

**DEPARTMENT OF EDUCATION****Intent To Compromise Audit Claim Against the Commonwealth of Massachusetts Department of Education**

**AGENCY:** Department of Education.

**ACTION:** Notice of intent to compromise audit claim.

**SUMMARY:** The United States Department of Education (Department) intends to compromise an audit claim against the Commonwealth of Massachusetts Department of Education (Massachusetts) now pending before the Office of Administrative Law Judges (OALJ). Docket No. 95-84-R (20 U.S.C. 1234a(j)).

**DATES:** Interested persons may comment on the proposed action by submitting written data, views, or arguments on or before August 15, 1997.

**ADDRESSES:** Comments should be addressed to Cathy L. Grimes-Miller, Esq., U.S. Department of Education, Office of the General Counsel, 600 Independence Avenue, S.W., Room 5100, Washington, D.C. 20202.

**FOR FURTHER INFORMATION CONTACT:** Cathy L. Grimes-Miller, Esq., Telephone (202) 401-8292. 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.

**SUPPLEMENTARY INFORMATION:** The claim in question arose from an audit of the financial affairs and operations of Massachusetts for the period July 1, 1991, through June 30, 1992 (State fiscal year 1992). The audit was performed by the independent public accounting firm of Deloitte and Touche to fulfill the requirements of the Single Audit Act of 1984 (Public Law No. 98-502) and the Office of Management and Budget Circular No. A-128, as set forth in Department regulations at 34 CFR Part 80, Appendix. The audit included an evaluation of Massachusetts' internal control structure policies and procedures, including those related to administration of Federal financial assistance programs. Among other things, the auditors examined compliance with Federal maintenance of effort requirements in Massachusetts' vocational education program.

The auditors found that Massachusetts did not meet the maintenance of effort requirement in its vocational education program for State fiscal year 1992 on either an aggregate or per pupil basis, as required by section 502(a) of the Carl D. Perkins Vocational

and Applied Technology Education Act (Perkins Act), as amended, 20 U.S.C. 2463(a). The auditors recommended that Massachusetts "make every effort to ensure that the state resources for the Vocational Education Program are sufficient to comply with the federal government's maintenance of effort requirement."

Department officials issued a program determination letter (PDL) on March 31, 1995. The PDL demanded a refund in the amount of \$4,604,211, based on a determination by the Assistant Secretary for Vocational and Adult Education (Assistant Secretary) that Massachusetts failed to maintain fiscal effort in accordance with section 502(a) of the Perkins Act for State fiscal year 1992. Massachusetts filed a timely request for review of the PDL with the OALJ. Thereafter, the Administrative Law Judge assigned to the appeal granted the parties' joint motion to stay the proceeding pending voluntary mediation.

During mediation, Massachusetts submitted substantial additional documentation purporting to show that it maintained fiscal effort in 1992. After conducting a thorough review of such documentation and re-examining the documentation upon which the PDL was based, the Assistant Secretary has redetermined Massachusetts' actual maintenance of effort shortfall for State fiscal year 1992 to be \$2,311,810. Accordingly, the Department has withdrawn its claim for \$2,292,401 of the \$4,604,211 sought in the PDL, thereby reducing the refund demanded to \$2,311,810.

The Department proposes to compromise the \$2,311,810 refund demanded for \$2,111,810. Under the proposed compromise, Massachusetts would repay the full principal amount of \$2,111,810 by September 1, 1997.

The documentation submitted by Massachusetts during mediation consisted primarily of data and information relating to student enrollment and expenditures in its vocational education program for State fiscal years 1990 and 1991. See 20 U.S.C. 2463(a) (maintenance of effort determination based on State expenditures in two fiscal years preceding fiscal year for which determination is made). In addition, Massachusetts raised various legal and factual issues that could reduce or eliminate the remaining amounts at issue.

Based on the amount that would be repaid by Massachusetts under the proposed settlement agreement, the additional documentation submitted by Massachusetts during mediation, and

the litigation risks and costs of proceeding through the administrative and, possibly, court process for this appeal, the Department has determined that it would not be practical or in the public interest to continue this proceeding. Rather, under the authority provided in 20 U.S.C. 1234a(j)(1), the Department has determined that compromise of this audit claim for \$2,111,810 is appropriate.

The public is invited to comment on the Department's intent to compromise this audit claim. Additional information may be obtained by calling or writing to Cathy L. Grimes-Miller, Esq. at the telephone number and address listed at the beginning of this notice.

**Program Authority:** 20 U.S.C. 1234a(j).

Dated: June 26, 1997.

**Donald Rappaport,**

*Chief Financial Officer.*

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**DEPARTMENT OF ENERGY****Office of Energy Research****Energy Research Financial Assistance Program Notice 97-17; Human Genome Program—Technologies in Support of the DOE Joint Genome Institute**

**AGENCY:** U.S. Department of Energy.

**ACTION:** Notice inviting grant applications.

**SUMMARY:** The Office of Health and Environmental Research (OHER) of the Office of Energy Research (ER), U.S. Department of Energy (DOE), hereby announces its interest in receiving applications for support of the Human Genome Program. This Program is a coordinated multidisciplinary research effort to develop creative, innovative resources and technologies that lead to a molecular level understanding of the human genome. As one aspect of this program, the DOE is establishing a "Joint Genome Institute" (JGI) to develop a DNA sequencing factory. The JGI will oversee a central sequencing facility that will initially have parallel production lines that use shotgun and transposon-based directed sequencing approaches. This dual approach is intended to evolve into an optimized and unified sequencing strategy within two to three years. This unified strategy will take advantage of technologies and expertise at the JGI and in the broader research community. An important aspect of developing this automated facility will be the establishment of