



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

RECOVERY

RECOVERY OVERSIGHT ADVISORY

Progress of HBCU Historic Preservation Grant Program



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Memorandum

To: Rhea S. Suh
Assistant Secretary for Policy, Management and Budget

Through: Mary Pletcher
Deputy Director, National Business Center

From: *for Robert A. Knox*
Assistant Inspector General, Recovery Oversight Office

Subject: Recovery Oversight Advisory – Progress of HBCU Historic Preservation Grant Program
Report No. RO-F-NPS-049-2011

This advisory, regarding the National Park Service's (NPS) Historically Black Colleges and Universities (HBCU) Historic Preservation Grant program is part of our ongoing effort to oversee and ensure the accountability of funding appropriated to the U.S. Department of the Interior (DOI) in the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Background

The Recovery Act provided \$15 million to the HBCU program for historic preservation grants to assist in repairing “those historic structures on HBCU campuses considered to be the most historically significant and physically threatened – the likelihood of loss of the structure if work was not performed as soon as possible to save it.” NPS selected 21 projects in October and November 2009 at 20 HBCU campuses across the country. Awards ranged from \$123,570 to \$1,750,000. The HBCU program obligated \$14,986,944 for awards and administrative funds.

In February 2011, as part of the Recovery Oversight Office Outreach Efforts, we met with HBCU grant administrators and grant recipient staff at Saint Paul's College in Lawrenceville, VA. Saint Paul's College received an award for \$349,706 to fund the restoration of the Saul Building, the first campus facility built in 1888. As a result of our meeting, we decided to review the approved proposal project timelines submitted by colleges for the five highest value projects funded by the HBCU program: Central State University's Emery Hall, Allen University's Chappelle Auditorium, Harris-Stowe State University's Vashon Community Center, Kentucky State University's Old Federal Building and Post Office, and Meharry Medical College's Hulda Margaret Lyttle Hall. The total obligated project value for these schools is \$5,790,000.

Our review found inconsistent project criteria, missed project milestones, lagging expenditures, and discrepancies between recipient reported data and bureau reported data on the status of projects.

Findings

Inconsistent Criteria related to Project Timelines

We found that the Catalog for Federal Domestic Assistance (CFDA) and solicitation requirements were inconsistent with the grant award terms and conditions.

According to CFDA and the solicitation, project timelines:

Shall strictly adhere to the following guidelines: (1) The project must begin within six months after the grant agreement has been signed. If activities have not begun in accordance with the approved project time line the grant will be suspended or terminated and the funds recaptured by the National Park Service; (2) 50 percent of the total project shall be completed within 18 months after the signing of the grant agreement (including planning, design, and construction); and (3) The project scope of work must be completed within 3 years of the start date of the grant agreement. Planning and design shall be completed within 1 year maximum and the construction phase shall be completed within 2 years maximum.

The proposal for Margaret Lyttle Hall at Meharry Medical College restates the above requirements, including item (2), the 50 percent requirement. The application for Margaret Lyttle Hall does not define activity that will meet the 50 percent requirement. We found that neither the Saul Building proposal nor the other four highest value project proposals address the 50 percent requirement. The terms and conditions of the subsequently awarded grants did not include this requirement.

All six approved timelines had activity beginning within six months of award with completion in three years after award. Of the six total projects we examined, no construction designs were completed within the first year as required. Consequently, the timelines are inherently inaccurate.

Missed Project Milestones and Lagging Expenditures

At the time of our site visit, the NPS program manager for the Saul Building estimated 5 percent total project completion. According to NPS, as of March 31, 2011, the project spent 1.37 percent of the award. Construction is expected to begin in August 2011, approximately 11 months behind the approved project timeline.

The five highest value projects are also lagging in expenditures. As of March 31, 2011, 5.26 percent of award funding had been spent compared to 8 percent for the other 16 HBCU projects. We compared the construction start date for each of the top five recipient's approved timelines to the May 2011 NPS expected construction date and found construction delays, as shown on Figure 1.

| HBCU | Approved Recipient Timeline Construction Start Date | NPS Expected Construction Start Date | Months Construction Delayed |
|--|--|---|------------------------------------|
| Central State University's Emery Hall | June 2010 | May 2011 | 11 |
| Allen University's Chappelle Auditorium | March 15, 2010 | July 2011 | 15.5 |
| Harris-Stowe State University's Vashon Community Center | February 2011 | July 2011 | 5 |
| Kentucky State University's Old Federal Building and Post Office | July 2010 | July 2011 | 12 |
| Meharry Medical College's Hulda Margaret Lyttle Hall | June 2009 | April 2011 | 22 |

Figure 1: Construction delays for selected HBCU projects.

We reviewed our estimates with HBCU program administrators who contended that all projects would be completed within the 3-year deadline.

Internal Timeline Monitoring

In late May 2010, HBCU administrators sent recipients a reminder of the period of performance requirements in Section 1, Administration of the Grant Terms and Conditions. The email included four milestones and their associated completion dates, indicated by “Grant Timeframe” on Figure 2.

HBCU administrators use a different timeframe for assessing the completion of project milestones, indicated by “Internal Timeframe” on Figure 2. While the dates are similar, inconsistencies can lead to misunderstanding regarding expected project phase completion dates.

| Activity | Grant Timeframe | | Internal Timeframe (Used by HBCU) | |
|----------------------------------|------------------------|------------------|--|-----------------|
| | Start | Deadline | Start | Deadline |
| Pre-Design [initial 6 months] | October 16, 2009 | April 16, 2010 | October 2009 | February 2010 |
| Planning and Design | April 16, 2010 | October 16, 2010 | March | September 2010 |
| Construction | October 16, 2010 | October 16, 2012 | October 2010 | September 2012 |
| Post Construction | Grant close out | | Blank | Blank |

Figure 2: Project milestone inconsistencies.

Reporting on the Recovery Act Web Site

We reviewed funding data for each of the 21 projects on Recovery.gov as reported through March 31, 2011, approximately 17 months after awards. Funding data is captured in two separate databases – one reported by recipients and the other by NPS. We compared the amount of funds each source reported spent and found these values inconsistent for 13 projects.

In the same quarter, the recipient for the Tougaloo College’s John W. Boddie House project indicated that the project had not started. HBCU program staff told us, however, that 95 percent of the construction documents with comments had been sent to the school’s architect.

Jacobs Engineering Risk Assessment

In 2009, DOI contracted with Jacobs to conduct a third-party risk assessment of Recovery Act programs, including the HBCU program. The purpose of the report was “to assist DOI senior management in developing a plan for establishing Recovery Act program management.” Jacobs evaluated several areas of risk relating to successful obligation of funds, management, project delivery, and quality of metrics, and made recommendations to mitigate those risks.

Jacobs concluded that the “HBCU Grant program does not manage or oversee the work in this program,” and further stated that “NPS cannot assure that the projects are executed or completed within ARRA guidelines.” According to OIG interviews with the HBCU program administrators, no remedial program actions have been taken as a direct result of this risk assessment.

Conclusion

We found that delays in execution of HBCU projects may lead to further degradation in the condition of historic structures and that inconsistent milestones and reporting on the status of projects hinders transparency.

Recommendations

We recommend that NPS:

1. Establish and implement uniform grant oversight procedures including site visits by NPS to ensure projects will be completed on time;
2. Implement formal action plans for those projects where recipients fail to meet milestones; and;
3. Promptly resolve discrepancies between NPS and recipient reports on project status and revise reports on Recovery.gov.

Please provide a written response to this advisory, within 30 days of receipt, detailing the corrective actions NPS will implement to meet our recommendations, as well as targeted completion dates and title(s) of the official(s) responsible for implementation. We will post this

advisory on our Web site (www.doiioig.gov/recovery/) and Recovery.gov. Information contained in this advisory may also be included in our semiannual reports to Congress. We performed our work in accordance with the Quality Standards for Inspection and Evaluation adopted by the Council of the Inspectors General on Integrity and Efficiency. Please contact me if you have any questions.

cc: Deputy Secretary, U.S. Department of the Interior
Director, Office of Executive Secretariat and Regulatory Affairs
Director, Office of Acquisition and Property Management
Acting Director, Office of Financial Management
Director, National Park Service
Departmental GAO/ OIG Audit Liaison
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