



SEPTEMBER 25, 1995

REPORT NO. 95-41(H)

MEMORANDUM FOR DIRECTOR, DIVISION OF ADULT AND COMMUNITY  
EDUCATION, TENNESSEE DEPARTMENT OF EDUCATION

SUBJECT: Memorandum Survey Report--Review of Tennessee Department of  
Education (DOE) Adult Literacy Grant, ARC Contract 93-97,  
TN-9808

### PURPOSE

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.

### SCOPE

Our review included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The period of performance was September 1, 1993 through June 30, 1994. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Nashville, Pikeville, Dunlap, and Huntsville, Tennessee, May 15-17, 1995. As a basis for determining allowable costs and compliance requirements, we used the provisions of the grant agreement, Office of Management and Budget Circulars A-87, A-102, and the ARC Code.

### BACKGROUND

ARC Grant TN-9808-93-C6-302-0628 was awarded to the Tennessee Department of Education, Division of Adult and Community Education, to provide continued support for the implementation of adult literacy programs in eighteen Appalachian counties in Tennessee. According to the grant agreement, the grantee was to provide or arrange for the provision of all necessary personnel, facilities, and services to plan, organize and implement adult literacy programs in the ARC counties. The following tasks were to be provided:

- 1) Continue the services of a full-time adult literacy coordinator in each of the eighteen Appalachian counties assisted under this grant. The coordinators shall continue to be responsible for the following in his or her respective county: public awareness; recruiting students; recruiting and training volunteer tutors; teaching literacy classes; working with an active literacy council; assisting the adult basic education coordinator, establishing educational opportunities in public housing and business/industry where suggested; and providing math, as well as reading and life-coping skills;

- 2) Update, approve or require changes as necessary in the adult literacy program work plan of each assisted county which shall provide full details of the activities to be undertaken to address the particular obstacles to, and opportunities for, a successful adult literacy project in the assisted county;
- 3) Continue to monitor the implementation of the adult literacy programs in the eighteen Appalachian counties, review their progress and provide technical assistance as necessary and appropriate; and
- 4) Provide reports to ARC on the progress of, and at the completion of, the adult literacy programs funded under this grant and provide follow-up evaluation reports on the effect these programs have had on adult literacy in the Appalachian Tennessee counties.

The grant was for the lesser of \$500,000 or 80 percent of actual, reasonable and eligible project costs. The grantee was to provide the non-federal share of \$125,000 or 20 percent in cash, contributed services, or in-kind contributions, as approved by ARC.

## RESULTS

At the time of our visit, the grantee had submitted a reimbursement request to ARC for \$497,376.92 but had not been paid. The grantee's project director reported that all of the grant funds were used to fund activities in the 18 ARC counties. We found that supporting documentation including invoices and receipts were maintained by the counties. We visited three of the county sites to review the financial records and determine the extent of activities undertaken to implement the ARC program. The results of our review are as follows:

### 1. Grant Expenditures

- a) Bledsoe County--Records were generally sufficient to justify claims and support matching requirements. However, we noted that the claims for office supplies and clerical support were estimates and the travel expense was based on budget data rather than actual expenditures.
- b) Scott County--The state's final expenditure report used budget information rather than actual expenditures. As a result, personnel and travel were under reported and the cost of supplies was overstated.
- c) Sequatchie County--No discrepancies with the financial reports were noted.

### 2. Matching Share

According to the grantee's records, they have substantially overmatched the ARC grant funds. They were required to provide a 20 percent match (about \$124,400) but they reported to ARC that their

match totaled \$591,000. Included in that amount are in-kind expenses for volunteer hours totaling \$164,600. We noted some minor discrepancies at the county level.

- a) Bledsoe County--Documentation for 60 hours of in-kind labor costs for volunteers who built a playground could not be located. Claimed costs for office supplies and clerical assistance totaling \$886 were based on estimates rather than actual expenditures.
- b) Scott County--Telephone, office supplies and heating/cooling costs totaling \$3,700 were based on estimates rather than actual expenditures.
- c) Sequatchie County--No discrepancies were noted.

3. Program Activities

- a) Bledsoe County--We concluded that Bledsoe County has an innovative and successful program that is reaching a broad spectrum of the population. The coordinator works 100 percent on the ARC program, is hired annually by the school and is completing a master's degree. The program has grown from about six students in 1988 to more than 250 students annually. About 55-65 participants annually obtain their GED. ARC funds provide for ten months salary and supplies and the state ABE funds the remainder of the year. Small grants were obtained from other sources, including the Private Industry Council.

The coordinator works closely with coordinators of other programs including the Jobs Training Partnership Act, Private Industry Council, Even Start, Jobs Care, and Project Home Plus. Classes are held throughout the year and include local schools, state prison and individual homes. All classes are taught by certified teachers and relatively few volunteers are used. Student enrollment forms and attendance records are maintained. The program is publicized through word of mouth, brochures, local newspaper articles, contacts at housing projects, direct advertisements on cable TV and local radio, and speaking engagements at local organizations. A Literacy Council assists with special events.

- b) Scott County--Based on discussions and available information, we determined that Scott County had a limited program. The ARC-funded activities were generally limited to reading skills, thus, only one level of the three tier program was provided by the ARC coordinator. Higher level programs, including GED, were funded from other sources and implemented by other staff. It appeared that year-end statistics were incorrect because the applicable report combined the results of the ARC program with those from the higher level programs provided by other staff. Available records indicated about seven students were enrolled in the ARC-funded program in the past year, with one student completing the course. Reasons given for the low participation included potential student embarrassment about the degree of literacy, limited value in learning new skills at advanced ages, and unrealistic expectations. Although we did not attempt to correlate program activities between counties, we did note that smaller

neighboring counties had substantially more program activity based on approximately similar resource availability.

Outreach and advertising efforts utilized traditional methods such as flyers at stores and the library, newspaper articles, TV and radio spots and talks to local organizations. The two volunteers used during the past year were former school teachers.

We also noted that the current position description included a college degree as a requirement. The coordinator had been employed before that requirement was implemented and the school board, which annually rehires the coordinator, grandfathered the position.

**Recommendation:** We recommend that the grantee's project director work with the Scott County coordinator to improve the program and, in the future, emphasis should be placed on implementing position requirements.

- c) Sequatchie County--We concluded that the county had an aggressive and successful program. The coordinator was a former teacher who had worked 100 percent on the ARC program since 1988, and was rehired by the school board annually.

The initial program was directed at persons with no reading skills and expanded substantially when criteria was changed to include persons with some reading skills. During the past year about 200 students participated in the three-tier program and about 60 earned a GED. Substantial effort was placed on student completion of programs. Various outreach and promotional efforts are used, including word of mouth, radio and TV advertisements, talks to local organizations and industries, and coordination with other programs. Strong community support was noted, and referrals are received from community and state agencies and grants have been obtained from the Private Industry Council. About 8 volunteer tutors are used and students who test below the fifth grade level receive individual attention. Classes have been held at most local industries.

#### 4. Current Status

The grantee's most recent ARC grant ended in August 1995 and the project director indicated that an additional grant was being requested and it was hoped the program could continue. A response to this report is not necessary but follow-up should be maintained with the ARC project coordinator with respect to the noted recommendation.

  
Hubert N. Sparks  
Inspector General