

December 30, 2024

Via Electronic Mail

Molly Jacobson
President and CEO
Commonwealth Corporation
33 Harrison Avenue, 3rd Floor
Boston, MA 02111
mjacobson@commcorp.org

**Re: Commonwealth Corporation
Career Technical Initiative Compliance and Oversight**

Dear Ms. Jacobson:

Pursuant to its statutory mandate under Chapter 12A of the Massachusetts General Laws to prevent fraud, waste, and abuse of public assets on the state and municipal levels, the Office of the Inspector General's (OIG) Special Funding Oversight Division (SFO) has been reviewing programs funded by the federal American Rescue Plan Act (ARPA).

The OIG's reviews assess strengths, risks, and needed improvements in program administration, especially in areas related to oversight and compliance. The OIG recently completed its review of Commonwealth Corporation's (CommCorp) Career Technical Initiative (CTI).

The OIG found that CommCorp has written policies to verify student (participant) eligibility, monitor key performance indicators, and collect and review vocational school (grantee) reports on program benchmarks. However, the OIG also found that CommCorp's program guide has outdated language pertaining to the disposition of CTI-produced property at the end of a grantee's contract.

This letter elaborates on the OIG's findings and offers recommendations to strengthen CommCorp's management of CTI.

Background

Through CTI, CommCorp, a quasi-public entity, provides financial support to vocational schools that run programs on evenings and weekends for unemployed and underemployed people to develop skills needed for jobs in fields such as welding, carpentry, and electrical work.

To facilitate its review of the program, the OIG requested documentation from CommCorp demonstrating that it has written oversight measures in place to monitor whether ARPA funding was used for eligible purposes and to ensure that grantees meet federal reporting requirements. In

response to this request, CommCorp provided the OIG with several documents related to its administration of CTI, including the CTI Grantee Guide, CTI Participant Eligibility Guidance, a CTI Quarterly Narrative Report, Quarterly Narrative Report Guidance, and the Fiscal Monitoring Policy and Tool.

Findings

1. CommCorp has written policies to verify participant eligibility.

The OIG found that CommCorp has written policies that require program administrators to verify participant eligibility. These policies are important because they give grantees specific practices they can execute (such as reviewing pay stubs, tax forms, and proof of public benefits receipt) to ensure that participants are eligible to enroll in the program and are among those for whom the program is designed to benefit.

2. CommCorp has written policies to monitor key performance indicators.

The OIG found that CommCorp has written policies requiring program administrators to monitor key performance indicators such as the number of participants who completed its courses and were then placed in jobs. Tracking key performance indicators enables CommCorp to measure the overall success of the CTI program over time.

3. CommCorp has written policies to track program benchmarks.

The OIG found that CommCorp has written policies requiring that it collect and review quarterly narrative reports from grantees to ensure that those schools are meeting program benchmarks. The policies also specify that CommCorp will conduct grantee site visits. Written policies for regular reporting on program indicators, expenses, and other program issues, combined with a process for conducting grantee site visits, enable CommCorp staff to understand available tools for active program management.

4. CommCorp's grantee guidance contains obsolete language regarding the disposition of CTI-produced property.

The OIG found that CommCorp's grantee guide references an obsolete policy on the disposition of CTI-produced property at the end of a grantee's contract. Although CommCorp has a new policy in place, it has not updated the language in its standard terms and conditions.

Some CTI training programs produce goods that grantees opt to sell, such as wood products and metalwork. CommCorp and grantees share the responsibility for open and transparent disposition of property following applicable laws and policies.

CommCorp states in its grantee guide that it "is responsible for ensuring that organizations receiving grant funds ... [h]ave the fiscal and program systems needed to meet all relevant federal and state requirements." Part 31 of the Standard Terms and Conditions that CommCorp requires all grantees to follow states that "[t]he Contractor shall follow applicable State regulations and

COMMCORP Policy F-35 as amended regarding the disposition of property at the end of the contract period.” CommCorp told the OIG that it no longer uses Policy F-35, which was added to its contract template and terms to comply with a federal law enacted in 1982. CommCorp reported that it has developed new policies since that time.

Although CommCorp reported that its failure to update the template was inadvertent, CommCorp should regularly review all CTI program administration materials, including contract templates, to ensure that they reference current processes and legal requirements. Such reviews will ensure that both grantees and program administrators are held to relevant program standards and that staff members understand the obligations of the entities involved.

Specifically, to avoid confusion on applicable state procurement and disposition rules, CommCorp should update Part 31 of the Standard Terms and Conditions to reflect its current policy. CommCorp should also review all of its program administration materials to remove obsolete language and incorporate current policy language or references.

Furthermore, the OIG found through its review that the new policy on disposition of property should more clearly state expectations for grantees.

To ensure that both parties know and follow the law, CommCorp should require that public vocational technical school grantees affirmatively acknowledge that they will follow the written disposition policy approved by their regional school board for goods and will provide CommCorp with those policies. The value of many, if not most, of the CTI products will be less than \$10,000. Therefore, CommCorp should request copies of the grantee’s governmental body’s written policies for disposition of supplies. *See* M.G.L. c. 30B, § 15(f).

5. CommCorp does not gather qualitative data from program participants.

As discussed above, CommCorp collects data on important key performance indicators from CTI grantees, including the number of course completions, certifications gained, and participant job placements. However, CommCorp does not currently request *qualitative data* from program participants. As a performance management tool, CommCorp should require grantees to provide participants with standardized anonymous surveys to evaluate the program and courses upon completion.

Participant surveys would provide CommCorp with direct qualitative data about the program. The surveys might ask participants about elements of the program they found most useful, about areas that would benefit from improvements, and about any instructional issues that might not otherwise be captured in information submitted by grantees. CommCorp should use this data to ensure that grantees are using the public funds to deliver high quality programs.

Recommendations

Based on its findings, the OIG recommends that CommCorp take several actions with respect to CTI:

1. Ensure that updated policies are incorporated into program guidance in a timely manner, *i.e.*, before grant funds are transferred to grantees;
2. Clarify rules for the disposition of CTI-produced goods;
3. Ensure grantees acknowledge such disposition rules;
4. Collect and review grantee disposition policies; and
5. Solicit participant feedback through surveys as a program monitoring tool.

Conclusion

Thank you for your cooperation during the OIG's review. Implementing the recommendations herein will allow CommCorp to strengthen its management of CTI and better evaluate the quality of the programming delivered. To provide robust vendor oversight, CommCorp should also apply these recommendations to other state and federal programs that it administers.

Within 30 days of receiving this letter, please notify this office in writing of your plans to implement these recommendations or of any steps CommCorp has already taken.

If you have any questions about the OIG's review or recommendations, or if you would like information on available OIG resources and assistance, please contact SFO Director Michael Frieber at michael.g.frieber@mass.gov.

Thank you for your attention to this matter.

Sincerely,



Jeffrey S. Shapiro, Esq., CIG
Inspector General

cc (by email):

Tom Hooper, Vice President, Sector Pathways, CommCorp

Lauren Jones, Secretary, EOLWD

Michael Doheny, General Counsel, EOLWD

Alix Boren, Deputy General Counsel, EOLWD

Susanne M. O'Neil, Deputy Inspector General, OIG

Michael Frieber, Director of Special Funding Oversight, OIG

Nataliya Urciuoli, Senior Executive Assistant, OIG