U.S. Department of Education
Office of Inspector General

# Florida Department of Education's Administration of the Immediate Aid to Restart School Operations Program

September 17, 2020
ED-OIG/ A04T0005

## NOTICE

In accordance with Freedom of Information Act (Title 5, United States Code, Section 552), reports that the Office of Inspector General issues are available to members of the press and general public to the extent information they contain is not subject to exemptions in the Act.

**UNITED STATES DEPARTMENT OF EDUCATION**
**OFFICE OF INSPECTOR GENERAL**

Audit Services

September 17, 2020

Richard Corcoran
Commissioner of Education
Turlington Building, Suite 1514
325 West Gaines Street
Tallahassee, Florida 32399

Dear Commissioner Corcoran:

Enclosed is our final audit report, "Florida Department of Education's Administration of the Immediate Aid to Restart School Operations Program," Control Number ED-OIG/A04T0005. In response to the draft of this report, the Florida Department of Education stated that it accepted the report as written. We included Florida's response in its entirety at the end of this report.

If you have any questions, please call me at (404) 974-9424.

Sincerely,

/s/

Selina Boyd
Assistant Regional Inspector General for Audit

Enclosure

# Table of Contents

Results in Brief ..... 1

Introduction ..... 2

Finding. Florida Had Sufficient Controls Over the Allocation and Use of Restart Program Funds ..... 5

Other Matter. Florida Could Better Maintain and Manage Its Records for the Restart Program ..... 12

Appendix A. Scope and Methodology ..... 13

Appendix B. Acronyms and Abbreviations ..... 21

Florida's Comments ..... 22

# Results in Brief

## What We Did

The objective of our audit was to determine whether the Florida Department of Education (Florida) established and implemented systems of internal control that (1) provided reasonable assurance that Immediate Aid to Restart School Operations (Restart) program funds were appropriately allocated and (2) ensured that local educational agencies (LEA) and nonpublic schools used Restart program funds for allowable and intended purposes. Our review covered Florida's internal controls from April 20, 2018, through June 15, 2020.

To accomplish our audit objectives, we judgmentally selected and reviewed 3 of 42 LEAs in Florida that were awarded Restart program funds for school year 2017–2018: Duval County Public Schools (Duval), Miami-Dade County Public Schools (Miami-Dade), and Monroe County School District (Monroe).[1] These three LEAs received $25,698,007 of the $84,470,000 in Restart program funds that Florida awarded to LEAs.

## What We Found

We found that Florida established and implemented systems of internal control that provided reasonable assurance that Restart program funds were allocated appropriately and sufficiently ensured that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes, as described in the Finding.

## What We Recommend

We do not have any recommendations.

## Florida's Comments

We provided a draft of this report to Florida for comment. Florida stated that it accepted the report as written.

[1] Refer to "Appendix A. Scope and Methodology" for detailed information about our sampling methodology.

# Introduction

## Background

On December 30, 2005, the Hurricane Education Recovery Act (HERA) authorized three grant programs[2] to assist schools that were affected either directly or indirectly by Hurricanes Katrina and Rita with reopening quickly and meeting the educational needs of displaced students. The Restart program, authorized under section 102 of the HERA, was designed to provide funds to LEAs and schools directly impacted by the disasters to help them restart operations, reopen, and reenroll students.

In 2017, several areas of the United States and its territories were devastated by major disasters, including the California wildfires and Hurricanes Harvey, Irma, and Maria. The extraordinary conditions resulting from these disasters had a devastating and unprecedented impact on students who attended schools in the declared disaster areas: Alabama, California, Florida, Georgia, Louisiana, Puerto Rico, South Carolina, Texas, and the U.S. Virgin Islands. These disasters completely destroyed some schools and forced a significant number of other schools to close for a period of time.

On February 9, 2018, in response to the 2017 disasters, Congress authorized the Restart program in the Bipartisan Budget Act of 2018. The statute instructed the U.S. Department of Education (Department) to dispense aid under section 102 of the HERA for school year 2017–2018. This statute did not amend the HERA; rather, it provided that the statutory terms and conditions from the HERA were to be applied, with specified updates, for Hurricanes Harvey, Irma, Maria, and the California wildfires of 2017. Congress appropriated a combined amount of about $2.5 billion for both the Restart and Temporary Emergency Impact Aid for Displaced Students programs.[3]

The Department requested that State educational agencies (SEA) submit their applications for Restart program funds by March 30, 2018, but it did not establish a deadline for LEAs or nonpublic schools to apply to SEAs for Restart program funds. In its response to Question C-3 of the Department's 2018 Frequently Asked Questions (FAQ) for the Restart program, the Department permitted SEAs to establish an appropriate deadline for their LEAs and nonpublic schools to apply for Restart program funds.

---

[2] The HERA authorized the Restart program, Temporary Emergency Impact Aid for Displaced Students program, and Assistance for Homeless Children and Youth program.

[3] The Temporary Emergency Impact Aid for Displaced Students program was designed to provide funds to LEAs that enrolled displaced students in their schools.

The Department awarded about $791 million in Restart program funds to four States, Puerto Rico, and the U.S. Virgin Islands.[4] On May 14, 2018, the Department awarded nearly $84.5 million in Restart program funds to Florida. Florida and its subgrantees were required to spend these funds within 24 months of the grant award date, by May 14, 2020. On August 6, 2018, Florida issued a memorandum notifying its 75 LEAs of (1) its $84.5 million Restart program award, (2) the amount of funds that would be allocated to each LEA based on student enrollment and school closure data, and (3) instructions on how to apply for these funds. Of the 75 LEAs, 42 applied for Restart program funds and received awards totaling nearly $73.4 million, while the remaining 33 LEAs chose not to apply. In August 2019, Florida made a second allocation to the 42 LEAs that had received an initial award, using about $11 million in Restart program funds remaining from the 33 LEAs that had chosen not to apply during the first round of allocations. In December 2019, Florida issued another memorandum to 22 LEAs that had an approved grant award extension to inform them of a third and final opportunity to apply for additional Restart program funds. These additional funds came from a remaining balance of approximately $7.4 million available from LEAs that had not used their total awards during the first two allocations. Florida awarded the funds based on demonstrated unmet need from LEAs and nonpublic schools. Four LEAs applied for and were awarded the $7.4 million in Restart program funds. As of June 9, 2020, Florida had drawn down about $69 million (about 82 percent) of its Restart program award. Florida's Office of Contracts, Grants and Procurement; the Office of Grants Management, Funding and Financial Reporting; and the Office of the Comptroller administered the Restart program, including allocating and awarding funds to eligible LEAs.

Florida required LEAs to inform eligible nonpublic schools within their districts of the availability of Restart program services and assistance and to provide such services and assistance to them either directly or indirectly through a third party. LEAs were required to hold title to and maintain control over any materials or equipment purchased with Restart program funds (which could include purchasing from a nonpublic school materials or equipment that the school had previously acquired). Additionally, LEAs could reimburse nonpublic schools only for costs previously incurred under limited emergency circumstances as described in the Department's 2018 FAQ for the Restart program. Florida allowed LEAs to withhold eight percent of nonpublic schools' allocations to cover the cost of administering the program for nonpublic schools. LEAs were not allowed to reallocate unused nonpublic school funds; Florida required LEAs to return Restart program funds that were not obligated on behalf of nonpublic schools by the end of the program performance period. Although the Department allowed Florida

[4] The amounts awarded were based on demand and specific data that these entities provided.

to retain a portion of its Restart program funds for administrative costs, it chose not to do so.

According to section 102(e) of the HERA, Restart program funds may be used for the following activities: (1) recovery of student and personnel data and other electronic information; (2) replacement of school district information systems, including hardware and software; (3) financial operations; (4) reasonable transportation costs; (5) rental of mobile educational units and the lease of neutral sites or spaces; (6) initial replacement of instructional materials and equipment, including textbooks; (7) redevelopment of instructional plans, including curriculum development; (8) initiation and maintenance of education and support services; and (9) other activities related to the purpose of the program the Department approved. Recipients of Restart program funds may use the funds for preaward costs, including the reimbursement of expenditures incurred before receiving the grant.

## Finding. Florida Had Sufficient Controls Over the Allocation and Use of Restart Program Funds

We found that Florida established and implemented systems of internal control that provided reasonable assurance that Restart program funds were allocated appropriately and that sufficiently ensured that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. Specifically, we found that Florida had an adequate process for allocating Restart program funds to LEAs and nonpublic schools that met the requirements of the HERA. Florida had existing processes for distributing the application package to LEAs with instructions on applying for grant opportunities, reviewing and approving Restart program applications, and reimbursing LEAs using Restart program funds. In addition, Florida submitted to the Department the required Internal Control and Monitoring Plan that included a description of its established fiscal monitoring process. Florida also provided technical assistance to LEAs to ensure that they used Restart program funds in compliance with program requirements.

We tested the accuracy of Restart program fund allocations by recalculating Florida's first round of allocation calculations for LEAs and nonpublic schools using Florida's approved methodology and the information it provided. We found no discrepancies in these recalculations. We also compared the enrollment data that Florida provided to enrollment data from the Department and found no material differences in this comparison.

We also assessed the effectiveness of controls intended to ensure that Restart program funds were used appropriately through the testing of selected payroll and nonpayroll expenditures at the three LEAs. We did not find any instances of noncompliance with Federal laws and regulations.

Based on our review of controls and related testing, we concluded that Florida's collective processes provided reasonable assurance that Restart program funds were allocated appropriately and sufficiently ensured that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. Additional details on these controls and the results of our testing are presented in the sections that follow.

### Florida's Controls Over the Allocation of Restart Program Funds

Florida had sufficient controls to ensure that it appropriately allocated Restart program funds to LEAs and nonpublic schools. These controls included the following:

- designing an allocation methodology that aligned with HERA requirements and Department guidance that required States to consider the number of students served by hurricane-affected schools, severity of impact on the affected schools, and extent of needs in the affected schools when determining allocations;

- verifying the consistency of the closure data eligible schools reported to Florida by comparing the number of days closed to the dates the schools were closed;
- verifying that for-profit schools were not included in its Restart program allocations;
- verifying that schools with zero students enrolled at the time of Hurricane Irma were not included in its Restart program allocations; and
- obtaining Florida's Assistant Deputy Commissioner for Finance and Operations' verbal approval of the Restart program allocation calculation methodology and the related calculated results.

To ensure that Florida's allocations were accurate and adequately supported, we performed the following reconciliations and recalculations.

- We reviewed Florida's grant award letter to compare the Restart program amount that the Department awarded to Florida and the amount that Florida provided to eligible LEAs and nonpublic schools. We determined that these amounts were equal to and supported by the LEAs' Restart program applications.
- We recalculated Florida's first round of allocation calculations for all LEAs, charter schools, and nonpublic schools using information provided by Florida and its allocation methodology. We also compared the public-school enrollment data provided by Florida to enrollment data from the Department's EDFacts system. We confirmed that Florida's allocation calculations for all LEAs, charter schools, and nonpublic schools were correct.

Based on our reconciliations and recalculations, we concluded that Florida's allocation calculations were accurate and adequately supported.

## Florida's Controls Over the Use of Restart Program Funds

Florida had sufficient internal controls to ensure that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. Florida had established, existing processes for distributing the application package to LEAs, reviewing and approving Restart program applications, and reimbursing LEAs using Restart program funds. In addition, Florida submitted to the Department the required Internal Control and Monitoring Plan that included a description of its established fiscal monitoring process, and it provided technical assistance to LEAs to ensure that they used Restart program funds in compliance with program requirements.

## Submitting Applications for Restart Program Funds

After Florida calculated the Restart program fund allocation amounts for LEAs and nonpublic schools, it required LEAs to submit applications for the Restart program before awarding the funds. Florida published program guidelines for LEAs applying for Restart program funds, which included a list of allowable activities and uses of funds that aligned with those listed in the Department's 2018 FAQ for the Restart program. Florida required LEAs to submit a project application with a budget narrative and a project performance accountability form as part of the application package. LEAs' budget narratives included amounts and descriptions of costs by function and object codes. For example, for nonpayroll costs covering minor repairs due to damage sustained from Hurricane Irma, the applicant would identify the function/object code as "Minor Repairs and Remodeling" and provide the cost amount. LEAs' budget narratives also included descriptions and costs of the goods and services for the nonpublic schools' expenses located within their district. The purpose of the project performance accountability form was to ensure proper accountability and compliance with applicable State and Federal requirements. It asked the grantee to describe the activities it will perform to complete required scope of work for the project and the products and/or services that directly relate to specified activities. It also asked for the evidence to support that the activities were completed.

In addition, Florida required the LEAs to describe their need for Restart program funds, including

- a brief overview of the damages sustained as a result of Hurricane Irma and the nature of expenses incurred for reopening schools;
- a description of the fiscal controls in place to ensure that all claimed expenditures were allowable, reasonable, and necessary; and
- a description of provisions of services to nonpublic schools.

Florida also required the applicants to provide program assurances, including the following assurance.

> The LEA will use Restart funds for allowable purposes and will supplement not supplant FEMA or other state funds, and will ensure that the purposes of the program (i.e. to assist with expenses related to the restart of operations in, the reopening of, and the reenrollment of students in elementary and secondary schools impacted by a covered disaster) are being met.

Florida's Project Application and Amendment Procedures for Federal and State Programs required LEAs to submit an amendment for changes to their approved application.

## Approving Restart Applications

Florida had established policies and procedures for approving grant applications when it reviewed the LEAs' Restart program applications. Florida recorded and tracked its approval of the Restart applications in the Florida Grant System. The Educational Program Director for the Restart program from Florida's Office of Contracts, Grants, and Procurement reviewed the LEAs' application packages for technical accuracy and compliance with Florida's program and budget requirements and worked with LEAs to resolve application issues. Staff from the Office of Grants Management reviewed applications that the Restart Educational Program Director had recommended for approval to ensure that expenditures listed in the budget narratives were reasonable, allocable, necessary, and allowable, and they added the line items to verify that the totals in the applications were correct and didn't exceed LEAs' allocations. After approval in the Florida Grant System, the Bureau Chief and Assistant Deputy Commissioner of Contracts, Grants, and Procurement reviewed and approved the application packages. Florida's Deputy Commissioner of Finance and Operations also approved the LEAs' application packages and the Commissioner of Education performed the final review and approval. Florida notified LEAs of their approved application with Project Award Notification forms.

## Reimbursing LEAs Using Restart Program Funds

Florida used the Florida Grant System to reimburse eligible LEAs for expenditures identified in their applications for Restart program funds. According to Florida's Deputy Comptroller, the system contained integrated system controls designed to ensure that LEAs did not receive more than their award amounts for expenditures approved in their Restart program applications. The Deputy Comptroller also stated that controls in the Florida Grants System prohibited LEAs from requesting cash draws for federally funded projects that would have increased their project cash on-hand over the lesser of $50,000 or 10 percent of the approved project allocation.

## Internal Control and Monitoring Plan

As part of the Department's Restart application process, Florida submitted and implemented its Internal Control and Monitoring Plan for the Restart program. The plan included the following monitoring activities, which we confirmed occurred through our review of available documentation:

- review LEA applications and amendments for adherence to program and fiscal requirements;
- periodically perform reconciliations between the Florida Grants System and its accounting system to ensure an accurate accounting for Restart program funds;

- select LEAs for desk reviews based on a risk assessment[5] to evaluate whether the LEAs (1) provided equitable services to nonpublic schools; (2) spent Restart program funds in accordance with Federal laws, regulations, and guidance; (3) had written procurement procedures and followed the procedures for a selection of transactions; and (4) used Restart funds to supplement, not supplant, any funds available through Federal or State sources, or insurance;
- review LEAs' final expenditure reports to identify any expenditures that may be unallowable under the compliance requirements of the Restart program; and
- review any LEA single audit findings reported by the Florida Auditor General to identify systemic issues or substantial amounts of unallowable expenditures and work with LEAs to take appropriate corrective action and/or make fund adjustments.

## Technical Assistance

Florida provided guidelines to LEAs and nonpublic schools for applying for Restart program funds and the Department's 2018 FAQ for the Restart program with a list of allowable activities and uses of funds. Additionally, Florida provided LEAs with assistance as needed over the telephone and through email conversations.

## Results of Testing at Three LEAs

To test the effectiveness of Florida's controls for ensuring that Restart program funds were used appropriately and for intended purposes, we judgmentally selected for review 3 of 42 LEAs that received Restart program funds (Duval, Miami-Dade, and Monroe). At Monroe, we performed testing on expenditures through August 2019, but we expanded the scope at Duval and Miami-Dade to include testing on September 2019 expenditures to obtain a larger population of expenditures for testing. We performed limited testing on payroll and nonpayroll expenditures for public (traditional and charter) schools at the three selected LEAs and for nonpublic schools at only Miami-Dade, totaling $2,309,867 of $6,373,908 through September 30, 2019.[6] We concluded that Florida had sufficient controls to ensure that Restart program funds were used for allowable and intended purposes. The following summarizes the results of testing for each entity that we reviewed.

---

[5] The risk assessment considered what the LEA planned to spend Restart program funds on, award amount, and whether the LEA had findings in prior audits from the Florida Auditor General.

[6] See Tables 4, 5, and 6 in "Appendix A. Scope and Methodology" for the total transactions and costs in the universe and sample for each entity selected for review.

### *Duval*

Florida approved Duval's application for reimbursement of nonpayroll expenditures[7] totaling $4,072,901. At the time of our review, Duval had expended $2,687,747. We reviewed selected nonpayroll expenditures (55 percent of $2,687,747, the expended amount of nonpayroll through September 30, 2019) that were charged to the Restart program.[8] We found that all 25 selected expenditures were allowable and supported. We also found that Duval followed its policies and procedures related to its use of Restart program funds, including its procurement policy for four professional services contracts. Duval used Restart program funds to transfer all its hardcopy files onto electronic servers after Hurricane Irma produced heavy rain and record storm surge that nearly flooded Duval's records room. Duval also spent Restart program funds on supplies, facilities maintenance, and minor remodeling.

### *Miami-Dade*

Florida approved Miami-Dade's application for reimbursement of payroll and nonpayroll expenditures totaling $3,113,585 and $17,607,204, respectively. At the time of our review, Miami-Dade had expended $1,880,687 and $1,238,930, respectively. We reviewed selected payroll expenditures (4 percent of $1,880,687, the expended amount of payroll) and nonpayroll expenditures (53 percent of $1,238,930, the expended amount of nonpayroll) that were charged to the Restart grant through September 30, 2019. We concluded that the payroll expenditures for 30 employees and the 35 selected nonpayroll expenditures were allowable and supported. We also found that Miami-Dade followed its policies and procedures related to its use of Restart program funds, including its procurement policy for nonpayroll transactions that were related to contracts. Miami-Dade spent Restart program funds on costs associated with in-house professional development for 8,500 teachers and school administrators. Miami-Dade also spent Restart program funds to pay hourly staff to administer the Restart program to nonpublic schools and on instruction, utility costs, technology equipment, facilities maintenance, and minor remodeling.

### *Nonpublic Schools in Miami-Dade*

Miami-Dade's approved applications and amendments included nonpublic schools' nonpayroll expenditures totaling $1,757,008. At the time of our review, Miami-Dade nonpublic schools had expended $16,235. We selected 5 transactions (100 percent of $16,235, the expended amount of nonpayroll) charged to the Restart program through September 2019. We concluded that the five selected nonpayroll expenditures were

---

[7] Duval did not charge payroll expenditures to the Restart program.

[8] We did not test nonpublic school expenditures at Duval.

allowable and supported. We also found that Miami-Dade maintained ownership of nonpublic school assets purchased with Restart program funds, as required. Nonpublic schools in Miami-Dade spent Restart program funds on banquet hall rental for a school's graduation ceremony,[9] building awnings, independent contractors, instruction, security cameras, textbooks, trash pickup, and tree trimming.

### *Monroe*

Florida approved Monroe's application for reimbursement of payroll and nonpayroll expenditures totaling $560,111 and $344,206, respectively. At the time of our review, Monroe had expended $448,142 and $75,009, respectively. We reviewed selected payroll expenditures (8 percent of $448,142, the expended amount of payroll) and nonpayroll expenditures (74 percent of $75,009, the expended amount of nonpayroll) charged to the Restart grant through August 2019.[10] We found that the payroll expenditures for 24 employees and all 4 selected nonpayroll expenditures were allowable and supported. We also found that Monroe followed its policies and procedures related to its use of Restart program funds. Monroe spent Restart program funds on payroll, classroom and office supplies, service fees, travel expenses related to professional development attendance, facilities maintenance, and minor remodeling.

## Florida's Comments

Florida stated that it accepted the report as written.

[9] The school's event area was damaged by Hurricane Irma, so the school could not hold graduation there.

[10] Since we did not expand the audit scope until after Monroe's site visit in early September, we tested expenditures through August 2019.

## Other Matter. Florida Could Better Maintain and Manage Its Records for the Restart Program

Florida provided most of the documentation and other information that we requested to enable us to conduct this audit; however, it had difficulty locating records related to its allocations of Restart program funds for eligible nonpublic schools. Florida could better maintain and manage its records for the Restart program so that documentation is readily available when needed.

While reviewing the list of nonpublic schools for which Florida allocated Restart program funds, we identified an additional 24 nonpublic schools for which Florida did not allocate Restart program funds. When we asked Florida for an explanation for these omissions, Florida was not able to provide original documentation supporting how it compiled the list of nonpublic schools that were allocated Restart program funds. According to Florida's Deputy Commissioner for Finance and Operations, the official who compiled the original list no longer worked for Florida. Florida tried to recreate the former employee's files but could not determine why these 24 schools were not on the list. However, after multiple inquiries, we learned that Florida had sent an email on August 21, 2018, to all registered not-for-profit, nonpublic schools notifying them of the grant opportunity and providing them with information on how to participate in the Restart program. Florida's Assistant Deputy Commissioner for Finance and Operations stated that none of the 24 schools responded to the email stating their interest in participating in the program.

We suggest that Florida's Deputy Commissioner for Finance and Operations require staff to better maintain and manage documents for the Restart program so that records are readily available when needed.

# Appendix A. Scope and Methodology

We assessed Florida's systems of internal control to determine whether they provided reasonable assurance that Restart program funds were allocated appropriately, and that LEAs and nonpublic schools used Restart program funds for allowable and intended purposes. Our review covered Florida's internal controls for the allocation and use of Restart program funds from April 20, 2018, through June 15, 2020. We performed testing on expenditures through August 2019 at Monroe and through September 2019 at Duval and Miami-Dade. We expanded the scope for Duval and Miami-Dade to obtain a larger population of expenditures for testing.

To achieve our audit objectives, we gained an understanding of the Federal laws, regulations, and guidance relevant to our audit objectives, including the HERA; the Bipartisan Budget Act of 2018; Cost Principles at 2 Code of Federal Regulations, Part 200, Subpart E; and the Department's 2018 FAQ for the Restart program. We also performed the following procedures for Florida and the three selected LEAs to achieve our audit objectives.

For Florida, we performed the following procedures.

- Interviewed Florida officials responsible for administering the Restart program to gain an understanding of the internal controls for how Restart program funds were allocated, awarded, and spent.
- Evaluated Florida's written policies and procedures for how Florida allocated and awarded Restart program funds.
- Reviewed Florida's written policies and procedures to gain an understanding of its established systems of internal control for ensuring that Restart program funds were used for allowable and intended purposes.
- Reviewed the organizational charts for Florida's Division of Finance and Operations program office to determine whether Florida had an organizational structure and process for administering the Restart program.
- Reviewed the Florida Auditor General Reports for fiscal years 2016–2019, and all available Florida LEA single audit reports with findings for fiscal years 2013–2018.
- Reviewed approved Restart applications for Florida and the selected LEAs.
- Reviewed Florida's allocation calculations to determine whether the allocations to LEAs, charter schools, and nonpublic schools were accurate.

For the three LEAs selected for review, we performed the following procedures.

- Interviewed officials at the LEAs to obtain an understanding of how they spent Restart program funds.
- Reviewed the LEAs' annual audit reports for 2018 and any reports from fiscal year 2013 through fiscal year 2017 with reported material weaknesses, questioned costs, and significant deficiencies.
- Interviewed the LEAs' external auditors who prepared annual audit reports for 2019 to determine whether they included the Restart program in their reviews for 2019.
- Conducted testing of samples of expenditures at the LEAs to determine the allowability of the expenditures for the Restart program, as described in the section "Sampling Methodology."
- Reviewed written policies and procedures at the LEAs related to the expenditures each LEA charged to their grants, including payroll and nonpayroll.

## LEA Selections

To determine whether the LEAs and nonpublic schools used Restart program funds for allowable and intended purposes under the terms of the grant and applicable laws and regulations, we judgmentally selected 3 of 42 LEAs that provided services and assistance using Restart program funds to public (traditional and charter) and nonpublic schools based on a risk analysis. When selecting LEAs, we stratified the 42 LEAs into 3 categories (small, medium, and large) based on the amount of Restart program funds Florida initially awarded to them.

We categorized LEAs as small if the LEAs were awarded less than $1 million, medium if the LEAs were awarded between $1 million and $5 million, and large if the LEAs were awarded over $5 million. Of the 42 LEAs, we categorized 24 as small, 13 as medium, and 5 as large. We selected a small, a medium, and a large LEA. In selecting the LEA within each category, we assigned greater risk to LEAs with material weaknesses, questioned costs, and significant deficiencies[11] reported in single audits from fiscal year 2013

[11] The Statement on Auditing Standard 115 defines material weakness as a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. It also defines significant deficiency as a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

through fiscal year 2018. Of LEAs with those characteristics, we assigned greater risk to LEAs that proposed to spend $1 million or more of the program funds on contracts according to their initial application and to LEAs that were geographically closer to where Hurricane Irma made its initial landfall in Florida.[12]

In the small LEA category, we identified six LEAs with material weaknesses, questioned costs, or significant deficiencies reported in single audits. None of those six LEAs proposed to spend $1 million or more of the program funds on contracts. Therefore, we selected Monroe from the six LEAs because it was geographically closer to where Hurricane Irma made its initial landfall. In the medium LEA category, we identified three LEAs with material weaknesses, questioned costs, or significant deficiencies reported in single audits. We selected Duval from the medium category because it was the only one of the three LEAs proposing to spend $1 million or more of the program funds on contracts. In the large LEA category, no LEAs had material weaknesses, questioned costs, or significant deficiencies reported in single audits, and two of the LEAs proposed to spend $1 million or more of the program funds on contracts. Therefore, we selected Miami-Dade because, of the two LEAs, it was geographically closer to where Hurricane Irma made its initial landfall. It was also the LEA that was awarded the most Restart program funds. Table 1 summarizes our judgmental LEA selection criteria and process.

**Table 1. Summary of LEA Judgmental Selection Criteria and Process**

| A<br>LEA Size Category | B<br>Number of LEAs by Category | C<br>Number of LEAs with Single Audit Issues[a] | D<br>Proposed to Spend $1 Million or More on Contracts | Judgmental Selection |
|---|---|---|---|---|
| Small | 24 | 6 | 0 | Of the six LEAs in column C, Monroe was the closest to Hurricane Irma landfall. |
| Medium | 13 | 3 | 1 | Duval was the only one in column D. |
| Large | 5 | 0 | 2 | Of the two LEAs in column D, Miami-Dade was closer to Hurricane Irma landfall, and it was awarded the most funds. |

[a] LEAs with material weaknesses, questioned costs, and significant deficiencies reported in single audits from fiscal year 2013 through fiscal year 2018.

[12] We used distance from landfall as an indicative of the severity of the impact Hurricane Irma had on the LEA and public (traditional and charter) and nonpublic schools in the geographical area.

Through March 2020, Florida awarded $84,470,000 in Restart program funds; Florida awarded the LEAs we visited $25,698,007 (30.4 percent) of those dollars (see Table 2). Because we judgmentally selected the LEAs, results described in this report pertain only to the LEAs we reviewed and cannot be projected to LEAs that we did not visit.

**Table 2. Selected LEAs with Restart Program Awards and Expenditures**

| Selected LEAs | Total Award through March 2020 | Restart Funds Awarded through September 2019 | Restart Funds Expended through September 2019 | Percent of Restart Funds Expended vs. Awarded through September 2019 |
|---|---|---|---|---|
| Duval[a] | $4,072,901 | $3,788,904 | $2,681,364 | 71% |
| Miami-Dade | $20,720,789 | $13,618,444 | $3,135,852 | 23% |
| Monroe | $904,317 | $556,692 | $556,692 | 100% |
| Total | $25,698,007 | $17,964,040 | $6,373,908 | 35% |

[a]Duval plans to return $1,083,718 in Restart program funds (including some nonpublic school funds) to Florida.

LEAs' Restart program awards included awards for nonpublic schools within their districts. Florida required LEAs to return Restart program funds not used by the nonpublic schools. The amount of unused Restart program funds from the selected LEAs is listed in Table 3 below.

**Table 3. Restart Program Funds Awarded to Nonpublic Schools but Not Used**

| Selected LEAs | Restart Funds Awarded to Nonpublic Schools through March 2020 | Unused Nonpublic Restart Funds | Percent of Nonpublic Restart Funds Not Used |
|---|---|---|---|
| Duval | $557,304 | $548,082 | 98% |
| Miami-Dade | $1,757,008 | $1,560,803 | 89% |
| Monroe | $85,873 | 0 | 0 |

## Sampling Methodology

At each LEA that we visited (see the section "LEA Selection"), we reviewed samples of both payroll and nonpayroll expenditures, as applicable.[13] When designing each sample, we first reviewed the data to assess whether there were large expenditures relative to the overall population. If large amounts were noted, we stratified the data to judgmentally select larger expenditures and from the remaining, we randomly selected additional expenditures (see the sections "Payroll Samples" and "Nonpayroll Samples"). We selected Miami-Dade as the LEA to conduct nonpublic school expenditure testing because, of the 3 LEAs we selected, it received the highest amount of Restart program funds for nonpublic schools and had the largest number of nonpublic schools within its district.

### Payroll Samples

We reviewed samples of payroll for two of the LEAs that we visited. For Miami-Dade, we selected 30 of the 5,587 employees who received payroll payments charged to the Restart program. This included a judgmental selection of 3 employees who received the highest total amount of payroll payments and a random selection of 27 additional employees. For Monroe, we randomly selected 24 of the 239 employees who received payroll payments charged to the Restart program. In total, we reviewed 54 employees' payroll out of 5,826 employees whose salaries were paid, in part, using Restart program funds for the LEAs that we visited (see Table 4). For each selected employee, we reviewed the employee's timesheets to ensure that the employee worked on disaster-related allowable activities and within allowable time periods and recalculated each selected employee's pay including fringe benefits. Because our payroll sample results were not weighted by probability of selection, our results might not be representative of the universes and, therefore, cannot be projected to the universes.

[13] Duval did not have any payroll expenditures.

**Table 4. Universes and Samples of Payroll Expenditures for Restart through September 30, 2019**

| Selected LEAs | Universe Employee Count and Dollar Amount | Sample Employee Count and Dollar Amount | Selection Method |
|---|---|---|---|
| Duval | None | Not Applicable | Not Applicable |
| Miami-Dade | 5,587 employees<br>$1,880,687 | 30 employees<br>$72,896 | Stratified to select all 3 employees with the highest total payroll charged to the Restart program and 27 employees randomly. |
| Monroe[a] | 239 employees<br>$448,142 | 24 employees<br>$34,093 | 24 employees randomly |

[a] Since we did not expand the audit scope until after the site visit in early September, we tested expenditures through August 31, 2019.

## Nonpayroll Samples

We reviewed samples of nonpayroll expenditures for all three of the LEAs that we visited. We stratified the universes to ensure selection of nonpayroll transactions by public (traditional and charter) schools (see Table 5 for selection method for each LEA). In total, we reviewed 59 out of 398 nonpayroll transactions charged to the Restart program through September 2019, for the LEAs that we visited (see Table 5). For each selected transaction, we reviewed supporting documentation which included contracts, invoices, and proof of payment. Because our nonpayroll sample results were not weighted by probability of selection, our results might not be representative of the universes and, therefore, cannot be projected to the universes.

**Table 5. Universes and Samples of Public School Nonpayroll Expenditures for Restart through September 30, 2019**

| Selected LEAs | Universe Transaction Count and Dollar Amount | Sample Transaction Count and Dollar Amount | Selection Method |
|---|---|---|---|
| Duval | 109 transactions<br>$2,679,163 | 25 transactions<br>$1,469,453 | Stratified to select the 5 highest charter and 5 highest traditional public school transactions charged to the Restart program, and 15 additional traditional public school transactions randomly. |
| Miami-Dade | 281 transactions<br>$1,238,930 | 30 transactions<br>$661,398 | Stratified to select the 5 highest traditional public school transactions charged to the Restart program, 20 additional traditional public school transactions, and 5 randomly selected charter school transactions. |
| Monroe[a] | 8 transactions<br>$75,009 | 4 transactions<br>$55,792 | Stratified to select the 3 highest charter school transactions and the only traditional public school transaction. |

[a] Since we did not expand the audit scope until after the site visit in early September, testing was for expenditures through August 31, 2019.

## Nonpublic School Samples

We reviewed transactions for nonpublic schools at one of the three LEAs that we visited. For Miami-Dade, we reviewed all the transactions, totaling $16,235, that nonpublic schools charged to the Restart program (see Table 6). For each transaction, we reviewed supporting documentation which included invoices and proof of payment. Because we reviewed nonpublic school expenditures at only one LEA and the results were not weighted by probability of selection, our results might not be representative of the universe and, therefore, cannot be projected to the universe.

**Table 6. Universe and Selection of Nonpublic School Expenditures for Restart through September 30, 2019**

| Selected LEA | Universe Transaction Count and Dollar Amount | Sample Transaction Count and Dollar Amount | Selection Method |
|---|---|---|---|
| Miami-Dade | 5 transactions<br>$16,235 | 5 transactions<br>$16,235 | All transactions |

## Use of Computer-Processed Data

We relied, in part, on computer-processed data from the selected LEAs' financial management systems, which consisted of a list of expenditures charged to their Restart grants, including purchase orders and related invoices from April 20, 2018, through September 30, 2019. We used the data to select our sample of Restart expenditures for testing. To assess the accuracy of the data in the financial management systems, we compared data elements of the sampled transactions, such as vendor name, purchase order number, and amount, to supporting documentation. To assess the completeness of the data in the financial management systems, we compared journal entries and expenditure reports that the three LEAs provided to the draw down information from Florida Grants System reports that Florida provided to ensure that the universe included all expenditures charged to the Restart program. Based on the work we performed, we determined that the information was sufficiently reliable for us to use in meeting the audit objectives.

We also relied on computer-processed data obtained from the Department's G5 system. We used G5 to identify the amount of Restart program funds that Florida had drawn down and the remaining balances as of June 9, 2020. The G5 is the official system of record for the Department's grants data. As a result, we considered it to be the best available data for the purpose of our audit.

We conducted a site visit to Florida in July 2019 and subsequently visited the selected LEAs. We visited Monroe in September 2019, Miami-Dade in October 2019 and November 2019, and Duval in January 2020. We performed additional work at our regional office in Atlanta, Georgia, from June 2019 through June 2020. We held an exit conference with Florida officials on May 14, 2020, to discuss the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix B. Acronyms and Abbreviations

| | |
|---|---|
| Department | U.S. Department of Education |
| Duval | Duval County Public Schools |
| FAQ | frequently asked questions |
| Florida | Florida Department of Education |
| HERA | Hurricane Education Recovery Act |
| LEA | local educational agency |
| Miami-Dade | Miami-Dade County Public Schools |
| Monroe | Monroe County School District |
| Restart | Immediate Aid to Restart School Operations |
| SEA | State educational agency |

# Florida's Comments

State Board of Education

Andy Tuck, *Chair*
Marva Johnson, *Vice Chair*
*Members*
Ben Gibson
Tom Grady
Michael Olenick
Ryan Petty
Joe York

FLORIDA DEPARTMENT OF EDUCATION
fldoe.org

Richard Corcoran
Commissioner of Education

August 24, 2020

Selina Boyd
Acting Regional Inspector General for Audit
U.S. Department of Education
Office of Inspector General
61 Forsyth Street, Room 19T30
Atlanta, Georgia 30303

Reference: Audit Control Number ED-OIG/A04T0005

Dear Ms. Boyd:

Thank you for the submission of the draft audit report. The Florida Department of Education accepts the report as written.

We appreciate the time and effort your staff committed to this audit.

Sincerely,

[redacted]

Richard Corcoran

RC/sf

cc: Suzanne Pridgeon, Deputy Commissioner, Finance and Operations
Mike Blackburn, Inspector General
Mari Presley, Assistant Deputy Commissioner, Finance and Operations
Mark Eggers, Assistant Deputy Commissioner, Finance and Operations
Sean Freeman, Educational Program Director, Finance and Operations

www.fldoe.org
325 W. Gaines Street | Tallahassee, FL 32399-0400 | 850-245-0505