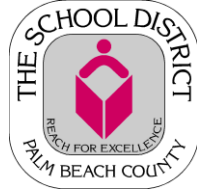


Audit of
Educational Alternative
Expenditures and Grant Compliance
April 20, 2018

Report #2018-04



MISSION STATEMENT

The School Board of Palm Beach County is committed to providing a world class education with excellence and equity to empower each student to reach his or her highest potential with the most effective staff to foster the knowledge, skills, and ethics required for responsible citizenship and productive careers.

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Audit of
Educational Alternative
Expenditures and Grant Compliance

EXECUTIVE SUMMARY

Pursuant to the *Office of Inspector General's (OIG) 2016-17 Work Plan* and at the request of staff, we have audited the Grant “Developing Knowledge About What Works to Make Schools Safe.” This grant was awarded by the National Institute of Justice (NIJ) in the amount of \$3,909,116 (grant) for January 1, 2015, through December 31, 2017. In May 2017, this grant was extended by NIJ, with no-cost, to December 31, 2018. The primary objectives of this audit were to determine (1) whether expenditures under the grant were allowable and in accordance with the requirements of the grant, and (2) the extent to which the District has achieved the project goals and objectives. This audit produced the following major conclusions:

1. Expenditures Met Grant Requirements

We have reviewed the expenditures for the grant and concluded that these expenditures were supported by documentation in accordance grant requirements.

As of January 23, 2018, the School District had expended and was eligible for \$2,504,680, or 64% of total grant funds of \$3,909,116. An additional \$494,138 (12.6%) was encumbered for Salaries and Research Agreements expenditures for 2018. Moreover, \$910,298.48 (23.3%) in grant funds remain available but will expire on December 31, 2018.

Management's Response: Concur with the conclusions. (Please see page 7.)

2. 189 Additional Students Needed to Meet Grant Requirements

The grant was awarded for the period January 1, 2015, through December 31, 2017. By the end of 2016, project management determined that a time extension would be necessary in order to attain the full recruitment of 800 students required by the study's design. On May 13, 2017, the U.S. Department of Education granted a one-year, no-cost, extension to the grant award, resulting in a new expiration date of December 31, 2018.

The study design in the original *Grant Agreement* requires “a treatment group of 400 students across four high schools and a matched sample of 400 students without treatment.” As of January 24, 2018, the program had recruited 611 students (76.4%) to participate in the study.

Our review concluded that as of January 23, 2018, the percent of funding spent appeared to be consistent with the percent of contract time elapsed, and the percent of the needed students recruited for the project.

Analysis of Time Elapsed, Funding Spent, and Students Recruited

	<u>Total</u>	<u>% of Total</u> <u>As of January 23, 2018</u>	<u>%</u> <u>Remaining</u>
Contract Period	48 months	75%	25%
Contract Amount	\$3,909,116	76.4%	23.6%
No. of Students Needed	800	611 (76.4)	23.6%

Management’s Response: *Concur with the conclusions. As of March 6, 2018 there are currently 715 student participants. The participants have increased by 104 students. There are only 85 additional student participants needed to meet the original project goal.*

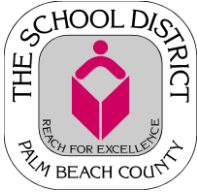
<i>January 24, 2018</i>	<i>611 students (76.4%)</i>
<i>March 6, 2018</i>	<i>715 students (89%)</i>
<i>On-going recruitment</i>	<i>85 students needed to meet goal</i>

Actions taken: *The principal investigator of the project, staff, and project partners have continued the Institutional Review Board (IRB) recruitment efforts.*

- a. Identification of 159 additional potential student participants has been completed.*
- b. Case Managers and Family Counselors are currently undergoing the IRB Assent/Consent Protocols*

Targeted completion date: *On-going.*

(Please see page 7.)



THE SCHOOL DISTRICT OF
PALM BEACH COUNTY, FLORIDA

OFFICE OF INSPECTOR GENERAL
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LUNG CHIU, CIG, CPA
INSPECTOR GENERAL

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DONALD E. FENNOY II, Ed.D., SUPERINTENDENT

MEMORANDUM

To: Honorable Chair and Members of the School Board
Donald E. Fennoy II, Ed.D., Superintendent of Schools
Chair and Members of the Audit Committee

From: Lung Chiu, CPA, Inspector General

Date: April 20, 2018

Subject: Audit of Educational Alternative Expenditures and Grant Compliance

PURPOSE AND AUTHORITY

Pursuant to the *Office of Inspector General's (OIG) 2016-17 Work Plan* and at the request of staff, we have audited the Grant "Developing Knowledge About What Works to Make Schools Safe." This grant was awarded by the National Institute of Justice (NIJ) in the amount of \$3,909,116 (grant) for January 1, 2015, through December 31, 2017. In May 2017, this grant was extended by NIJ, with no-cost, to December 31, 2018. The primary objectives of this audit were to determine (1) whether expenditures under the grant were allowable and in accordance with the requirements of the grant, and (2) the extent to which the District has achieved the project goals and objectives.

SCOPE AND METHODOLOGY

This audit was conducted in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This review covered the period January 1, 2015, through January 24, 2018. The grant project was still ongoing during our audit. To accomplish the audit objectives, we interviewed District staff and examined the following documents:

- The NIJ Grant Solicitation
- The District's Grant Application
- Sub-Recipient Agreements
- Semi-Annual Research Performance Progress Reports
- District Financial Records

The draft report was sent to management for review and comments. Management's comments are included in the Appendix. We appreciate the courtesy and cooperation extended to us by District staff during the audit. The final draft report was included in the April 20, 2018, Audit Committee Meeting Agenda.

BACKGROUND

Comprehensive School Safety Initiative. The National Institute of Justice (NIJ) launched the Comprehensive School Safety Initiative in 2014 to undertake the school safety research. The purpose of the Comprehensive School Safety Initiative is to learn more about how personnel, programs, and activities contribute to the safety of schools. As part of the Initiative, NIJ solicited research programs in local schools to test various approaches. Applicants were expected to enter into agreements with a highly qualified research partner to identify, test, and evaluate interventions and approaches in enhancing school safety.

Objective: How to Improve School Safety and Student Performance? The research project proposed by the District's Department of Educational Alternatives (Department) was one of 15 projects selected nationwide by NIJ. The School Board approved the receipt of the grant, totaling \$3,909,116 on November 18, 2014. The *Palm Beach County School Safety and Student Performance Partnership Research Project* (Project) was described in the NIJ Award, as follows:

“There is a need to understand how best to improve school safety, as well as to improve student performance outcomes – including attendance, suspensions, expulsions and grades – and to do so through intervention with both lower risk and higher risk youth. To address this need, the proposed study will expand the pilot school-based intervention developed by the School District of Palm Beach County (SDPBC) and evaluate it using an experimental design. The SDPBC intervention consists of several components, including a school-based approach to probation and early intervention; a comprehensive, wraparound strategy that emphasizes collaborations among schools, law enforcement, the juvenile court, and service and treatment providers; identification of at-risk youth, assessment of them, development of intervention plans and monitoring of the implementation of these plans, complete with crisis intervention; and the use of several staff positions to implement the intervention. A central premise of the intervention is that improved school safety requires systematic attention both to high-risk and at-risk youth. Florida State University will follow a treatment group of 400 students across four high schools and a matched sample of 400 students without treatment. The unique aspect of this research is that it will provide evidence on the effectiveness of these interventions on a sample of youth who have already engaged in at-risk behavior and who have come to the attention of the criminal justice system.”

The Department's programs are governed by ***School Board Policy 8.13***. The Department has access to a host of community agencies and services through cooperative agreements available to assist School District students. Programs may be offered at any location approved by the School Board as a school center including general education sites.

Program Budget and Expenditures

The original Project period was January 1, 2015, through December 31, 2017. However, because of unforeseen difficulties in recruiting sufficient student participants for the study, the Department requested and received a no-cost extension of the grant by one year, approved by the U.S. Department of Education on May 13, 2017. The grant will expire on December 31, 2018.

Table 1
Fund 4526 –Actual Expenditures and Available Budget
July 1, 2015 through January 23, 2018

Expenditure	Actual Expenditures					Remaining Budget
	6122 Guidance Counselor	6305 Alt Ed Contact/Support	7210 General Administration	Total	%	
511000 Administrator	\$181,080.96			\$181,080.96	7.23%	\$48,751.32
516000 Other Supp Personnel	581,642.79	83,033.81		664,676.60	26.54%	235,617.54
519990 Overtime	432.20	-		432.20	0.02%	(432.20)
521000 Retirement	57,328.35	5,256.04		62,584.39	2.50%	143,469.02
522000 Social Security	56,917.99	6,268.76		63,186.75	2.52%	(13,985.36)
523000 Group Insurance	85,314.42	6,988.43		92,302.85	3.69%	(20,754.41)
523200 Employee Assist Prog	252.85	27.17		280.02	0.01%	
524000 Worker's Compensation	13,302.47	1,448.78		14,751.25	0.59%	(3,093.53)
6525000 Unemployment Comp	427.71	46.81		474.52	0.02%	(103.11)
531010 Consultants	-	-		-		455,717.93
533600 Travel - Out-of-County	-			-		1,437.38
533610 Travel - In-County	-	2,836.90		2,836.90	0.11%	3,619.10
537100 Postage – Freight		775.44		775.44	0.03%	224.56
537400 Telephone-Base		-		-		400.00
537430 Cell Phone Service	-	-		-		1,400.00
539300 Printing Services	-			-		4,500.00
539350 Educational Contracts		1,348,512.01		1,348,512.01	53.84%	0.33
539600 Advertising	-			-		4,500.00
551100 Supplies	715.85			715.85	0.03%	5,000.00
564420 Computer System Non-Capitalize	-			-		1,380.00
564430 Computer Hdw-\$999 Less	-			-		290.00
564440 Computer-Mobile Device	-			-		740.00
579400 Indirect Cost - Federal			72,069.86	72,069.86	2.88%	41,619.91
Grand Total	\$977,415.59	\$1,455,194.15	\$72,069.86	\$2,504,679.60	100%	(\$1,404,436.40)

Note: As of January 23, 2018, the available budget included encumbrances of \$494,137.92 (Salaries and Benefits for \$259,597.19 and Educational Contracts for \$234,540.73), leaving an available budget amount of \$910,298.48.

Source: School District's PeopleSoft System

CONCLUSIONS

1. Expenditures Met Grant Requirements

We have reviewed the expenditures for the grant and concluded that these expenditures were supported by documentation in accordance with grant requirements.

Available Funding. Table 1 on page 3 provides the total expenditures and available funding for the Project period through January 23, 2018. The U.S. Department of the Treasury transmits grant funds electronically to recipients through NIJ's Grant Payment Request System (GPRS). Draw-downs of grant funds are carried out as reimbursements for approved and paid invoices.

As of January 23, 2018, the School District had expended and was eligible for \$2,504,680 in draw-downs, or 64% of total grant funds of \$3,909,116. An additional \$494,138 (12.6%) was encumbered for Salaries and Research Agreements expenditures for 2018. Moreover, \$910,298.48 (23.3%) in grant funds remain available but will expire on December 31, 2018. Please see Table 2.

Table 2

Available Grant Funding
As of January 23, 2018

Total Grant Award		\$3,909,116	100%
Expenditures to Date (9/15/2017)			
Research Agreements	54%	\$1,348,512	
Salaries and Benefits	43%	1,079,770	
Other Expenses	<1%	4,328	
Indirect Costs	3%	72,070	
Total Expenditures		\$2,504,680	64%
Encumbrances		494,138	13%
Unencumbered Grant Award as of January 23, 2018		\$910,298	23.3%

Source: NIJ Grant Documents and School District's PeopleSoft System.

Management's Response: Concur with the conclusions. (Please see page 7.)

2. 189 Additional Students Needed to Meet Grant Requirements

The study design in the original *Grant Agreement* requires "a treatment group of 400 students across four high schools and a matched sample of 400 students without treatment." As of January 24, 2018, the program had recruited 611 students (76.4%) to participate in the study. These students were randomly assigned to two groups; one group received program services defined by the study and a control group that received the "business as usual" interventions.

As indicated in the required Semi-Annual Progress Reports filed with the NIJ, the first year of the grant (2015) was spent on negotiating and executing four Research Agreements with the sub-recipients and hiring of staff. Recruitment of students began in October 2015. During the first half of 2016, project management identified shifts in local law enforcement policy which affected recruitment of student participants. Revisions were then made to the study design regarding the pool of students from which participants could be recruited.

Contract Time Extension. By the end of 2016, project management determined that a time extension would be necessary in order to attain the full recruitment of 800 students required by the study’s design. On May 13, 2017, the U.S. Department of Education granted a one-year, no-cost, extension to the grant award, resulting in a new expiration date of December 31, 2018.

Progress Consistent with Timeline/Budget. The funding spent appeared to be consistent with the percent of time elapsed and the percent of students needed for the project. Please see Table 3.

Table 3

Analysis of Time and Progress/Spending

	<u>Total</u>	<u>% of Total As of January 23, 2018</u>	<u>% Remaining</u>
Contract Period	48 months	75%	25%
Contract Amount	\$3,909,116	76.4%	23.6%
No. of Students Needed	800	611 (76.4)	23.6%

Recommendation

The department should work diligently in recruiting the additional 189 students needed in order to meet the 800 student-participant requirement. Most importantly, the study’s outcome will provide certain information for how to address school safety issues, as well as improving student performance outcomes. These include attendance, suspension, and grades, etc.

Management’s Response: *Concur with the conclusions. As of March 6, 2018 there are currently 715 student participants. The participants have increased by 104 students. There are only 85 additional student participants needed to meet the original project goal.*

<i>January 24, 2018</i>	<i>611 students (76.4%)</i>
<i>March 6, 2018</i>	<i>715 students (89%)</i>
<i>On-going recruitment</i>	<i>85 students needed to meet goal</i>

Actions taken: *The principal investigator of the project, staff, and project partners have continued the Institutional Review Board (IRB) recruitment efforts.*

- a. Identification of 159 additional potential student participants has been completed.*
- b. Case Managers and Family Counselors are currently undergoing the IRB Assent/Consent Protocols*

Targeted completion date: *On-going.*

(Please see page 7.)

– End of Report –

Management's Response
Assistant Superintendent of Student Services, Equity and Access



THE SCHOOL DISTRICT OF
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EDDIE RUIZ, Ed.D.
Assistant Superintendent

DAVID W. CHRISTIANSEN, Ed.D.
Deputy Superintendent/Chief of Schools

RECEIVED
MAR - 8 2018
INSPECTOR GENERAL

MEMORANDUM

DATE: March 8, 2018
TO: Lung Chiu, Inspector General
CC: David Christiansen, Ed.D., Deputy Superintendent/Chief of Schools
FROM: Dr. Eddie Ruiz, Assistant Superintendent of SSEA
SUBJECT: Response to Audit of Educational Alternatives Expenditures and Grant Compliance

Below please find our response to the memo received from you on 2/6/18 regarding above referenced:

1. Expenditures Met Grant Requirements:

We have reviewed the expenditures for the grant. These expenditures were appropriate and supported by documentation in accordance with grant requirements (see audit report for complete details).

Response: Concur with the conclusions

2. 189 Additional Students Needed to Meet Grant Requirement:

The study design in the original Grant Agreement required "a treatment group of 400 students across 4 high schools and a matched sample of 400 students without treatment." As of January 24, 2018, the program had recruited 611 students (76.4%) to participate in the study (see audit report for complete details).

Response: Concur with the conclusions

As of March 6, 2018 there are currently 715 student participants. The participants have increased by 104 students. There are only 85 additional student participants needed to meet the original project goal.

January 24, 2018	611 students (76.4%)
March 6, 2018	715 students (89%)
On - going recruitment	85 students needed to meet goal

Actions taken:

The principal investigator of the project, staff, and project partners have continued the Institutional Review Board (IRB) recruitment efforts.

- a. Identification of 159 additional potential student participants has been completed
- b. Case Managers and Family Counselors are currently undergoing the IRB Assent/Consent Protocols

Targeted completion date: On-going

ER:ml

Attachments

M