

BRIEFLY...

Highlights of Report Number: 04-07-009-03 340, to the Assistant Secretary for Employment and Training Administration.

WHY READ THE REPORT

In 1994, the State of Florida established the Performance Based Incentive Funding (PBIF) program, funded in part with Job Training Partnership (JTPA) funds, to provide supplemental funding to community colleges and school districts. Florida statutes required funds to be used for such purposes as upgrading equipment and expanding vocational and technical programs.

OIG conducted a prior audit of Florida's PBIF program for the period March 1, 1995, through June 9, 1998, and concluded that PBIF was not a bona fide program meeting JTPA's requirements, but rather a funding mechanism to supplement Florida's State and local adult educational costs. On April 24, 2006, the U.S. Court of Appeals upheld the DOL Administrative Review Board's (ARB) decision, which required Florida to return nearly \$11.6 million of JTPA funds to the U.S. Department of Labor.

WHY OIG DID THE AUDIT

After receiving the appellate court decision, the OIG conducted an audit to determine if JTPA-funded PBIF payments to Florida's community colleges and participating school districts were made in accordance with applicable laws and regulations during the period June 10, 1998, through June 30, 2000.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2007/04-07-009-03-340>

September 2007

Florida Continued to Misuse JTPA Funds for Its Performance Based Incentive Funding Program

WHAT OIG FOUND

Florida continued to operate the PBIF program in the same manner as prior years while its appeal of the Grant Officer's decision was pending. Consequently, the State continued to misuse PBIF funds to supplement State and local adult educational costs from June 10, 1998, until the program ended on June 30, 2000.

The OIG questioned \$6,176,454 of JTPA funds paid by the State of Florida to school districts and community colleges as PBIF incentive payments, funds reclassified as Title II-A used to supplement the schools normal operating budget, and funds spent in administering the PBIF program.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment and Training recover \$6,176,454 of JTPA funds that Florida misspent on the PBIF program from June 9, 1998, through June 30, 2000.

In its response to the draft report, Florida requested that the OIG waive the questioned costs and not subject the State to repayment of additional funds for various reasons, such as the program's benefit to many dislocated workers and the length of time since the program ceased operations. Florida also disagreed with the methodology used to determine questioned administrative costs.

The OIG does not have the authority to waive questioned costs.