you, through this letter, the results of our review of the Appalachian Regional Commission (ARC) Education Excellence Project based at Dalton High School. No formal response is required.

ARC awarded a grant for \$48,000 to the Dalton Board of Education to provide funds for an apprenticeship program with the local carpet industry and students at Dalton High School. The program was to increase the technical skills and employability of primarily "at risk" youth and to help provide a skilled workforce for the local businesses. The Dalton Board of Education received commitments from local carpet industry businesses to enter into agreements to employ high school juniors or seniors at entry-level positions at minimum wage.

The initial period of performance for the grant was July 1, 1992 through June 30, 1993. It was subsequently amended to add \$48,000 to expand the program and to extend the grant period to June 30, 1994. The grantee was to provide a non-federal share of \$24,000 (20 percent) in cash, contributed services, or in-kind contributions, as approved by ARC.

Specific tasks to be completed under the amended grant agreement were:

- (1) Recruit and select a maximum of 30 rising junior or senior high school students, age 16 or older, the majority of whom are at risk for drop-out due to financial hardship, to participate in the apprenticeship program.

- (2) Place students in apprenticeship positions in health care, banking, child care, law enforcement, auto mechanics, and carpet-related occupations.
- (3) Provide special job-site classroom training for apprentices in such areas as pre-employment skills, quality control, use of technical equipment, safety, and employee input programs taught by a certified teacher at Dalton Public Schools with assistance from the student's job supervisors.
- (4) Provide apprentices comprehensive entry-level job training so that he/she will have a broad understanding of the business or industry selected.
- (5) Evaluation of the apprenticeship by the student, school and employing business with recommendations for changes/improvements.

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, the ARC Code, and Office of Management and Budget (OMB) Circulars A-87 and A-122.

During our on-site visit of March 20-21, 1995, we met with staff from Dalton High School and the Dalton Board of Education Central Office. We reviewed the grantee's program and accounting records and progress reports.

Specifically, we found that:

- o Prior to implementing the Apprenticeship Program, an Advisory Committee was formed that included representatives of the local carpet industry, the Chamber of Commerce, Dalton College, and other educators and consultants.
- o Over the two year grant period, 27 students were selected to participate in the Apprenticeship Program. The students received classroom and on-the-job training in accordance with individualized training plans. The grantee also provided other counseling and assistance as needed. During the first year, students were placed in jobs in the carpet industry. The program was expanded in the second year to include other industries.
- o Evaluation of the program included feedback from students, parents and employers. In addition, the grantee continuously monitored the program and made

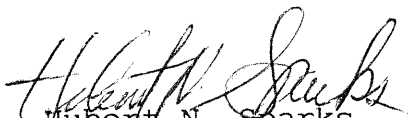
changes and improvements as needed. They found that the students excelled on-the-job and more than half of the "at-risk" students earned places on the school's academic honor roll.

- o No deficiencies were noted during our review of the grantee's accounting records, including a sample of grant and cost share expenditures claimed to ARC under the Apprenticeship Program.

We were also pleased to learn that the Apprenticeship Program continued at Dalton High School after the ARC grant ended. We understand that the state of Georgia implemented a statewide youth leadership program during the 1994-95 school year and that the Dalton High School program was one of fifteen projects to receive funds. We also understand that the program has been expanded to include other than "at risk" students.

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 feel free to call me or Jo Ann Brenner at (202) 884-7675.

Sincerely,


Hubert N. Sparks
Inspector General