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NEWS RELEASE

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FOR RELEASE October 10, 2013

Auditor of State Mary Mosiman today released a report on the Shared Visions Preschool Program (Shared Visions) and the Early Elementary Innovative Grants (At-Risk K-3 Grants) administered by the Department of Education (DE) for the period July 1, 2006 through June 30, 2012. The review was conducted in conjunction with the audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa* to determine whether Shared Visions and the At-Risk K-3 Grants were appropriately administered, met program purposes, goals and objectives and whether DE and the entities receiving funds complied with applicable laws, rules and guidelines.

Shared Visions is established by sections 256A.3 and 279.51 of the *Code of Iowa*, which require the Child Development Coordinating Council to provide funding to school districts to establish a combination of preschool and full-day kindergarten programs for 3-year old to 5-year old at-risk children and educational support services to parents of at-risk children age birth through 3 years. Rule 281-64.6 of the Iowa Administrative Code (IAC) further requires the funding be awarded on a competitive basis. The At-Risk K-3 Grants are established by section 279.51 of the *Code of Iowa*, which requires DE to allocate funding to school districts with elementary schools demonstrating the greatest need for programs for at-risk students. Rule 281-65.3 of the IAC further requires the funding be awarded on a competitive basis to elementary schools with a high percentage of low-income families.

Total Shared Visions and At-Risk K-3 Grants awarded by DE for fiscal years 2007 through 2012 are as follows:

<b>Shared Visions</b>					
<b>Fiscal Year</b>	<b>Preschool Grants</b>	<b>Parent Support</b>	<b>Total</b>	<b>At-Risk K-3 Grants</b>	<b>Grand Total</b>
2007	\$ 6,853,046	727,106	7,580,152	3,140,804	10,720,956
2008	7,682,193	815,259	8,497,452	3,510,992	12,008,444
2009	7,581,429	803,031	8,384,460	3,458,327	11,842,787
2010	7,022,114	741,677	7,763,791	3,194,096	10,957,887
2011	6,989,429	741,677	7,731,106	3,194,096	10,925,202
2012	6,540,234	691,069	7,231,303	2,976,148	10,207,451
Total	\$ 42,668,445	4,519,819	47,188,264	19,474,463	66,662,727

In accordance with rules 281-64.15 and 281-65.12 of the IAC, the school districts and other entities (grantees) receiving funding under Shared Visions and the At-Risk K-3 Grants are required

to account for grant activity separately and maintain sufficient supporting documentation, such as separate accounting ledgers for grant expenditures and information about the children served. Rules 281-64.15 and 281-65.12 of the IAC also require grantees to submit year-end reports to DE, including information detailing progress toward goals and objectives, actual expenditures and the specific services provided during the fiscal year.

In addition, because sections 256A.3 and 279.51 of the *Code of Iowa* establish DE as the administering agency of Shared Visions and the At-Risk K-3 Grants, DE has a fiduciary responsibility for oversight and monitoring, including, but not limited to, the expenditure of grant funds and evaluating program success. According to representatives of DE, there is no statutory requirement for on-site visits and the use of grant funds should be addressed in the annual audit of the school districts and other entities receiving grant funds. DE representatives further stated the annual audit reports are reviewed to determine whether there are any concerns identified related to Shared Visions or the At-Risk K-3 Grants. Although DE provides guidance for auditors to refer to, Shared Visions and the At-Risk K-3 Grants are not specifically addressed. In addition, neither the *Code of Iowa* nor the IAC includes an audit requirement. As a result, there is no assurance the procedures performed during the financial statement audits of school districts and other entities sufficiently address the funding received under Shared Visions and the At-Risk K-3 Grants.

Mosiman reported DE did not award either Shared Visions or the At-Risk K-3 Grants on a competitive basis during the period reviewed, but instead awarded funding primarily to the same grantees each fiscal year. A periodic evaluation was not performed to determine whether there were other school districts or entities with a greater need for the funding than the most recent grantees. Although grant renewal or continuation is allowed by the *Code of Iowa*, this restricts the opportunity for other school districts or entities to periodically apply and compete for available grant funds. Mosiman also reported DE does not sufficiently monitor the use of Shared Visions and At-Risk K-3 Grant funds by grantees. On-site visits are not performed to review accounting records and supporting documentation to verify the accuracy of the information reported by the grantees and ensure compliance with applicable laws, rules and guidelines.

Mosiman recommended DE periodically assess at-risk needs throughout the State and implement the competitive process required by rules 281-64.6 and 281-65.3 of the IAC to allow other school districts or entities the opportunity to compete for available grant funds. Mosiman also recommended DE implement additional monitoring procedures, including periodic on-site reviews of grant activity to ensure expenditures and other information reported by grantees is complete, accurate, sufficiently supported and in compliance with applicable laws, rules and guidelines.

Subsequent to the period reviewed, DE implemented changes to both Shared Visions and the At-Risk K-3 Grants addressing the recommendations made to some extent.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/1060-2820-BOP2.pdf>.

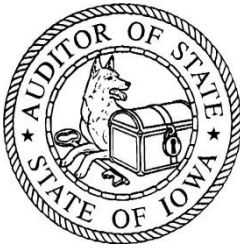
**A REVIEW OF  
THE SHARED VISIONS PRESCHOOL PROGRAM  
AND  
THE EARLY ELEMENTARY INNOVATIVE GRANTS  
ADMINISTERED BY THE  
DEPARTMENT OF EDUCATION**

**FOR THE PERIOD  
JULY 1, 2006 THROUGH JUNE 30, 2012**



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Mary Mosiman, CPA  
Auditor of State

Auditor's Transmittal Letter

To the Governor, Members of the General Assembly  
and the Director of the Department of Education:

In conjunction with our audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa*, we conducted a review of the Shared Visions Preschool Program (Shared Visions) and the Early Elementary Innovative Grants (At-Risk K-3 Grants) administered by the Department of Education (DE). We reviewed the program purposes established in Chapter 256A and section 279.51 of the *Code of Iowa* and Chapters 281-64 and 281-65 of the Iowa Administrative Code (IAC) and the goals and objectives for DE and the school districts and other entities (grantees) established in the grant agreements to determine whether the purposes, goals and objectives for Shared Visions and the At-Risk K-3 Grants were achieved and whether the rules and legislation were complied with for the period July 1, 2006 through June 30, 2012. In addition, we reviewed data compiled by DE for Shared Visions and the At-Risk K-3 Grants for fiscal years 2007 through 2011. Data regarding fiscal year 2012 is included for comparative purposes but was not subject to our review procedures. In conducting our review, we performed the following procedures:

- (1) Interviewed personnel from DE and reviewed applicable laws, rules and guidelines to gain an understanding of Shared Visions and the At-Risk K-3 Grants.
- (2) Identified the program purposes established by legislation and the goals and objectives for DE and the grantees established by the grant agreements for Shared Visions and the At-Risk K-3 Grants.
- (3) Reviewed the amounts expended by selected grantees to ensure compliance with sections 256A.3 and 279.51 of the *Code of Iowa*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements.
- (4) Reviewed and evaluated the annual reports submitted to DE by selected grantees to determine whether the grantees complied with sections 256A.3 and 279.51 of the *Code of Iowa*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements and to determine whether the grantees reported progress toward achievement of the goals and objectives.
- (5) Compared actual expenditures reported to DE by selected grantees to the actual expenditures recorded in the accounting records of the selected grantees to determine whether the actual expenditures reported were accurate and properly supported.
- (6) Reviewed and evaluated the monitoring process performed by DE to ensure funds awarded to the grantees were in compliance with sections 256A.3 and 279.51 of the *Code of Iowa*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements and were used to achieve the program purposes, goals and objectives of Shared Visions and the At-Risk K-3 Grants.
- (7) Reviewed and evaluated the Shared Visions Annual Report prepared by DE to determine compliance with section 256A.3(8) of the *Code of Iowa*.

- (8) Reviewed and evaluated the independent evaluation reports submitted by the Edward Zigler Center in Child Development and Social Policy at Yale University for the At-Risk K-3 Grants to determine compliance with section 279.51(3) of the *Code of Iowa*.


Based on these procedures, we determined DE did not award either Shared Visions or the At-Risk K-3 Grants on a competitive basis during the period reviewed, but rather continued to award funding to the same grantees each fiscal year. As a result, a periodic evaluation was not performed to determine whether there were other school districts or entities with a greater need for the funding. Although grant renewal or continuation is allowed by the *Code of Iowa*, this restricts the ability for other school districts or entities to periodically apply and compete for available grant funding.


We also determined DE does not sufficiently monitor the use of funding awarded under Shared Visions and the At-Risk K-3 Grants. On-site visits are not performed to review the accounting records and supporting documentation maintained by the grantees to verify the accuracy of information reported and to ensure compliance with applicable laws, rules and guidelines. According to representatives of DE, the use of grant funds should be addressed by the annual audit of the school districts and other entities receiving funding under Shared Visions and the At-Risk K-3 Grants. Although DE provides guidance for auditors to refer to, Shared Visions and the At-Risk K-3 Grants are not specifically addressed. In addition, neither the *Code of Iowa* nor the IAC includes an audit requirement. As a result, there is no assurance the procedures performed during the financial statement audits of school districts and other entities sufficiently address the funding received under Shared Visions and the At-Risk K-3 Grants.

A Shared Visions Annual Report is prepared by DE each fiscal year in accordance with section 256A.3(8) of the *Code of Iowa*. However, because the information reported by grantees is not verified, there is no assurance the information reported in the Shared Visions Annual Report is accurate and reliable. In addition, we determined an independent evaluation of the At-Risk K-3 Grants has not been performed since fiscal year 2009.

We have developed certain recommendations and other relevant information we believe should be considered by the Governor, the General Assembly and the Department of Education. Subsequent to the period reviewed, DE implemented changes to both Shared Visions and the At-Risk K-3 Grants which addressed the recommendations made to some extent.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the Department of Education and selected school districts and other entities throughout our review.

  
MARY MOSIMAN, CPA  
Auditor of State

  
WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

April 15, 2013

## **Introduction**

The Department of Education (DE) works with the Iowa State Board of Education to provide oversight, supervision and support for the state education system, which includes public elementary and secondary schools, nonpublic schools which receive state accreditation, area education agencies (AEAs), community colleges and teacher preparation programs. DE administers several programs for early childhood education for children from birth through 3<sup>rd</sup> grade, such as Early ACCESS, the Statewide Voluntary Preschool Program, Early Childhood Special Education, the Iowa Early Intervention Block Grant and the Early Childhood Education At-Risk Grant Programs, including, but not limited to, the Shared Visions Preschool Program (Shared Visions) and the Early Elementary Innovative Grants (At-Risk K-3 Grants).

Our review focused on Shared Visions and the At-Risk K-3 Grants established by Chapter 256A and section 279.51 of the *Code of Iowa*. Shared Visions began in 1987 and is awarded to school districts and other entities with accredited preschool programs to provide services for children ages 3 through 5, including educational support services to parents of at-risk children from birth through age 3. The At-Risk K-3 Grants began in 1990 and are awarded to school districts to provide services to at-risk children from kindergarten through 3<sup>rd</sup> grade. Section 279.51 of the *Code* specifies the funds appropriated to DE for at-risk programs are to be allocated to the following:

- school districts with elementary schools demonstrating the greatest need for programs for at-risk students with preference given to innovative programs for the early elementary school years,
- the Child Development Coordinating Council (CDCC) to continue funding for programs previously awarded and to provide additional grants under section 256A.3 of the *Code*, to award grants to school districts to establish programs for 3-year old to 5-year old at-risk children which are a combination of preschool and full-day kindergarten and to provide grants for educational support services for parents of at-risk children age birth through 3 years and
- AEAs to assist school districts in developing program plans and budgets and to assist school districts in meeting other responsibilities in early childhood education.

The CDCC was established by section 256A.2 of the *Code* to promote the provision of child development services to at-risk 3-year old and 4-year old children. In accordance with section 256A.3 of the *Code*, the CDCC was to develop a definition of at-risk children, including income, family structure, the child's level of development and the availability or accessibility of a Head Start or other child care program for the child. The CDCC is comprised of 9 members, including:

- the directors of 3 state agencies, including DE,
- the administrator of the Division of Child and Family Services of the Department of Human Services,
- an early childhood specialist of an AEA,
- a representative from each of the 3 State Universities and
- a resident of the State who is a parent of a child who is or has been served by a federal Head Start program.

To administer the funding appropriated and regulations specified under Chapter 256A and section 279.51 of the *Code*, DE established the following chapters within the Iowa Administrative Code (IAC) [281] Education Department:

- Chapter 64, "Child Development Coordinating Council" and
- Chapter 65, "Innovative Programs for At-Risk Early Elementary Students."



## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

Both Chapters 64 and 65 of the IAC define an “at-risk student” as a student meeting one or more of the following primary and secondary risk factors:

- Primary Risk Factor – A school district applying for early elementary at-risk funding shall give primary consideration to students in low-income families as required by rules 281-64.7 and 281-65.4 of the IAC.
- Secondary Risk Factors – Rules 281-64.8 and 281-65.5 of the IAC require a school district applying for early elementary at-risk funding give consideration to students who:
  - are functioning below chronological age in two or more developmental areas, as determined by an appropriate professional,
  - were born at biological risk, such as low birth weight, or with a diagnosed medical disorder,
  - were born to a parent who was under the age of 18,
  - reside in a household where one or more of the parents or guardians has not completed high school, has been identified as a substance abuser or chronically mentally ill or is incarcerated, illiterate or a child or spouse abuser or
  - are subject to other special circumstances, such as being in foster care or homeless.

### **Objectives, Scope and Methodology**

#### **Objectives**

Our review was conducted to determine whether Shared Visions and the At-Risk K-3 Grants were appropriately administered, met program purposes, goals and objectives and whether DE and the school districts and other entities (grantees) receiving funds complied with applicable laws, rules and guidelines.

#### **Scope and Methodology**

To gain an understanding of Shared Visions and the At-Risk K-3 Grants, we:

- interviewed personnel from DE and reviewed applicable laws, rules and guidelines to gain an understanding of Shared Visions and the At-Risk K-3 Grants,
- identified the program purposes established by legislation and the goals and objectives for DE and the grantees established by the grant agreements for Shared Visions and the At-Risk K-3 Grants,
- reviewed the amounts expended by selected grantees to ensure compliance with sections 256A.3 and 279.51 of the *Code*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements,
- reviewed and evaluated the annual reports submitted to DE by selected grantees to determine whether the grantees complied with sections 256A.3 and 279.51 of the *Code*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements and to determine whether grantees reported progress toward achievement of the goals and objectives,
- compared actual expenditures reported to DE by selected grantees to the actual expenditures recorded in the accounting records of the selected grantees to determine whether the actual expenditures reported were accurate and properly supported,

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

- reviewed and evaluated the monitoring process performed by DE to ensure funds awarded to the grantees were in compliance with sections 256A.3 and 279.51 of the *Code*, Chapters 281-64 and 281-65 of the IAC, the grant applications and the grant agreements and were used to achieve the program purposes, goals and objectives of Shared Visions and the At-Risk K-3 Grants,
- reviewed and evaluated the Shared Visions Annual Report prepared by DE to determine compliance with section 256A.3(8) of the *Code* and
- reviewed and evaluated the independent evaluation reports submitted by the Edward Zigler Center in Child Development and Social Policy at Yale University (the Zigler Center) for the At-Risk K-3 Grants to determine compliance with section 279.51(3) of the *Code*.

We reviewed the program purposes, goals and objectives and compliance requirements for Shared Visions and the At-Risk K-3 Grants and selected 16 grantees receiving Shared Visions funding and 8 elementary schools receiving At-Risk K-3 Grant funding for testing. We obtained and reviewed Shared Visions and At-Risk K-3 Grant expenditures, including payroll, from the selected grantees to determine whether expenditures were appropriate or reasonable compared to the goals and objectives established by the grant agreements and the established budgets for the period July 1, 2006 through June 30, 2011. We also discussed the program purposes, goals and objectives with DE personnel to determine whether DE evaluates progress toward, or achievement of, the State purpose of promoting the provision of services to at-risk 3-year olds to 5-year olds and the specific goals and objectives established for the grantees receiving Shared Visions or At-Risk K-3 Grant funding or whether DE should recommend the program purposes, goals and objectives be modified.

In addition, we reviewed the requirements included in the at-risk program legislation to determine whether all requirements had been complied with and properly applied. We also reviewed and evaluated DE's monitoring of funding awarded under Shared Visions and the At-Risk K-3 Grants, including the annual reports submitted by grantees.

We discussed the administration of Shared Visions and the At-Risk K-3 Grants, including compliance requirements and program purposes, goals and objectives, with representatives of DE to determine whether any changes had been made in fiscal year 2012. In addition, fiscal year 2012 financial information is included in this report for comparative purposes, but was not subject to our review procedures.

Shared Visions and the At-Risk K-3 Grants are discussed in further detail in the following sections of this report. Because the funding allocated for those programs comprised approximately 89% of the total funding appropriated for at-risk programs, we did not review the funding allocated to the AEAs, the funding designated for administrative costs incurred by DE or the funding awarded for the provision of educational support services to parents.

### **Program Administration**

DE is responsible for administration of Shared Visions and the At-Risk K-3 Grants. DE, in conjunction with the CDCC, awards funding under Shared Visions to school districts and other grantees serving at-risk children ages birth through 3 years. However, DE is solely responsible for allocating funding under the At-Risk K-3 Grants, which are primarily awarded to elementary schools demonstrating the greatest need for programs for at-risk students.

The CDCC primarily advises DE regarding administration and implementation of Shared Visions. The CDCC also advocates for comprehensive child development and family support programs for at-risk children and families.

**Funding** – Section 279.51 of the *Code* specifies the allocation of the funds appropriated for at-risk programs. **Table 1** summarizes the allocation of the total net appropriation to Shared

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

Visions, the At-Risk K-3 Grants, the AEAs and DE for program administration for fiscal years 2007 through 2012. **Schedule 1** summarizes the preschool grant payments made under Shared Visions by school district or other grantee and **Schedule 2** summarizes the payments made under the At-Risk K-3 Grants by school district and elementary school for fiscal years 2007 through 2012. As illustrated by the **Schedules**, for the most part, DE awarded Shared Visions and the At-Risk K-3 Grants to the same 46 school districts and 24 other grantees each fiscal year.

**Table 1**

Fiscal Year	Shared Visions			At-Risk K-3 Grants	AEAs	Administration	Total Net Appropriation
	Preschool Grants	Parent Support	Total				
2007	\$ 6,853,046	727,106	7,580,152	3,140,804	246,777	287,685	11,255,418
2008	7,682,193	815,259	8,497,452	3,510,992	275,864	265,004	12,549,312
2009	7,581,429	803,031	8,384,460	3,458,327	275,864	252,842	12,371,493
2010	7,022,114	741,677	7,763,791	3,194,096	250,965	163,199	11,372,051
2011	6,989,429	741,677	7,731,106	3,194,096	250,965	253,001	11,429,168
2012	6,540,234	691,069	7,231,303	2,976,148	233,839	282,600	10,723,890
Total	\$42,668,445	4,519,819	47,188,264	19,474,463	1,534,274	1,504,331	69,701,332

Both Shared Visions and the At-Risk K-3 Grants were reduced during fiscal year 2009 as a result of a 1.5% across-the-board State budget reduction required by Executive Order Number 10 issued on December 22, 2008. Shared Visions and the At-Risk K-3 Grants were reduced again during fiscal year 2010 as a result of a 10% across-the-board State budget reduction required by Executive Order Number 19 issued October 8, 2009. We were unable to determine a specific reason for the decrease in fiscal year 2012.

Shared Visions is disbursed to grantees on a quarterly basis approximately July 15, October 1, January 2 and April 1 each fiscal year. However, the At-Risk K-3 Grants are disbursed to grantees 3 times each fiscal year, as follows:

- 50% of the total grant award is paid upon acceptance of the grant agreement by both DE and the grantee,
- 40% of the total grant award is paid in December of the fiscal year and
- 10% of the total grant award is paid after DE approves the year-end report submitted by the grantee.

### **Shared Visions**

Rule 281-64.6 of the IAC requires the Shared Visions preschool grants be awarded on a competitive basis to child development programs for at-risk 3-year old and 4-year-old children and public school child development programs for at-risk 3-year old through 5-year old children. In accordance with rule 281-64.10 of the IAC, the CDCC is to announce the opening of an application period through public notice. However, DE, in conjunction with the CDCC, does not use a competitive process and has not held an open application period as required. Rather, DE implemented a grant continuation process which allows for the awarding of preschool grants to the school districts and other entities originally selected after inception of the program. As a result, the same grantees have been receiving preschool grants for several years without competition.

According to representatives of DE, they believed the CDCC would consider holding an open application period; however, they also stated the CDCC would have concerns with doing so. Specifically, there are concerns private entities and Head Start programs would not be able to compete with public school districts and receive Shared Visions funding. The DE

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

representatives also stated, although the preschool grants are not awarded competitively, the current grantees need for the funding is evaluated and the grantees are required to report the eligibility statistics of the children served in the year-end narrative reports. However, without obtaining information from the school districts and other entities not receiving Shared Visions funding, DE cannot ensure those school districts and other entities with the most need are awarded funding. See **Finding A**.

School districts and other entities submitting a grant application must provide information to DE regarding the following criteria in accordance with rule 281-64.9(1) of the IAC:

- provision of a comprehensive child development program,
- limited class size and pupil-teacher ratios,
- provision of parental involvement,
- demonstration of community support,
- utilization of services provided by other community agencies,
- use of qualified teachers,
- existence of a plan for program evaluation including, but not limited to, measurement of student outcomes and
- developmentally appropriate practices.

In addition, rule 281-64.9(2) of the IAC requires the grant application contain:

- a program summary,
- research documentation,
- identification and documentation of the local at-risk population,
- letters of community support and
- a program budget describing the intended use of grant funds, including administration costs not exceeding 10% of the total award, and documenting the required “in-kind contributions” from other revenue sources of the grantee equal at least 20% of the total grant award.

Based on our observations, the program summary contains a general program description portraying the overall vision of the program funded by the grant, description of the community resources available and parent and staff involvement, specified program goals, how local resources will be used to attain the specified goals and planned collaborative efforts to be used to provide services to children and families.

Rule 281-64.12 of the IAC requires a rating team, comprised of individuals with expertise in child development programs and fiscal management, to rank the grant applications submitted based on a review of the above information. However, because DE does not use a competitive process, the rating team has not been convened for this purpose. See **Finding A**. DE notifies successful applicants on behalf of the CDCC and provides each applicant a grant agreement for signature. The grant agreement must be signed by an authorized official and returned to DE prior to the award of any grant funds.

In addition to the primary risk factor defined for at-risk students, rule 281-64.7 of the IAC specifies at least 80% of the funded available enrollment slots for at-risk 3-year olds to 5-year olds be directed to serve children reaching the specified age on or before September 15 of the contract year and rule 281-64.8 of the IAC specifies up to 20% may be filled by children who:

- are 3 to 5 years of age on or before September 15,

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

- are above the income eligibility guidelines, provided they are served on a sliding fee schedule and
- meet the secondary risk factors defined for at-risk students.

According to representatives of DE, Shared Visions does not fund specific students but rather funds “slots” to be filled by the grantee, defined as the number of children 3 to 5 years of age to be served according to the approved grant application. For example, if the grantee’s approved application specifies 16 students will be served under Shared Visions, at least 13 of those students must meet the primary risk factor and be of age on or before September 15 and up to 3 of those students may be above the income eligibility guidelines as long as they are of age on or before September 15 and meet the secondary risk factors.

The grantees receiving Shared Visions preschool grant funding must document the number of children enrolled under both primary and secondary eligibility and the criteria used for enrollment. However, the number of children enrolled has not been allocated between primary and secondary eligibility since the original applications were submitted at the inception of the program. The grantees include this allocation on the year-end report submitted on an annual basis. See the “Monitoring and Reporting” section within the “Shared Visions” section of this report for further discussion of the year-end reports. In addition, rule 281-64.15 of the IAC requires grantees to maintain records which include, but are not limited to:

- information on children and families served,
- direct services provided to children,
- a record of expenditures and
- other appropriate information specified by the CDCC necessary for the overall evaluation of the program.

According to rule 281-64.15 of the IAC, grantees are required to participate in the Self-Study and Accreditation Program of the National Academy of Early Childhood Programs within 2 years of the date of initial funding and provide quarterly reports including information detailing progress toward goals and objectives, expenditures and services. Failure to submit the quarterly reports by the due date results in a suspension of funding.

We selected 16 grantees awarded Shared Visions preschool grants during fiscal years 2007 through 2011 for testing. **Table 2** summarizes the preschool grants tested, total preschool grants awarded and the percent tested for fiscal years 2007 through 2011.

**Table 2**

<b>Fiscal Year</b>	<b>Preschool Grants Tested</b>	<b>Total Preschool Grants Awarded</b>	<b>Percent Tested</b>
2007	\$ 1,490,085	6,853,046	21.7%
2008	1,670,507	7,682,193	21.7
2009	1,665,436	7,581,429	22.0
2010	1,479,909	7,022,114	21.1
2011	1,483,572	6,989,429	21.2
Total	\$ 7,789,509	36,128,211	21.5%

**Table 3** summarizes the preschool grants awarded to each of the grantees tested for fiscal years 2007 through 2011.

**A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

**Table 3**

Grantee	Fiscal Year				
	2007	2008	2009	2010	2011
Cedar Rapids Step-Up Preschools:					
Garfield	\$ 62,407	70,307	69,217	63,969	64,853
Grant	50,059	56,121	55,522	51,312	52,022
Monroe	62,714	69,963	69,557	64,283	63,962
Polk and Hiawatha	182,354	204,434	202,252	186,916	189,499
Roosevelt	215,204	241,261	238,686	220,587	219,484
Children and Families of Iowa	56,842	63,725	67,332	-	-
Des Moines:					
Capitol View Elementary	150,952	169,230	167,424	154,728	153,954
McKinley Elementary	157,886	180,146	178,223	164,709	163,886
Moulton Early Learning Center	160,689	177,003	175,114	161,835	161,026
Zack Hamlett Children's Center	51,390	57,612	56,998	52,676	53,404
Drake University Head Start:					
Highland Park	56,842	63,725	67,332	63,737	63,418
Norwalk	55,712	62,458	61,792	57,106	57,895
Iowa City:					
Hills Elementary	71,925	80,633	79,772	73,724	74,742
Twain Elementary	55,436	62,149	65,667	62,161	61,850
Lamoni Kaleidoscope	46,071	51,648	51,097	47,223	46,875
Perry Area Child Development Center	53,602	60,092	59,451	54,943	55,7032
Total	\$ 1,490,085	1,670,507	1,665,436	1,479,909	1,483,572

As part of our testing, we determined whether DE and/or each of the 16 grantees selected:

- complied with the eligibility identification procedures, as required by rules 281-64.6 through IAC 281-64.8 of the IAC,
- included the required application information in accordance with rule 281-64.9 of the IAC, as discussed above,
- obtained the signature of an authorized official on the certification and assurance statements included in the renewal application, as required by DE in the grant application instructions,
- obtained the signatures of authorized officials from DE and the grantee and submitted the grant agreement prior to funds being received in accordance with rule 281-64.12(4) of the IAC,
- maintained the required records in accordance with rule 281-64.15(1) of the IAC,
- provided quarterly reports in accordance with rule 281-64.15(4) of the IAC and
- obtained CDCC approval for any revisions to the project budget in excess of 10% of a budget category, as applicable, in accordance with rule 281-64.18 of the IAC.

In addition, we tested the preschool grants received by the 16 selected grantees for compliance with criteria based on best business practices, as follows:

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- maintenance of a separate ledger or budget category for grant revenues and expenditures,
- proper recording of the 4 payments received from DE each fiscal year and
- expenditure compliance with the approved budget, project plan, program summary and grant agreement.

As a result of our testing, we identified several areas of concern, which are summarized in the following paragraphs.

**Grant Applications** – We reviewed the grant renewal applications for each of the 16 selected grantees for compliance with the criteria required by rule 281-64.9(1) of the IAC. However, because the grants are awarded to the same grantees each fiscal year, DE does not require the grantees to address the required criteria as part of the grant renewal application process. Rather, according to representatives of DE, grantees submit year-end narrative reports which include the information and data related to those criteria. See the “Monitoring and Reporting” section within the “Shared Visions” section of this report for further discussion of the year-end narrative reports.

According to representatives of DE, the application process has remained the same, in part due to budget constraints. However, the grantees were required to address the required criteria in their original applications and any changes made to the administration of the program by a grantee are to be communicated to DE. In addition, the DE staff member responsible for review of the Shared Visions applications stated, effective with fiscal year 2013, DE requires the grantees provide a program description on the grant application and a copy of the accreditation certificate received from the National Association for the Education of Young Children (NAEYC) as part of their application. The DE representatives further stated they felt the CDCC would be open to considering a change to the application process for Shared Visions.

In addition, the grant files maintained by DE for each of the 16 grantees tested for fiscal years 2007 through 2009 (48 grant files) did not include the following required by rule 281-64.9(2) of the IAC:

- a program summary,
- letters of community support or
- identification and documentation of the local at-risk population.

We were also unable to locate either the renewal application or the certification and assurance statements for fiscal year 2007 for Capitol View Elementary within the Des Moines Independent Community School District (CSD). According to representatives of DE and certain grantees, the grant renewal application process, the documentation maintained in the grant files and the year-end reporting process were the same for fiscal years 2010 through 2012 as in previous fiscal years. We observed the grant applications, grant agreements and year-end expenditure and narrative reports from fiscal year 2012 for 4 of the 16 selected grantees and did not identify any significant changes from previous fiscal years.

According to representatives of DE, the program summaries, letters of community support and identification and documentation of the local at-risk population were submitted by each school district and other entity applying for preschool grants with the original grant applications, which in most cases was several years ago. We attempted to observe the original grant applications for each of the 16 selected grantees to determine whether the required documentation was submitted and whether the program summaries addressed the requirements of rules 281-64.9(1) and 281-64.9(2) of the IAC. However, the electronic grant files maintained by DE only contained the renewal grant applications for 11 of the 16 selected grantees, ranging from the early to mid-1990s, and the year-end expenditure and narrative reports from the 1990s for the remaining 5 selected grantees.

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According to representatives of DE, all changes to the administration of the program, including goals and objectives, are to be communicated to DE and DE notifies the CDCC of all changes. They further stated the CDCC has identified core services which it expects the grantees to maintain within their budgets. For example, between 2000 and 2009, grantees often requested to cease transportation services to reduce costs. DE ensures any changes or updates are in compliance with the program purpose of Shared Visions while staying within the constraints of the grantees' budgets. However, because DE did not require the grantees to submit updated program summaries during fiscal years 2007 through 2012, we are unable to determine whether any grantees made changes to the program, whether changes made were communicated to DE or whether DE agreed with and approved any changes made by the grantees. See **Finding B**.

**Monitoring and Reporting** – DE is responsible for monitoring the use of Shared Visions preschool grant funds and grantees' progress toward achieving program goals. As previously stated, rule 281-64.15(4) of the IAC requires grantees to submit quarterly reports detailing progress toward goals and objectives, expenditures and services provided. However, DE does not require grantees to submit a detailed quarterly report. Rather, DE allows grantees to electronically submit a detailed year-end report, including quarterly expenditure information, on an annual basis. See **Finding C**.

The year-end report includes a 4-part expenditure report, as follows:

- Form 1 contains the grantee's contact information and certification statement,
- Form A summarizes the approved grant budget by budget category and the actual quarterly expenditures,
- Form B summarizes the "in-kind contributions" provided by the grantee and
- Form C summarizes the equipment inventory of the program.

According to representatives of DE, the year-end expenditure reports received are reviewed for completeness, mathematical accuracy and compliance with maximum allowable percentages of total expenditures, such as no more than 10% for administration.

Along with the expenditure report, grantees also electronically submit a year-end narrative report (Form D), which summarizes:

- the number of classrooms funded,
- the number of children served,
- program cost per child,
- the date the current accreditation expires,
- community partners,
- collaborative relationships within the community which benefit children,
- parent involvement,
- assessment of student growth and progress,
- the level of teacher education and training,
- curriculum type and
- a brief success story demonstrating the impact of the preschool programs or projects.

According to representatives of DE, the annual audit reports for grantees receiving Shared Visions are also reviewed for any concerns related to Shared Visions. In addition, they stated



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there is no statutory requirement for on-site visits of grantees receiving Shared Visions and any concerns related to the grantees' use of funds should be addressed in the annual audit report. According to the DE representatives, there have not been any audit findings related to Shared Visions in the last 3 years.

In accordance with section 11.6 of the *Code*, an audit of school districts is to include all funds, including categorical funding. Categorical funding is financial support from the State and federal government targeted for particular categories of students, special programs or special purposes which often has restrictions on its use. Because Shared Visions is required to be used in accordance with sections 279.51 and 256A.3 of the *Code*, it meets the definition of categorical funding. DE developed the "Document Review Checklist and Non-Regulatory Guidance for School Districts" for auditors and on-site monitoring teams regarding review of the use of categorical funding. However, this guidance does not specifically address the requirements of Shared Visions. As a result, there is no assurance the procedures performed during a financial statement audit address the Shared Visions funding received by school districts.

Although DE personnel review the year-end expenditure and narrative reports submitted by grantees and the annual audit reports, DE does not perform any independent verification procedures, such as on-site visits, to review the accounting records and corresponding supporting documentation to ensure grant expenditures are allowable in accordance with the approved grant agreement, project plan and budget and to ensure the grant expenditures are properly recorded and adequately supported. In addition, although the number of children enrolled under both primary and secondary eligibility is included in the year-end report, DE does not independently verify the accuracy of the enrollment information.

DE relies on the grantees receiving preschool grants to properly code and report grant expenditures. In addition, representatives of DE stated reliance is placed on the financial statement audits and the accreditation process performed by NAEYC for grantees rather than performing on-site monitoring with DE personnel. However, completion of financial statement audits and the external accreditation process does not replace DE's fiduciary responsibility regarding oversight and monitoring of Shared Visions. As illustrated by **Table 1**, DE receives an appropriation each fiscal year for administration of Shared Visions and the At-Risk K-3 Grants, which totaled approximately \$1.5 million from fiscal year 2007 through fiscal year 2012. See **Finding D**.

We reviewed the year-end narrative reports submitted to DE by the 16 selected grantees for fiscal years 2007 through 2009. Although the year-end narrative reports contain necessary statistical information as required, there are no clear goals or objectives reported on by the grantees. The grantees include a brief success story of a student to exemplify the impact of the preschool program; however, the goals and objectives included in the program summaries submitted with the original grant applications are not routinely reported on or evaluated to determine the success of the program and whether the program is meeting its intended purpose. According to representatives of DE and certain grantees, the information submitted on the year-end narrative reports did not change significantly in fiscal years 2010 through 2012. As previously stated, we observed the year-end narrative reports from fiscal year 2012 for 4 of the 16 selected grantees and did not identify any significant changes from previous fiscal years. As a result, we did not perform a detailed review of the year-end narrative reports for the 16 selected grantees for those fiscal years.

According to representatives of DE, DE entered into a licensing agreement with Teaching Strategies, LLC, effective August 1, 2011, for use of "Teaching Strategies GOLD<sup>®</sup>," an online assessment system used by DE and the grantees to compile all student data, including assessment data. All students in Iowa, including each student participating in Shared Visions, is assigned a unique identification number which allows DE to track the development and performance of those students as they progress through elementary school and beyond.

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DE implemented “Teaching Strategies GOLD®” during fiscal year 2012 and required grantees to begin using the system that same fiscal year. According to the CDCC policy regarding child assessment, dated July 20, 2011, DE’s goal was to establish a common statewide assessment tool to collect consistent information about all preschoolers attending Shared Visions preschool programs. In addition to Shared Visions, DE uses “Teaching Strategies GOLD®” to evaluate the Statewide Voluntary Preschool Program, Head Start and the Area Education Agencies. Grantees and other entities using “Teaching Strategies GOLD®” register for an account and remit \$10.45 per child per year to use the service. The CDCC allows grantees to use program evaluation funds to pay a portion of this cost.

Because fiscal year 2012 was the first year of implementation, DE was not confident in the accuracy of data provided by grantees. Therefore, DE continued to provide training for grantees on use of the system and worked with grantees on the accuracy and reliability of data. Currently, DE is offering additional training to grantees to ensure successful implementation of “Teaching Strategies GOLD®” and the new reporting requirements. According to DE representatives, grantees are required to use “Teaching Strategies GOLD®” to enter data into the year-end narrative reports submitted to DE beginning with fiscal year 2013. However, DE is relying on the grantees for accuracy and validity and does not plan to perform any independent verification of the data reported. See **Finding D**.

Because DE did not require grantees to report progress toward the goals and objectives established for the preschool program for which the grant funds were originally requested and a formal assessment system had not been implemented prior to fiscal year 2012, DE was unable to perform a comprehensive evaluation of the program to ensure the grantees were meeting the intended purpose of the program. See **Finding E**.

Section 256A.3(8) of the *Code* requires the CDCC to submit recommendations to the Governor and the General Assembly regarding the need for investment in child development services in the State on an annual basis. In response to this requirement, DE, in conjunction with the CDCC, summarizes the year-end data submitted by grantees and includes recommendations in the Shared Visions Annual Report, as follows:

- program administration, including CDCC and DE responsibilities,
- the mission of the CDCC, including its advocacy role regarding children and families and ensuring the development, delivery and promotion of quality child development services,
- the program description, including preschool programs and parent support programs,
- total grant funding, the number of grants awarded and the number of classrooms served,
- the number and age of children served in preschool programs by fiscal year for the most recent 5 fiscal years,
- preschool evaluation, including classroom quality measures and child outcomes, such as:
  - fall teacher reports of children’s developmental status,
  - direct assessment of children’s language and cognitive skills,
  - teacher reports regarding children’s social and emotional skills and
  - early literacy skills at kindergarten enrollment,
- a summary of overall findings and conclusions regarding the developmental progress of children served by Shared Visions and
- future needs, such as on-going efforts to enhance overall classroom quality, strengthen curricular offerings and enhance teachers’ competence within Shared Visions preschool programs.

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DE plans to use the year-end data recorded in “Teaching Strategies GOLD®” to complete a more comprehensive evaluation of Shared Visions for inclusion in the January 2014 Shared Visions Annual Report. However, because DE does not verify the accuracy of the information reported by grantees, there is no assurance information reported in the Shared Visions Annual Report is accurate and reliable. In addition, “Teaching Strategies GOLD®” and the Shared Visions Annual Report may not be accurate tools to measure the success of Shared Visions. See **Finding D**.

**Budget and Expenditures** – We examined expenditure records for each of the 16 selected grantees to determine whether the preschool grant funds were spent in accordance with section 279.51 of the Code, rule 281-64.15 of the IAC and the grant agreement. **Table 4** summarizes the combined total actual expenditures by category based on accounting records obtained from the 16 selected grantees for fiscal years 2007 through 2011. As illustrated by the **Table**, the majority of grant funds, approximately 94.1%, were used for teacher and other staff salaries and benefits.

**Table 4**

Category	Fiscal Year					Total
	2007	2008	2009	2010	2011	
Salaries and benefits	\$ 1,544,179	1,626,506	1,652,530	1,429,263	1,358,792	7,611,270
Administration	47,076	55,100	47,511	17,863	72,486	240,036
Supplies	24,736	66,224	21,929	23,795	37,449	174,133
Other	1,248	25,485	220	8,988	23,353	59,294
Total	\$ 1,617,239	1,773,315	1,722,190	1,479,909	1,492,080	8,084,733

Rule 281-64.9(2) of the IAC specifies administrative costs are not to exceed 10% of the total grant award. In addition, according to the budget forms submitted with the grantee applications, DE requires grantees to also limit supplies costs to 10% of the total grant award. However, during our review of the grantees’ expenditure records, we identified inconsistencies in the costs included by the grantees as administration, supplies and other. According to a representative of DE, grantees are required to use the chart of accounts included in the Uniform Financial Accounting Manual adapted by DE, which defines instructional, non-instructional and administrative costs. In addition, the representative stated Shared Visions are categorical funds and DE expects the use of categorical funds to directly relate to the program. He further stated program costs primarily include salaries and benefits for teachers and aides and instructional materials.

We identified supplies expenditures, such as snacks for students, recorded by Lamoni Kaleidoscope which did not appear to be related to the program. According to a representative of Lamoni Kaleidoscope, all supplies expenditures were recorded as instructional costs and were directly related to the services provided under the program. However, according to a representative of DE, these costs should not have been recorded as costs of Shared Visions, but rather should have been recorded to another relevant program, such as the National School Lunch Program, or the General Fund. We also identified rental costs and waste management services which had been included in the approved budget as “Other” for the Zack Hamlett Children’s Center within the Des Moines Independent CSD. According to a representative of Des Moines Independent CSD, these costs are interpreted to be and are recorded as instructional support costs in the accounting records. In addition, the representative stated the interpretation of those costs aligns with other Federal grant programs, such as Head Start. However, according to a representative of DE, the rent and waste management services recorded as instructional support costs by Des Moines Independent CSD are considered administrative costs by DE and should not have been an expenditure of Shared Visions. Instead, the costs should have been an expenditure of the

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General Fund, the Physical Plant and Equipment Levy, the School Infrastructure Local Option Sales and Services Tax or another revenue source of the school district.

Although grantees provide a budget form as part of their Shared Visions application, it does not appear the allowable costs for each budget category have been clearly defined by DE. In addition, there does not appear to be clear expectations established by DE for the costs to be included as direct program expenditures and costs to be covered by other revenue sources of the grantee. See **Finding F**.

We also compared the grant award, the actual expenditures reported to DE on Form A of the year-end expenditure report and the actual expenditures recorded in the accounting records for each of the 16 grantees selected for fiscal years 2007 through 2011. This comparison is summarized in **Schedule 3**.

As illustrated by the **Schedule**, the actual expenditures reported to DE on Form A did not agree with the grant award on 39 occasions. Of the 39 variances identified, 36 are due to grantees reporting program evaluation expenditures which were paid by the grantee. Because the program evaluation expenditures are paid by the grantee from another revenue source, those expenditures should have been reported to DE on Form B of the year-end expenditure reports. The remaining 3 variances are a result of expenditures in excess of the grant award funded by another revenue source which were improperly reported on Form A rather than Form B. See **Finding F**.

According to representatives of DE, there has been a lot of confusion on behalf of the grantees regarding reporting program evaluation expenditures. An aspect of program evaluation relates to child assessments, which are paid for by DE. The portion of the Shared Visions funding related to the cost of these assessments is held by DE and not provided to the grantees. However, some grantees still report these costs on Form A of the year-end expenditure reports. The DE representatives further stated they are in the process of clarifying this with the grantees. In addition, DE plans to revise the grant agreements and year-end expenditure reports to exclude the program evaluation category to eliminate grantees' confusion, effective for fiscal year 2014.

Also as illustrated by the **Schedule**, the actual expenditures reported to DE on Form A did not agree with the actual expenditures recorded by grantees in their accounting records on 78 occasions. Of the variances identified which do not relate to the Cedar Rapids CSD, 15 resulted from actual expenditures recorded exceeding both the grant award and the amount reported to DE on Form A. Because the excess expenditures were funded by other revenue sources of the grantees, the grantees should have reported those expenditures to DE on Form B as "in-kind contributions." In addition, the grant expenditures should have been recorded separately from "in-kind contributions" to allow both the grantees and DE to monitor the allowable use of grant funds and to ensure the "in-kind contributions" equal at least 20% of the total grant award.

Of the remaining 63 variances, 45 relate to the Cedar Rapids CSD. Most of the remaining 18 variances result from program evaluation expenditures reported to DE on Form A which were not recorded with other grant expenditures. As previously stated, because the program evaluation expenditures are paid by another revenue source of the grantee, those expenditures should have been reported to DE on Form B. See **Finding F**.

The 45 variances identified for the Cedar Rapids CSD are primarily due to the Step-Up Preschools and Education Services Center for which the grant funds were used. Although specific Step-Up Preschools were named in the grant awards, Cedar Rapids CSD used grant funds received for Step-Up Preschools other than those named in the grant agreements, as well as the Education Services Center, for fiscal years 2007 through 2011. **Table 5** summarizes the variances identified for fiscal year 2011.

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**Table 5**

<b>Cedar Rapids CSD Locations</b>	<b>Grant Award</b>	<b>Actual Expenditures Reported</b>	<b>Award to Reported Expenditures Variance</b>	<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
Step-Up Preschools:					
Cleveland	\$ -	-	-	77,167	77,167
Garfield	64,853	65,179	326	-	(65,179)
Grant	52,022	52,278	256	73,624	21,346
Harrison	-	-	-	18,329	18,329
Monroe	63,963	64,284	321	47,683	(16,601)
Polk and Hiawatha	189,498	190,433	935	244,578	54,145
Roosevelt	219,484	220,587	1,103	-	(220,587)
Taylor	-	-	-	58,721	58,721
Education Services Center	-	-	-	69,718	69,718
<b>Total</b>	<b>\$ 589,820</b>	<b>592,761</b>	<b>2,941</b>	<b>589,820</b>	<b>(2,941)</b>

As illustrated by the **Table**, Cedar Rapids CSD reported actual expenditures to DE under the specific Step-Up Preschools named in the grant agreements rather than reporting actual expenditures by the Step-Up Preschools and Education Services Center recorded in the accounting ledgers. However, as also illustrated by the **Table**, the actual expenditures recorded in the District’s records did not exceed the total amount awarded. The \$2,941 variance between the total grant award and the actual expenditures reported is primarily attributable to program evaluation expenditures reported to DE.

According to representatives of Cedar Rapids CSD, DE chose to continue using the original school names for the grants awarded each year since inception of the preschool grants. When we initially inquired of DE about the variances for Cedar Rapids CSD, representatives of DE stated if Cedar Rapids CSD requested a change to the Step-Up Preschool for which the funding was to be used, the request would have been approved if a legitimate reason was provided. However, we were unable to locate any documentation for either the requests or subsequent approvals. At a later date, other DE representatives stated DE personnel were likely not aware of the changes made by Cedar Rapids CSD unless there was a building closure for which prescribed procedures would have been followed. Because no documentation was maintained of any communication between DE and Cedar Rapids CSD, we are unable to determine whether the changes made by Cedar Rapids CSD were discussed with and approved by DE. See **Finding F**.

We discussed the variances identified between the grant awards, actual expenditures reported on Form A and actual expenditures recorded by the grantees with DE personnel. Although the DE representatives we spoke with acknowledged these records would all reconcile in an ideal world, they were not concerned variances had been identified. According to a DE representative, if a grantee does not expend the full amount of the grant award, the unspent portion is reverted at the end of the fiscal year. As a result, he was not concerned with grantees “underspending.” He further stated grantees should not spend funds if they do not have a legitimate reason or need. However, DE has not implemented sufficient monitoring procedures to ensure grantees have spent grant funds received in accordance with program requirements. See the “Monitoring and Reporting” section within the “Shared Visions” section of this report for further discussion of the monitoring procedures performed by DE. In addition, although the unspent portion of Shared Visions funding reverts at year-end, as illustrated by **Table 6**, we only identified 4 grantees which reverted Shared Visions funding totaling \$141,345.94 during the period of our review.

**Table 6**

<b>Fiscal Year</b>	<b>Grantee</b>	<b>Amount</b>
2008	Operation: New View	\$ 685.00
2009	Community Action of Southeast Iowa	19,359.52
2010	Community Action of Southeast Iowa	1,108.53
2012	Des Moines Independent CSD	120,192.89
Total		<u>\$ 141,345.94</u>

Because the grantees are required to provide “in-kind contributions” of at least 20% of the total grant award, actual expenditures recorded in the accounting records should exceed the grant award for each grantee. However, the actual expenditures recorded should not exceed the combined actual expenditures reported to DE on Forms A and B of the year-end expenditure reports. Based on a review of the accounting records for the 16 selected grantees, the grantees did not consistently record grant expenditures separately from “in-kind contributions.” As a result, we were unable to reconcile the accounting records to Forms A and B for all grantees and, in some instances, we were also unable to reconcile the combined total from Forms A and B to the accounting records. As previously stated, DE does not independently verify the expenditures reported by the grantees. Therefore, there is no assurance expenditures are properly reported, recorded or allocated between grant funds and “in-kind contributions.” See **Finding D**.

We also identified concerns regarding the use of and accounting for the preschool grants by the grantees. See **Finding F**. The results of our testing are summarized as follows:

- Perry Area Child Development Center – Grant funds were not recorded separately in the accounting records in accordance with rule 281-64.15 of the IAC. However, Center personnel were able to prepare and provide us with a summary of salaries and benefits covered by grant funds when requested.
- Zack Hamlett Children's Center (Des Moines Independent CSD) – DE released the grant funds for fiscal year 2008 45 days prior to receipt of the fiscal year 2007 year-end expenditure report. The signed grant agreement for fiscal year 2008 required the fiscal year 2007 year-end expenditure report be submitted to DE by July 31, 2007. In addition, according to the grant agreement, failure to submit the report by the due date would result in the suspension of financial payments until the report was received.

According to representatives of DE, if misspending by a grantee was identified, the resolution of the situation would depend on the timing. There would be several options, including having the grantee transfer funds from another revenue source, reclassifying the expenditure to the General Fund of the grantee or modifying the grant award for the subsequent fiscal year.

**Early Elementary Innovative Grants (At-Risk K-3 Grants)**

The At-Risk K-3 Grants are supported by State appropriated funds to assist school districts in addressing the needs of kindergarten through 3rd grade students who are at risk of educational failure. These targeted funds are intended to support:

- low pupil-teacher ratios,
- class size reduction,
- parent involvement,
- utilization of services provided by other community agencies,
- developmentally appropriate practices and
- innovative program designs in elementary schools.

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Rule 281-65.3 of the IAC requires the At-Risk K-3 Grants be awarded on a competitive basis to school districts with a high percentage of low-income families, defined as a family meeting the current income eligibility guidelines for free and reduced price meals in a local school as documented in the year in which the application is made. In addition, rule 281-65.3 of the IAC specifies priority will be given to school programs which integrate at-risk children with the rest of the school population. Rule 281-65.7 of the IAC requires DE to announce the opening of an application period through public notice. However, DE does not use a competitive process and has not held an open application period as required. Rather, DE implemented a grant continuation process which allows for the awarding of At-Risk K-3 Grants to the school districts originally selected upon inception of the program. As a result, the same grantees have been receiving At-Risk K-3 Grants for several years without competition.

According to representatives of DE, the At-Risk K-3 grants were originally awarded to 24 school districts in accordance with a legislative mandate from the 1990s and a grant renewal process to continue awarding the At-Risk K-3 Grants to the same 24 school districts each fiscal year was implemented. Supporting documentation for the selection of the original 24 school districts was not available from DE when requested. The 24 school districts receiving funding complete and submit a grant continuation application to DE for approval each year, which includes a program narrative, identification of grant objectives and a proposed program budget.

Renewal of the At-Risk K-3 Grants is allowed by section 279.51(1) of the *Code*, which states, in part, "The grant allocations made in this paragraph may be renewed for additional periods of time." In addition, rule 281-65.9(4) of the IAC states, "The department shall have the final discretion to award funds. The decision to renew existing grants or instead to reopen the entire grant process rests with the department." However, section 279.51(1) of the *Code* also requires grants to be awarded to school districts with elementary schools demonstrating the greatest need. Therefore, it is reasonable to expect DE would periodically evaluate whether there have been any significant changes in the at-risk needs of the 24 school districts originally selected and whether any other school districts can demonstrate a greater need for the At-Risk K-3 Grants.

According to representatives of DE, the At-Risk K-3 Grant application process was significantly revised for fiscal year 2014. DE notified all current grantees their continuing award would officially end in fiscal year 2013. DE then evaluated the eligibility of all school districts and notified those deemed eligible for At-Risk K-3 Grant funding an open application period would be held. School districts previously receiving At-Risk K-3 Grants are able to reapply if they were deemed eligible.

To evaluate the eligibility of all school districts, DE first identified the school districts with the highest level of students in impoverished families. From the school districts identified, DE then isolated the highest poverty level buildings containing students in kindergarten through 3<sup>rd</sup> grade to identify the school districts eligible to apply for At-Risk K-3 Grants. According to representatives of DE, the eligibility of all school districts will be evaluated in this manner each fiscal year. See **Finding G**.

School districts submitting a grant application must provide information to DE regarding the following criteria in accordance with rule 281-65.6(1) of the IAC:

- integration of at-risk children with the rest of the school population,
- limited class size,
- limited pupil-teacher ratios,
- provision of parental involvement,
- demonstration of community support,
- utilization of services provided by other community agencies,
- provision of appropriate guidance counseling services,

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- use of teachers with an early childhood endorsement,
- innovation and comprehension in program design,
- existence of a plan for program evaluation including, but not limited to, measurement of student outcomes and
- developmentally appropriate practices.

In addition, rule 281-65.6(2) of the IAC requires the grant application contain:

- a program summary,
- research documentation,
- identification and documentation of the local at-risk population,
- letters of community support and
- a program budget describing the intended use of grant funds, including administration costs not exceeding 10% of the total award, and documenting the required “in-kind contributions” from other revenue sources of the grantee equal to at least 25% of the total grant award.

In the grant continuation applications, DE also requires the grantees to address 10 goal areas and specify whether they will be continued or changed for the next fiscal year. See the “Monitoring and Reporting” section within the “Shared Visions” section of this report for further discussion of the 10 goal areas.

Rule 281-65.9 of the IAC requires a rating team, comprised of individuals with expertise in early elementary school programs and fiscal management and an understanding of the at-risk population, to rank the grant applications submitted based on a review of the above information. Additional emphasis, not to exceed 30% of the total score, is given to applicants based on the percentage of low-income families within each district-size category. The additional points awarded are to be based on the free and reduced price lunch percentage of either the individual buildings within the school district or of the school district itself, whichever is higher. However, because DE did not use a competitive process, the rating team has not been convened for this purpose. According to representatives of DE, a rating team was convened for the purpose of reviewing, evaluating and selecting which school districts were awarded At-Risk K-3 Grants for fiscal year 2014. An evaluation form was implemented which included specific criteria and a point system to be used by the rating team to score each application submitted. The At-Risk K-3 Grants were awarded to the school districts with the highest scores. See **Finding G**.

In accordance with rule 281-65.12 of the IAC, the grantees receiving At-Risk K-3 Grants are responsible for maintaining records and submitting a year-end report to DE which include, but are not limited to:

- information on children served,
- direct services provided to children,
- a record of expenditures,
- overall program goals and
- other appropriate information specified by DE necessary for the overall evaluation of the program.

We selected 8 of the 24 elementary schools awarded At-Risk K-3 Grants during fiscal years 2007 through 2011 for testing. **Table 7** summarizes the At-Risk K-3 Grants tested, total At-Risk K-3 Grants awarded and the percent tested for fiscal years 2007 through 2011.



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**Table 7**

<b>Fiscal Year</b>	<b>At-Risk K-3 Grants Tested</b>	<b>Total At-Risk K-3 Grants Awarded</b>	<b>Percent Tested</b>
2007	\$ 1,184,106	3,140,804	37.7%
2008	1,323,669	3,510,992	37.7
2009	1,303,815	3,458,327	37.7
2010	1,204,197	3,194,096	37.7
2011	1,204,195	3,194,096	37.7
<b>Total</b>	<b>\$ 6,219,982</b>	<b>16,498,315</b>	<b>37.7%</b>

**Table 8** summarizes the At-Risk K-3 Grants awarded to each of the grantees tested for fiscal years 2007 through 2011.

**Table 8**

<b>School District</b>	<b>Elementary School</b>	<b>Fiscal Year</b>				
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Cedar Rapids	Polk	\$ 172,848	193,221	190,323	175,781	175,781
Cedar Rapids	Taylor	179,117	200,228	197,225	182,156	182,155
Des Moines	Capitol View	179,117	200,228	197,225	182,156	182,155
Des Moines	Carver	178,606	199,657	196,662	181,636	181,636
Des Moines	Moulton	179,117	200,228	197,225	182,156	181,155
Iowa City	Horace Mann	139,469	155,908	153,569	141,836	141,836
Lamoni	Lamoni	88,663	99,113	97,626	90,167	90,168
Marshalltown	Woodbury	67,169	75,086	73,960	68,309	68,309
<b>Total</b>		<b>\$ 1,184,106</b>	<b>1,323,669</b>	<b>1,303,814</b>	<b>1,204,197</b>	<b>1,204,195</b>

As part of our testing, we determined whether DE and/or each of the 8 grantees selected:

- complied with the eligibility identification procedures required by rules 281-65.3 through 281-65.4 and 281-65.6 of the IAC,
- included the required application information in accordance with rule 281-65.6 of the IAC, as discussed above,
- included the program narrative or plan in accordance with section 279.51 of the Code,
- obtained the signature of an authorized official on the certification and assurance statements included in the renewal application, as required by DE in the grant application instructions,
- obtained the signatures of authorized officials from DE and the grantee in accordance with rule 281-65.11 of the IAC,
- maintained the required records and submitted a year-end report in accordance with rule 281-65.12 of the IAC and
- obtained DE approval for any revisions to the project budget in excess of 10% of a budget category, as applicable, in accordance with rule 281-65.15 of the IAC.

In addition, we tested the At-Risk K-3 Grants received by the 8 selected grantees for compliance with criteria based on best business practices, as follows:

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- maintenance of a separate ledger or budget category for grant revenues and expenditures,
- proper recording of the payments received from DE each fiscal year and
- expenditure compliance with the approved grant agreement, budget and project plan.

As a result of testing, we identified several areas of concern, which are summarized in the following paragraphs.

**Grant Applications** – We identified several instances of non-compliance for each of the 8 grantees tested (24 grant files) for fiscal years 2007 through 2009. See **Finding H**. The results of our testing are summarized as follows:

- we were unable to determine whether the applications addressed the criteria required by rule 281-65.6(1) of the IAC because the criteria were only addressed in the original applications submitted to DE several years ago. The original grant applications and other related information could not be located and representatives of DE believe the records were destroyed in accordance with DE's record retention schedule.
- none of the 24 grant files maintained by DE contained research documentation or letters of community support as required by rule 281-65.6(2) of the IAC.
- 5 applications were submitted after the application deadline, including:
  - 1 for Taylor Elementary and 1 for Polk Elementary within the Cedar Rapids CSD and 1 for Horace Mann Elementary within the Iowa City CSD for fiscal year 2007 and
  - 1 for Taylor Elementary within the Cedar Rapids CSD and 1 for Woodbury Elementary within the Marshalltown CSD for fiscal year 2008.
- 5 applications did not address the 10 goal areas or include a statement regarding continuation of previous plans to meet the specified goals, including 3 for Polk Elementary within the Cedar Rapids CSD for fiscal years 2007 through 2009 and 2 for Horace Mann Elementary within the Iowa City CSD for fiscal years 2008 through 2009.
- an application for fiscal year 2008 submitted by Capitol View Elementary within the Des Moines Independent CSD documents children served in 4<sup>th</sup> or 5<sup>th</sup> grade.
- an application for fiscal year 2008 submitted by Horace Mann Elementary within the Iowa City CSD was not signed by school officials.
- an application for fiscal year 2009 submitted by Carver Elementary within the Des Moines Independent CSD did not include the status or progress for 1 of the required grant objectives.

According to representatives of DE and certain grantees, the grant renewal application process, the documentation maintained in the grant files and the year-end reporting process were the same for fiscal years 2010 through 2012 as in previous fiscal years. We observed the grant renewal applications, grant agreements and year-end expenditure and narrative reports from fiscal year 2012 for 2 of the 8 selected grantees and did not identify any significant changes from previous fiscal years.

**Monitoring and Reporting** – DE is responsible for monitoring the use of the At-Risk K-3 Grants and school districts' progress toward achieving program goals. In accordance with rule 281-65.12 of the IAC, DE requires school districts to submit a year-end report which includes expenditures by budget category and a summary of program information, such as:

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- student enrollment for kindergarten through 3<sup>rd</sup> grade,
- the number and percentage of students receiving free and reduced price lunch for each building within the school district and for the total population in kindergarten through 3<sup>rd</sup> grade,
- the student/counselor ratio in the building named in the grant agreement,
- the student/teacher ratio in the building named in the grant agreement,
- the number of children served in kindergarten through 3<sup>rd</sup> grade,
- the number of students in kindergarten through 3<sup>rd</sup> grade who are reading at grade level and
- a program narrative.

The year-end report includes 2 columns requiring the grantee to report actual grant expenditures separately from actual “in-kind contributions” provided by the grantee from other revenue sources. According to representatives of DE, the year-end reports are reviewed for accuracy. A spreadsheet was developed in which specified data points from the grantees’ year-end reports are entered. DE personnel then review the spreadsheet to identify trends and determine whether the grantees implemented what they stated they would. However, none of the information from the year-end reports is independently verified by DE prior to compilation of the spreadsheet, including the free and reduced price lunch percentages. As previously stated, the primary basis for demonstrating need for the At-Risk K-3 Grants is the number of students from low-income families who meet the current income eligibility guidelines for free and reduced price lunches. See **Finding I**.

According to representatives of DE, the annual audit reports for each school district receiving At-Risk K-3 Grants are reviewed for any concerns related to the At-Risk K-3 Grants. They also stated there is no statutory requirement for on-site visits of school districts receiving At-Risk K-3 Grants and any concerns related to the school districts’ use of grant funds should be addressed in the annual audit. According to the DE representatives, there have not been any audit findings related to the At-Risk K-3 Grants in the last 3 years.

The At-Risk K-3 Grants also meet the definition of categorical funding defined previously. However, as previously stated, the guidance developed by DE for auditors and on-site monitoring teams regarding review of the use of categorical funding does not specifically address the requirements of the At-Risk K-3 Grants. As a result, there is no assurance the procedures performed during a financial statement audit address the At-Risk K-3 Grant funding received by school districts.

Although DE personnel review the year-end reports and the annual audit reports, DE does not perform any independent verification procedures, such as on-site visits, to review the accounting records and corresponding supporting documentation, to ensure grant expenditures are allowable in accordance with the approved grant agreement, project plan and budget and to ensure grant expenditures are properly recorded and adequately supported. DE relies on the school districts receiving At-Risk K-3 Grants to properly code and report grant expenditures. In addition, representatives of DE stated reliance is placed on the financial statement audits performed for school districts rather than performing on-site monitoring with DE personnel. However, completion of financial statement audits does not replace DE’s fiduciary responsibility regarding oversight and monitoring of the At-Risk K-3 Grants. As previously stated, as illustrated by **Table 1**, DE receives an appropriation each fiscal year for administration of Shared Visions and the At-Risk K-3 Grants, which totaled approximately \$1.5 million from fiscal year 2007 through fiscal year 2012. See **Finding I**.

As previously stated, DE requires each grantee to address 10 goal areas in the grant applications. The goal areas are:

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- integration of at-risk students within the total population,
- social and emotional development/development of responsibility,
- artistic and aesthetic development,
- physical health and well-being,
- cognitive development,
- staff certification/development,
- class size and ratio,
- partnerships with parents,
- school-community partners and
- innovative goals unique to the program.

We reviewed the grant applications submitted by the 8 selected grantees and determined the information reported by grantees is not consistent. As previously stated, we identified grant applications which did not address the specified goals. In addition, while certain grantees included detailed information regarding progress or new programs, such as successful reading programs, parent partnerships and school-community partners, we identified several instances where the grantees indicated no change for each goal area. DE does not verify and evaluate the goal information submitted to determine whether the programs funded by the At-Risk K-3 Grants are meeting program goals and achieving the intended purpose. In addition, some of the goals are not measurable and/or verifiable, such as social and emotional development/development of responsibility, artistic and aesthetic development and physical health and well-being. As a result, it is difficult to evaluate whether the grantees are meeting the specified goals and achieving the intended purpose of the program.

According to representatives of DE, there was not clear alignment of the goals and objectives with the intended program purpose prior to the revision of the application process in fiscal year 2014. In addition, there was not sufficient documentation to demonstrate how the grantees were measuring the goals. See **Finding J**.

The revised application more clearly defines the information to be included in the application and more clearly addresses the requirements contained in rules 281-65.4 through 281-65.6 of the IAC through the following sections:

- needs assessment – requires applicants to define the target population, program goals and measurable objectives which are aligned with the overall goals of the school district and statements of intended measurable outcomes.
- program design – requires applicants to provide a clear picture of the innovative and comprehensive program, including implementation, recruitment of the target population and the evaluation/assessment process. Specifically, applicants must describe how the funding will be used to address the physical, emotional, social and cognitive development needs of the At-Risk K-3 students.
- collaboration – requires applicants to explain how the program will provide parental involvement, demonstrate community support, utilize services provided by community resources and provide appropriate guidance counseling services.
- evaluation – requires applicants to describe the plan for evaluating the program, including, but not limited to, the assessments administered in kindergarten through 3<sup>rd</sup> grade, current achievement levels and measurement of student outcomes. Methods to measure goals could include use of the Character Counts program, use of the Positive Behavioral Interventions and Supports continuum or monitoring the number of office referrals for discipline.

In addition, representatives of DE stated they are revising the At-Risk K-3 Grant year-end report forms for fiscal year 2014 to more closely align with the new application and related

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requirements contained in chapter 281-64 of the IAC. According to a DE official, because “Teaching Strategies GOLD®” is specifically designed to address preschool age children, it cannot be used as an evaluation tool for the At-Risk K-3 Grants. As a result, DE does not currently have a meaningful assessment tool to evaluate student progress and the success of the At-Risk K-3 Grants. According to a representative of DE, although assessment systems have been established beginning with students in 3<sup>rd</sup> grade, there is currently no assessment tool available for students in kindergarten through 3<sup>rd</sup> grade. He further stated DE is considering available options for future evaluation of student progress and the At-Risk K-3 Grants. See **Finding J**.

**Budget and Expenditures** – We examined expenditure records for each of the 8 selected grantees to determine whether the At-Risk K-3 Grant funds were spent in accordance with section 279.51 of the Code, rule 281-65.12 of the IAC and the grant agreement. **Table 9** summarizes the combined total actual expenditures by category based on accounting records obtained from the 8 selected grantees for fiscal years 2007 through 2011. As illustrated by the **Table**, the majority of grant expenditures, approximately 95.2%, were for teacher and other staff salaries and benefits.

**Table 9**

Category	Fiscal Year					Total
	2007	2008	2009	2010	2011	
Salaries and benefits	\$ 1,154,655	1,236,738	1,196,723	1,173,029	1,154,067	5,915,212
Supplies	17,951	72,368	88,233	27,924	31,810	238,286
Travel	2,434	1,447	1,115	581	1,060	6,637
Other	11,840	13,236	13,236	5,717	10,160	54,189
Total	\$ 1,186,880	1,323,789	1,299,307	1,207,251	1,197,097	6,214,324

We also compared the grant award, the actual grant expenditures reported to DE and the actual expenditures recorded in the accounting records for each of the 8 grantees selected for fiscal years 2007 through 2011. This comparison is summarized in **Schedule 4**. DE was unable to locate the year-end expenditure reports for fiscal year 2010. As a result, we were unable to determine if the actual grant expenditures reported reconciled to the grant awards for that fiscal year. See **Finding K**.

As illustrated by the **Schedule**, on 11 occasions, the actual grant expenditures reported to DE did not agree with the grant award. See **Finding K**. Of the 11 variances identified:

- 7 of the 8 variances identified for fiscal year 2009 resulted from the grantees reporting expenditures based on the original grant awards rather than the actual grant awards received. The grant awards for fiscal year 2009 were reduced by budget reductions subsequent to their approval.
- 2 variances resulted from the final grant award not being properly reported. In fiscal year 2009, the final approved grant award for Taylor Elementary within the Cedar Rapids CSD was \$197,225. However, the actual expenditures reported were based on the anticipated award of \$179,616. In fiscal year 2011, Woodbury Elementary within the Marshalltown CSD received grant funding of \$61,478. However, the approved grant agreement included a grant award of \$68,309. After the grant agreement was approved, the grant award was reduced by 10%. Although the reduced grant award was not reflected on the report submitted to DE, the actual expenditures reported agreed with the revised grant award.
- A variance resulted from actual expenditures reported by Woodbury Elementary within the Marshalltown CSD exceeding the grant award by \$22,573 for fiscal year 2007. Excess expenditures reported were funded by other revenue sources of Marshalltown CSD and should have been reported as “in-kind contributions.”
- A variance resulted from program evaluation expenditures being included in actual expenditures reported by Horace Mann Elementary within the Iowa City CSD for fiscal year 2011.

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Also as illustrated by the **Schedule**, the actual grant expenditures reported to DE did not agree with the actual expenditures recorded by grantees in their accounting records on 14 occasions. See **Finding K**. Of the 14 variances identified, a variance resulted from the actual expenditures recorded exceeding both the grant award and the amount reported to DE for Horace Mann Elementary within the Iowa City CSD for fiscal year 2007. Because the excess expenditures were funded by other revenue sources, those expenditures should have been reported to DE as “in-kind contributions.” In addition, the grant expenditures should have been recorded separately from “in-kind contributions” to allow both the grantee and DE to monitor the allowable use of grant funds and to ensure the “in-kind contributions” equal at least 25% of the total grant award.

Of the remaining 13 variances identified:

- 6 variances resulted from school districts not accurately reporting supplies expenditures. However, we were unable to determine the reason for the inaccuracies based on available supporting documentation.
- 2 variances resulted from Cedar Rapids CSD expending \$6,269 of the grant award for Taylor Elementary for services provided at Polk Elementary in fiscal year 2007.
- A variance resulted from excess expenditures reported by Woodbury Elementary within the Marshalltown CSD not being recorded with other grant expenditures for fiscal year 2007.
- A variance resulted from the program evaluation expenditures reported by Horace Mann Elementary within the Iowa City CSD not being recorded with other grant expenditures for fiscal year 2011.
- A variance resulted from salary expenditures which were not accurately reported for Capitol View Elementary within the Des Moines Independent CSD for fiscal year 2008.
- A variance resulted from Horace Mann Elementary within the Iowa City CSD reporting expenditures based on the original grant award for fiscal year 2009 rather than the actual grant award received. In addition, supplies and travel expenditures for fiscal year 2009 were not accurately reported for Horace Mann Elementary.
- A variance resulted from Lamoni Elementary reporting expenditures based on the original grant award for fiscal year 2009 rather than the actual grant award received.

We discussed the variances identified between the grant awards, actual grant expenditures reported and actual expenditures recorded with DE personnel. Although the DE representatives we spoke with acknowledged these records would all reconcile in an ideal world, they were not concerned variances had been identified. According to a DE representative, if a grantee does not expend the full amount of the grant award, the unspent portion is reverted at the end of the fiscal year. As a result, he was not concerned with grantees “underspending.” He further stated grantees should not spend funds if they do not have a legitimate reason or need. However, DE has not implemented sufficient monitoring procedures to ensure grantees have spent grant funds in accordance with program requirements. See the “Monitoring and Reporting” section within the “At-Risk K-3 Grants” section of this report for further discussion of the monitoring procedures performed by DE. In addition, we did not identify any grantees which reverted At-Risk K-3 Grant funding during the period of our review.

Because the grantees are required to provide “in-kind contributions” of at least 25% of the total grant award, actual expenditures recorded in the accounting records should exceed the grant award for each grantee. However, the actual expenditures recorded should not exceed the combined actual expenditures reported to DE in the year-end reports. Based on a review of the accounting records for the 8 selected grantees, the grantees did not consistently record grant expenditures separately from “in-kind contributions.” As a result, we were unable to reconcile

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the accounting records to the year-end reports for all grantees. As previously stated, DE does not independently verify the expenditures reported by the grantees. Therefore, there is no assurance expenditures are properly reported, recorded or allocated between grant funds and “in-kind contributions.” See **Finding I**.

We also identified concerns regarding the use of the At-Risk K-3 Grants by the grantees. See **Finding K**. The results of our testing are summarized as follows:

- Moulton Elementary within the Des Moines Independent CSD – In fiscal year 2008, \$31,898 of the At-Risk K-3 Grants received were used for the salary of a 4th grade teacher. In accordance with section 279.51 of the *Code*, rule 281-65.2 of the IAC and the grant agreement, the At-Risk K-3 Grants are required to be used to serve students in kindergarten through 3rd grade only. A representative of the Des Moines Independent CSD confirmed the \$31,898 was used to pay a 4th grade teacher. According to the representative, the teacher was previously a 3rd grade teacher; however, the Des Moines Independent CSD Central Office was not informed when Moulton Elementary officials moved the teacher to 4th grade. As a result, the teacher’s salary continued to be funded by the At-Risk K-3 Grant.
- Capitol View Elementary within the Des Moines Independent CSD – In fiscal year 2008, the Principal was reimbursed \$215 from the At-Risk K-3 Grants for the purchase of a camcorder. However, the program purpose of the camcorder was not included in the grant documentation. According to a representative of the Des Moines Independent CSD, the camcorder was purchased for use in videotaping students and teachers regarding progress throughout the year. The recordings were viewed at meetings with parents to show student activities and provided documentation needed to complete the year-end narrative report.

According to representatives of DE, if misspending by a grantee was identified, the resolution of the situation would depend on the timing. There would be several options, including having the grantee transfer funds from another revenue source, reclassifying the expenditure to the General Fund of the grantee or modifying the grant award for the subsequent fiscal year. The DE representatives we spoke with concurred At-Risk K-3 Grant funding should not be used for salary for a 4th grade teacher.

**Program Evaluation** – Section 279.51(1)(c) of the *Code* states, “School districts receiving grants under this paragraph shall at a minimum provide activities and materials designed to encourage children’s self-esteem, provide role modeling and mentoring techniques in social competence and social skills and discourage inappropriate drug use.” In addition, rule 281-65.1 of the IAC includes a broad program purpose of providing innovative in-school programming. There is not clear alignment of the program purpose included in the *Code* with the 10 goal areas included on the At-Risk K-3 Grant applications. As a result, we were unable to determine whether DE evaluates whether the program is meeting its intended purpose. As previously stated, according to representatives of DE, there was not clear alignment of the program purpose included in the *Code* with the goal areas included on the At-Risk K-3 application prior to the revision of the application in fiscal year 2014. See **Finding J**.

Section 279.51(3) of the *Code* authorizes DE to seek assistance from foundations and public and private agencies in the evaluation of the programs funded by the At-Risk K-3 Grants. For fiscal years 2007 through 2009, DE contracted with the Zigler Center to evaluate the At-Risk K-3 Grants rather than completing an internal evaluation. Each year, after completing its review, the Zigler Center compiled an evaluation report titled, “The Iowa Innovative Early Elementary Program Serving At-Risk Students in Kindergarten through Third Grade,” which summarizes the results from an examination of a core set of data focused on 3 research questions related to population served, the services provided and the impact on students. In addition, the evaluation for fiscal year 2009 included an additional focus question regarding the extent to which the grantees reach out to and involve parents and community-based agencies.

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A summary of the focus questions and related results from the Zigler Center review for fiscal year 2009 is as follows:

- What is the population served and has it changed over time?
  - Grantee schools continue to serve students who are at high risk for educational failure. Their vulnerability and needs are documented in the number of students on free or reduced lunch, the number of students for whom English is a second language (ESL) and the number of migrant or transient students who either left or entered the school during the academic year.
- How has the grant program been implemented and what changes, if any, occurred in the provision of services?
  - The programs and services offered by each grantee vary based on the needs of the students and families of each building within a school district. Some programs are offered by a majority of participating school districts, while others are specific for a school district or building within the school district. The most frequently provided services among the grantees are full-day kindergarten, after-school childcare for multi-age or school-age students, home visits, full-day summer school and a mentor-tutor program. The year-end reports document the programs and services provided by the grantees have experienced several changes since fiscal year 2008, most notably, in reductions in the scope of services provided.
- What impact did the grant program have on students?
  - Despite the changes in services, it appears the grant program continues to impact student achievement. Possible indicators of program success include the number and percentage of students retained at the same grade level, the number and percentage of special education students served within the population, the number of students reading at grade level and school climate. Positive school climate indicates the school is conducive to learning and has an overall supporting and motivating environment.

The grantee school districts have experienced an increase in total enrollment, as well as rising poverty among the population served, an increased number of ESL students and a 23% turnover in student population. However, despite these factors, the retention of students at the same grade level has declined from 0.8% in 1999 to 0.7% in 2009. In addition, the percentage of special education students served declined from 1999 to 2009, from 5.4% to 3.7%. However, the number of students reading at grade level has increased. Based on general school climate data, all categories of respondents rated school climate within a range of 25 to 29 out of a possible score of 36.
- Did the grantees reach out to and involve parents and community-based agencies?
  - Grantees worked effectively with the community. In addition to the network of school district employees, including teachers, staff and administration, there was extensive collaboration with an extended network within the community to meet the needs of students and families. Along with individual volunteers, numerous community-based agencies contributed to the provision of programs and services to the students and families at each of the grantees. The school districts referred families to outside community-based agencies, as well as encouraging the community-based agencies to work directly at a building within the school district.

However, because DE did not verify the accuracy of the information reported by grantees in the year-end reports, such as student data and actual expenditures, there is no assurance information reported in the fiscal year 2009 Zigler Center evaluation was accurate and reliable. In addition, according to representatives of DE, no external independent program evaluation of the At-Risk K-3 Grants has been completed for fiscal years 2010 through 2012. See **Finding L**.



## **Findings and Recommendations**

We reviewed Shared Visions and the At-Risk K-3 Grants in conjunction with our audit of the financial statements of the State of Iowa and in accordance with Chapter 11 of the *Code of Iowa* to determine whether Shared Visions and the At-Risk K-3 Grants were administered in compliance with applicable laws, rules and guidelines and to determine whether Shared Visions and the At-Risk K-3 Grants are meeting program goals and expectations. As a result, we identified certain findings and recommendations regarding Shared Visions and the At-Risk K-3 Grants which should be considered by the Governor, the Legislature and DE. Our findings and recommendations are summarized below.

### **FINDING A – Shared Visions Competitive Award**

DE does not use a competitive process to award preschool grants each fiscal year and has not held an open application period, as required by rules 281-64.6 and 281-64.10 of the IAC. Rather, DE implemented a grant continuation process which allows for the awarding of preschool grants to the school districts and other entities originally selected after inception of the program. As a result, the same school districts and other entities have been receiving preschool grants for several years without competition.

In addition, because DE does not use a competitive process, the rating team required by rule 281-64.12 of the IAC has not been convened.

Recommendation – DE should implement procedures to hold an open application period and award preschool grants on a competitive basis as required. In addition, the rating team should be assembled to review and rank the applications submitted.

Response – The DE will convene a study team to review developing procedures to hold an open application process for a 5-year cycle. The DE has been concerned that the current preschool grants only fund 50% of needed finances to support these at-risk preschool programs. A re-application process may decrease the number of grants awarded with fewer 3-year-old children having access to preschool.

Conclusion – Response acknowledged. Should the study team believe the open application process is not the most efficient, effective method to administer the preschool grants, DE should work with the Administrative Rules Review Committee to repeal or amend the applicable IAC rule(s).

### **FINDING B – Shared Visions Application Compliance**

We identified several areas of non-compliance for the 16 grantees tested, as follows:

- Because the grants are awarded to the same grantees each fiscal year, DE does not require the grantees to address the criteria required by rule 281-64.9(1) of the IAC as part of the grant renewal application process. Rather, DE requires grantees submit year-end reports which include the information and data related to those criteria.
- None of the grant files maintained by DE contained a program summary, letters of community support or identification and documentation of the local at-risk population as required by rule 281-64.9(2) of the IAC. According to representatives of DE, this information would have been submitted by the school districts and other entities with the original grant applications, which in most cases was several years ago. We attempted to observe the original grant applications for each of the 16 selected grantees. However, the electronic grant files maintained by DE only contained the renewal grant applications for 11 of the 16 selected grantees and the year-end expenditure and narrative reports for the remaining 5 selected grantees.

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According to representatives of DE, all changes to the administration of the program, including goals and objectives, are to be communicated to DE by the grantees. However, because DE did not require the grantees to submit updated program summaries, we were unable to determine whether any grantees made changes to the program, whether changes made were communicated to DE or whether DE agreed with and approved any changes made by the grantees.

- We were unable to locate either the grant renewal application or the certification and assurance statements for fiscal year 2007 for Capitol View Elementary within the Des Moines Independent CSD.

Recommendation – DE should implement procedures to ensure the grant renewal applications address the criteria required by rule 281-64.9(1) of the IAC. If DE believes it is more appropriate to obtain this information at year-end, it should seek to amend the language of the IAC to be consistent with current practice. In addition, current copies of the program summaries, letters of community support and identification and documentation of the local at-risk population should be reviewed by DE and maintained in the grant files. The updated information contained in the grant files should be used by DE to determine whether the preschool grants should be continued for the current grantees or if another school district or entity has demonstrated a greater need for the funding.

Response – The DE will review the grant renewal application process, will adjust the process to comply with the above recommendation, and will amend the language of the IAC as needed.

Conclusion – Response accepted.

### **FINDING C – Shared Visions Quarterly Reports**

DE does not require grantees to submit a detailed quarterly report in accordance with rule 281-64.15(4) of the IAC. Rather, DE allows grantees to electronically submit a detailed year-end report on an annual basis, which includes quarterly expenditure information.

Recommendation – DE should require submission of a detailed quarterly report, as required. Otherwise, DE should seek to amend the language in the IAC to be consistent with current practice if it is deemed sufficient.

Response – The DE will review the quarterly report process for needed adjustments, will adjust the process to comply with the above recommendation, and amend the language of the IAC as needed.

Conclusion – Response accepted.

### **FINDING D – Shared Visions Monitoring**

On an annual basis, grantees submit both a year-end expenditure report and a year-end narrative report summarizing grant expenditures, program data and progress toward the goals and objectives stated in the program summaries submitted with the original grant applications. Although DE personnel review the year-end expenditure and narrative reports submitted, DE does not perform any independent verification procedures, such as on-site visits, to review the accounting records and corresponding supporting documentation, to ensure grant expenditures and “in-kind contributions” are allowable in accordance with the approved grant agreement, project plan and budget and to ensure grant expenditures are properly recorded and adequately supported. In addition, although the number of children enrolled under both primary and secondary eligibility is included in the year-end report, DE does not independently verify the accuracy of the enrollment information.

According to representatives of DE, grantees are required to use “Teaching Strategies GOLD®” to enter data in the year-end narrative reports submitted to DE beginning with fiscal year

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

2013. However, DE is relying on the grantees for accuracy and validity and does not plan to perform any independent verification of the data reported. Because DE does not verify the accuracy of the information reported by grantees, there is no assurance information reported in “Teaching Strategies GOLD®” or the Shared Visions Annual Report is accurate and reliable.

DE relies on the school districts and other entities receiving preschool grants to properly code and report grant expenditures. According to representatives of DE, reliance is placed on the financial statement audits performed for school districts and other entities rather than performing on-site monitoring with DE personnel. However, completion of financial statement audits does not replace DE’s fiduciary responsibility regarding oversight and monitoring of Shared Visions. As illustrated by **Table 1**, DE receives an appropriation each fiscal year for administration of Shared Visions and the At-Risk K-3 Grants, which totaled approximately \$1.5 million from fiscal year 2007 through fiscal year 2012.

In addition, although DE developed guidance for auditors and on-site monitoring teams, it does not specifically address the requirements of Shared Visions. As a result, there is no assurance the procedures performed during a financial statement audit address the Shared Visions funding received by school districts and other entities.

Recommendation – DE should implement procedures to ensure preschool grant information reported by grantees is complete, accurate and sufficient to allow assessment of program success. Monitoring procedures should include periodic on-site reviews of grant records to ensure grantees are in compliance with the requirements established in the *Code*, IAC and grant agreements and to verify and compare the information reported to supporting documentation, including, but not limited to, verification of:

- the use of grant funds to ensure expenditures are for the intended purpose, properly recorded and sufficiently supported,
- the accuracy of the student population statistical data supporting the at-risk determination and
- the information reported in the year-end narrative reports regarding progress toward the goals and objectives stated in the program summaries submitted with the original grant applications.

Because of the magnitude of categorical funding streams, DE should consider reviewing the use of and reported data for the various funding streams, including Shared Visions, on a rotating basis.

Response – The DE will review the Shared Visions reporting process to make needed adjustments. The Division of Learner Supports and the Division of School Finance and Support Services will collaborate to support a more robust on-site verification process.

Conclusion – Response accepted.

### **FINDING E – Shared Visions Goals and Objectives**

Although the year-end narrative reports contain necessary statistical information, there are no clear goals or objectives reported on by the grantees. The goals and objectives included in the program summaries submitted with the original grant applications are not routinely reported on or evaluated to determine the success of the program and whether the program is meeting its intended purpose. As a result, DE is unable to perform a comprehensive evaluation of the program to ensure the grantees are meeting the intended purpose of the program.

As previously stated, according to representatives of DE, grantees are required to use “Teaching Strategies GOLD®” to enter data in the year-end narrative reports submitted to DE beginning with fiscal year 2013. DE plans to use the information reported to evaluate the progress of the children served under Shared Visions and the success of the program.

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

**Recommendation** – DE should consider requiring grantees to report progress toward the goals and objectives established on the program summaries submitted with the original grant applications. DE should also consider whether the goals and objectives established by the grantees should be periodically reviewed and updated. In addition, periodic on-site monitoring visits should be performed to independently verify the results reported.

**Response** – The DE will review the grantee reporting process and make needed adjustments to collect program summaries for meeting goals and objectives progress. The Division of Learner Supports will establish an enhanced process for on-site monitoring visits.

**Conclusion** – Response accepted.

### **FINDING F – Shared Visions Expenditures**

Rule 281-64.9(2) of the IAC specifies administrative costs are not to exceed 10% of the total grant award. In addition, according to the budget forms submitted with the grantee applications, DE requires grantees to limit supplies costs to 10% of the total grant award. However, during our review of the grantees' expenditure records, we identified inconsistencies in the costs included by the grantees as administration, supplies and other. Although grantees are required to use the chart of accounts included in the Uniform Financial Accounting Manual adopted by DE, it does not appear the allowable costs for each budget category have been clearly defined by DE. In addition, it does not appear DE has established clear expectations for which costs are to be included as direct program expenditures and which costs are to be covered by other revenue sources of the grantee.

In addition, based on a comparison of the grant award, the actual expenditures reported to DE and the actual expenditures recorded in the accounting records for each of the 16 selected grantees, we identified the following:

- On 39 occasions, the actual expenditures reported to DE did not agree with the grant award. Of those, 36 variances are due to grantees reporting program evaluation expenditures which were paid by the grantee. Because these expenditures are paid by the grantee from another revenue source, those expenditures should have been reported to DE on Form B of the year-end expenditure reports. In addition, of the 78 variances identified between the actual expenditures reported and the actual expenditures recorded, 18 resulted from program evaluation expenditures reported to DE on Form A but not recorded with other grant expenditures.
- 15 variances resulted from actual expenditures recorded exceeding both the grant award and the amount reported to DE on Form A. Because the excess expenditures were funded by other revenue sources of the grantees, the grantees should have reported those expenditures to DE on Form B as "in-kind contributions." In addition, the grant expenditures should have been recorded separately from "in-kind contributions" to allow both the grantees and DE to monitor the allowable use of grant funds and to ensure the "in-kind contributions" equal at least 20% of the total grant award.
- 3 variances resulted from expenditures in excess of the grant award funded by another revenue source of the grantee which were improperly reported on Form A rather than Form B.
- For each fiscal year reviewed, the actual expenditures reported to DE by Cedar Rapids CSD did not accurately reflect which Step-Up Preschools were using the grant as recorded in the accounting records. According to representatives of Cedar Rapids CSD, DE chose to continue using the original school names for the grants awarded each year since inception of the preschool grants. According to representatives of DE, if Cedar Rapids CSD requested a change to the Step-Up Preschool for which the funding was to be used, the request would be approved if a

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

legitimate reason was provided. However, DE did not have documentation of the requests or subsequent approvals in the grant files. At a later date, other DE representatives stated DE personnel were likely not aware of the changes made by Cedar Rapids CSD. Because no documentation was maintained of any communication between DE and Cedar Rapids CSD, we are unable to determine whether the changes made by Cedar Rapids CSD were discussed with and approved by DE.

We also identified concerns regarding the use of and accounting for the preschool grants by grantees, as follows:

- Perry Area Child Development Center did not separately record grant expenditures in the accounting records in accordance with rule 281-64.15 of the IAC. However, Center personnel were able to prepare and provide us with a summary of salaries and benefits covered by the grant when requested.
- DE released the grant funds awarded to Zack Hamlett Children's Center within the Des Moines Independent CSD for fiscal year 2008 45 days prior to receipt of the fiscal year 2007 year-end expenditure report. The signed grant agreement for fiscal year 2008 required the fiscal year 2007 year-end expenditure report be submitted to DE by July 31, 2008 and indicated failure to submit the report by the due date would result in suspension of financial payments until the report was received.

Recommendation – DE should periodically examine detailed expenditure records of grantees to determine whether grant expenditures are properly reported, properly recorded, supported with sufficient documentation and in compliance with the grant agreement, approved budget, program purpose and IAC requirements. In addition, DE should provide grantees specific definitions and clear expectations for each budget category, including instructional costs, administrative costs and program evaluation costs, to ensure the grantees are properly recording and reporting such expenditures. Also, DE should ensure year-end expenditure reports are received and reviewed prior to processing the payment of grants to grantees for the subsequent fiscal year.

Response – The DE Division of School Finance and Support Services will collaborate with the Division of Learner Supports to develop necessary budget guidance and webinars for the Grantees. In the case of school district grantees, this information is already known and available, but non-school district grantees do need additional support and the training developed for them will benefit all grantees.

Conclusion – Response accepted.

### **FINDING G – At-Risk K-3 Grant Competitive Award**

Prior to fiscal year 2014, DE did not use a competitive process to award the At-Risk K-3 Grants each fiscal year and had not held an open application period, as required by rules 281-65.3 and 281-65.7 of the IAC. Rather, DE implemented a grant continuation process which allowed for the awarding of At-Risk K-3 Grants to the 24 school districts originally selected after inception of the program in the 1990s. As a result, the same school districts were receiving At-Risk K-3 Grants for several years without competition. In addition, because DE did not use a competitive process, the rating team required by rule 281-65.9 of the IAC had not been convened.

Although renewal of grant applications is allowed by section 279.51(1) of the *Code* and rule 281-65.9(4) of the IAC, section 279.51(1) of the *Code* also requires grants to be awarded to school districts with elementary schools demonstrating the greatest need. Therefore, it is reasonable to expect DE would periodically evaluate whether there have been any significant changes in the at-risk needs of the 24 school districts originally selected and whether any other school districts can demonstrate a greater need for the At-Risk K-3 Grants.

## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

According to representatives of DE, the At-Risk K-3 Grant application process was significantly revised for fiscal year 2014. DE notified all current grantees their continuing award would officially end in fiscal year 2013. DE then evaluated the eligibility of all school districts and notified those deemed eligible for At-Risk K-3 Grant funding an open application period would be held. School districts previously receiving At-Risk K-3 Grants are able to reapply if they are deemed eligible. According to representatives of DE, the eligibility of all school districts will be evaluated each fiscal year. Because the At-Risk K-3 Grants were again opened to applications, the rating team was convened for the purpose of reviewing, evaluating and selecting which school districts were awarded At-Risk K-3 Grants for fiscal year 2014.

Recommendation – DE should continue to evaluate the eligibility of all school districts on an annual basis, hold an open application period and award the At-Risk K-3 Grants on a competitive basis as required. In addition, DE should continue to convene the rating team to review and rank the applications submitted.

Response – Districts that qualify under the demographic requirements will be notified of eligibility to apply for the grant. A team convenes to review and score the applications using a rubric and determines grant awardees.

Conclusion – Response accepted.

### **FINDING H – At-Risk K-3 Compliance**

We identified several areas of non-compliance for the 8 grantees tested, as follows:

- We were unable to determine whether the applications addressed the criteria required by rule 281-65.6(1) of the IAC because the criteria were only addressed in the original applications submitted to DE several years ago. The original grant applications and other related information could not be located and representatives of DE believe the records were destroyed in accordance with DE's record retention schedule.
- None of the 24 grant files maintained by DE contained research documentation or letters of community support as required by rule 281-65.6(2) of the IAC.
- 5 applications, 3 for fiscal year 2007 and 2 for fiscal year 2008, were submitted after the application deadline.
- 5 applications for fiscal years 2007 through 2009 did not address the 10 goal areas, as required, or include a statement regarding continuation of previous plans to meet the specified goals.
- An application for fiscal year 2008 documents children served who were in 4<sup>th</sup> or 5<sup>th</sup> grade.
- An application for fiscal year 2008 was not signed by school officials.
- An application for fiscal year 2009 did not include the status or progress for 1 of the required grant objectives.

Recommendation – DE should implement procedures to ensure the grant files contain all required documentation and the applications address the criteria required by rule 281-65.6(1) of the IAC. In addition, DE should ensure applications submitted are complete and document appropriate intended use of the grant. If applications are not received by the deadline, DE should consider whether those applications should be approved.

Response – Grant applications will be reviewed by the team to ensure all documents are present. A goal is to place the application online which will assist with assuring documents are submitted.

Conclusion – Response accepted.

**FINDING I – At-Risk K-3 Grant Monitoring**

On an annual basis, grantees submit a year-end report which includes expenditures by budget category and a summary of program information. Although DE personnel review the year-end reports submitted for accuracy, DE does not perform any independent verification procedures, such as on-site visits, to review the accounting records and corresponding supporting documentation to ensure grant expenditures and “in-kind contributions” are allowable in accordance with the approved grant agreement, project plan and budget and to ensure grant expenditures are properly recorded and adequately supported. In addition, DE does not independently verify the free and reduced price lunch percentages reported.

DE relies on the school districts receiving At-Risk K-3 Grants to properly code and report grant expenditures. According to representatives of DE, reliance is also placed on the financial statement audits performed for school districts rather than performing on-site monitoring with DE personnel. However, completion of financial statement audits does not replace DE’s fiduciary responsibility regarding oversight and monitoring of the At-Risk K-3 Grants. As illustrated by **Table 1**, DE receives an appropriation each fiscal year for administration of Shared Visions and the At-Risk K-3 Grants, which totaled approximately \$1.5 million from fiscal year 2007 through fiscal year 2012.

In addition, although DE developed guidance for auditors and on-site monitoring teams, it does not specifically address the requirements of the At-Risk K-3 Grants. As a result, there is no assurance the procedures performed during a financial statement audit address the At-Risk K-3 Grant funding received by school districts.

Recommendation – DE should implement procedures to ensure At-Risk K-3 Grant information reported by grantees is complete, accurate and sufficient to allow assessment of program success. Monitoring procedures should include periodic on-site reviews of grant records to ensure grantees are in compliance with the requirements established in the *Code*, IAC and grant agreements and to verify and compare the information reported to supporting documentation, including, but not limited to, verification of:

- the use of grant funds to ensure expenditures are for the intended purpose, properly recorded and adequately supported,
- the accuracy of the student population statistical data supporting the at-risk determination and
- the information reported by grantees regarding progress toward the goals and objectives included in the approved grant renewal applications and program summaries.

Because of the magnitude of categorical funding streams, DE should consider reviewing the use of and reported data for the various funding streams, including the At-Risk K-3 Grants, on a rotating basis.

Response – Detailed expenditure reports will be submitted and approved prior to reimbursement to the districts. Although it is not possible to conduct onsite visits to all schools annually, a sampling of schools will receive an onsite visit. All grantees are required to submit a year-end report. Planning is underway to develop a program evaluation. Statistical data will be reviewed to determine eligibility for receiving grant funds.

Conclusion – Response accepted.

**FINDING J – At-Risk K-3 Grant Goals and Objectives**

While certain grantees included detailed information regarding progress or new programs, such as successful reading programs, parent partnerships and school-community partners, we identified several instances where the grantees indicated no change for each goal area. DE

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does not verify and evaluate the goal information submitted to determine whether the programs funded by the At-Risk K-3 Grants are meeting program goals and achieving the intended purpose. In addition, some of the goals are not measurable and/or verifiable, such as social and emotional development/development of responsibility, artistic and aesthetic development and physical health and well-being. As a result, it is difficult to evaluate whether the grantees are meeting the specified goals and achieving the intended purpose of the program.

In addition, there was not clear alignment of the program purpose included in the *Code* with the 10 goal areas included on the At-Risk K-3 Grant applications prior to fiscal year 2014. As a result, we were unable to determine whether DE evaluates whether the program is meeting its intended purpose. According to representatives of DE, they concurred there was not clear alignment of the goals and objectives with the intended program purpose prior to the revision of the application process in fiscal year 2014. In addition, there was not sufficient documentation to demonstrate how the grantees were measuring the goals. Representatives of DE stated they are revising the At-Risk K-3 Grant year-end report forms for fiscal year 2014 to more closely align with the new application and related requirements contained in chapter 281-64 of the IAC.

According to a DE official, because “Teaching Strategies GOLD®” is specifically designed to address preschool age children, it cannot be used as an evaluation tool for the At-Risk K-3 Grants. As a result, DE does not currently have a meaningful assessment tool to evaluate student progress and the success of the At-Risk K-3 Grants. According to a representative of DE, although assessment systems have been established beginning with students in 3<sup>rd</sup> grade, there is currently no assessment tool available for students in kindergarten through 3<sup>rd</sup> grade. The representative further stated DE is considering available options for future evaluation of student progress and the At-Risk K-3 Grants.

Recommendation – DE should review the 10 goal areas established for the At-Risk K-3 Grants to ensure they are measurable and verifiable. In addition, DE should review the revised grant applications submitted to ensure the grantees have sufficiently addressed the 10 goal areas as required and provided sufficient detail to enable DE to monitor achievement of the goals and program purpose. DE should continue to explore options for a comprehensive evaluation tool which would allow assessment of both student progress for children served under the At-Risk K-3 Grants and success of the program overall.

Response – Program evaluation is being developed to assist with monitoring goals. End-of-year reports have been revised to align with goals addressed in plan. Data is required to provide progress toward goals.

Conclusion – Response accepted.

### **FINDING K – At-Risk K-3 Grant Expenditures**

DE was unable to locate the year-end expenditure reports for fiscal year 2010. As a result, we were unable to determine whether the actual grant expenditures reported reconciled to the grant awards for that fiscal year.

Based on a comparison of the grant award, the actual grant expenditures reported to DE and the actual expenditures recorded in the accounting records for each of the 8 selected grantees, we identified the following:

- 7 of the 8 selected grantees reported expenditures based on the original grant award rather than the actual grant award for fiscal year 2009. For 1 of the 7 grantees, because the actual expenditures reported were based on the original grant award, the amount exceeded the actual expenditures recorded for the fiscal year.
- 6 variances resulted from school districts not accurately reporting supplies expenditures.



## **A Review of the Shared Visions Preschool Program and Early Elementary Innovative Grants**

- 3 variances resulted from actual expenditures exceeding the grant award for fiscal year 2007. Because the excess expenditures were funded by other revenue sources of the grantee, the excess expenditures should have been reported to DE as “in-kind contributions.” In addition, the excess expenditures were not recorded with other grant expenditures by a grantee.
- 2 variances resulted from Cedar Rapids CSD expending \$6,269 of the grant award for Taylor Elementary for services provided at Polk Elementary in fiscal year 2007.
- 2 variances resulted from the final grant award not being properly reported by Cedar Rapids CSD in fiscal year 2009 and Marshalltown CSD in fiscal year 2011.
- 2 variances resulted from program evaluation expenditures being included in actual expenditures reported for fiscal year 2011. Because the program evaluation expenditures are paid by the grantee from other revenue sources, those expenditures should not be reported. In addition, the program evaluation expenditures were not recorded with other grant expenditures.
- A variance resulted from salary expenditures not being accurately reported for a grantee for fiscal year 2008.
- A variance resulted from a grantee reporting expenditures based on the original grant award for fiscal year 2009 rather than the actual grant award received. In addition, the grantee did not accurately report supplies and travel expenditures for fiscal year 2009.

We also identified concerns regarding the use of the At-Risk K-3 Grants by the grantees, as follows:

- Moulton Elementary within the Des Moines Independent CSD – In fiscal year 2008, \$31,898 of the At-Risk K-3 Grants received were used for the salary of a 4th grade teacher. In accordance with section 279.51 of the *Code*, rule 281-65.2 of the IAC and the grant agreement, the At-Risk K-3 Grants are required to be used to serve students in kindergarten through 3rd grade only.
- Capitol View Elementary within the Des Moines Independent CSD – In fiscal year 2008, the Principal was reimbursed \$215 from the At-Risk K-3 Grants for the purchase of a camcorder. However, the program purpose of the camcorder was not documented in the grant documentation.

Recommendation – DE should periodically examine detailed expenditure records of grantees to determine whether grant expenditures are properly reported, properly recorded, supported by adequate documentation and are in compliance with the grant agreement, approved budget, program purpose and IAC requirements. If DE identifies grant expenditures which do not comply with the specified requirements, it should consider whether the grant funds should be recovered from the grantee. As a result, DE should consider whether it should require Moulton Elementary within the Des Moines Independent CSD to repay the \$31,898 of At-Risk K-3 Grant funds which were not expended in compliance with the *Code*.

Response – Detailed expenditure reports are submitted and reviewed for alignment to budget proposal submitted with grant agreement before funds are distributed.

Conclusion – Response acknowledged. DE should consider whether it should require Moulton Elementary within the Des Moines Independent CSD to repay the \$31,898 of At-Risk K-3 Grant funds which were not expended in compliance with the *Code*. In addition, when DE implements its periodic on-site visits of grantees, it should ensure the procedures include a review of the detailed expenditure records maintained by the grantees, including supporting documentation, to ensure the expenditures are in compliance with the grant agreement, approved budget, program purpose and IAC requirements.

**FINDING L – At-Risk K-3 Grant Program Evaluation**

Because DE did not verify the accuracy of the information reported by school districts in the year-end reports, there is no assurance the information reported in the fiscal year 2009 Zigler Center evaluation was accurate and reliable. In addition, according to representatives of DE, no external independent program evaluation of the At-Risk K-3 Grants has been completed for fiscal years 2010 through 2012.

Recommendation – DE should implement procedures to verify the accuracy of the information reported by school districts in the year-end reports to ensure the accuracy of annual evaluations of the program. DE should also ensure an external independent evaluation or a comprehensive internal evaluation of the At-Risk K-3 Grants is performed on an annual basis.

Response – Program evaluation is in development stage. Onsite visits and newly revised end-of-year reports will assist with accuracy of information reported by districts.

Conclusion – Response accepted.

**A Review of the Shared Visions Preschool Program  
and Early Elementary Innovative Grants**

## **Schedules**

## A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Shared Visions Preschool Program Awards  
Fiscal Years 2007 through 2012

Grantee	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Community School Districts:						
Ames	\$ 107,688	120,725	123,345	115,369	115,870	111,992
Cardinal	49,671	55,685	-	-	-	-
Cedar Rapids	572,738	642,086	635,234	587,067	589,820	558,604
Charles City	62,315	69,860	69,114	63,874	64,757	62,763
Cherokee	48,427	54,290	53,711	49,638	50,324	49,248
Clearfield	56,796	63,672	67,276	63,683	63,365	60,703
College	55,500	62,220	61,556	56,889	57,675	56,132
Columbus	31,351	35,147	34,772	32,137	32,580	32,632
Council Bluffs	463,997	520,176	518,834	480,977	481,225	456,055
Davenport	392,711	440,263	448,426	418,956	419,463	401,093
Davis County	48,121	53,949	57,004	53,959	53,689	51,641
Des Moines Independent	520,917	583,991	577,759	533,949	532,270	448,287
Dubuque	56,842	63,725	67,332	63,737	63,418	60,752
East Union	42,429	47,566	50,259	47,575	47,338	45,693
Fort Madison	47,307	-	-	-	36,871	48,158
Glenwood	56,842	63,725	67,332	63,737	63,418	60,752
Interstate 35	56,103	62,896	66,458	62,909	62,595	59,981
Iowa City	127,361	142,782	145,439	135,886	136,592	131,398
Lamoni	46,071	51,648	51,097	47,223	47,875	46,954
Lewis Central	56,695	63,560	62,881	58,113	58,916	57,293
Midland	56,635	63,492	-	-	-	-
Murray	18,462	20,698	21,872	20,704	20,601	20,656
Muscatine	172,203	193,052	195,275	181,979	183,297	177,254
Oelwein	77,630	87,030	86,101	79,572	79,174	74,094
Orient-Macksburg	51,331	57,546	56,932	52,616	53,342	52,074
Pleasantville	55,437	62,149	65,667	62,161	61,850	59,284
Pocahontas Area	47,835	53,627	53,054	49,031	49,708	48,671
Prescott	35,571	39,879	42,138	39,889	39,690	38,531
Red Oak	55,437	62,149	65,667	62,160	61,849	59,283
South Winneshiek	63,568	71,265	70,504	65,158	66,058	63,982
Southeast Webster Grand	62,354	69,904	69,158	63,913	64,796	62,800
Spencer	65,937	73,921	73,132	67,587	68,521	66,288
Storm Lake	56,842	63,725	67,332	63,735	63,418	60,752
Waterloo	170,526	191,175	201,996	191,209	190,254	182,257
West Branch	37,101	41,593	41,149	38,029	38,554	38,226
Western Dubuque	76,069	85,279	84,369	77,972	79,050	76,148
Subtotal	4,002,820	4,434,450	4,352,175	4,051,393	4,098,223	3,880,431

**Schedule 1**

## A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Shared Visions Preschool Program Awards  
Fiscal Years 2007 through 2012

Grantee	Fiscal Year					
	2007	2008	2009	2010	2011	2012
Other:						
Children & Families of Iowa	56,842	63,725	67,332	-	-	-
Community Action of Southeast Iowa	284,039	371,466	352,430	344,275	311,807	290,333
Community Action Agency	170,526	191,175	201,996	191,210	190,254	182,257
Community Action of Eastern Iowa	127,520	142,960	141,434	130,711	132,517	128,339
Drake University Head Start	112,554	126,183	129,124	120,843	121,313	-
Edgewood Child Care & Learning	47,603	53,367	56,388	53,377	53,110	51,099
Evelyn Davis Early Learning Academy	49,818	55,849	55,253	51,063	51,770	50,601
Grin & Grow Day Care	56,842	63,725	67,332	63,737	63,418	60,752
Hawkeye Area CAP	417,157	467,669	482,027	452,291	453,129	437,519
Hispanic Educational Resources	56,842	63,725	-	-	-	-
Linn County Community Services	68,583	76,888	76,067	70,299	71,271	68,863
Matura Action Corporation	54,697	61,320	64,790	61,330	61,023	58,509
Mid-Iowa Community Action	169,968	190,549	197,090	185,166	185,439	178,504
Mid-Sioux Opportunity	60,370	67,680	66,957	61,880	62,735	60,870
Native American Child Care Center	109,659	122,936	125,682	117,581	118,072	114,053
Neighborhood Centers	42,031	47,120	49,788	46,513	46,893	45,277
North Iowa CAO	56,376	63,201	62,428	57,786	58,585	56,983
Northeast Iowa Community Action Corporation	171,999	192,823	194,947	181,639	182,978	176,958
Oakridge Neighborhood Services	178,036	199,593	201,750	187,962	189,361	180,813
Operation: New View	53,789	59,670	63,771	59,381	-	-
Perry Area Child Development Center	53,602	60,092	59,451	54,943	55,702	54,284
South Central Iowa CAP	108,871	122,054	120,751	111,593	113,136	110,190
St Paul's United Methodist Church	168,696	189,122	191,391	178,389	179,655	171,724
Upper Des Moines Opportunity	173,806	194,851	201,075	188,752	189,038	181,875
Subtotal	2,850,226	3,247,743	3,229,254	2,970,721	2,891,206	2,659,803
Total	\$6,853,046	7,682,193	7,581,429	7,022,114	6,989,429	6,540,234

CAP - Community Action Program

CAO - Community Action Organization

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Early Elementary Innovative Grant Awards  
Fiscal Years 2007 through 2012

School District	Elementary School	Fiscal Year		
		2007	2008	2009
Belmond Klemme	Ramsey-Parker	\$ 60,452	67,577	66,563
Burlington	Grimes	167,475	187,215	184,407
Cedar Rapids	Polk	172,848	193,221	190,323
Cedar Rapids	Taylor	179,117	200,228	197,225
Centerville	Cincinnati	64,219	71,788	70,711
Central Decatur	South	150,404	168,131	165,609
Charles City	Lincoln	117,322	131,150	129,183
Columbus	Columbus	159,207	177,972	175,302
Council Bluffs	Roosevelt	179,117	200,228	197,225
Davenport	Washington	179,117	200,228	197,225
Des Moines Independent	Carver (Longfellow in 2007)	178,606	199,657	196,662
Des Moines Independent	Capitol View	179,117	200,228	197,225
Des Moines Independent	Moulton Extended Learning	179,117	200,228	197,225
Estherville Lincoln	Demoney	51,036	57,052	56,196
Iowa City	Horace Mann	139,469	155,908	153,569
Lamoni	Lamoni	88,663	99,113	97,626
Lewis Central	Lakeview	179,117	200,228	197,225
Maquoketa	Cardinal	135,614	151,598	149,324
Marshalltown	Woodbury	67,169	75,086	73,960
Moravia	Moravia	67,169	75,086	73,960
Oelwein	Harlan	82,394	91,104	90,724
Oelwein	Parkside	81,498	92,106	89,737
Ottumwa	James	103,440	115,632	113,897
Sioux City	Irving Accelerated	179,117	200,228	197,224
Total		\$ 3,140,804	3,510,992	3,458,327

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<b>2010</b>	<b>2011</b>	<b>2012</b>
61,477	61,479	57,282
170,317	170,317	158,695
175,781	175,781	163,787
182,156	182,155	169,727
65,309	65,309	60,853
152,956	152,956	142,519
119,313	119,312	111,172
161,907	161,908	150,859
182,156	182,155	169,727
182,156	182,155	169,727
181,636	181,844	169,241
182,156	182,155	169,727
182,156	181,947	169,727
51,903	51,904	48,361
141,836	141,836	132,158
90,167	90,168	84,014
182,156	182,155	169,727
137,915	137,915	128,504
68,309	68,309	63,648
68,309	68,309	63,648
82,881	82,973	77,226
83,793	83,703	78,075
105,195	105,196	98,017
182,156	182,155	169,727
<b>3,194,096</b>	<b>3,194,096</b>	<b>2,976,148</b>



A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Shared Visions Preschool Program Awards, Actual Expenditures  
 Reported and Actual Expenditures per Accounting Records for  
 Selected School Districts and Other Grantees  
 Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2007:</b>			
Cedar Rapids:			
Step-Up Preschools:			
Garfield	\$ 62,407	62,407	-
Grant	50,059	50,059	-
Harrison	-	-	-
Monroe	62,714	62,714	-
Polk and Hiawatha	182,354	182,354	-
Roosevelt	215,204	215,204	-
Taylor	-	-	-
Van Buren	-	-	-
Education Services Center	-	-	-
Subtotal	572,738	572,738	-
Children and Families of Iowa	56,842	65,067	8,225 #
Des Moines:			
Capitol View Elementary	150,952	151,711	759
McKinley Elementary	157,886	161,497	3,611
Moulton Early Learning Center	160,689	158,679	(2,010)
Zack Hamlett Children's Center	51,390	51,648	258
Subtotal	520,917	523,535	2,618 *
Drake University:			
Highland Park	56,842	56,842	-
Norwalk	55,712	55,712	-
Subtotal	112,554	112,554	-
Iowa City:			
Hills Elementary	71,925	72,286	361
Twain Elementary	55,436	55,715	279
Subtotal	127,361	128,001	640 *
Lamoni Kaleidoscope	46,071	49,851	3,780 #
Perry Area Child Development Center	53,602	53,871	269 *
Fiscal Year 2007 Subtotal	1,490,085	1,505,617	15,532

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
95,089	32,682
59,996	9,937
59,072	59,072
89,350	26,636
133,162	(49,192)
-	(215,204)
63,050	63,050
65,522	65,522
7,497	7,497
572,738	-
65,067	-
150,952	(759)
160,713	(784)
157,886	(793)
51,648	-
521,199	(2,336) *
56,842	-
55,712	-
112,554	-
115,200	42,914
131,015	75,300
246,215	118,214 #
47,582	(2,269) @
51,884	(1,987) ^
1,617,239	111,622

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Shared Visions Preschool Program Awards, Actual Expenditures  
Reported and Actual Expenditures per Accounting Records for  
Selected School Districts and Other Grantees  
Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2008:</b>			
Cedar Rapids:			
Step-Up Preschools:			
Garfield	70,307	69,216	(1,091)
Grant	56,121	56,121	-
Harrison	-	-	-
Monroe	69,963	70,307	344
Polk and Hiawatha	204,434	205,461	1,027
Roosevelt	241,261	242,473	1,212
Taylor	-	-	-
Van Buren	-	-	-
Education Services Center	-	-	-
Subtotal	642,086	643,578	1,492 *
Children and Families of Iowa	63,725	64,045	320 *
Des Moines:			
Capitol View Elementary	169,230	170,080	850
McKinley Elementary	180,146	181,051	905
Moulton Early Learning Center	177,003	177,892	889
Zack Hamlett Children's Center	57,612	57,902	290
Subtotal	583,991	586,925	2,934 *
Drake University:			
Highland Park	63,725	64,045	320
Norwalk	62,458	62,772	314
Subtotal	126,183	126,817	634 *
Iowa City:			
Hills Elementary	80,633	81,038	405
Twain Elementary	62,149	62,461	312
Subtotal	142,782	143,499	717 *
Lamoni Kaleidoscope	51,648	51,908	260 *
Perry Area Child Development Center	60,092	60,394	302 *
Fiscal Year 2008 Subtotal	1,670,507	1,677,166	6,659

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
96,851	27,635
66,036	9,915
49,141	49,141
96,459	26,152
139,541	(65,920)
-	(242,473)
63,735	63,735
70,341	70,341
59,982	59,982
642,086	(1,492) *
64,045	-
170,809	729 #
180,509	(542)
177,003	(889)
57,612	(290)
585,933	(992) *
63,725	(320)
62,458	(314)
126,183	(634) *
110,052	29,014
138,627	76,166
248,679	105,180 #
51,648	(260) *
54,741	(5,653) ~
1,773,315	96,149

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Shared Visions Preschool Program Awards, Actual Expenditures  
 Reported and Actual Expenditures per Accounting Records for  
 Selected School Districts and Other Grantees  
 Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2009:</b>			
Cedar Rapids:			
Step-Up Preschools:			
Garfield	69,217	69,217	-
Grant	55,522	55,522	-
Harrison	-	-	-
Monroe	69,557	69,557	-
Polk and Hiawatha	202,252	202,252	-
Roosevelt	238,686	238,686	-
Taylor	-	-	-
Van Buren	-	-	-
Education Services Center	-	-	-
Subtotal	635,234	635,234	-
Children and Families of Iowa	67,332	67,332	-
Des Moines:			
Capitol View Elementary	167,424	167,424	-
McKinley Elementary	178,223	178,223	-
Moulton Early Learning Center	175,114	175,114	-
Zack Hamlett Children's Center	56,998	56,998	-
Subtotal	577,759	577,759	-
Drake University:			
Highland Park	67,332	67,332	-
Norwalk	61,792	61,792	-
Subtotal	129,124	129,124	-
Iowa City:			
Hills Elementary	79,772	79,772	-
Twain Elementary	65,667	65,667	-
Subtotal	145,439	145,439	-
Lamoni Kaleidoscope	51,097	51,097	-
Perry Area Child Development Center	59,451	59,451	-
Fiscal Year 2009 Subtotal	1,665,436	1,665,436	-

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
103,857	34,640
69,845	14,323
119,253	119,253
104,304	34,747
135,501	(66,751)
-	(238,686)
1,825	1,825
73,728	73,728
26,921	26,921
635,234	-
67,332	-
167,344	(80)
179,175	952
175,880	766
60,543	3,545
582,942	5,183 #
67,332	-
61,792	-
129,124	-
81,219	1,447
114,772	49,105
195,991	50,552 #
51,097	-
60,470	1,019 ~
1,722,190	56,754

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Shared Visions Preschool Program Awards, Actual Expenditures  
 Reported and Actual Expenditures per Accounting Records for  
 Selected School Districts and Other Grantees  
 Fiscal Years 2007 through 2011

<b>Grantee</b>	<b>Grant Award</b>	<b>Actual Expenditures Reported</b>	<b>Award to Reported Expenditures Variance</b>
<b>Fiscal Year 2010:</b>			
Cedar Rapids:			
Step-Up Preschools:			
Garfield	63,969	63,969	-
Grant	51,312	51,312	-
Harrison	-	-	-
Monroe	64,283	64,283	-
Polk and Hiawatha	186,916	186,916	-
Roosevelt	220,587	220,587	-
Taylor	-	-	-
Van Buren	-	-	-
Education Services Center	-	-	-
Subtotal	587,067	587,067	-
Des Moines:			
Capitol View Elementary	154,728	154,728	-
McKinley Elementary	164,709	164,709	-
Moulton Early Learning Center	161,835	161,835	-
Zack Hamlett Children's Center	52,676	52,676	-
Subtotal	533,948	533,948	-
Drake University:			
Highland Park	63,737	63,737	-
Norwalk	57,106	57,106	-
Subtotal	120,843	120,843	-
Iowa City:			
Hills Elementary	73,724	73,724	-
Twain Elementary	62,161	62,161	-
Subtotal	135,885	135,885	-
Lamoni Kaleidoscope	47,223	47,223	-
Perry Area Child Development Center	54,943	54,943	-
Fiscal Year 2010 Subtotal	1,479,909	1,479,909	-

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
87,780	23,811
17,338	(33,974)
80,503	80,503
71,044	6,761
157,001	(29,915)
75,672	(144,915)
10,820	10,820
76,914	76,914
9,995	9,995
<u>587,067</u>	-
154,728	-
164,709	-
161,835	-
52,676	-
<u>533,948</u>	-
63,737	-
57,106	-
<u>120,843</u>	-
122,402	48,678
103,038	40,877
<u>225,440</u>	<u>89,555</u> #
47,223	-
54,943	-
<u>1,569,464</u>	<u>89,555</u>



A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Shared Visions Preschool Program Awards, Actual Expenditures  
Reported and Actual Expenditures per Accounting Records for  
Selected School Districts and Other Grantees  
Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2011:</b>			
Cedar Rapids:			
Step-Up Preschools:			
Cleveland	-	-	-
Garfield	64,853	65,179	326
Grant	52,022	52,278	256
Harrison	-	-	-
Monroe	63,963	64,284	321
Polk and Hiawatha	189,498	190,433	935
Roosevelt	219,484	220,587	1,103
Taylor	-	-	-
Education Services Center	-	-	-
Subtotal	<u>589,820</u>	<u>592,761</u>	<u>2,941 *</u>
Des Moines:			
Capitol View Elementary	153,954	154,728	774
McKinley Elementary	163,886	164,709	823
Moulton Early Learning Center	161,026	161,835	809
Zack Hamlett Children's Center	53,404	53,672	268
Subtotal	<u>532,270</u>	<u>534,944</u>	<u>2,674 *</u>
Drake University:			
Highland Park	63,418	63,737	319 *
Norwalk	57,895	59,261	1,366 #
Subtotal	<u>121,313</u>	<u>122,998</u>	<u>1,685</u>
Iowa City:			
Hills Elementary	74,742	75,118	376
Twain Elementary	61,850	62,161	311
Subtotal	<u>136,592</u>	<u>137,279</u>	<u>687 *</u>
Lamoni Kaleidoscope	47,875	48,116	241 *
Perry Area Child Development Center	55,702	55,982	280 *
Fiscal Year 2011 Subtotal	<u>1,483,572</u>	<u>1,492,080</u>	<u>8,508</u>
Total	<u>\$ 7,789,509</u>	<u>7,820,208</u>	<u>30,699</u>

For the grantee and/or the participating schools within the grantee, as applicable, the variances resulted from:

\* - actual expenditures reported including program evaluation expenditures, causing them to exceed both the grant award and the actual expenditures recorded.

# - actual expenditures reported including expenditures funded by other revenue sources. Certain grantees did not separately record the expenditures funded with other revenue sources, resulting in a variance between the actual expenditures reported and recorded.

@ - the grantee reporting actual expenditures related to the grant which were recorded separately in the accounting records.

^ - the grantee reporting estimated expenditures rather than the actual expenditures recorded.

~ - supporting documentation not being provided by the grantee. As a result, we are unable to determine the reason for the variance.

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
77,167	77,167
-	(65,179)
73,624	21,346
18,329	18,329
47,683	(16,601)
244,578	54,145
-	(220,587)
58,721	58,721
69,718	69,718
<u>589,820</u>	<u>(2,941) *</u>
153,954	(774)
163,886	(823)
161,026	(809)
53,404	(268)
<u>532,270</u>	<u>(2,674) *</u>
63,737	-
59,261	-
<u>122,998</u>	<u>-</u>
117,960	42,842
88,922	26,761
<u>206,882</u>	<u>69,603 #</u>
47,875	(241) *
55,982	-
<u>1,555,827</u>	<u>63,747</u>
<u>8,238,035</u>	<u>417,827</u>

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Early Elementary Innovative Grant Awards, Actual Expenditures Reported and Actual Expenditures per Supporting Documentation for Selected Elementary Schools  
Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2007:</b>			
Cedar Rapids:			
Polk Elementary	\$ 172,848	172,848	-
Taylor Elementary	179,117	179,117	-
Subtotal	351,965	351,965	-
Des Moines:			
Carver Elementary	178,606	178,606	-
Capitol View Elementary	179,117	179,117	-
Moulton Elementary	179,117	179,117	-
Subtotal	536,840	536,840	-
Iowa City:			
Horace Mann Elementary	139,469	139,469	-
Lamoni Elementary	88,663	88,663	-
Marshalltown:			
Woodbury Elementary	67,169	89,742	22,573 #
Fiscal Year 2007 Subtotal	1,184,106	1,206,679	22,573
<b>Fiscal Year 2008:</b>			
Cedar Rapids:			
Polk Elementary	193,221	193,221	-
Taylor Elementary	200,228	200,228	-
Subtotal	393,449	393,449	-
Des Moines:			
Carver Elementary	199,657	199,657	-
Capitol View Elementary	200,228	200,228	-
Moulton Elementary	200,228	200,228	-
Subtotal	600,113	600,113	-
Iowa City:			
Horace Mann Elementary	155,908	155,908	-
Lamoni Elementary	99,113	99,113	-
Marshalltown:			
Woodbury Elementary	75,086	75,086	-
Fiscal Year 2008 Subtotal	1,323,669	1,323,669	-

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
179,117	6,269
172,848	(6,269)
<u>351,965</u>	<u>-</u>
178,982	376
178,294	(823)
178,545	(572)
<u>535,821</u>	<u>(1,019)</u>
143,345	3,876
<u>88,581</u>	<u>(82)</u>
67,169	(22,573)
<u>1,186,881</u>	<u>(19,798)</u>
193,221	-
200,228	-
<u>393,449</u>	<u>-</u>
199,657	-
200,348	120
200,228	-
<u>600,233</u>	<u>120</u>
155,908	-
<u>99,113</u>	<u>-</u>
75,086	-
<u>1,323,789</u>	<u>120</u>

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Early Elementary Innovative Grant Awards, Actual Expenditures Reported and Actual Expenditures per Supporting Documentation for Selected Elementary Schools  
Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2009:</b>			
Cedar Rapids:			
Polk Elementary	190,323	193,221	2,898
Taylor Elementary	197,225	179,616	(17,609) @
Subtotal	387,548	372,837	(14,711)
Des Moines:			
Carver Elementary	196,662	199,657	2,995
Capitol View Elementary	197,225	200,228	3,003
Moulton Elementary	197,225	200,228	3,003
Subtotal	591,112	600,113	9,001
Iowa City:			
Horace Mann Elementary	153,569	155,908	2,339
Lamoni Elementary	97,626	99,103	1,477
Marshalltown:			
Woodbury Elementary	73,960	75,086	1,126
Fiscal Year 2009 Subtotal	1,303,815	1,303,047	(768)
<b>Fiscal Year 2010:</b>			
Cedar Rapids:			
Polk Elementary	175,781	*	*
Taylor Elementary	182,156	*	*
Subtotal	357,937	*	*
Des Moines:			
Carver Elementary	181,636	*	*
Capitol View Elementary	182,156	*	*
Moulton Elementary	182,156	*	*
Subtotal	545,948	*	*
Iowa City:			
Horace Mann Elementary	141,836	*	*
Lamoni Elementary	90,167	*	*
Marshalltown:			
Woodbury Elementary	68,309	*	*
Fiscal Year 2010 Subtotal	1,204,197	*	*

<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
193,221	-
180,555	939
<u>373,776</u>	<u>939</u>
199,657	-
200,228	-
200,285	57
<u>600,170</u>	<u>57</u>
152,648	(3,260)
<u>97,626</u>	<u>(1,477)</u>
75,086	-
<u>1,299,306</u>	<u>(3,741)</u>
178,331	*
179,606	*
<u>357,937</u>	<u>*</u>
181,636	*
182,156	*
182,156	*
<u>545,948</u>	<u>*</u>
145,931	*
<u>90,167</u>	<u>*</u>
67,269	*
<u>1,207,252</u>	<u>*</u>

A Review of the Shared Visions Preschool Program and the Early Elementary Innovative Grants

Comparison of Early Elementary Innovative Grant Awards, Actual Expenditures Reported and Actual Expenditures per Supporting Documentation for Selected Elementary Schools  
Fiscal Years 2007 through 2011

Grantee	Grant Award	Actual Expenditures Reported	Award to Reported Expenditures Variance
<b>Fiscal Year 2011:</b>			
Cedar Rapids:			
Polk Elementary	175,781	175,781	-
Taylor Elementary	182,155	182,155	-
Subtotal	357,936	357,936	-
Des Moines:			
Carver Elementary	181,636	181,636	-
Capitol View Elementary	182,155	182,155	-
Moulton Elementary	182,155	182,155	-
Subtotal	545,946	545,946	-
Iowa City:			
Horace Mann Elementary	141,836	142,987	1,151 ^
Lamoni Elementary	90,168	90,168	-
Marshalltown:			
Woodbury Elementary	68,309	61,478	(6,831) **
Fiscal Year 2011 Subtotal	1,204,195	1,198,515	(5,680)
Total	\$ 6,219,982	5,031,910	16,125

The variances resulted from:

- # - actual expenditures reported including expenditures funded by other revenue sources, causing them to exceed both the grant award and the actual expenditures recorded.
- @ - actual expenditures reported being based on the anticipated grant award rather than the final approved grant award of \$197,225.
- \* - DE not being able to locate copies of the year-end expenditure reports for fiscal year 2010.
- ^ - actual expenditures reported including program evaluation expenditures, causing them to exceed both the grant award and the actual expenditures recorded.
- \*\* - the final grant award being reduced by 10% subsequent to approval of the grant agreement.

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<b>Actual Expenditures Recorded</b>	<b>Variance of Reported to Recorded Expenditures</b>
175,781	-
182,155	-
<u>357,936</u>	-
181,636	-
182,155	-
182,155	-
<u>545,946</u>	-
141,569	(1,418)
<u>90,168</u>	-
61,478	-
1,197,097	(1,418)
<u>6,214,325</u>	<u>(24,837)</u>



A Review of the Shared Visions Preschool Program  
and the Early Elementary Innovative Grants

Staff

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