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## DEPARTMENT REVIEW

# HIGHER EDUCATION POLICY COMMISSION & COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION

## AUDIT OVERVIEW

It Cannot Be Determined if the State Has Achieved the Intended Outcomes of Workforce Development Grants Because the Council for Community and Technical College Education Has Not Emphasized Developing Outcome Measures



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## EXECUTIVE SUMMARY

### **Issue 1: It Cannot Be Determined if the State Has Achieved the Intended Outcomes of Workforce Development Grants Because the Council for Community and Technical College Education Has Not Emphasized Developing Outcome Measures.**

The Council for Community and Technical College Education (CCTCE) did not evaluate or monitor the performance of projects funded by the West Virginia Advance Grant, Technical Program Development Grant or the Workforce Development Initiative Program Grant from FY 2004 through FY 2009. In addition, the CCTCE cannot independently verify that \$14.4 million in grant awards were properly managed or effective in enhancing the quality of the state's workforce. The CCTCE's lack of programmatic monitoring makes it impossible to determine the economic impact of its grants in terms of jobs created, jobs retained and skills developed. The CCTCE delegates its fiscal oversight responsibility to the community colleges receiving the grants. This arrangement increases the chances of improper payments, untimely grant disbursements, and the mismanagement of funds. For example, the CCTCE allowed multiple colleges to retain over \$500,000 in unexpended grant funds for a period of up to four years before the CCTCE required the funds to be returned.

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*The CCTCE's lack of programmatic monitoring makes it impossible to determine the economic impact of its grants in terms of jobs created, jobs retained and skills developed.*

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The CCTCE is also non-compliant with West Virginia Code. Statute requires Workforce Development Initiative Program recipients to establish a special revolving fund dedicated to receiving fees and revenue generated by the Workforce Development Initiative Program Grant. However, the CCTCE does not require Workforce Development Initiative Program recipients to establish a special revolving fund. Instead, the CCTCE allows colleges to deposit and commingle fees and revenue generated by the Workforce Development Initiative Program Grant into the college's institutional general gifts, and grants account which contains multiple funds.

In order to properly manage its workforce development grants, the CCTCE needs to conduct programmatic monitoring and require the submission of timely and accurate project reports. The CCTCE also needs to fiscally monitor its workforce grants and reconcile expenditures to invoices. In addition, the CCTCE needs to comply with Code and disallow the comingling of revenue and fees generated by the Workforce Development Initiative Program with other non-grant funds.

## Recommendations

1. *The Council for Community and Technical College Education should strictly enforce the submission of complete and timely reports as stipulated by the respective grant.*
2. *The Council for Community and Technical College Education should consider making grant awards contingent on a grantee's history of timely and accurate reporting in previous grant awards.*
3. *The Council for Community and Technical College Education should consider requiring an attestation report from the community college prepared by a certified public accountant on the disbursement of funds from any workforce development grant in excess of a certain amount as determined by the CCTCE. The cost of the attestation report could be allowed to be deducted from the grant.*
4. *The Council for Community and Technical College Education should stop issuing Workforce Development Initiative Program grants to colleges that have not established a special revolving fund as mandated by WVC §18B-3D-4(3).*
5. *The Council for Community and Technical College Education should not allow the community colleges to comingle workforce development grant funds.*
6. *The Council for Community and Technical College Education should revise its new monitoring form to include data fields for all uses of the work force development grants. Written instructions should also be developed in regard to form completion.*
7. *The Council for Community and Technical College Education should establish criteria for the reporting requirements of "jobs created and/or retained" and "incumbent workers trained" and should require the maintenance of a non- credit student database at all 10 community colleges to assist with this reporting requirement. In addition, the Council for Community and Technical College Education should require documentation of student completion information and project expenditures.*
8. *The Council for Community and Technical College Education should develop a system to compile and analyze information for the workforce development grants.*

9. *The Council for Community and Technical College Education should consider streamlining its grants program by creating one grant to replace the Advance Grant and the Technical Program Grant. The approval time for any grants should allow for all aspects of the grant project and should be responsive to any time constraints of the project.*

10. *The Council for Community and Technical College Education should assess its existing staff responsibilities and consider the addition of a position to manage grants.*

11. *Performance data for workforce development grants should be transparent, available to the public, and routinely updated. In addition, the applications and approval processes for Advance Grant should be fully documented.*

12. *The Council for Community and Technical College Education should establish procedural rules for the West Virginia Advance Grant and the Technical Program Development Grant, adopting the existing system in legislative rule used to administer the Workforce Development Initiative Program.*



## ISSUE 1

### **It Cannot Be Determined if the State Has Achieved the Intended Outcomes of Workforce Development Grants Because the Council for Community and Technical College Education Has Not Emphasized Developing Outcome Measures.**

#### **Issue Summary**

West Virginia Code designates the West Virginia community college system as the State's primary provider of workforce development training to meet the immediate and long-term workforce needs of employers and employees. The Legislative Auditor finds that the Council for Community and Technical College Education (CCTCE) has not emphasized the development of outcome measures, so that after six years and \$14.4 million in grant awards, the Council cannot sufficiently show what has been achieved in terms of skills developed, jobs obtained or retained. The outcome measures the CCTCE has are limited and to some extent unreliable. In addition, a review of the workforce development grants awarded from FY 2004 through FY 2009 found other oversight deficiencies. These are as follows:

- The CCTCE staff does not monitor the expenditures of grant funds after they have been awarded and does not reconcile grant expenditures to invoices.
- The CCTCE staff allowed various colleges to hold over \$500,000 in unexpended grant funds for up to four years before the funds were returned to the CCTCE.
- The CCTCE staff has allowed grant funds received through the Workforce Development Initiative Program to be comingled with other non-grant funds despite the statutory requirement that the grant funds are to be placed in a separate special revolving fund.
- The defined uses of the workforce development grants are broad and to a great extent overlapping. When the CCTCE staff awards more than one type of grant to a single project it becomes more difficult for the CCTCE and the community colleges to monitor, track and distinguish the outcomes for each grant.

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*After six years and \$14.4 million in grant awards, the Council for Community and Technical College cannot sufficiently show what has been achieved in terms of skills developed, jobs obtained or retained.*

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## Background

The West Virginia Council for Community and Technical College Education (CCTCE) was established in 2001 and given authority in 2004 to provide separate oversight and leadership for the two-year community colleges. The CCTCE is composed of 8 employees, including the system Chancellor (who serves as the chief executive officer) and a 13 member Council. The CCTCE is responsible for promoting workforce and economic development through collaborating with the Higher Education Policy Commission, the state public education system and state agencies responsible for workforce development. This report examines workforce and economic development by the CCTCE through the workforce development grants issued to community and technical colleges from FY 2004 through FY 2009. The CCTCE employees administer these grants although the 13 member Council plays a role in the approval process through voting for the awards to community colleges of one of the types of grants.

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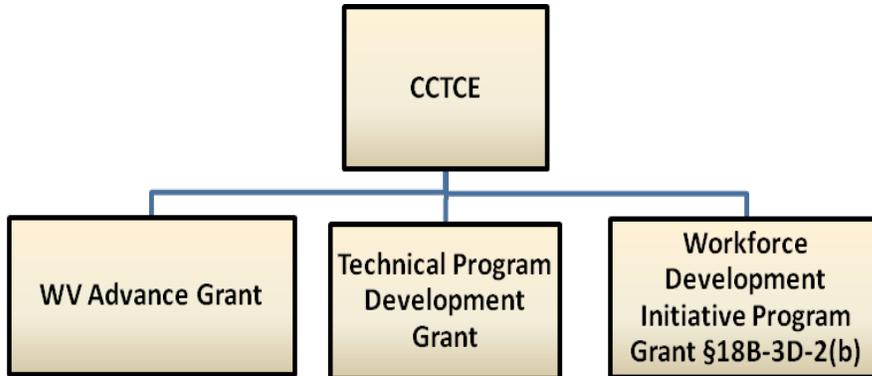
*This report examines workforce and economic development by the CCTCE through the workforce development grants issued to community and technical colleges from FY 2004 through FY 2009.*

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## Three Grants Are Used for Workforce Development

The Council for Community and Technical College Education uses three grants to promote workforce development training and the development of workforce programs at the community colleges in order to fulfill its workforce development responsibility stated in West Virginia Code §18B-2B-6(4). The CCTCE's three workforce development grants are seen in Figure 1. The Advance Grant and the Technical Program Development Grant were created administratively, while the Workforce Development Initiative Program Grant was established in West Virginia Code §18B-3D-2(b). The West Virginia Advance Grant and the Technical Program Development Grant are used to jumpstart workforce development programs at the State's public community colleges, while the Workforce Development Initiative Program Grant is designed to expand existing community college programs.

**Figure 1: Workforce Development Grants**



The following is a brief timeline of the development of the grants:

- FY 2004.** The West Virginia Advance Grant was started with a dedication of 25 percent of the existing Higher Education Adult Part-time Student (HEAPS) grant program. The Advance Grant began receiving a line item appropriation in the State’s budget bill in FY 2007. The Advance Grant received a total \$12,850,000 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$3,644,020.
- FY 2006.** The CCTCE started the Technical Program Development Grant. The Technical Program Development Grant received a total \$7,902,500 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$2,261,100.
- FY 2006.** The CCTCE assumed responsibility for the award and administration of the Workforce Development Initiative Program Grant from the West Virginia Development Office. The Workforce Development Initiative Program Grant received \$4,077,276 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$918,000.

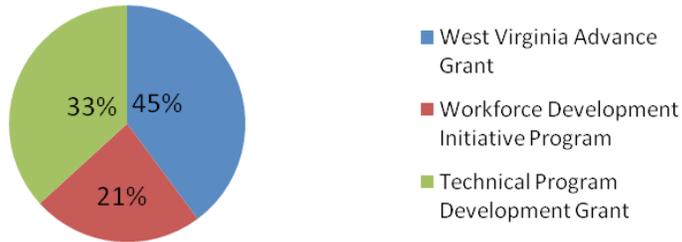
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*From FY 2004 to FY 2009, the CCTCE awarded \$14,428,467 through all three workforce development grants to all 10 community colleges.*

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These grants are used to fund worker training programs, develop curriculum at the community colleges, expand community college facilities, pay instructor salaries, and train faculty. From FY 2004 to FY 2009, the CCTCE awarded \$14,428,467 through all three workforce development grants to all 10 community colleges. As shown in Figure 2, the West Virginia Advance Grant accounts for the largest share of total grant funding.

**Figure 2**  
**Percentage of Dollars Awarded by Type of Grant**  
**FY 2004-2009**



Source: Calculations by the Legislative Auditor’s Office based on CCTCE data.

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*The West Virginia Advance Grant has been used to pay for instructional equipment, student scholarships, seminars and facility rental costs.*

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**West Virginia Advance Grant**

The West Virginia Advance Grant is designated by the CCTCE as a rapid response grant which is broad in scope and used to meet the needs of business and labor. In order to be eligible for the West Virginia Advance Grant, projects must meet the following criteria:

- training for new or expanding companies;
- job retention of existing employees;
- prevention of company closings;
- skills upgrades of persons prior to employment, or skills upgrades for existing or new employees; and
- pre-employment training or preparation to enter a program leading to a high demand occupation.

The West Virginia Advance Grant has been used to pay for instructional equipment, student scholarships, seminars and facility rental costs. While a private sector match is encouraged, it is not required for this award. In one instance the West Virginia Advance Grant was awarded to help finance the construction of a diesel technology facility. This award was the highest single workforce development grant award made through FY 2009, and was for \$500,000 to Bridgemont Community and Technical College.

### **Technical Program Development Grant**

The goal of the Technical Program Development Grant is to develop technical programs at the community colleges that lead to well paying jobs that assist the economic development efforts of the State. This grant program has been used to fund a machinist technology program, and to fund training in automotive technology and computer systems. In order to be eligible for the Technical Program Development Grant, community colleges must satisfy all of the following criteria:

- training programs must target high demand occupations,
- the college is required to develop industry partnerships that lead to cooperative planning, and
- the college is required to develop an evaluation plan of the training program.

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*The Technical Program Development grant is the only grant with an award limitation (\$220,000) per request.*

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This is the only grant with an award limitation (\$220,000) per request. In addition, workforce development projects funded through this grant must be paid for through community college revenue within three years of receiving the grant award. No specific dollar match is required for this grant.

### **Workforce Development Initiative Program Grant**

The goals of the Workforce Development Initiative Program Grant are to expand occupational programs in an effort to grow enrollment at the state's public community colleges and to strengthen the state's workforce by linking the community college system to the needs of business and industry. In order to receive a grant for this program, a community college must meet the following conditions:

- participate in a community and technical college consortia;
- develop, as a part of the institutional compact, a plan to attain measurable improvements in the quality of the workforce within its service area over a five-year period; and
- establish a special revolving fund under the jurisdiction of the community and technical college dedicated solely to fees and revenue generated by the Workforce Development Initiative Program Grant.

Unlike the other two grants, the Workforce Development Initiative Program Grant was created by legislation in 2000. Workforce Development Initiative Program Grant proposals are required in Code to be evaluated and approved by an external Advisory Review Committee. The Workforce Development Initiative Program Grant has been used to help finance nursing and allied health programs, power plant technology, culinary training and leadership and management programs. This grant requires a dollar-for-dollar commitment from the private sector partner(s) to match each dollar received by the college in the grant award from the CCTCE. This requirement can be reduced if there is a demonstrated hardship.

### **The Intended Purposes for These Grants Overlap to Some Extent**

A total of 164 workforce development grants was awarded to the community and technical colleges from FY 2004 through FY 2009. The large majority (70 percent) of the grants awarded were through the Advance Grant program. The amount awarded and grants received per institution are seen in Table 1.

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*Unlike the other two grants, the Workforce Development Initiative Program Grant was created by legislation in 2000. This grant has been used to help finance nursing and allied health programs, power plant technology, culinary training and leadership and management programs.*

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**Table 1  
Total Amount Awarded and Received per Institution  
FY 2004 - FY 2009**

<b>Institutions</b>	<b>Total West Virginia Advance Grant</b>	<b>Total Workforce Development Initiative Program</b>	<b>Total Technical Program Development Grant</b>	<b>Total Amount Awarded from FY 04 to FY 09</b>	<b>Advance Grants received</b>	<b>Workforce Development Initiative Program received</b>	<b>Technical Program Development Grants received</b>
<b>Blue Ridge</b>	\$745,543	\$1,025,736	\$1,298,251	\$3,069,530	26	7	6
<b>Bridgemont</b>	\$1,231,269	\$474,725	\$430,000	\$2,135,994	20	2	2
<b>Eastern</b>	\$624,661	\$0	\$440,000	\$1,064,661	5	0	2
<b>Mountwest</b>	\$390,445	\$281,100	\$808,945	\$1,480,490	11	4	4
<b>New River</b>	\$119,000	\$72,800	\$430,000	\$621,800	1	1	2
<b>Pierpont</b>	\$721,860	\$394,420	\$0	\$1,116,280	11	3	0
<b>Southern</b>	\$464,450	\$450,000	\$440,000	\$1,354,450	3	2	2
<b>Northern</b>	\$307,185	\$113,424	\$220,000	\$640,609	4	1	1
<b>Kanawha Valley</b>	\$655,894	\$0	\$0	\$655,894	24	0	0
<b>WVU Parkersburg</b>	\$1,258,896	\$264,559	\$765,304	\$2,288,759	10	6	4
<b>Total</b>	\$6,519,203	\$3,076,764	\$4,832,500	\$14,428,467	115	26	23

*Source: Calculations by the Legislative Auditor's Office based on CCTCE data.*

Although there are three separate workforce development grants, their intended purposes overlap to some extent. The Legislative Auditor found that in two instances the CCTCE awarded more than one type of grant for the same project. Since the CCTCE is allowing the comingling of grant funds, it becomes difficult for the CCTCE and community colleges to monitor the programmatic and fiscal performance of a grant project. This could become an accountability issue because it could make it more difficult to identify the outcomes from each specific grant. The colleges that received the multiple grants were:

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*Since the CCTCE is allowing the comingling of grant funds, it becomes difficult for the CCTCE and community colleges to monitor the programmatic and fiscal performance of a grant project.*

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- Blue Ridge Community and Technical College. Blue Ridge was awarded two West Virginia Advance Grants, two Workforce Development Initiative Program grants and one Technical Program Development grant, totaling \$863,916 to fund the Allegheny Energy program.
- Bridgemont Community and Technical College. Bridgemont was awarded two West Virginia Advance Grants and one Workforce Development Initiative Program grant, totaling \$768,225 to fund the Diesel Technology Program.

For accountability and oversight purposes, the CCTCE should consider combining the Advance Grant and the Technical Program Development Grant, and disallowing the comingling of grant funds so that outcome measures can be distinguished to each type of grant.

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*For accountability and oversight purposes, the CCTCE should consider combining the Advance Grant and the Technical Program Development Grant, and disallowing the comingling of grant funds so that outcome measures can be distinguished to each type of grant.*

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## **The CCTCE Staff Did Not Provide Adequate Oversight of Its Workforce Development Grants**

In order to assess the performance of the CCTCE in awarding and administering the workforce development grants, the Legislative Auditor's Office referred to the *U.S. Comptroller General's Grant Accountability Project* dated October 2005. This guide presents practices for managing grants at the state and local levels such as:

- monitoring the programmatic performance of grants that are awarded,
- consolidating information systems to assist in managing grants,
- including clear terms and conditions in the grant award documents issued, and
- monitoring the financial status of grants that are awarded.

The Legislative Auditor found that the CCTCE staff did not monitor the performance and use of the millions of dollars in grants that it awarded from FY 2004 through FY 2009. In addition, the CCTCE staff neglected to consistently monitor the programmatic performance of these grants or require that grantees submit completed project reports.

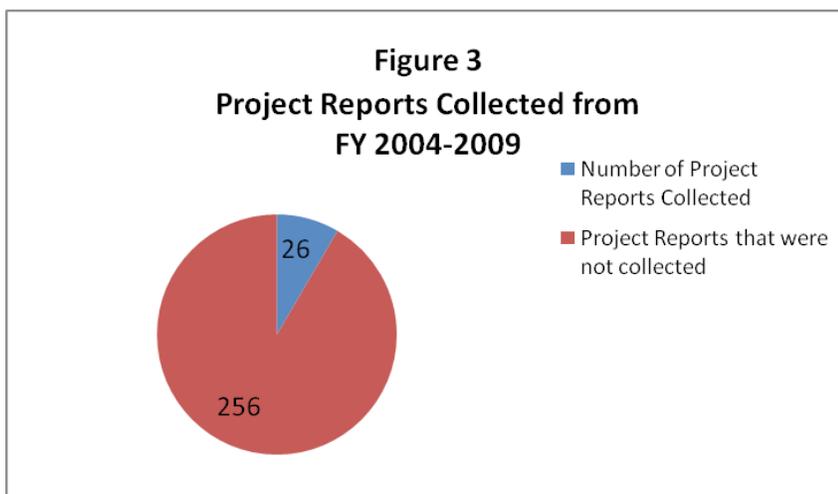
During this performance review, the CCTCE staff notified all colleges to fill out reports on workforce development grants and submit them in March 2010. This was the first time in six years of grant awards that the CCTCE staff initiated a review of its workforce development grants. The March report was followed with an annual report submitted in October, starting with October 31, 2010.

The CCTCE staff did not consolidate information into a useful format such as a spreadsheet in order to assist in managing the workforce development grants, and the project reporting process prior to 2010 did not function as intended. Prior to the collection of program reports in 2010, the Legislative Auditor requested information from the CCTCE staff about the projects that had received funding from FY 2004 through FY 2009. The CCTCE staff provided a list of grants and a small number of project reports. The CCTCE staff had collected only 26 (9 percent) of the 282 reports which should have been collected as required by the grant applications. Although project reports for various stages and times in the project were required, the CCTCE staff did not enforce the submission of any project reports from FY 2004 through FY 2007. Colleges were specifically instructed during FY 2008 to submit reports for projects that were funded during FY 2007. **Again the CCTCE staff did not enforce the specific reporting requirement that it made in December 2007.** Figure 3 depicts the proportion of the number of grant reports collected compared to the number of reports which should have been collected by the CCTCE staff.

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*March 2010 was the first time in six years of grant awards that the CCTCE staff initiated a review of its workforce development grants.*

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Source: Calculations by the Legislative Auditor's Office based on CCTCE data.

The CCTCE staff included terms and conditions in the grant award contracts that were issued, but the variation between the application documents and the contracts were confusing. Different types of reports were required at different times of year in the applications and the subsequent contracts. The CCTCE staff instructed all community colleges to submit just one annual report per grant project beginning in October 2010. However, the grant applications remain confusing in that they have not been revised to reflect the new reporting schedule.

### **The CCTCE Staff Allowed Colleges to Hold Over \$500,000 in Grant Funds for Years Before the Funds Were Returned to the CCTCE**

The CCTCE staff does not monitor the financial status of grants that have been awarded to the community colleges. Instead, the CCTCE staff relies on grant recipients to properly manage grant fund expenditures and self-report these expenditures to the CCTCE. According to the Chancellor for the CCTCE:

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*The CCTCE staff relies on grant recipients to properly manage grant fund expenditures and self-report these expenditures to the CCTCE.*

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*“... grant funding is typically placed in an institutional general gifts and grants account that may contain several different funds, and the Council has no method of distinguishing workforce funds from other funds in the account.”*

This is an unacceptable arrangement and it violates the statutory language governing the Workforce Development Initiative Program Grant. West Virginia Code lays out the requirements for colleges receiving the Workforce Development Initiative Program grant in §18B-3D-4:

*“(a) in order to participate in the workforce development initiative program, a community and technical college shall meet the following conditions: ... (3) Establish a special revolving fund under the jurisdiction of the community and technical college dedicated solely to workforce development initiatives for the purposes provided in this article. Any fees or revenues generated from workforce development initiatives funded by a competitive grant are deposited into this fund.”*

The *West Virginia State Treasurer's Office* states that: **“Generally, a special revolving fund is a special revenue fund created to receive and expend moneys for the same purpose repeatedly.”** Instead, the CCTCE staff has allowed community and technical colleges to deposit grant funds from the Workforce Development Initiative Program Grant into a fund that includes monies from other sources and for different purposes. Allowing community colleges to comingle funds in this manner not only violates the intent of the law, but it can create problems in tracking the different revenue sources compared to having grant funds in one fund dedicated to one purpose. The CCTCE staff should apply the same restriction against comingling on the two grants it created administratively. The CCTCE believes that the colleges' present accounting system that can track all of the different sources of revenue within one fund satisfies the requirement for a special revolving fund. However, the Legislative Auditor finds that it is clear by definition that the Workforce Development Initiative Program Grant is not being deposited into a fund that has one purpose.

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*The CCTCE staff does not require grantees to provide cash receipts or documentation in order to verify expenditures.*

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The CCTCE staff does not require grantees to provide cash receipts or documentation in order to verify expenditures. The lack of fiscal monitoring increases the risk of the use of grant monies for goods or services not included in the specific grant project, improper payments to vendors and untimely grant expenditures, and may result in the waste or fraudulent use of funds.

The Legislative Auditor reviewed all the reported grant expenditures and learned that over \$500,000 had not been expended during three years of grants being awarded. This amount was from grants awarded beginning in FY 2006 and continuing through FY 2009. At the same time as the Legislative Auditor's review, the CCTCE staff acknowledged that this amount had not been expended and required that it be returned to the Council. **All of the unexpended funds have been returned to the Council.** The unexpended amounts per community college ranged from as much as \$509,500 to as little as \$3413. The West Virginia Advance Grant accounted for *99.97 percent* or \$526,539 of the unexpended \$526,704. Some of these grant funds had been unexpended for years. If the CCTCE staff had conducted fiscal monitoring, the unexpended grant funds would have been detected in a more timely fashion and allowed to be used by the Council for additional grant awards.

## The Approval Process for Grants Is Inconsistent in Accountability

Several of the processes surrounding the grant awards are neither transparent nor accountable. The CCTCE staff does not retain information that allows for a record of how or why applications for the Advance Grant are approved or disapproved. The Technical Program grants are approved by vote of the CCTCE without detailed information to inform the CCTCE about the grants selected by the CCTCE staff. In addition, the CCTCE website does not provide the public with information on specific grant projects.

In order to be considered for a grant award, colleges must first make application through submitting an RFP form. Colleges complete the form and submit it to the CCTCE staff. The application and approval process differs for each workforce development grant. The award processes developed by the CCTCE staff for the West Virginia Advance Grant and the Technical Program Development Grant have areas that lack accountability. These grants account for 79 percent of the amount of money awarded from FY 2004 through FY 2009. They also account for 84 percent of the number of grants awarded during this period. The Legislative Auditor has the following concerns regarding the West Virginia Advance Grant award process:

- The approval for this grant is decided by one person, the CCTCE Chancellor.<sup>1</sup>
- There is a short approval time (within two weeks) following application.
- There is no documentation kept by CCTCE staff of Advance award denials or justifications for approvals.

The Legislative Auditor has the following concerns regarding the Technical Program Development Grant award process:

- The Technical Program grants are approved by vote of the CCTCE, but it is not given detailed information by staff about the individual grants upon which to base the approval.

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*The CCTCE staff does not retain information that allows for a record of how or why applications for the Advance Grant are approved or disapproved.*

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<sup>1</sup> In 2006, the Council gave this authority to the Chancellor in order to facilitate the two week turn-around period.

The Workforce Development Initiative Program has adequate accountability controls contained within Code. The CCTCE staff adheres to the statutory approval process for this grant; however, the staff does not adhere to accountability requirements for community colleges to establish special revolving funds and to report fiscal data and performance outcomes.

The Chancellor and workforce development staff have approved or recommended for approval \$11,351,703 for Advance and Technical Program Development Grants out of the total \$14,428,467 awarded for all three workforce grants from FY 2004 through FY 2009. Given that the West Virginia Advance Grant and the Technical Program Development Grant account for such a significant percentage of total workforce development grant funding, they should be subject to a thorough review process similar to that of the Workforce Development Initiative Program which requires that grant requests be approved by an external Advisory Review Committee. This would provide for greater accountability and assist the CCTCE staff in targeting its workforce development grants for maximum economic impact.

In addition, for the Advance Grant, the CCTCE staff should expand the approval time frame from two weeks in order to better evaluate the proposals, given that some Advance Grants have gone unexpended for significant lengths of time. For example, \$500,000 from one Advance grant was not spent for two years. It was eventually returned to the CCTCE in 2010. This use of the funds from the Advance grants by the community colleges shows no evidence that the approval time needs to be as immediate as two weeks. The approval time for the West Virginia Advance Grant should be based on the specifics of the grant proposal. For example, an equipment purchase used to upgrade lab equipment at a community college does not require the same sense of urgency the CCTCE staff would give to a grant proposal from a company on the verge of closure. Additionally, the CCTCE should extensively review Technical Program Development Grant applications to determine whether the proposed project is likely to succeed. The approval processes for all three grants are found in Appendix C.

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*Given that the West Virginia Advance Grant and the Technical Program Development Grant account for such a significant percentage of total workforce development grant funding, they should be subject to a thorough review process similar to that of the Workforce Development Initiative Program which requires that grant requests be approved by an external Advisory Review Committee.*

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## **The Impact of Workforce Development Grants Cannot Be Determined Due to Incomplete and Inconsistent Data**

At the beginning of this audit, the Legislative Auditor received an incomplete list from CCTCE staff of 126 grants awarded from FY 2004 through FY 2009. This original list included the college, type of grant, project name and award amount. The CCTCE staff subsequently provided a list of 164 grants awarded during the same period. The CCTCE staff did not monitor these workforce development grants from their inception in FY 2004 through FY 2009. The Legislative Auditor reviewed the monitoring reports that were submitted to the CCTCE staff in March 2010. Information on the grant monitoring forms is incomplete and is sometimes inconsistent on the same form. For example, the CCTCE staff awarded over \$40,000 through a West Virginia Advance Grant to Bridgemont CTC in FY 2004; however the monitoring form contains no information about the project. Monitoring reports for the 53 Advance Grants issued in FY 2009 contain numbers that are inconsistent, confusing, or possibly unreliable. For example:

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*Monitoring reports for the 53 Advance Grants issued in FY 2009 contain numbers that are inconsistent, confusing, or possibly unreliable.*

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- Blue Ridge CTC reported that 148 students were enrolled in its Leadership Distribution Engineering Technology Program. However, Blue Ridge also reported that 248 job titles were created or retained as a result of the program.
- Eastern CTC reported that 26 students were enrolled in its New Page Corporation Apprenticeship Program. However, Eastern also reported that 34 job titles were created or retained as a result of the program.
- Bridgemont CTC reported 50 students enrolled and 50 incumbent workers trained in Monroeville, PA at the May 2009 Eastern Gas Compression Round Table. A Bridgemont CTC faculty member presented a section of a seminar to this annual conference of the Eastern Gas Compression Round Table. The instructor received a grant for \$6,464 as payment for the seminar. It is unclear whether the 50 students were all from West Virginia or conference attendees from West Virginia and other states.

### **Monitoring Form Does Not Capture All Data**

The workforce development grant monitoring form developed in 2010 by the CCTCE staff is the same for all three types of grant but it

does not capture all of the possible uses for the three types of workforce grants. For example, while the monitoring form captures output data for job training programs such as job creation or workers trained, it does not capture outcomes for other uses of the grants. These grants are used to purchase equipment, expand programs and to subsidize instructor salaries. The CCTCE staff cannot evaluate equipment purchases or a program expansion using output measures such as jobs created or workers trained. The monitoring form also lacks data fields for capturing the unique outcome objectives for each type of grant. For example, projects funded by the Technical Program Development Grant are required to train workers for jobs that pay a minimum of \$12.00 per hour. However, the monitoring form does not contain a wage data field.

The Legislative Auditor concludes that the monitoring form should be expanded to include more data fields. Following these changes the CCTCE could improve its grants administration performance by analyzing the data contained within grant monitoring forms. This would not only enable the CCTCE staff to evaluate the performance of grant projects but also allow the CCTCE staff to look at the funding decisions that have been made, the impact and how to base future decisions on funding programs.

The CCTCE staff should formalize instructions to the colleges on how to complete the monitoring form. The reporting mechanism to complete a report for each grant is not standardized. There are no written instructions on how to complete this form. Follow-up on outcomes for students is not standardized and relies on the individual approaches of various colleges receiving grants. This is further complicated because many individuals participating in programs created by workforce development grants are not enrolled in the college for a degree or certificate program (non-credit students). Colleges lack a non-credit student database to assist them in tracking students once they have completed a workforce training program, although colleges do occasionally make follow-up calls to program recipients. **The Legislative Auditor concludes that although workforce development grants have been issued for the past six fiscal years, the CCTCE staff cannot determine the impact of the workforce development grants.**

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*While the monitoring form captures output data for job training programs such as job creation or workers trained, it does not capture outcomes for other uses of the grants.*

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*The monitoring form also lacks data fields for capturing the unique outcome objectives for each type of grant.*

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## **The CCTCE Needs to Establish Rules and Policies, Document Its Own Actions and Require Fiscal Reports and Documentation of Grant Projects**

The CCTCE staff has not provided the necessary oversight and administration of the workforce development grants. There are several measures that can be taken to improve its grant process. These measures include:

- establish procedural rules for the Advance and Technical Program Development Grants,
- require that the community colleges receiving the Workforce Development Initiative Program Grant conform to state Code,
- require fiscal reports of grant funds,
- document internal grant award processes, and
- provide written clarification to create standardization of data on self-reports from the colleges.

Contributing to the lack of oversight and administration of the grants could be the lack of established rules for the Advance and the Technical Program Grants. The establishment of procedural rules for the Advance and Technical Program Grants that conform to the legislative rule for the Workforce Development Initiative Program would develop the policies and processes used with the Advance and Technical Program Grants.

The CCTCE staff has overlooked the legislative requirement that colleges establish a special revolving fund when they apply for a Workforce Development Initiative Program Grant. **The CCTCE staff should stop issuing Workforce Development Initiative Program grants to colleges that have not complied with this mandated requirement.**

Fiscal reports of workforce development funds could assist the CCTCE staff in oversight of the grant funds. The State holds accountable persons and entities receiving state grants in West Virginia Code §12-4-14. The State requires that a certified public accountant test whether state funds were spent as intended and file a report attesting to the disbursement of funds. These reports are required when grants are over \$50,000. If the CCTCE staff were to adopt such a requirement using the \$50,000 threshold and tailored to the timeframes of its workforce development grants, it would gain needed independent information about the disbursements of the grant moneys.

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*Contributing to the lack of oversight and administration of the grants could be the lack of established rules for the Advance and the Technical Program Grants.*

---

Documentation of the CCTCE's actions in awarding or denying grants is necessary. The Legislative Auditor was unable to determine how many Advance or Technical Program Grant applications had been received and how many have been rejected because no record exists of rejections. The approval processes for these two grants are undocumented and therefore not accountable. The West Virginia Advance Grant and Technical Program Development Grant applications should be jointly reviewed and approved by both the CCTCE staff and an independent review committee in order to enhance accountability.

Clarification of the CCTCE's requirements and documentation of colleges' actions are also necessary. There are no criteria for the colleges to use when determining how to respond to the "jobs created and/or retained" and the "incumbent workers trained" categories on the project reports that the colleges are now required to submit to the CCTCE staff. The information that the CCTCE staff has gathered to date on the workforce development projects is self-reported by the colleges and does not include documentation in the form of receipts of expenditures, or student enrollments or credits earned. Documentation of information provided in the reports would help determine the status and progress of the individual projects, as well as providing reliability to job information reported by the colleges.

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*The Legislative Auditor was unable to determine how many Advance or Technical Program Grant applications had been received and how many have been rejected because no record exists of rejections.*

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## **The CCTCE Has Not Emphasized Reporting Quantifiable Information**

The CCTCE has not provided adequate oversight of workforce development grants and the outcome information reported to the CCTCE regarding programs established through these grants has been incomplete. This hinders the collection, quantification and dissemination of information regarding the effectiveness of workforce development skills training through the use of the workforce grants. One reason for the information deficiencies could be the amount of work on the CCTCE staff level required to physically monitor the grant programs, receive monitoring reports, compile information from the reports and assure the accuracy of information contained in the reports. The scope of the Legislative Audit did not include an evaluation of CCTCE staff responsibilities. The CCTCE should evaluate its staff in terms of responsibility for these grants. It may be that the size of the current CCTCE staff (8 FTE) does not allow for oversight and timely monitoring of the grants, and that a grant manager should be added to the staff. Another factor that may contribute

to the inadequacy of workforce development grant information is that the community colleges do not perceive that the CCTCE staff is serious in its request for information. This could be because the CCTCE staff has not tied future funding to completeness of information received about current programs. The Legislative Auditor (and possibly the colleges as well) has the impression that the CCTCE staff has not emphasized the need for complete and accurate outcome information. Unless the CCTCE staff demands accurate statistical information from the colleges and ties these demands to future funding, information received from the colleges likely will continue to be inadequate to assess impact of the workforce development grants.

### **Greater Transparency of Workforce Development Grant Results Is Necessary**

It is the intention of the Legislature through the workforce development grants to develop the state's workforce through skills training programs. Throughout the United States there is a move for greater transparency of development efforts including workforce development. Workforce development efforts by the State should be transparent and the effectiveness of the expenditure of \$14.4 million in workforce development grants over the past six fiscal years should be available to the general public. However, statistical data showing the effectiveness of these grant monies in job creation, job retention and the development of workers' credentials does not exist. At the present time, information that is being collected is not adequate for the public to learn whether these grants are being effective and used for the intended purpose to develop workforce training leading to the skill development and retention of state workers, or the ability of workers in the state to obtain jobs. Information about each program, whether it is working and how the money has been spent should be developed, reported and updated in a transparent way to the Legislature and on the CCTCE website.

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*The Legislative Auditor (and possibly the colleges as well) has the impression that the CCTCE staff has not emphasized the need for complete and accurate outcome information.*

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### **Conclusion**

The CCTCE has not established accountability for Workforce Development Grants. The administration of \$14.4 million in workforce development grants by the CCTCE staff from FY 2004 through FY 2009 shows inadequate grant management and the absence of fiscal and other grant monitoring efforts. As a result, it is not possible to give an accurate report of the development of skills, number of West Virginia workers

trained, jobs retained or obtained as a result of training received through these grants. **In essence, the CCTCE has not established a sense of accountability for the grants awarded.** As a result, community colleges may not perceive a need to report timely and accurate program data as required. Although the CCTCE has reporting requirements for its grant programs, in most cases community colleges that receive grants do not adhere to the reporting requirements. There is no evidence that the CCTCE has addressed or confronted community colleges that have not complied with grant requirements. Furthermore, the CCTCE has not established any policy that penalizes grant recipients of future awards for noncompliance, and there is no requirement to have grantees provide an attestation report that grant funds were used for the intended purpose. It is likely that there has been some amount of positive impact from these workforce development grants; however, at the present time there is little evidence to determine how effective the grants have been.

## Recommendations

- 1. The Council for Community and Technical College Education should strictly enforce the submission of complete and timely reports as stipulated by the respective grant.*
- 2. The Council for Community and Technical College Education should consider making grant awards contingent on a grantee's history of timely and accurate reporting in previous grant awards.*
- 3. The Council for Community and Technical College Education should consider requiring an attestation report from the community college prepared by a certified public accountant on the disbursement of funds from any workforce development grant in excess of a certain amount as determined by the CCTCE. The cost of the attestation report could be allowed to be deducted from the grant.*
- 4. The Council for Community and Technical College Education should stop issuing Workforce Development Initiative Program grants to colleges that have not established a special revolving fund as mandated by WVC §18B-3D-4(3).*
- 5. The Council for Community and Technical College Education should not allow the community colleges to comingle workforce development grant funds.*
- 6. The Council for Community and Technical College Education should revise its new monitoring form to include data fields for all uses of the workforce development grants. Written instructions should also be developed in regard to form completion.*

7. *The Council for Community and Technical College Education should establish criteria for the reporting requirements of “jobs created and/or retained” and “incumbent workers trained” and should require the maintenance of a non- credit student database at all 10 community colleges to assist with this reporting requirement. In addition, the Council for Community and Technical College Education should require documentation of student completion information and project expenditures.*

8. *The Council for Community and Technical College Education should develop a system to compile and analyze information for the workforce development grants.*

9. *The Council for Community and Technical College Education should consider streamlining its grants program by creating one grant to replace the Advance Grant and the Technical Program Grant. The approval time for any grants should allow for all aspects of the grant project and should be responsive to any time constraints of the project.*

10. *The Council for Community and Technical College Education should assess its existing staff responsibilities and consider the addition of a position to manage grants.*

11. *Performance data for workforce development grants should be transparent, available to the public, and routinely updated. In addition, the applications and approval processes for Advance Grant should be fully documented.*

12. *The Council for Community and Technical College Education should establish procedural rules for the West Virginia Advance Grant and the Technical Program Development Grant, adopting the existing system in legislative rule used to administer the Workforce Development Initiative Program.*

## Appendix A: Transmittal Letter

### WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0610  
(304) 347-4690  
(304) 347-4939 FAX



John Sylvia  
Director

April 19, 2011

James Skidmore, Chancellor  
Community and Technical College System of West Virginia  
1018 Kanawha Blvd. E Ste. 799  
Charleston WV 25301

Dear Chancellor Skidmore:

This is to transmit a draft copy of the final issue of the Department Review of the West Virginia Higher Education Policy Commission and the Council for Community and Technical College Education, regarding the Council's management of its workforce development grants. This report is scheduled to be presented in an upcoming interim meeting of the Joint Committee on Government Operations and the Joint Committee on Government Organizations. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committees may have.

We need to schedule an exit conference to discuss any concerns you may have with the report. We would like to have the meeting on April 28, 2011. Please notify us to schedule an exact time. In addition, we need your written response by noon on May 4, 2011, in order for it to be included in the final report.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "John Sylvia".

John Sylvia

*Joint Committee on Government and Finance*



## Appendix B: OBJECTIVE, SCOPE & METHODOLOGY

### Objective

Pursuant to the West Virginia Performance Review Act, specifically §4-10-8(b) (2), the Legislative Auditor has conducted a Department Review of the Council for Community and Technical College Education (CCTCE). The purpose of this audit is to determine whether the CCTCE is meeting the state's immediate and long-term workforce development needs through its workforce development grant programs.

### Scope

The scope of this report is strictly on workforce development grants for fiscal years 2004 through 2009.

### Methodology

The Legislative Auditor utilized numerous sources during this Department Review. Statutory criteria were obtained from various code sections pertaining to higher education. Interviews and correspondence with higher education officials provided numerical information and clarified questions on workforce development grants. The Legislative Auditor also utilized the Legislature's enrolled budget bills from FY 2004 through FY 2009. The CCTCE provided a list and descriptions of workforce development projects funded by its workforce development grants from FY 2004 through FY 2009. The Legislative Auditor reviewed the grant contracts and applications issued for the review period. The *U.S. Comptroller General's Grant Accountability Project* dated October 2005, was used as criteria in awarding and administering grants. The Legislative Auditor developed the percentage of dollars awarded by type of grant, total amount awarded and received per institution. Every aspect of this review complied with the Generally Accepted Governmental Auditing Standards (GAGAS) as set forth by Comptroller General of the United States.



## Appendix C: Grant Application and Award Process

Below are detailed descriptions of the application and award process for each grant.

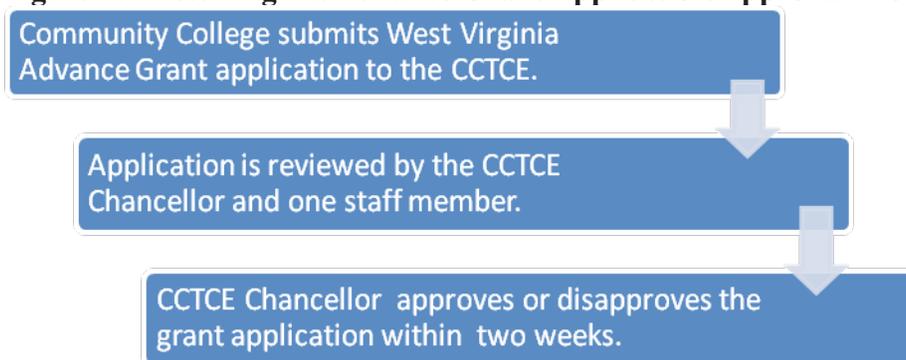
- West Virginia Advance.** West Virginia Advance Grant applications are approved by the CCTCE Chancellor. The Chancellor and one staff member review applications for technical content, budgetary requirements, employer need, wages received and ability to build capacity in workforce development at the institution. However, this review process is not documented. No record exists regarding the justification and decision to award or deny each grant. The CCTCE Chancellor reviews and attempts to approve grant applications within two weeks of receipt. Many documents regarding the approval timeframe for Advance grant awards are missing or unclear. However, some applications were approved within 48 hours, leaving little time for thorough review and resulting in no documentation. For example:

(1) Kanawha Valley Community and Technical College requested a \$24,392 West Virginia Advance grant on December 8, 2008. This grant was approved by the Chancellor on December 11, 2008.

(2) Pierpont Community and Technical College requested a \$47,000 West Virginia Advance grant on September 8, 2008. This grant was approved on September 10, 2008.

Once approved, the workforce grant contract is sent to the institution for the president’s approval. Figure 1 displays the application/approval process for the West Virginia Advance grant.

**Figure 1: West Virginia Advance Grant Application/Approval Process**

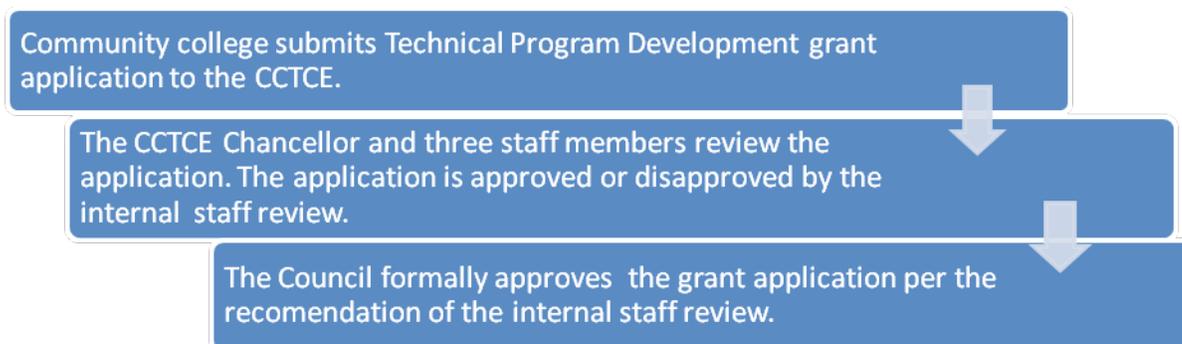


As Figure 1 illustrates, the entire application/approval process for the West Virginia Advance grant takes place within the CCTCE. The Technical Program Development grant, also created by the CCTCE, follows a different approval process.

- Technical Program Development.** Technical Program Development Grant applications are reviewed by an internal CCTCE committee consisting of the CCTCE Chancellor, and three workforce development staff members. Grant applications are reviewed for technical content, budgetary requirements, program need, wages and program sustainability. However, no meeting minutes are kept to record the evaluation

process used by the CCTCE staff committee. After reviewing the applications, the staff committee either approves or disapproves the request by consensus. The approved applications are presented to the next meeting of the Council for Community and Technical College Education for final approval. Finally, the workforce grant contract is written and sent to the community college for the president's signature. Figure 2 displays the application/approval process for the Technical Program Development Grant.

**Figure 2: Technical Program Development Grant Application/Approval Process**



The full Council approves the recommendations from the staff review committee for Technical Program Development grants without discussing the relative merits of the projects or receiving any information regarding the proposed workforce development projects.

- **Workforce Development Initiative Program.** Figure 3 displays the application/approval process for the Workforce Development Initiative Program.

**Figure 3: Workforce Development Initiative Program Application/Approval Process**



The application and approval process for this grant follows the requirements stipulated in Code. Grant applications are reviewed by a 9 member external Advisory Review Committee. The Advisory Review Committee meets on the third Monday of the month if there are applications to review. The Committee evaluates the proposal. Minutes are kept documenting the award decision, including the reasons why awards are approved or denied. Finally, the Committee votes to approve or disapprove the request. Upon approval, the workforce grant contract is written and sent to the community college for the president's signature.

## Appendix D: Agency Response



WEST VIRGINIA COUNCIL FOR COMMUNITY AND TECHNICAL COLLEGE EDUCATION  
Robert L. Brown, Chair • James L. Skidmore, Chancellor

May 9, 2011

John Sylvia  
Director  
Performance Evaluation and Research Division  
West Virginia Legislature  
Building 1, Room W-314  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305



Dear Mr. Sylvia,

Attached are my responses to the draft Legislative Audit report. My responses are consistent with the discussion in our exit session held on Friday, May 6, 2011.

Should you have questions or need clarification on any point, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "James L. Skidmore".

James L. Skidmore  
Chancellor

cc: Gail Higgins  
Jared Balding

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Attachments:

- 1) Correspondence from Dr. Ann Shipway  
Vice President of Economic and Workforce Development  
Blue Ridge Community and Technical College
- 2) Program Development Process Chart

*Community & Technical College System of WV*

1018 Kanawha Boulevard East, Suite 700 • Charleston, WV 25301 • (PH)304.558.0265 • (FX)304.558.1646 • (EMAIL) skidmore@wvctcs.org

**Issue 1: It Cannot Be Determined if the State Has Achieved the Intended Outcomes of Workforce Development Grants Because the Council for Community and Technical College Education Has Not Emphasized Developing Outcome Measures.**

**Issue Summary**

West Virginia Code designates the West Virginia community college system as the State's primary provider of workforce development training to meet the immediate and long-term workforce needs of employers and employees. The Legislative Auditor finds that the Council for Community and Technical College Education (CCTCE) has not emphasized the development of outcome measures, so that after six years and \$14.4 million in grant awards, the agency cannot sufficiently show what has been achieved in terms of skills developed, jobs obtained or retained. The outcome measures the CCTCE has are limited and to some extent unreliable. In addition, a review of the workforce development grants awarded from FY 2004 through FY 2009 found other oversight deficiencies. These are as follows:

1. The CCTCE staff does not monitor the expenditures of grant funds after they have been awarded and does not reconcile grant expenditures to invoices.
  - a. *Council staff implemented a new accountability process for the three workforce grant programs and has followed-up and received reports on all awarded grants. In addition, all new associate or certificate degree programs have a three year post-audit process that provides data as to completers, enrollment and total expenditures.*
  - b. *Council staff does not have an auditor to reconcile grant expenditures to invoices, and this practice is not typically done for grants. A new position, Grant Compliance Officer, has been hired to assist with grant compliance and reporting. The Compliance Officer will have no management authority for any grant, but will report directly to the Senior Director of Finance to ensure that all grants obtained or administered under the auspices of the CTCS or HEPC are properly established, meet promised goals and report in a timely fashion. The Compliance Officer will also offer oversight, auditing and other assistance to CTCS institutions that are implementing grant programs.*
2. The CCTCE staff was unaware of over \$500,000 in unexpended grant funds that should have been returned to the CCTCE.
  - a. *At no time was Council staff unaware of \$500,000 in unexpended grant funds. Staff was in contact with the institution regarding the expenditure of the \$500,000 and was well aware of the circumstances of the grant.*

3. The CCTCE staff has allowed grant funds received through the Workforce Development Initiative Program to be comingled with other non-grant funds despite the statutory requirement that the grant funds are to be placed in a separate special revolving fund.
4. The defined uses of the workforce development grants are broad and to a great extent overlapping. When the CCTCE staff awards more than one type of grant to a single project and allows grant funds to be comingled, it becomes more difficult for the CCTCE and the community colleges to monitor, track and distinguish the outcomes for each grant.
  - a. *No institution comingled grant funds. Each institution has separate accounts or organization numbers allowing for identification of individual grants, award amounts, account balances, and etc.*

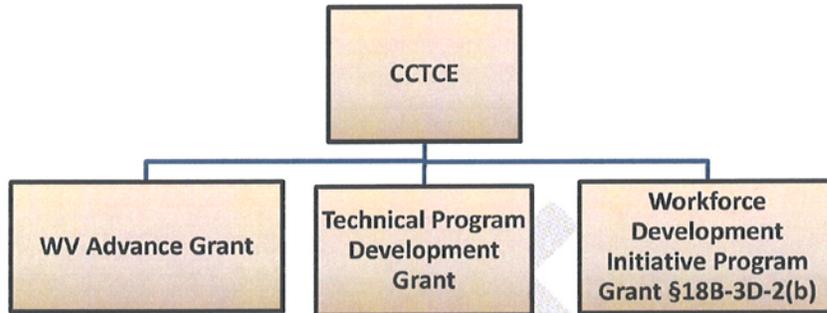
## Background

The West Virginia Council for Community and Technical College Education (CCTCE) was established in 2001 and given authority in 2004 to provide separate oversight and leadership for the two-year community colleges. The CCTCE is composed of six employees, the system Chancellor (who serves as the chief executive officer) and a 13 member Council. The CCTCE is responsible for promoting workforce and economic development through collaborating with the Higher Education Policy Commission, the state public education system and state agencies responsible for workforce development. This report examines workforce and economic development by the CCTCE through the workforce development grants issued to community and technical colleges from FY 2004 through FY 2009. The CCTCE employees administer these grants although the 13 member Council plays a role in the approval process through voting for the awards to community colleges of one of the types of grants.

## Three Grants Are Used for Workforce Development

The Council for Community and Technical College Education uses three grants to promote workforce development training and the development of workforce programs at the community colleges in order to fulfill its workforce development responsibility stated in West Virginia Code §18B-2B-6(4). The CCTCE's three workforce development grants are seen in Figure 1. The Advance Grant and the Technical Program Development Grant were created administratively, while the Workforce Development Initiative Program Grant was established in West Virginia Code §18B-3D-2(b). The West Virginia Advance Grant and the Technical Program Development Grant are used to jumpstart workforce development programs at the State's public community colleges, while the Workforce Development Initiative Program Grant is designed to expand existing community college programs.

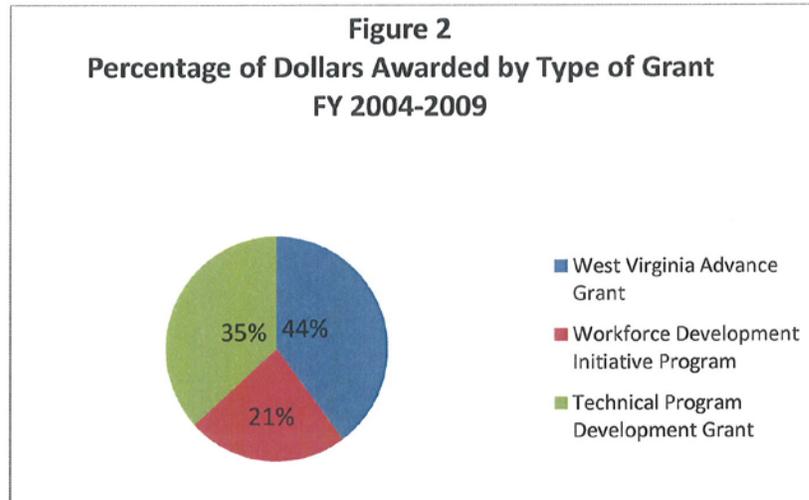
Figure 1: Workforce Development Grants



The following is a brief timeline of the development of the grants:

- **FY 2004.** The West Virginia Advance Grant was started with a dedication of 25 percent of the existing Higher Education Adult Part-time Student (HEAPS) grant program. The Advance Grant began receiving a line item appropriation in the State’s budget bill in FY 2007. The Advance Grant received a total \$12,850,000 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$3,644,020.
- **FY 2006.** The CCTCE started the Technical Program Development Grant. The Technical Program Development Grant received a total \$7,902,500 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$2,261,100.
- **FY 2006.** The CCTCE assumed responsibility for the award and administration of the Workforce Development Initiative Program Grant from the West Virginia Development Office. The Workforce Development Initiative Program Grant received \$4,077,276 from FY 2007 through FY 2010. The amount appropriated for FY 2011 is \$918,000.

These grants are used to fund worker training programs, develop curriculum at the community colleges, expand community college facilities, pay instructor salaries, and train faculty. From FY 2004 to FY 2009, the CCTCE awarded \$14,426,713 through all three workforce development grants to all 10 community colleges. As shown in Figure 2, the West Virginia Advance Grant accounts for the largest share of total grant funding.



Source: Calculations by the Legislative Auditor's Office based on CCTCE data.

**West Virginia Advance Grant**

The West Virginia Advance Grant is designated by the CCTCE as a rapid response grant which is broad in scope and used to meet the needs of business and labor. In order to be eligible for the West Virginia Advance Grant, projects must meet the following criteria:

- training for new or expanding companies;
- job retention of existing employees;
- prevention of company closings;
- skills upgrades of persons prior to employment, or skills upgrades for existing or new employees; and
- pre-employment training or preparation to enter a program leading to a high demand occupation.

The West Virginia Advance Grant has been used to pay for instructional equipment, student scholarships, seminars and facility rental costs. While a private sector match is encouraged, it is not required for this award. In one instance the West Virginia Advance Grant was awarded to help finance the construction of a diesel technology facility. This award was the highest single workforce development grant award made through FY 2009, and was for \$500,000 to Bridgemont Community and Technical College.

- a. *Being the first grant considered for facilities, this grant request was discussed with the Council Chairman prior to approval. It was determined the facility was critical to the expanding program and was approved. Due to complications with facility development, the grant was returned.*

**Technical Program Development Grant**

The goal of the Technical Program Development Grant is to develop technical programs at the community colleges that lead to well paying jobs that assist the economic development efforts of the State. This grant program has been used to fund a machinist technology program, and to fund training in automotive technology and computer systems. In order to be eligible for the Technical Program Development Grant, community colleges must satisfy all of the following criteria:

- training programs must target high demand occupations,
- the college is required to develop industry partnerships that lead to cooperative planning, and
- the college is required to develop an evaluation plan of the training program.

This is the only grant with an award limitation (\$220,000) per request. In addition, workforce development projects funded through this grant must be paid for through community college revenue within three years of receiving the grant award. No specific dollar match is required for this grant.

**Workforce Development Initiative Program Grant**

The goals of the Workforce Development Initiative Program Grant are to expand occupational programs in an effort to grow enrollment at the state's public community colleges and to strengthen the state's workforce by linking the community college system to the needs of business and industry. In order to receive a grant for this program, a community college must meet the following conditions:

- participate in a community and technical college consortia;
- develop, as a part of the institutional compact, a plan to attain measurable improvements in the quality of the workforce within its service area over a five-year period; and
- establish a special revolving fund under the jurisdiction of the community and technical college dedicated solely to workforce development initiatives.

Unlike the other two grants, the Workforce Development Initiative Program Grant was created by legislation in 2000. Workforce Development Initiative Program Grant proposals are required in Code to be evaluated and approved by an external Advisory Review Committee. The Workforce Development Initiative Program Grant has been used to help finance nursing and allied health programs, power plant technology, culinary training and leadership and management programs. This grant requires a dollar-for-dollar commitment from the private sector partner(s) to match each dollar received by the college in the grant award from the CCTCE. This requirement can be reduced if there is a demonstrated hardship.

**The Intended Purposes for These Grants Overlap to Some Extent**

A total of 164 workforce development grants were awarded to the community and technical colleges from FY 2004 through FY 2009. The large majority (nearly 70 percent) of the grants awarded were through the Advance Grant program. The amount awarded and grants received per institution are seen in Table 1.

Institutions	Total West Virginia Advance Grant	Total Workforce Development Initiative Program	Total Technical Program Development Grant	Total Amount Awarded from FY 04 to FY 09	Advance Grants received	Workforce Development Initiative Program received	Technical Program Development Grants received
Blue Ridge	\$586,045	\$1,025,736	\$1,298,251	\$2,910,032	26	7	6
Bridgemont	\$1,242,574	\$474,725	\$430,000	\$2,147,299	21	2	2
Eastern	\$624,661	\$0	\$440,000	\$1,064,661	5	0	2
Mountwest	\$377,460	\$281,100	\$808,945	\$1,467,505	11	4	4
New River	\$119,000	\$72,800	\$430,000	\$621,800	1	1	2
Pierpont	\$721,860	\$394,420	\$0	\$1,116,280	8	3	0
Southern	\$464,450	\$450,000	\$440,000	\$1,354,450	3	2	2
Northern	\$307,185	\$113,424	\$440,000	\$860,609	4	1	2
Kanawha Valley	\$595,418	\$0	\$0	\$595,418	22	0	0
WVU-P	\$1,258,896	\$264,559	\$765,204	\$2,288,659	10	6	4
<b>Total</b>	<b>\$6,297,549</b>	<b>\$3,076,764</b>	<b>\$5,052,400</b>	<b>\$14,426,713</b>	<b>114</b>	<b>26</b>	<b>24</b>

*Source: Calculations by the Legislative Auditor's Office based on CCTCE data.*

Although there are three separate workforce development grants, their intended purposes overlap to some extent. The Legislative Auditor found that in two instances the CCTCE awarded more than one type of grant for the same project. Since the CCTCE is allowing the comingling of grant funds, it becomes difficult for the CCTCE and community colleges to monitor the programmatic and fiscal performance of a grant project. It also becomes an accountability issue when the CCTCE cannot tie outcome measures to each specific grant. The colleges that received the multiple grants were:

- a. *No institution comingled grant funds. Each institution has separate accounts or organization numbers allowing for identification of individual grants, award amounts, account balances, and etc.*

1. Blue Ridge Community and Technical College. Blue Ridge was awarded two West Virginia Advance Grants, two Workforce Development Initiative Program grants and one Technical Program Development grant, totaling \$863,741 to fund the Allegheny Energy program.
2. Bridgemont Community and Technical College. Bridgemont was awarded two West Virginia Advance Grants and one Workforce Development Initiative Program grant, totaling \$768,225 to fund the Diesel Technology Program.
  - a. *Council staff work closely with institutions on developing technical programs and discuss different funding options as part of the planning process.*

For accountability and oversight purposes, the CCTCE should consider combining the Advance Grant and the Technical Program Development Grant, and disallowing the comingling of grant funds so that outcome measures can be distinguished to each type of grant.

- a. *The comingling of grant funds did not occur.*

#### **The CCTCE Staff Did Not Provide Adequate Oversight of Its Workforce Development Grants**

In order to assess the performance of the CCTCE in awarding and administering the workforce development grants, the Legislative Auditor's Office referred to the *U.S. Comptroller General's Grant Accountability Project* dated October 2005. This guide presents practices for managing grants at the state and local levels such as:

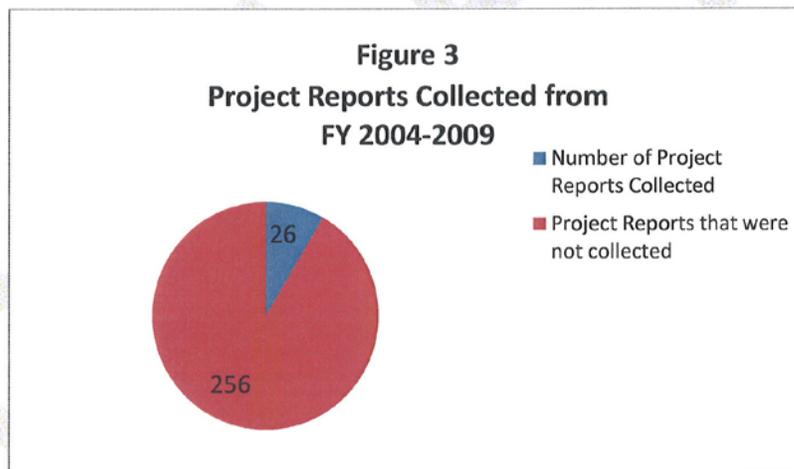
- monitoring the programmatic performance of grants that are awarded,
- consolidating information systems to assist in managing grants,
- including clear terms and conditions in the grant award documents issued, and
- monitoring the financial status of grants that are awarded.

The Legislative Auditor found that the CCTCE staff did not monitor the performance and use of the millions of dollars in grants that it awarded from FY 2004 through FY 2009. In addition, the CCTCE staff neglected to consistently monitor the programmatic performance of these grants or require that grantees submit completed project reports. During this performance review, the CCTCE staff notified all colleges to fill out reports on workforce development grants and submit them in March 2010. This was the first time in six years of grant awards that the CCTCE staff initiated a review of its workforce development grants. The March report was followed with an annual report submitted in October, starting with October 31, 2010.

- a. *Grant monitoring did take place in prior years, but as stated in the report, not all grant monitoring forms were returned from the institutions to our office.*
- b. *All institutions have submitted the revised monitoring form, which is more efficient since moving from quarterly reports to annual reports.*

The CCTCE staff did not consolidate information into a useful format such as a spreadsheet in order to assist in managing the workforce development grants, and the project reporting process prior to 2010 did not function as intended. Prior to the collection of program reports in 2010, the Legislative Auditor requested information from the CCTCE staff about the projects that had received funding from FY 2004 through FY 2009. The CCTCE staff provided a list of grants and a small number of project reports. The CCTCE staff had collected only 26 (9 percent) of the 282 reports which should have been collected as required by the grant applications. However, the Legislative Auditor found that of the 26 monitoring reports collected by the CCTCE staff, all should have been final reports of the project, but only 13 (50 percent) were, and some of these were incomplete. Although project reports for various stages and times in the project were required, the CCTCE staff did not enforce the submission of any project reports from FY 2004 through FY 2007. Colleges were specifically instructed during FY 2008 to submit reports for projects that were funded during FY 2007. **Again the CCTCE staff did not enforce the specific reporting requirement that it made in December 2007.** Figure 3 depicts the proportion of the number of grant reports collected compared to the number of reports which should have been collected by the CCTCE staff.

- a. *Council staff maintains a complete listing of grant awards by year.*



Source: Calculations by the Legislative Auditor's Office based on CCTCE data.

The CCTCE staff included terms and conditions in the grant award contracts that were issued, but the variation between the application documents and the contracts were confusing. Different types of reports were required at different times of year in the applications and the subsequent contracts. The CCTCE staff instructed all community colleges to submit just one annual report per grant project beginning in October 2010. However, the grant applications remain confusing in that they have not been revised to reflect the new reporting schedule.

- a. *The Workforce Development Initiative Grant (HB 3009) is the only proposal that references quarterly reports.*

### The CCTCE Staff Was Unaware of Over \$500,000 in Unexpended Grant Funds Due to a Lack of Fiscal Monitoring

The CCTCE staff does not monitor the financial status of grants that have been awarded to the community colleges. The CCTCE staff stated that it cannot monitor the financial status of grants that have been awarded to community colleges in large part because of the comingling of funds. As a result, the CCTCE staff relies on grant recipients to properly manage grant fund expenditures and self-report these expenditures to the CCTCE. According to the Chancellor for the CCTCE:

- a. Fiscal reports are required and have been collected annually, but are not reviewed by a CPA.*
- b. Institutions do not comingle funds.*

*"... grant funding is typically placed in an institutional general gifts and grants account that may contain several different funds, and the Council has no method of distinguishing workforce funds from other funds in the account."*

This is an unacceptable arrangement and it violates the statutory language governing the Workforce Development Initiative Program Grant. West Virginia Code lays out the requirements for colleges receiving the Workforce Development Initiative Program grant in §18B-3D-4:

*"(a) in order to participate in the workforce development initiative program, a community and technical college shall meet the following conditions: ... (3) Establish a special revolving fund under the jurisdiction of the community and technical college dedicated solely to workforce development initiatives for the purposes provided in this article. Any fees or revenues generated from workforce development initiatives funded by a competitive grant are deposited into this fund."*

The West Virginia State Treasurer's Office defines a special revolving fund as follows: **"... a special revenue fund created to receive and expend moneys for the same purpose repeatedly."** The CCTCE staff should apply the same requirement on the two grants it created administratively. Instead, the CCTCE staff has allowed the community and technical colleges to combine and deposit revenue generated by all three workforce training grants into one general account which has moneys from more sources than these three grants. This makes it difficult for the CCTCE staff and community colleges to track specific grant funds.

- a. Special revenue accounts are required for the purpose of placing revenue generated by an institution's workforce development division into an identified account so that funding can be used to generate additional revenue. All institutions have a special revenue account for this specific purpose; however, this account is not intended for grants funded through the Council. Each funded grant has a separate account or organization number and funds are not comingled.*

The CCTCE staff does not require grantees to provide cash receipts or documentation in order to verify expenditures. The lack of fiscal monitoring increases the risk of the use of grant moneys for goods or services not included in the specific grant project, improper payments to vendors and untimely grant expenditures, and may result in the waste or fraudulent use of funds.

The Legislative Auditor reviewed all the reported grant expenditures and learned that over \$500,000 had not been expended during three years of grants being awarded. This amount was from grants awarded beginning in FY 2006 and continuing through FY 2009. At the same time as the Legislative Auditor’s review, the CCTCE staff discovered that this amount had not been expended and required that it be returned to the Council. **All of the unexpended funds have been returned to the Council.** The unexpended amounts per community college ranged from as much as \$509,500 to as little as \$4.00. The West Virginia Advance Grant accounted for *99.97 percent* or \$526,539 of the unexpended \$526,704. If the CCTCE staff had conducted fiscal monitoring, the unexpended grant funding would have been detected in a more timely fashion and allowed it to be used by the Council for additional grant awards.

*a. The Council mandated the return of grant funds from institutions prior to the legislative audit, and grant funds were returned in prior years. Example:*

- *WV Northern CC Coal Mining Technology Funds Returned: 8-11-08*
- *Marshall CTC Work Readiness Funds Returned: 1-16-08*
- *Bridgmont CTC Utility Technology Funds Returned: 12-4-09*

**The Approval Process for Grants Is Inconsistent in Accountability**

Several of the processes surrounding the grant awards are neither transparent nor accountable. The CCTCE staff does not retain information that allows for a record of how or why applications for the Advance Grant are approved or disapproved. The Technical Program grants are approved by vote of the CCTCE without detailed information to inform the CCTCE about the grants selected by the CCTCE staff. In addition, the CCTCE website does not provide the public with information on specific grant projects.

In order to be considered for a grant award, colleges must first make application through submitting an RFP form. Colleges complete the form and submit it to the CCTCE staff. The application and approval process differs for each workforce development grant. The award processes developed by the CCTCE staff for the West Virginia Advance Grant and the Technical Program Development Grant have areas that lack accountability. These grants account for 79 percent of the amount of money awarded from FY 2004 through FY 2009. They also account for 84 percent of the number of grants awarded during this period. The Legislative Auditor has the following concerns regarding the West Virginia Advance Grant award process:

- The approval for this grant is decided by one person, the CCTCE Chancellor.
- There is a short approval time (within 48 hours) following application.
- There is no documentation kept by CCTCE staff of Advance award denials or justifications for approvals.

The Legislative Auditor has the following concerns regarding the Technical Program Development Grant award process:

- The Technical Program grants are approved by vote of the CCTCE, but it is not given detailed information by staff about the individual grants upon which to base the approval.
  - a. *The approval of a grant is based on information contained in the grant application, and no other documentation is required for approval. Grant applications of approved grants are not included in the Council agenda because of the size of the grant application; however, Council staff verbally explains the approved grant and answers any questions Council members may have.*

The Workforce Development Initiative Program has adequate accountability controls contained within Code. The CCTCE staff adheres to the statutory approval process for this grant; however, the staff does not adhere to accountability requirements for community colleges to establish special revolving funds and to report fiscal data and performance outcomes.

- a. *No institution comingled grant funds. Each institution has separate accounts or organization numbers allowing for identification of individual grants, award amounts, account balances, and etc.*
- b. *A separate, independent account with its separate organization number serves as a revolving account for revenue generated through the delivery of customized training.*

The Chancellor and workforce development staff have approved or recommended for approval \$11,349,949 for Advance and Technical Program Development Grants out of the total \$14,426,718 awarded for all three workforce grants from FY 2004 through FY 2009. Given that the West Virginia Advance Grant and the Technical Program Development Grant account for such a significant percentage of total workforce development grant funding, they should be subject to a thorough review process similar to that of the Workforce Development Initiative Program which requires that grant requests be approved by an external Advisory Review Committee. This would provide for greater accountability and assist the CCTCE staff in targeting its workforce development grants for maximum economic impact.

In addition, for the Advance Grant, the CCTCE staff should expand the approval time frame from two weeks in order to better evaluate the proposals, given that some Advance Grants have gone unexpended for significant lengths of time. For example, \$500,000 from one Advance grant was not spent for two years. It was eventually returned to the CCTCE in 2010. This use of the funds from the Advance grants by the community colleges shows no evidence that the approval time needs to be as immediate as two weeks. The approval time for the West Virginia Advance Grant should be based on the specifics of the grant proposal. For example, an equipment purchase used to upgrade lab equipment at a community college does not require the same sense of urgency the CCTCE staff would give to a grant proposal from a company on the verge of closure. Additionally, the CCTCE should extensively review Technical Program Development Grant applications to determine whether the proposed project is likely to succeed. The approval processes for all three grants are in Appendix X.

- a. *The approval of a grant is based on information contained in the grant application, and no other documentation is required for approval. Grant applications of approved grants are not included in the Council agenda because of the size of the grant application; however, Council staff verbally explains the approved grant and answers any questions Council members may have.*
- b. *Discussions take place with the appropriate institutional staff as to the reason a grant is not approved and what additional documentation is necessary if the grant is to be resubmitted for consideration of funding. A written response will be generated from this point forward if a grant is not approved, but verbal conversations will continue.*
- c. *The Technical Program Development grants are reviewed by an internal review committee comprised of the following members: Director of Workforce and Economic Development, Coordinator for Adult Learner Initiatives, Assistant Director of Academic Affairs and the Chancellor. This group is knowledgeable of community and technical college programs and is adequate to review and recommend grant approval to the Council.*
- d. *West Virginia Advance grants are reviewed by the Director of Workforce and Economic Development and the Chancellor. The Council delegated the authority for West Virginia Advance grant approval to the Chancellor on June 23, 2006. The intent for delegated authority to the Chancellor is the fast response time required for this specific grant, which is referred to as the Rapid Response Workforce Development program. In addition, when in discussions with the West Virginia Development Office, a potential or existing employer, the Chancellor has to have the ability to make a commitment to implement education or training programs. Referring all applications to a committee for this type of a grant program will defeat the purpose of the grant.*
- e. *In virtually all cases, conversations take place between the Chancellor's Office and institutions prior to and after a West Virginia Advance grant proposal is submitted. This is done to gain a better understanding of the proposal and to communicate to the institution if additional information or documentation is needed or indicate why the grant cannot be funded, if that is the case. There is a thorough review process for these grants.*
- f. *Technical Program Grant proposals require written documentation from employers that jobs exist for completers of the program, which to some extent ensures the program will be successful.*

#### **The Impact of Workforce Development Grants Cannot Be Determined Due to Incomplete and Inconsistent Data**

At the beginning of this audit, the Legislative Auditor received an incomplete list from CCTCE staff of 126 grants awarded from FY 2004 through FY 2009. This original list included the college, type of grant, project name and award amount. The CCTCE staff subsequently provided a list of 164 grants awarded during the same period. The CCTCE staff did not monitor these workforce development grants from their inception in FY 2004 through FY 2009. The Legislative Auditor reviewed the monitoring reports that were submitted to the CCTCE staff in March 2010. Information on the grant monitoring forms is incomplete and is sometimes inconsistent on the same form. For example, the CCTCE staff awarded over \$40,000 through a West Virginia Advance Grant to Bridgemont CTC in FY 2004; however

the monitoring form contains no information about the project. Monitoring reports for the 53 Advance Grants issued in FY 2009 contain numbers that are inconsistent, confusing, or possibly unreliable. For example:

- a. *As stated earlier, some, but not all, grants were adequately monitored between 2004 and 2009; all now have been monitored.*
- Blue Ridge CTC reported that 148 students were enrolled in its Leadership Distribution Engineering Technology Program. However, Blue Ridge also reported that 248 job titles were created or retained as a result of the program.
  - a. *See email attachment #1.*
- Eastern CTC reported that 20 students were enrolled in its New Page Corporation Apprenticeship Program. However, Eastern also reported that 34 job titles were created or retained as a result of the program.
- Bridgemont CTC reported 50 students enrolled and 50 incumbent workers trained in Monroeville, PA at the May 2009 Eastern Gas Compression Round Table. A Bridgemont CTC faculty member presented a section of a seminar to this annual conference of the Eastern Gas Compression Round Table. The instructor received a grant for \$5,700 as payment for the seminar. It is unclear whether the 50 students were all from West Virginia or conference attendees from West Virginia and other states.
  - a. *Twelve of the students were from West Virginia.*

### Monitoring Form Does not Capture All Data

The workforce development grant monitoring form developed in 2010 by the CCTCE staff is the same for all three types of grant but it does not capture all of the possible uses for the three types of workforce grants. For example, while the monitoring form captures output data for job training programs such as job creation or workers trained, it does not capture outcomes for other uses of the grants. These grants are used to purchase equipment, expand programs and to subsidize instructor salaries. The CCTCE staff cannot evaluate equipment purchases or a program expansion using output measures such as jobs created or workers trained. The monitoring form also lacks data fields for capturing the unique outcome objectives for each type of grant. For example, the Workforce Development Initiative Program Grant is intended to be used as a capacity building grant, although the monitoring form does not contain a capacity building data field. Projects funded by the Technical Program Development Grant are required to train workers for jobs that pay a minimum of \$12.00 per hour. However, the monitoring form does not contain a wage data field.

The Legislative Auditor concludes that the monitoring form should be expanded to include more data fields. Following these changes the CCTCE could improve its grants administration performance by analyzing the data contained within grant monitoring forms. This would not only enable the CCTCE staff to evaluate the performance of grant projects but also allow the CCTCE staff to look at the funding decisions that have been made, the impact and how to base future decisions on funding programs.

The CCTCE staff should formalize instructions to the colleges on how to complete the monitoring form. The reporting mechanism to complete a report for each grant is not standardized. There are no written instructions on how to complete this form. Follow-up on outcomes for students is not standardized and relies on the individual approaches of various colleges receiving grants. This is further complicated because many individuals participating in programs created by workforce development grants are not enrolled in the college for a degree or certificate program (non-credit students). Colleges do not track non-credit students and have no information about these students once the program is completed. **The Legislative Auditor concludes that although workforce development grants have been issued for the past six fiscal years, the CCTCE staff cannot determine the impact of the workforce development grants.**

- a. Capacity building can be determined by reviewing equipment purchases, faculty employments, and if the institution delivers the program or contracts it out.*
- b. Council staff held meetings in July 2009 with community college presidents and workforce staff to discuss the new grant monitoring report form. A cover email with instructions was distributed with the grant monitoring forms to each institutional president, workforce development director, and chief academic officer.*
- c. Institutions report annual performance indicator data to the Council Office. This report includes data on non-credit education and training activity.*
- d. Letters from employers in the grant proposal or wage data information from a software package (EMSI) the Council has provide wage information.*

### The CCTCE Needs to Establish Rules and Policies, Document Its Own Actions and Require Fiscal Reports and Documentation of Grant Projects

The CCTCE staff has not provided the necessary oversight and administration of the workforce development grants. There are several measures that can be taken to improve its grant process. These measures include:

- establish procedural rules for the Advance and Technical Program Development Grants,
- require that the community colleges receiving the Workforce Development Initiative Program Grant conform to state Code,
- require fiscal reports of grant funds,
- document internal grant award processes, and
- provide written clarification to create standardization of data on self-reports from the colleges.

Contributing to the lack of oversight and administration of the grants could be the lack of established rules for the Advance and the Technical Program Grants. The establishment of procedural rules for the Advance and Technical Program Grants that conform to the legislative rule for the Workforce Development Initiative Program would develop the policies and processes used with the Advance and Technical Program Grants.

The CCTCE staff has overlooked the legislative requirement that colleges establish a special revolving fund when they apply for a Workforce Development Initiative Program Grant. **The CCTCE staff should stop issuing Workforce Development Initiative Program grants to colleges that have not complied with this mandated requirement.**

- *Institutions do conform to State Code by establishing a separate accounting fund for each grant and revenue generated through customized training activity.*

Fiscal reports of workforce development funds could assist the CCTCE staff in oversight of the grant funds. The State holds accountable persons and entities receiving state grants in West Virginia Code §12-4-14. The State requires that a certified public accountant test whether state funds were spent as intended and file a report attesting to the disbursement of funds. These reports are required when grants are over \$50,000. If the CCTCE staff were to adopt such a requirement using the \$50,000 threshold and tailored to the timeframes of its workforce development grants, it would gain needed independent information about the disbursements of the grant moneys.

Documentation of the CCTCE's actions in awarding or denying grants is necessary. The Legislative Auditor was unable to determine how many Advance or Technical Program Grant applications had been received and how many have been rejected because no record exists of applications and rejections. The approval processes for these two grants are undocumented and therefore not accountable. The West Virginia Advance Grant and Technical Program Development Grant applications should be jointly reviewed and approved by both the CCTCE staff and an independent review committee in order to enhance accountability.

- a. Council staff has sufficient knowledge and expertise as to the needs of community and technical colleges and are more qualified to evaluate and approve grants than an independent review committee.*

Clarification of the CCTCE's requirements and documentation of colleges' actions are also necessary. There are no criteria for the colleges to use when determining how to respond to the "jobs created and/or retained" and the "incumbent workers trained" categories on the project reports that the colleges are now required to submit to the CCTCE staff. The information that the CCTCE staff has gathered to date on the workforce development projects is self-reported by the colleges and does not include documentation in the form of receipts of expenditures, or student enrollments or credits earned. Documentation of information provided in the reports would help determine the status and progress of the individual projects, as well as providing reliability to job information reported by the colleges.

- a. Grant monitoring reports contain data on the number of workers trained and the number of completers that have mastered the skills necessary to complete the program. Jobs retained is more difficult to document, and perhaps is not a good measure due to the difficulty in documentation.*

#### **The CCTCE Has Not Emphasized Reporting Quantifiable Information**

The CCTCE has not provided adequate oversight of workforce development grants and the outcome information reported to the CCTCE regarding programs established through these grants has been incomplete. This hinders the collection, quantification and dissemination of information regarding the effectiveness of workforce development skills training through the use of the workforce grants. One reason for the information deficiencies could be the amount of work on the CCTCE staff level required to physically monitor the grant programs, receive monitoring reports, compile information from the reports and assure the accuracy of information contained in the reports. The scope of the Legislative Audit did not include an evaluation of CCTCE staff responsibilities. The CCTCE should evaluate its staff in terms of responsibility for these grants. It may be that the size of the current CCTCE staff (7 FTE) does not allow for oversight and timely monitoring of the grants, and that a grant manager should be added to the staff. Another factor that may contribute to the inadequacy of workforce development grant information is that the community colleges do not perceive that the CCTCE staff is serious in its request for information. This could be because the CCTCE staff has not tied future funding to completeness of information received about current programs. The Legislative Auditor (and possibly the colleges as well) has the impression that the CCTCE staff has not emphasized the need for complete and accurate outcome information. Unless the CCTCE staff demands accurate statistical information from the colleges and ties these demands to future funding, information received from the colleges likely will continue to be inadequate to assess impact of the workforce development grants.

- a. All institutions have submitted the revised monitoring form, which is a more efficient process since moving from quarterly reports to annual reports.*

### Greater Transparency of Workforce Development Grant Results Is Necessary

It is the intention of the Legislature through the workforce development grants to develop the state's workforce through skills training programs. Throughout the United States there is a move for greater transparency of development efforts including workforce development. Workforce development efforts by the State should be transparent and the effectiveness of the expenditure of \$14.4 million in workforce development grants over the past six fiscal years should be available to the general public. However, statistical data showing the effectiveness of these grant monies in job creation, job retention and the development of workers' credentials does not exist. At the present time, information that is being collected is not adequate for the public to learn whether these grants are being effective and used for the intended purpose to develop workforce training leading to the skill development and retention of state workers, or the ability of workers in the state to obtain jobs. Information about each program, whether it is working and how the money has been spent should be developed, reported and updated in a transparent way to the Legislature and on the CCTCE website.

### Conclusion

The CCTCE has not established accountability for Workforce Development Grants. The administration of \$14.4 million in workforce development grants by the CCTCE staff from FY 2004 through FY 2009 shows inadequate grant management and the absence of fiscal and other grant monitoring efforts. As a result, it is not possible to give an accurate report of the development of skills, number of West Virginia workers trained, jobs retained or obtained as a result of training received through these grants. **In essence, the CCTCE has not established a sense of accountability for the grants awarded.** As a result, community colleges may not perceive a need to report timely and accurate program data as required. Although the CCTCE has reporting requirements for its grant programs, in most cases community colleges that receive grants do not adhere to the reporting requirements. There is no evidence that the CCTCE has addressed or confronted community colleges that have not complied with grant requirements. Furthermore, the CCTCE has not established any policy that penalizes grant recipients of future awards for noncompliance, and there is no requirement to have grantees provide an attestation report that grant funds were used for the intended purpose. It is likely that there has been some amount of positive impact from these workforce development grants; however, at the present time there is little evidence to determine how effective the grants have been.

### Recommendations

1. *The Council for Community and Technical College Education should strictly enforce the submission of complete and timely reports as stipulated by the respective grant.*
  - *Recommendation will be implemented.*
2. *The Council for Community and Technical College Education should consider making grant awards contingent on a grantee's history of timely and accurate reporting in previous grant awards.*
  - *Recommendation will be implemented.*

3. *The Council for Community and Technical College Education should consider requiring an attestation report from a certified public accountant on the disbursement of funds from any workforce development grant in excess of a certain amount as determined by the CCTCE Council.*
  - *Recommendation will be considered and determined if necessary and affordable.*
4. *The Council for Community and Technical College Education should stop issuing Workforce Development Initiative Program grants to colleges that have not established a special revolving fund as mandated by WVC §18B-3D-4(3).*
  - *This recommendation is considered a non-issue as institutions have complied.*
5. *The Council for Community and Technical College Education should disallow the community colleges to comingle workforce development grant funds.*
  - *This recommendation is considered a non-issue as institutions have complied.*
6. *The Council for Community and Technical College Education should revise its new monitoring form to include data fields for all uses of the work force development grants. Written instructions should also be developed in regard to form completion.*
  - *Recommendation will be implemented.*
7. *The Council for Community and Technical College Education should establish criteria for the reporting requirements of “jobs created and/or retained” and “incumbent workers trained” and should require the maintenance of a non- credit student database at all 10 community colleges to assist with this reporting requirement. In addition, the Council for Community and Technical College Education should require documentation of student completion information and project expenditures.*
  - *Recommendation will be addressed in terms of clarifying and defining reporting criteria. Although institutions report on non-credit student activity, discussions have occurred regarding the development of a centralized data base for non-credit reporting.*
8. *The Council for Community and Technical College Education should develop a system to compile and analyze information for the workforce development grants.*
  - *Recommendation will be implemented.*
9. *The Council for Community and Technical College Education should consider streamlining its grants program by creating one grant to replace the Advance Grant and the Technical Program Grant. The approval time for any grants should allow for all aspects of the grant project and should be responsive to any time constraints of the project.*
  - *The feasibility of combining the two grants will be considered, but the two programs have different purposes.*
10. *The Council for Community and Technical College Education should assess its existing staff responsibilities and consider the addition of a position to manage grants.*
  - *Recommendation has been addressed with the employment of a Grants Compliance Officer by the Council and HEPC.*

11. *Performance data for workforce development grants should be transparent, available to the public, and routinely updated. In addition, the applications and approval processes for Advance Grant should be fully documented.*
- *Recommendation will be implemented by providing regular reports regarding grant awards and documentation of grant approval.*

*The Council for Community and Technical College Education should establish procedural rules for the West Virginia Advance Grant and the Technical Program Development Grant, adopting the existing system in legislative rule used to administer the Workforce Development Initiative Program.*

- *To comply with this recommendation, Council staff will review and determine if a Procedural Rule is required or if an addendum can be added to the grant application.*

DRAFT

## Appendix X

Below are detailed descriptions of the application and award process for each grant.

- **West Virginia Advance.** West Virginia Advance Grant applications are approved by the CCTCE Chancellor. The Chancellor and one staff member review applications for technical content, budgetary requirements, employer need, wages received and ability to build capacity in workforce development at the institution. However, this review process is not documented. No record exists regarding the justification and decision to award or deny each grant. The CCTCE Chancellor reviews and attempts to approve grant applications within two weeks of receipt. Many documents regarding the approval timeframe for Advance grant awards are missing or unclear. However, some applications were approved within 48 hours, leaving little time for thorough review and resulting in no documentation. For example:

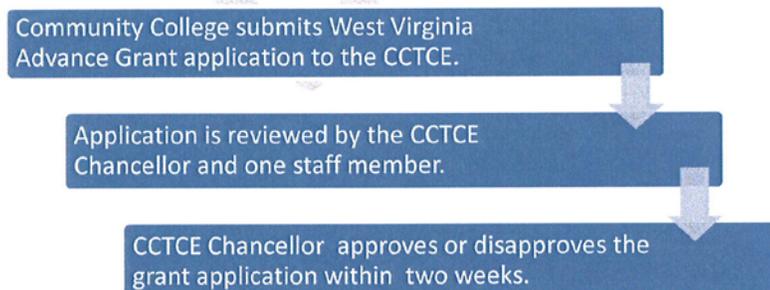
(1) Kanawha Valley Community and Technical College requested a \$26,000 West Virginia Advance grant on December 10, 2008. This grant was approved by the Chancellor on December 11, 2008.

(2) Pierpont Community and Technical College requested a \$47,000 West Virginia Advance grant on September 8, 2008. This grant was approved on September 10, 2008.

Once approved, the workforce grant contract is sent to the institution for the president's approval. Figure 3 displays the application/approval process for the West Virginia Advance grant.

*a. In virtually all cases, conversations take place between the Chancellor's Office and institutions prior to and when a West Virginia Advance grant is submitted. This is done to gain a better understanding of the proposal and to communicate to the institution if additional information or documentation is needed or indicate why the grant cannot be funded, if that is the case. There is a thorough review process for these grants.*

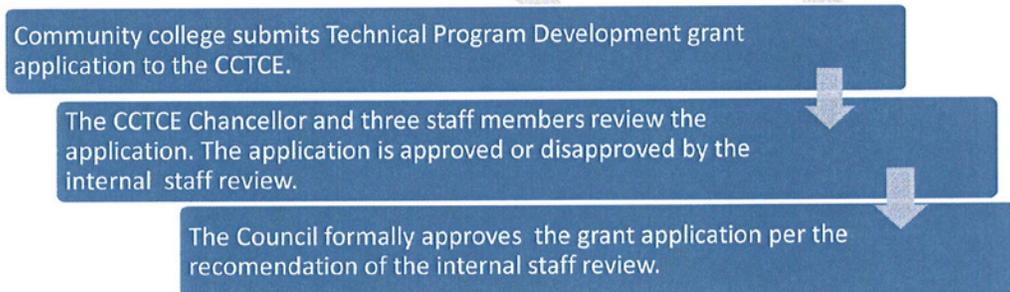
**Figure 3: West Virginia Advance Grant Application/Approval Process**



As figure 3 illustrates, the entire application/approval process for the West Virginia Advance grant takes place within the CCTCE. The Technical Program Development grant, also created by the CCTCE, follows a different approval process.

- Technical Program Development.** Technical Program Development Grant applications are reviewed by an internal CCTCE committee consisting of the CCTCE Chancellor, and three workforce development staff members. Grant applications are reviewed for technical content, budgetary requirements, program need, wages and program sustainability. However, no meeting minutes are kept to record the evaluation process used by the CCTCE staff committee. After reviewing the applications, the staff committee either approves or disapproves the request. The approved applications are presented to the next meeting of the Council for Community and Technical College Education for final approval. Finally, the workforce grant contract is written and sent to the community college for the president’s signature. Figure 4 displays the application/approval process for the Technical Program Development Grant.

**Figure 4: Technical Program Development Grant Application/Approval Process**

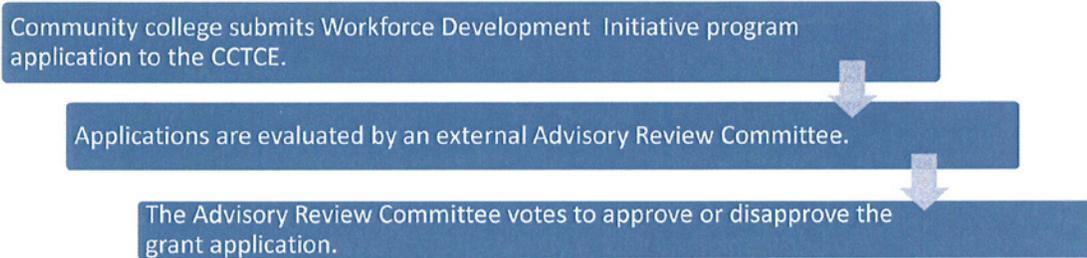


The full Council approves the recommendations from the staff review committee for Technical Program Development grants without discussing the relative merits of the projects or receiving any information regarding the proposed workforce development projects.

- a. The approval of a grant is based on information contained in the grant application, and no other documentation is required for approval. Grant applications of approved grants are not included in the Council agenda because of the size of the grant application; however, Council staff verbally explains the approved grant and answers any questions Council members may have.*

- Workforce Development Initiative Program.** Figure 5 displays the application/approval process for the Workforce Development Initiative Program.

**Figure 5: Workforce Development Initiative Program Application/Approval Process**



The application and approval process for this grant follows the requirements stipulated in Code. Grant applications are reviewed by a 9 member external Advisory Review Committee. The Advisory Review Committee meets on the third Monday of the month if there are applications to review. The Committee evaluates the proposal. Minutes are kept documenting the award decision, including the reasons why awards are approved or denied. Finally, the Committee votes to approve or disapprove the request. Upon approval, the workforce grant contract is written and sent to the community college for the president's signature.

DRAFT

**Sharon Curry**

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**From:** Ann Shipway [ASHIPWAY@blueridgectc.edu]  
**Sent:** Tuesday, May 03, 2011 4:42 PM  
**To:** Sharon Curry  
**Cc:** Pete Checkovich  
**Subject:** WV Advance Grant---leadership & employee retention

Sharon,

Dr. Checkovich and I have reviewed the yearly and final reports for the \$79,381 grant.

Here is our explanation below. Feel free to contact me or Dr. Checkovich if you or Jim feel you need additional clarification. Please let me know things go with the auditors.

Yearly report (6/30/09)---at the time of submitting the yearly report, Blue Ridge had enrolled 148 participants in training. As a result of increased new skills, the participants were promotion-ready and the employer reported that new jobs were created to back fill positions. At the time of submitting the yearly report, the employer reported that 248 new jobs were created/retained (148 retained and 100 created).

Final report (6/30/10)---between the yearly and the final reports, Hollywood (then Charles Town Races & Slots) in partnership with Blue Ridge established the Gaming Careers Institute. Table Games training began on 1/27/10. The employer reported that 400 new jobs were created/retained and associated with the surveillance training for table games (262 retained and moving into new jobs and 138 additional new jobs created).

As you can see from the final report, we were able to train a considerably larger number of employees than projected because of efficiencies in the program. Also worthy of noting is the fact that this grant funding was able to be disbursed in such a way that led to significant job creation.

*Ann*

Dr. Ann Shipway  
VP, Economic and Workforce Development  
Blue Ridge Community and Technical College  
304-260-4380, ext. 4201

<b>STEP ONE:</b>	<b>IDENTIFY INDUSTRY SECTORS</b>
	<ul style="list-style-type: none"> <li>• Statewide</li> <li>• Regional</li> </ul>
<b>STEP TWO:</b>	<b>IDENTIFY MAJOR EMPLOYMENT SECTORS AND ORGANIZATIONS</b>
	<ul style="list-style-type: none"> <li>• Chemical Alliance Zone</li> <li>• Manufacturing Association</li> <li>• Hospital Association</li> <li>• Biometrics</li> <li>• Energy Associations</li> <li>• Value Added Wood</li> </ul>
<b>STEP THREE:</b>	<b>IDENTIFY EMPLOYMENT DEMAND BY OCCUPATION</b>
	<ul style="list-style-type: none"> <li>• Present Demand</li> <li>• Future Demand</li> </ul>
<b>STEP FOUR:</b>	<b>IDENTIFY SKILL SETS OF DEMAND OCCUPATIONS</b>
	<ul style="list-style-type: none"> <li>• Technical</li> <li>• Academic</li> </ul>
<b>STEP FIVE:</b>	<b>IDENTIFY EDUCATION LEVEL REQUIRED BY OCCUPATION</b>
	<ul style="list-style-type: none"> <li>• High School</li> <li>• Career Technical Center</li> <li>• Apprenticeship</li> </ul>
<b>STEP SIX:</b>	<b>IDENTIFY GAPS IN PROGRAM OFFERINGS</b>
	<ul style="list-style-type: none"> <li>• Skill Needs vs. Present Program Offerings</li> <li>• Geographic Location</li> </ul>
<b>STEP SEVEN:</b>	<b>IDENTIFY PROGRAMS FOR DEVELOPMENT</b>
	<ul style="list-style-type: none"> <li>• Short term training</li> <li>• All education levels</li> <li>• Statewide</li> <li>• Regional</li> </ul>
<b>STEP EIGHT:</b>	<b>IDENTIFY PROVIDER TO DEVELOP PROGRAMS</b>

<b>STEP NINE:</b>	<b>IDENTIFY FUNDING FOR PROGRAM DEVELOPMENT / UPGRADE</b>
<b>STEP TEN:</b>	<b>DEVELOP CURRICULUM / IDENTIFY CAREER PATHWAYS</b>
	<ul style="list-style-type: none"> <li>• High School</li> <li>• Career-Technical</li> <li>• Community and</li> <li>• Baccalaureate</li> </ul>
<b>STEP ELEVEN:</b>	<b>IMPLEMENT PROGRAMS</b>

<b>Identify Funding for Program Development/Upgrade</b>
<ul style="list-style-type: none"> <li>▪ Technical Program Development</li> <li>▪ WV Advance</li> <li>▪ HB 3009</li> <li>▪ Federal Grants</li> </ul>



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