



MAY 26, 1999

OIG REPORT 99-23(H)

MEMORANDUM FOR: DR. H. BRUCE WRIGHT, SUPERINTENDENT, JEFFERSON COUNTY BOARD OF EDUCATION, BIRMINGHAM, ALABAMA

OBJECT: Memorandum Survey Report--Review of Jefferson County Distance Learning Project, AL-12447-96

PURPOSE

The purposes of our review were (1) to determine the allowability of the costs claimed under the ARC grants, (2) to determine if the grant objectives were met, and (3) to determine the current status of the project.

SCOPE

Our survey included procedures to review costs incurred and claimed for reimbursement under the grant, as well as costs claimed as matching funds. The initial period of performance for the grant was July 1, 1996, through June 30, 1997. It was subsequently amended through August 30, 1998. We reviewed the grantee's reports, examined records, and held discussions with grantee officials in Birmingham, Alabama, April 8, 1999. 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-87 and A-102, and the ARC Code. The work was performed in accordance with generally accepted government auditing standards.

BACKGROUND

ARC Grant AL-12447-96 was awarded to the Jefferson County Board of Education to provide funds to install an interactive telecommunications network in five high schools in Jefferson County. The grantee was to purchase and install telecommunications equipment necessary to implement an interactive telecommunications network between five (5) public high schools. Each network site classroom was to have three cameras, a graphics display system, laser disc player, VCR, and multi-media computer. Completion of this project would enable participating schools to broaden their course offerings and allow students to learn foreign languages and other subjects that would otherwise be unavailable.

The grant was for the lesser of \$200,000 or 49 percent of the actual, reasonable and eligible costs of the project. The grantee was to pay, or cause to be paid, the non-federal share of \$208,450 (51 percent) in cash, contributed services, or in-kind contributions, as approved by ARC. The approved budget indicated all the grant and matching costs would be for equipment and the grantee's application indicated the Jefferson County Board of Education would spend an additional \$10,000 for classroom modifications. At the time of our review, the grantee had received an advance payment of \$158,215.20 and \$41,784.80 remained in the ARC grant account.

RESULTS


Financial Review

During our visit, we reviewed the grantee's accounting records, including invoices and supporting documentation for grant and matching costs totaling \$400,648.50. No deficiencies were noted as to the allowability of the expenses or the adequacy of the documentation.

Program Review

At the time of our visit, equipment for the interactive telecommunications network had been purchased but the required fiber-optic cables had not been installed and modifications had not been completed in the classrooms at the five network sites. The grantee indicated that project completion was delayed when the telephone company wouldn't allow the cable to be installed on their poles until the grantee's contractor had certain certifications. The grantee and the ADECA representative who has been providing technical assistance to the grantee are hopeful that all the work will be completed and the equipment installed by August 15, 1999 when the next semester begins.

We noted correspondence in the grantee's files that indicated they discussed extending the grant period with ADECA and other officials, however, at the time of our visit, no request had been submitted to ARC to extend the grant beyond August 30, 1998. The grantee agreed to contact ARC to request an extension due to unforeseen circumstances, including delays in installing the fiber optic cables and modifying classrooms. The grantee also agreed to submit a progress report to ARC noting the work accomplished to date and the problems encountered in completing the project.


Hubert W. Sparks
Inspector General



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*A Proud Past,
A New Vision*

Hubert N. Sparks
Office of the Executive Director

Date: October 27, 1999
To: Hubert N. Sparks
Inspector General
Subject: OIG Report 99-23(H) Jefferson County Board of Education

This is to report action taken by staff to resolve the issue raised in the audit report 99-23(H) with the Jefferson County Board of Education. The audit was issued July 9, 1999 raising the issue that project completion date of August 30, 1998 had expired, and the scope of work was not complete. No request had been submitted to ARC to extend the grant beyond August 30, 1998.

On June 9, 1999, ARC received a request from the grantee to extend the expiration date to August 31, 1999. ARC staff took appropriate action and issued a no cost contract extension.

Action to extend the contract fully addressed the issue raised in the audit report. No further issues remain.

A handwritten signature in cursive script that reads "Thomas M. Hunter".

THOMAS M. HUNTER
Executive Director

Cc: Tom Hunter
Judy Rae

APPALACHIAN REGIONAL COMMISSION
1666 Connecticut Avenue, NW
Washington, DC 20235

ARC Contract No: AL-12447-96;
Jefferson County Distance Learning

99-234

Jefferson County Board of Education
2100 18th Street, South
Homewood, Alabama 35209-1891

Project Director: H. Bruce Wright
Telephone: 205.930.3800

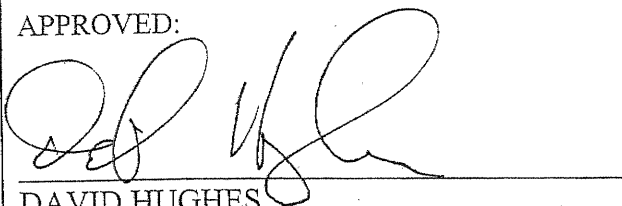
David Hughes
Project Coordinator
Appalachian Regional Commission
Ph: 202.884.7740
Fax: 202.884.7682

AMENDMENT NO. 3

Article 4 of the above referenced agreement is amended by extending the period of performance to **August 31, 1999**.

This amendment involves no additional ARC funds and all other terms and conditions remain in full force and effect.

APPROVED:



DAVID HUGHES
Project Coordinator

cc: Bonnie Durham



JEFOED

Jefferson County Board Of Education

2100 18th Street South
Birmingham, Alabama 35209-1891
Telephone 205/930-3800

BOARD OF EDUCATION

Mr. G. Thomas Surtees
President
Mrs. Jackie Davidson
Vice-President
Dr. Kevin Walsh
Ms. Jacqueline A. Smith
Mr. David Lott
Dr. H. Bruce Wright
Superintendent

JUN 09 1999

June 1, 1999

Mr. Dwayne Freeman, Director
Alabama Department of Economic & Community Affairs
401 Adams Ave.
Suite 580
P.O. Box 5690
Montgomery, AL 36103-5690

Dear Mr. Freeman:

**RE: JEFFERSON COUNTY BOARD OF EDUCATION
ARC DISTANCE LEARNING GRANT NO. AL-12447-96**

The installation of fiber optic cabling to provide Distance Learning opportunities in five Jefferson County high schools is currently underway. As you may be aware, this project experienced a lengthy delay several months ago due to technical circumstances beyond our control.

Fortunately, those obstacles are now behind us and we expect to complete all work on the classrooms by late August, 1999.

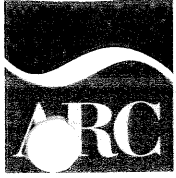
Therefore, the Board requests an extension of its ARC grant agreement until August 30, 1999.

I appreciate your assistance with this project. Please contact Chiquita Marbury at (205) 930-3839 if you have questions or need additional information regarding this project.

Sincerely,


H. Bruce Wright
Superintendent

cc: David Hughes ✓



May 27, 1999

Dr. H. Bruce Wright, Superintendent
Jefferson County Board of Education
2100 - 18th Street, South
Birmingham, AL 35209-1891

re: OIG Report 99-23(H), ARC Grant AL-12447-96

Dear Dr. Wright:

Enclosed is our report dealing with a grant for a distance learning project. A response to this report is not requested; but, as noted, an extension of the performance period should be requested from ARC based on the conditions noted.

A copy of the report is being provided to the Federal Co-Chairman, ARC Executive Director, and Alabama State Alternate.

The courtesies and cooperation provided the auditor were appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Hubert N. Sparks".

Hubert N. Sparks
Inspector General

Enclosure

cc: Mr. Ned N. Butler, ADECA
Mr. Jack Wright, Birmingham
Regional Planning Commission
Ms. Chiquita Marbury, Jefferson
County Board of Health



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Office of the Inspector General

May 27, 1999


Ms. Bonnie F. Durham
ARC Program Manager
Alabama Appalachian Regional Office
P. O. Box 681093
Ft. Payne, AL 35968

re: OIG Report 99-23(H), ARC Grant AL-12447-96

Dear Ms. Durham:

Enclosed is a copy of our report on a grant for a distance learning project.

Sincerely,


Hubert M. Sparks
Inspector General

Enclosure