

DEPARTMENT OF EDUCATION**Office of Vocational and Adult Education; Intent To Repay the Colorado State Board for Vocational Education Funds Recovered as a Result of Two Final Audit Determinations****AGENCY:** Department of Education.**ACTION:** Notice of intent to award grantback funds.

SUMMARY: Under section 459 of the General Education Provisions Act (GEPA), 20 U.S.C. 1234h, the U.S. Secretary of Education (Secretary) intends to repay to the Colorado Community College and Occupational Education System (Colorado), under a grantback arrangement, an amount equal to 75 percent of the principal amount of funds recovered by the U.S. Department of Education (Department) as a result of final audit determinations (ACNs: 08-72109 and 08-82000). The Department's recovery of funds followed a settlement reached between the parties under which Colorado refunded \$87,500 to the Department in full resolution of the Department's final audit determinations for fiscal years (FYs) 1985 and 1986. This notice describes Colorado's plan for the use of the repaid funds and the terms and conditions under which the Secretary intends to make those funds available. This notice invites comments on the proposed grantback.

DATE: All comments must be received on or before August 29, 1996.**ADDRESSES:** All written comments should be addressed to Dr. Marcel R. DuVall, Chief, Finance Branch, Division of Vocational-Technical Education, Office of Vocational and Adult Education, U.S. Department of Education, 600 Independence Avenue S.W., Mary E. Switzer Building, Room 4320, MS-7324, Washington, D.C. 20202.

FOR FURTHER INFORMATION CONTACT: Dr. Marcel R. DuVall, U.S. Department of Education, 600 Independence Avenue S.W., Mary E. Switzer Building, Room 4320, MS-7324, Washington, D.C. 20202, telephone: (202) 205-9502. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday. Internet address: Marcel __ DuVall@ed.gov.

SUPPLEMENTARY INFORMATION**A. Background**

Under a settlement agreement between the Department and Colorado,

the Department recovered \$87,500 from Colorado in full resolution of all claims arising from audits of Colorado covering FYs 1985 and 1986.

The Department's original claims of \$538,930.30 (ACN: 08-72109 (FY 1985)) and \$395,085.10 (ACN: 08-82000 (FY 1986)) were contained in final letters of determination issued by the Assistant Secretary for Vocational and Adult Education on August 31, 1989 and June 28, 1990 respectively. These claims arose from findings related to Colorado's administration of its vocational education program under the provisions of the Carl D. Perkins Vocational Education Act, 20 U.S.C. 2301 *et seq.* (1988) (Perkins I).

In both the August 31, 1989 and June 28, 1990 letters, the Assistant Secretary determined that, among other things, Colorado violated the Federal regulations governing payroll expenditures and maintenance of time distribution records. For the applicable programs, Colorado improperly allocated payroll expenditures based on predetermined budgets and failed to maintain appropriate time distribution records for employees who worked on more than one cost objective, thus violating provisions of the cost principles implemented at 34 CFR Part 74, Appendix C, II, B., 10., b (1985).

The settlement negotiations resulting from Colorado's appeal of the Assistant Secretary's August 31, 1989 and June 28, 1990 determinations culminated in a single settlement agreement for a total repayment of \$87,500. The settlement agreement was executed on March 28, 1994. The Department received full payment for the determinations on March 29, 1994.

B. Authority for Awarding a Grantback

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

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

(2) Recipient has submitted to the Secretary a plan for the use of those funds pursuant to the requirements of

that program and, to the extent possible, for the benefit of the population that was affected by the failure to comply or by the misexpenditures that resulted in the recovery of funds; and

(3) Use of the funds, in accordance with that plan, would serve to achieve the purposes of the program under which the funds were originally granted.

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

Pursuant to section 459(a)(2) of GEPA, Colorado has applied for a grantback of \$65,625, or 75 percent, of the \$87,500 repaid to the Department under the settlement agreement, and has submitted a plan for use of the proposed grantback funds, consistent with the Carl D. Perkins Vocational and Applied Technology Education Act (Perkins II), which is the successor statute to Perkins I and is currently in effect. Colorado plans to purchase curriculum materials that will support the integration of academic and vocational education.

Specifically, Colorado plans to utilize the requested grantback funds, totaling \$65,625 to—

(1) Purchase an applied economics curriculum package entitled *Workplace Economics* from the Agency for Instructional Technology (AIT). The package will contain: instructional videodiscs; instructional video cassettes, including a teacher training video and a teleconference video; student, teacher, and workshop resource guidebooks; computer software; duplication licenses for the right to copy video cassettes and computer software; preferred pricing for additional copies of instructional materials; pre-paid travel and accommodations for two Colorado representatives to attend an AIT National Consortium Meeting; one pre-paid site registration for the North American Teleconference held for teacher trainers and curriculum coordinators across North America; and four pre-paid individual registrations to attend the Workplace Economics Education Institutes (\$22,226);

(2) Purchase a Workplace Readiness curriculum package, entitled *Workplace Readiness: Education for Employment* from AIT, that teaches skills such as problem solving, teamwork, and goal setting. The curriculum is designed primarily for secondary vocational education students but may be utilized for post-secondary students as well. The package will contain: one master set of project materials that includes instructional video programs for both instructors and students; computer software; instructional videodiscs; printed materials; and unlimited,

unrestricted rights to duplicate course materials for distribution to LEAs (\$31,399); and

(3) Purchase an applied mathematics curriculum package entitled *Applied Geometry* from the Center for Occupational Research and Development (CORD). This package will augment *Applied Math I* and *Applied Math II*, two other CORD curriculum packages which the State has purchased and which are currently in use by a large number of the State's LEAs. *Applied Geometry* will enhance the geometry-related concepts contained in *Applied Math II* by focusing greater attention on the areas of logic, spatial visualization, coordinate geometry, and transformations (geometric operations and congruity). These four units will enhance the algebra and geometry content of vocationally focused mathematics courses currently offered by the State. The curriculum package will contain: an introductory motivational video that demonstrates how the curriculum relates to the world of work; student texts that use "real world" examples and activities that facilitate understanding of the mathematical concepts being taught; and a selection of three hands-on laboratories that use measuring equipment in applications relevant to the mathematic concepts (\$12,000).

Colorado plans to disseminate copies of each of the above curriculum programs to its LEAs at a low cost, allowing LEAs that could not otherwise afford to purchase the curriculum to do so. Large numbers of vocational education students will benefit from these curriculum programs, advancing the quality of programs delivered by, and coordinated throughout, the secondary and post-secondary State system, resulting in Statewide benefit to vocational education, and maximizing the impact of the grantback funds.

D. The Secretary's Determination

The Secretary has carefully reviewed the plan, amendment, and other relevant documentation submitted by Colorado. Based upon that review, the Secretary has determined that the conditions under section 459 of GEPA have been met.

This determination is based upon the best information available to the Secretary at the present time. If this information is not accurate or complete, the Secretary is not precluded from taking appropriate administrative action at a later date. In finding that the conditions of section 459 of GEPA have been met, the Secretary makes no determination concerning any pending audit recommendations or final audit determinations.

E. Notice of the Secretary's Intent To Enter Into a Grantback Arrangement

Section 459(d) of GEPA requires that, at least 30 days before entering into an arrangement to award funds under a grantback, the Secretary must publish in the Federal Register a notice of intent to do so, and the terms and conditions under which the payment will be made.

In accordance with section 459(d) of GEPA, notice is hereby given that the Secretary intends to make funds available to the Colorado State Board for Community Colleges and Occupational Education under a grantback arrangement. The grantback award would be in the amount of \$65,625, which is 75 percent—the maximum percentage authorized by the statute—of the principal recovered to date by the Department as a result of the final audit determinations and the settlement in this matter.

F. Terms and Conditions Under Which Payments Under a Grantback Arrangement Would Be Made

Colorado Community College and Occupational Education System agrees

to comply with the following terms and conditions under which payment under a grantback arrangement would be made:

(1) The funds awarded under the grantback must be spent in accordance with—

(a) All applicable statutory and regulatory requirements;

(b) The plan that was submitted and any amendments in that plan that are approved in advance by the Secretary; and

(c) The budget that was submitted with the plan and any amendments to the budget that are approved in advance by the Secretary.

(2) All funds received under the grantback arrangement must be obligated by September 30, 1997, in accordance with section 459(c) of GEPA and Colorado's plan.

(3) Colorado will, no later than December 30, 1997, submit a report to the Secretary which—

(a) Indicates that the funds awarded under the grantback have been spent in accordance with the proposed plan and approved budget; and

(b) Describes the results and effectiveness of the project for which the funds were spent.

(4) Separate accounting records must be maintained documenting the expenditures of funds awarded under the grantback arrangement.

(Catalog of Federal Domestic Assistance Number 84.048, Basic State Grants for Vocational Education)

Dated: July 23, 1996.

Patricia W. McNeil,
Assistant Secretary for Vocational and Adult Education.

[FR Doc. 96-19273 Filed 7-29-96; 8:45 am]

BILLING CODE 4000-01-P