



AUGUST 1, 1995

OIG REPORT 95-44(H)

Mr. James C. Spears  
Director  
James Rumsey Technical Institute  
Route 6, Box 268  
Martinsburg, WV 25401

re: ARC Contract 93-60, WV-11264-93-I-302-0226,  
West Virginia Telelearning Network

Dear Mr. Spears:

As discussed with you during our visit of July 17-19, 1995, we are providing you, through this letter, the results of our review of the West Virginia Telelearning Network Project. No formal response is required.

ARC awarded a grant for \$158,067 to the James Rumsey Technical Institute to assist with the implementation of the West Virginia Telelearning Network project. The purpose of the project was to deliver high quality, cost-effective, interactive education, workforce training, and health services throughout West Virginia. ARC funding was to be used to establish two fixed telecommunications sites in West Virginia and to prepare software materials for use in the network. Specific tasks to be completed under the grant were:

- 1) Set up a demonstration interactive video teleconferencing (IVTC) network of six fixed and two mobile sites that would provide a state-of-the-art telecommunications network for West Virginia vocational education facilities.
- 2) Conduct a needs assessment within the State of West Virginia in three areas: adult basic skills, workforce training, and health services education and delivery.
- 3) Develop one course module in each of the three areas noted above for the IVTC network by integrating existing courseware material already offered by program participants with new multi-media, interactive material.
- 4) Deliver the three courses and recruit and involve schools, industry, and health service providers in the overall effort.
- 5) Evaluate project activities.

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-110 and A-122, and the ARC Code.

During our on-site visit, we met with staff at the James Rumsey Technical Institute and reviewed project records, progress reports, and the most recent independent auditor's report.


The results of our review follow:

- 1) The performance period for the grant ended June 30, 1994; however, the grantee had not submitted their draft final report to the ARC project coordinator at the time of our review. During our on-site visit, the grantee provided the draft report; and it was subsequently delivered to the ARC project coordinator.
- 2) During the grant period, the grantee substantially completed the tasks required by the grant agreement, including the establishment of the IVTC network (with planned interactive teleconferencing sites in Charleston and Wheeling), conducting needs assessments, developing and delivering course modules, and evaluating project activities. The grantee indicated they were unable to deliver the planned ophthalmic assistant course over the network because they were unable to generate enough interest in the local area. They indicated that, in the future, they would determine the demand for a particular course in a specified region before going forward with the development of the course.
- 3) At the time of our review, the grantee had claimed and received \$136,320 for expenditures incurred under the ARC project through January 31, 1994. The ARC costs were based on total project costs of \$168,431.56. During our on-site visit, the grantee provided documentation to support total project costs of \$198,067.16, including grant costs of \$158,067. No deficiencies were noted as to the allowability of claimed costs. The grantee agreed to file a final expenditure report to claim the \$21,747 remaining in the ARC grant account.
- 4) The IVTC network was used during the grant period for a variety of activities, including the teaching of college level, votec, and middle school classes and conducting statewide, multi-site teleconferences. The grantee indicated that two more sites have been funded and two more are expected to be funded.

As noted above, we delivered your final progress report to the ARC program coordinator. We also informed her that you will be filing your final expenditure report shortly.

We appreciate the courtesies and cooperation afforded the auditor.

Sincerely,

  
Hubert N. Sparks  
Inspector General