



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

JUL - 1 2009

Honorable Nerissa Bretania-Shafer
Superintendent of Education
Guam Public School System
PO Box DE
Hagatna, Guam 96932

Dear Superintendent Bretania-Shafer:

This is to inform you that we have conditionally approved Guam's application for Federal Fiscal Year (FFY) 2009 funds under Part B of the Individuals with Disabilities Education Act (IDEA) and are transmitting your regular IDEA Part B funds for FFY 2009. This letter also transmits the first fifty percent of your jurisdiction's IDEA Part B funds under the American Reinvestment and Recovery Act of 2009 (ARRA) (see Enclosure D -- April 1, 2009 Memo and Grant Terms and Conditions).

Our conditional approval of your regular FFY 2009 IDEA Part B grant award is based on our review of the application submitted by the Guam Public School System (GPSS) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 11, and revised on June 30, 2009, including the assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A. In addition, GPSS provided specific assurances that it will:

1. Operate consistent with Part B and applicable regulations; and
2. Make such changes to existing policies and procedures as are necessary to bring those policies and procedures into compliance with the requirements of Part B of the IDEA and applicable regulations as soon as possible, and not later than June 30, 2010. Section II of GPSS' application identifies the IDEA requirements for which GPSS needs to amend policies and procedures and the timelines by which GPSS will amend its policies and procedures in order to comply with Part B and applicable regulations. Within Section II, GPSS has included for each assurance it cannot meet at this time the date by which it expects to complete necessary changes to any policies and procedures that are not yet in compliance with the requirements of Part B and applicable regulations.

Guam's FFY 2009 IDEA Part B grant awards are being released subject to special conditions that are identified in the U.S. Department of Education's (Department's) June 23, 2009, letter to Guam, included as Enclosure C. These Special Conditions are being imposed pursuant to the Department's authority in CFR §80.12 due to continuing problems in GPSS' fiscal accountability and management practices and controls. The Special Conditions associated with the high-risk designation that remain in effect while Guam continues to address the Department's remaining fiscal and programmatic concerns require Guam to: (1) continue to implement its comprehensive Corrective Action Plan (CCAP); (2) submit semiannual reports regarding its progress in implementing measures required under the comprehensive Corrective Action Plan; (3) provide the Department with a new written assurance regarding management stability; (4) address a number of other matters including completing the implementation of the financial management contract with MGA Consulting, fully implementing its Management Internal Controls program and reviewing and implementing as appropriate, the recommendations of the independent Management and Curriculum Audit conducted

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by Evergreen Solutions, LLC; and (5) conduct single audits and submit reports on an annual basis in a timely and complete manner. By accepting the enclosed grant award, GPSS expressly agrees to comply with the Special Conditions identified in Enclosure C.

Please note that as part of your application for FFY 2009, GPSS has made an assurance, in 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect with respect to the FFY 2009 grant period. Any changes made by GPSS, after OSEP approval, to information that is a part of GPSS's application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed is GPSS's regular grant award for funds currently available under the Omnibus Appropriations Act, 2009 for the Part B Section 611 (Grants to States) program. These funds are for use primarily in school year 2009-2010 and are available for obligation from July 1, 2009 through September 30, 2011 in accordance with 34 CFR §76.709.

The amount shown in your award for the Section 611 program is only part of the total funds that will be awarded to you for FFY 2009. Of the \$11,505,211,000 appropriated for Section 611 in FFY 2009, \$2,912,828,004 is available for awards on July 1, 2009, and \$8,592,382,996 will be available on October 1, 2009.

In addition to these regular FFY 2009 Part B funds, the ARRA provided a one-time large increment in IDEA Part B funding. The ARRA IDEA Part B grant is a supplemental appropriation to the regular IDEA Part B appropriation. The first 50 percent of the ARRA IDEA Part B funds is being awarded to Guam through this grant letter with its regular FFY 2009 IDEA Part B formula grant. The effective date of the ARRA IDEA Part B grant award is February 17, 2009. Acceptance by your jurisdiction of the ARRA IDEA Part B grant award constitutes an agreement to comply with the conditions in Enclosure D and Box 10 on the enclosed Grant Award Notifications.

As specified in OSEP's June 12, 2009 e-mail, GPSS is required to submit a plan that describes the activities to be funded with the ARRA IDEA Part B funds and how Guam will provide project management oversight and maintain separate accounting records by unique CFDA numbers of project activities and expenditures, before it will be considered eligible to receive the second 50 percent of the its ARRA IDEA Part B funds. Together, GPSS' regular FFY 2009 IDEA funds and GPSS' ARRA IDEA Part B funds constitute GPSS' total FFY 2009 IDEA Part B allocation. Given the increased IDEA Part B FFY 2009 allocation to each State and Territory, States and Territories may wish to review carefully the guidance on the ARRA IDEA Part B grant awards, available at <http://www.ed.gov/fund/data/award/idea/arra/index.html>.

Enclosure B provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure B shows funding levels for distribution of Section 611 funds and the parameters for within-State allocations. The enclosed grant awards for FFY 2009 are made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries are needed to allow us to appropriately carry out our administrative responsibilities related to Part B.

Enclosure D provides the terms and conditions of receipt of the ARRA IDEA Part B funds. Acceptance by your State of these grant awards constitutes an agreement by the State to comply with the terms and conditions in Enclosure D.

In its September 18, 2006 grant award letter, OSEP approved Guam's June 20, 2006 request for prior approval of its Bus Purchase Plan. In this plan, Guam requested approval to purchase five buses in FY 2006 and every year until FY 2013. This Office has determined that the purchase of the buses described in the FFY 2006 letter are allowable costs if the requirements of Part B of IDEA, the Federal cost principles in OMB Circular A-87, and procurement requirements are met. OSEP reminds GPSS that if Part B funds are used to pay the entire cost of purchasing these vehicles, the vehicles must be used to provide transportation for children with disabilities.

In its June 24, 2009 status report on the Bus Purchase Plan, Guam reported that it did not purchase any buses using FFY 2008 Part B funds based on its assessment that its current bus fleet was sufficient to meet the needs of students with disabilities requiring transportation services. Guam informed OSEP that the five new buses received on the island in March 2008 were purchased using FFY 2006 Part B funds. Guam reaffirmed that its fleet of 34 buses are used solely for special education purposes, inventoried monthly, and are locked and secured at all times under the supervision of the driver or assigned personnel or secured in a government facility when not in use. OSEP approves Guam's request to purchase five new buses using FFY 2009 Part B funds. Guam must continue to confirm in each subsequent application whether the buses approved were actually purchased, that the plan is still valid and intact (including that the buses are inventoried once a month and are locked and secured at any government facility on Guam), and request approval for future purchases under that grant application.

OSEP will respond under separate cover to documentation submitted by GPSS on June 1, 2009 in response to issues raised in OSEP's April 1, 2009 verification letter.

We appreciate your ongoing commitment to the provision of quality educational services to children with disabilities.

Sincerely,



Patricia J. Guard
Acting Director
Office of Special Education Programs

Enclosures

- Enclosure A
- Enclosure B
- Enclosure C
- Enclosure D

cc: Director of Special Education