



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

JUL - 1 2010

Honorable Nerissa Bretania Underwood  
Superintendent  
Guam Department of Education  
PO Box DE  
Hagatna, Guam 96932

Dear Superintendent Bretania Underwood:

We have approved Guam's application for Federal Fiscal Year (FFY) 2010 funds under Part B of the Individuals with Disabilities Education Act (IDEA or Part B). Our approval is based on review of the application submitted by the Guam Department of Education (GDOE) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 7, 2010, including assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

Guam's FFY 2010 IDEA Part B grant award is being released subject to Special Conditions that are identified in the U.S. Department of Education's (Department's) June 21, 2010, 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 GDOE's fiscal accountability and management practices and controls. The Special Conditions associated with the high-risk designation that remain in effect while GDOE continues to address the Department's remaining fiscal and programmatic concerns require GDOE to procure the services of a third-party fiduciary agent (Agent), and with that Agent to: (1) revise its Comprehensive Corrective Action Plan (CCAP) to ensure that GDOE will be able to achieve measurable progress in its financial management and administration of Department funds; (2) submit quarterly reports regarding its progress in implementing measures required under the CCAP; (3) continue to ensure that necessary improvements in internal controls will be reinforced by governance and management stability within its organization, including within the GDOE Superintendent's Management Team as per GDOE's written assurance dated November 27, 2009; and (4) conduct single audits and submit reports on an annual basis in a timely and complete manner. These Special Conditions additionally provide information on restrictions that apply to the drawdown of Department funds by the GDOE. By accepting the enclosed grant award, GDOE expressly agrees to comply with the Special Conditions identified in Enclosure C.

Please note that as part of your application for FFY 2010, GDOE has made an assurance, in 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2010 grant period. Any changes made by GDOE, after OSEP approval, to information that is a part of your application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed is Guam's grant award for funds currently available under the Consolidated Appropriations Act, 2010 -- P.L. 111-117 for the Part B Section 611 (Grants to States) program. These funds are available for obligation by States from July 1, 2010 through September 30, 2012

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in accordance with 34 CFR §76.709. GDOE agrees that by accepting the enclosed grant award subject to the terms of the Special Conditions identified in Enclosure C, it may not draw down any FFY 2010 Part B funds until such time as GDOE has entered into a binding contract with the approved Agent and the Agent is prepared to provide services under the contract.

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 2010. Of the \$11,505,211,000 appropriated for Section 611 in FFY 2010, \$2,912,828,000 is available for awards on July 1, 2010, and \$8,592,383,000 will be available for awards on October 1, 2010.

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.<sup>1</sup>

In its September 18, 2006 grant award letter, OSEP approved GDOE's June 20, 2006 request for prior approval of its Bus Purchase Plan. In this plan, GDOE 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 GDOE 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 July 1, 2009 grant award letter, OSEP approved GDOE's request to purchase five new buses using FFY 2009 Part B funds.

In its June 15, 2010 status report on the Bus Purchase Plan, GDOE reported that a request was submitted to the Guam Legislature in FFY 2009 to fund a portion of the buses needed through local funds because the FFY 2009 Part B funds were needed to subsidize the increases in Federally funded special education personnel salaries. With approval from the Guam Legislature, the local funds and FFY 2009 Part B funds will provide the funds needed to complete the procurement process for purchasing five new buses. GDOE is not requesting to purchase any buses with FFY 2010 Part B funds because five new buses will be purchased with remaining FFY 2009 Part B funds and local funds.

GDOE 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. GDOE 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.

The enclosed grant award of FFY 2010 funds is made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if

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<sup>1</sup> Pursuant to language contained in the Department of Education Appropriations Act in 2010, the Part B funds awarded to States under the American Recovery and Reinvestment Act of 2009 for FFY 2009 were not considered for purposes of calculating State allocations under Section 611 for FFY 2010.

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necessary. These inquiries may be necessary to allow us to appropriately carry out our administrative responsibilities related to Part B.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Alexa Posny". The signature is fluid and cursive, with a long horizontal stroke at the end.

Alexa Posny, Ph.D.

Acting Director

Office of Special Education Programs

Enclosures

Enclosure A

Enclosure B

Enclosure C

cc: Guam Director of Special Education