

The CAROI process culminated in the two settlement agreements under which the MADOE refunded to the Department a principal amount of \$2,432,628 for Perkins III-related claims. The settlement agreements were executed in May 2001. The Department received full payment for these determinations in October 2001.

#### **B. Authority for Awarding a Grantback**

Section 459(a) of GEPA, 20 U.S.C. 1234h(a), provides that whenever the Secretary has recovered funds following a final audit determination with respect to any applicable program, the Secretary may consider those funds to be additional funds available for the program and may arrange to repay to the State or local educational agency affected by that determination an amount not to exceed 75 percent of the recovered funds. The Secretary may enter into this grantback arrangement if the Secretary determines that—

(1) The practices or procedures of the recipient that resulted in the violation of law have been corrected and the recipient is in all other respects in compliance with the requirements of that program;

(2) The recipient has submitted to the Secretary a plan for the use of those funds pursuant to the requirements of that program and, to the extent possible, for the benefit of the population that was affected by the failure to comply or by the misuse of funds that resulted in the recovery; and

(3) The use of the funds in accordance with that plan would serve to achieve the purposes of the program under which the funds were originally paid.

#### **C. Plan for Use of Funds Awarded Under a Grantback Arrangement**

Pursuant to section 459(a)(2) of GEPA, the MADOE has applied for a grantback of \$1,824,471, or 75 percent of the \$2,432,628 refunded to the Department for Perkins III-related claims under the two settlement agreements, and has submitted a plan for use of the proposed grantback funds, consistent with Perkins III. The MADOE has implemented a system to address the requirement in Perkins III to match administration costs on a dollar-for-dollar basis. The MADOE will not count towards the match any State administrative expenditures for staff that are not 100 percent related to vocational education. The positions funded from Perkins III administrative funds will be supported by monthly time sheets, and their costs will be counted toward the match.

A May 2002 on-site monitoring visit by Department staff confirmed that the MADOE has implemented policies and

procedures for the process and reconciliation of salary charges to Federal programs, including the Perkins III account. Adjustments will be made to the Federal accounts in a timely manner, and any excess charges will be the responsibility of the State. The salary adjustment plan that was implemented specified a monthly reporting requirement. There are no plans to alter these procedures. There were no questioned costs in this area based on the FY 2002 audit conducted by the independent public accounting firm of Deloitte and Touche.

#### **D. Consultation in the Development of the Grantback Application**

In developing the grantback application, the MADOE states that it solicited input from:

- Secondary and postsecondary educators in the State;
- Workforce training and development organizations;
- Massachusetts Community College Executive Office;
- Massachusetts Association of Vocational Administrators;
- Massachusetts Tech Prep Roundtable;
- Massachusetts Postsecondary Perkins Committee.

According to the MADOE, each constituency group reviewed and supported the identified priorities. The priorities include:

- Improving the transition of career and technical education (CTE) students from high school to college CTE programs;
- Supporting the development and implementation of Statewide secondary to postsecondary “pathways” in information technology, health and pre-engineering career fields;
- Increasing the participation and completion of CTE programs that lead to nontraditional training and employment;
- Increasing the pool of highly qualified vocational technical educators through a Web-based licensing and job bank system and an improved pre-service program for new vocational technical educators; and
- Providing support to Perkins-eligible secondary and postsecondary schools and colleges to add new CTE programs for occupations in information technology, health and pre-engineering, or to assist these schools and colleges in attaining national program approval or business and industry standards in these three areas.

The MADOE’s grantback application indicates that the Executive Director for the Massachusetts Community College System is especially supportive of the

grantback priority that focuses on the improvement of postsecondary CTE student retention and graduation rates. Approximately 50 percent of the proposed grantback activities will support a strengthened partnership between secondary and postsecondary education institutions.

#### **E. Description of the State’s Current Activities Under the Applicable Program**

The MADOE’s CTE unit is directly responsible for administering programs authorized under Perkins III. The unit is also responsible for approving programs under Charter 74 (the State law for CTE) and for providing technical assistance to school districts, community colleges, and other agencies on issues related to the transition from school to careers.

According to the MADOE, over the past three years, the CTE unit has focused its work on addressing the four core indicators in the State’s Perkins accountability system. These efforts address:

- Improving academic and technical skill gains for secondary and postsecondary CTE students;
- Increasing the number of CTE students graduating from high school and receiving a two-year associate degree or a one- or two-year certificate;
- Improving the placement of students in technical careers related to their fields of study; and
- Increasing the number of students enrolled in and completing nontraditional programs.

To reach these goals the CTE unit has focused on:

- Supporting whole school restructuring through the State’s membership in the *High Schools that Work* initiative. The State network is comprised of 30 high schools, including many of the most challenged schools in the Commonwealth;
- Offering State-sponsored professional development highlighting “best practices” that lead to improved student achievement. Perkins III local recipients provide high-quality professional development through the use of a mandated “15 percent or more set-aside” of State leadership funds. The State has designed its professional development programs in a manner intended to increase teachers’ knowledge of academic and technical subject matter and to support school-wide academic initiatives in such areas as reading, writing and mathematics;
- Providing additional financial resources to school districts’ CTE programs through the MADOE’s “Academic Support Grants” to increase the number of CTE students passing the