FLORIDA DEPARTMENT OF EDUCATION

July 14, 2008

Dr. Eric J. Smith
325 West Gaines Street, Suite 1514
Tallahassee, Florida 32399-0400

Dear Commissioner Smith:

The six-month follow-up for the audit report 08-02, Office of Program Policy Analysis and Government Accountability concerning *SUCCEED, Florida! Grants Show Mixed Results Under Current Funding Structure* is for your information.

If you have any questions, please contact me at 245-9418.

Sincerely,

Ed W. Jordan
Inspector General

EWJ/br

Attachment

c: Florida Legislative Auditing Committee
     OPPAGA

Florida Department of Education
Response for Preliminary and Tentative Findings
Office of Program Policy Analysis and Government Accountability
SUCCEED, Florida! Grant Show Mixed Results Under Current Funding Structure

Finding - The Grant Selection process has improved but requires a lengthy award disbursement process. (Page 3)

To put this finding in context, it is important to note that, while the study focused on Nursing and Teaching, these are only two of the seven areas of critical need that are funded by SUCCEED, Florida! grant awards. The others are: Career Paths, Allied Health, Aerospace, Manufacturing, and Automotive. Additionally, the competitive process addresses all of these seven areas of critical need together rather than working on only one area at a time. Over 250 applications were received for all seven areas during for the competitive grant process reviewed and grants were awarded in 2007-2008 year. The Department's intent, as demonstrated by the current competitive process, is to fund the most highly qualified applicants from the entire pool of applications to ensure the highest level of quality and success in program awards and implementation.

Six Month Status:
The Department determined that the SUCCEED, Florida! grant selection process should begin prior to the Legislative session, instead of after the Session. This would provide additional time to select and fund the most highly qualified applicants from the entire pool of applications to ensure the highest level of quality and success in program awards and implementation. This strategy would maintain the high quality selection process the Department has conducted while providing an earlier start for projects selected.

In addition, the Board of Governors recommended that these programs receive recurring funding to enable grant recipients to more effectively plan and execute training programs.

The SUCCEED, Florida! grant selection process was not implemented for 2008-09 because the Department was advised that funds would not be appropriated for FY 2008-09.

The timing of grant awards has hindered timely program implementation. (Page 3)

The Department of Education has a process by which competitive grants are advertised, evaluated and awarded to ensure adherence to all statutory requirements. All competitive processes may be challenged and could result in invalidation. However, the DOE's procedures require a fair and comprehensive process for awarding grants to the best applicants; the Division of Workforce Education has never been challenged on its grant awards process.

The average range of weeks to complete the competitive review process is 23-26 weeks. This timeline includes the following requirements: Request for Proposal (RFP) development and approval (4 weeks), advertisement (minimum: 30 days), application intake process (2 weeks), outside evaluation (4 weeks), and prioritized funding list development (2 weeks), grant negotiation, award letters approved and mailed to customer (4-6 weeks).

The Department is sensitive to the timing of grant awards and its potential impact on the start date for projects. Since the inception of the SUCCEED, Florida in 2005, grant recipients were given no cost extensions to complete their program services through August 31 of the grant year. This no-cost extension action extended the last date for incurring expenditures and obligating project funds. The Department issued all agencies automatic amendment and revised Project Award Notifications (DOE 200s) were issued. All Teaching and Nursing grant awardees utilized the no-cost extension option provided by the Department.

Given the recurring need for extensions, the magnitude of the applications received, the available resources, and a commitment to continuous improvement, a review of the competitive processes is warranted. The Department will consider conducting the competition in the prior fiscal year to allow time for award notification by July 1, and provide a prioritized funding list in time for the legislative appropriations process.

Six Month Status:
See comments above. Since the SUCCEED, Florida! grant program was not funded, the process recommended above was not implemented.

The department should improve its grants monitoring process. (Page 4)

In the first year of the grant (2005-06), the appropriation for SUCCEED, Florida! did not include funding for the administration and operational management of the awards. Therefore, separate departments (Workforce Education, Community Colleges, Universities, and Independent Colleges and Universities) were responsible for monitoring, data collection, quarterly reports, and technical assistance of their grant recipients. The fragmented operations resulted in inconsistencies within the monitoring process.

Experience indicated a need for a more aggressive approach to monitoring local grant recipients. In the 2006-07 year, the appropriation included funds for the SUCCEED, Florida! grant administration. A team of consultants was contracted to address the administration activities, including monitoring. In the 2007-08 year a full implementation of a monitoring plan was in effect; the aforementioned separate departments provide technical assistance as appropriate.

The purpose of the enhanced monitoring plan is to establish a systematic approach to the evaluation of the grants' established performance goals and outcomes. The plan includes various strategies for monitoring and verification activities.

Six Month Status:
The Department implemented a systematic risk-based grants monitoring process during FY 2007-2008. The process was keyed to reported levels of performance rather than to established minimum thresholds. For the first reporting period, projects that failed to report planned enrollment, funds expended received a desk top review of the project, a phone interview, and, if necessary, a request for a corrective action plan. No corrective action plans were necessary for period one. The monitoring thresholds for the second reporting period increased to 25% of enrollment and 25% of funds expended. Projects meeting these criteria were reviewed, and seven corrective action plans were requested. No onsite visits to projects were made because of budget reductions.

The outcomes measures used to monitor grantees should be improved. (Page 4)

Since the inception of SUCCEED, Florida!, the data elements which define the performance outcome measures continue to be improved. As the legislative proviso becomes more prescriptive, relevant data information is refined and revised. This continuous improvement process results in enhanced outcome measures. Strategies for improvement include an online reporting system; baseline data was required to be reported at the initiation of the grant award; periodic reports are required; data elements are more clearly defined; reporting on student populations is refined; monitoring fiscal expenditures; separate performance data for sub grantees is required; and, year to date outcome data is required in each quarterly report.

Six Month Status:
An on-line reporting system for performance data was developed and implemented by the Grants Administration Program Office for the 2007-2008 grants. The system has functioned well to streamline the recipients' reporting. Baseline data was captured in a database that can be used in evaluation activities. For 2007-2008, three periodic reports were required which included extensive expenditure and performance data. These periodic data are compared to projected performance data and formed the basis for project monitoring. Separate performance data for sub-grantees has been collected for the 2007-2008 grants. Data elements and other reporting issues were more clearly defined and resolved during teleconferences with recipients. A written analysis of periodic report data has been completed.

Other options could improve the funding structure. (Page10)

The Department is receptive to conducting the competition in the prior fiscal year to allow time for award notification by July 1, and to provide a prioritized funding list in time for the legislative appropriations process. However, the following cautions are presented to assure that improvements are realized.

Six Month Status:
This was not done as the SUCCEED, Florida! grant program was not funded.

Option 2: Begin the grant application process prior to the annual legislative session. (Page 10)

This option would improve the timeliness of the release of funds to the recipients and, thus expedite project implementation. However, no grant awards could be released prior to receipt of the agency's approved operating budget. Further, since proviso language would not be available to identify critical areas of need, the Department of Education would have to be given the discretion to select areas of critical need for the competitive process.

Six Month Status:
This option was not implemented since the SUCCEED, Florida! grant program was not funded for FY 2008-09 2008-09.