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

JUL 28 2011

Honorable Casiano Shoniber
Secretary
National Department of Education
Federated States of Micronesia
P.O. Box PS 87
Paliker
Pohnpei State, FSM 96941

Dear Secretary Shoniber:

We have approved the Federated States of Micronesia (FSM's) application for Federal Fiscal Year (FFY) 2011 funds under Part B of the Individuals with Disabilities Education Act (IDEA Part B). Our approval is based on review of the application submitted by FSM to the U.S. Department of Education, Office of Special Education Programs (OSEP), on July 25, 2011, including assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

The FFY 2010 grant award was subject to special conditions because of FSM's failure to ensure that FSM is in compliance with requirements related to the fiscal management of Part B funds. Pursuant to the Special Conditions imposed on FSM's FFY 2010 Grant Award, OSEP required FSM to provide three reports: the First Progress Report, due October 1, 2010, the Second Progress Report with FSM's FFY 2009 APR, due February 2, 2011, and the Third Progress Report, due May 1, 2011, submitted July 25, 2011. Based on the information provided by FSM in its Progress Reports, and in its FFY 2009 Annual Performance Report, OSEP has determined that FSM has satisfied all of the Special Conditions.

Please note that as part of your application for FFY 2011, your State has made an assurance, pursuant to 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2011 grant period. Any changes made by the State, after OSEP approval, to information that is a part of a State's application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed is FSM's FFY 2011 grant award for funds currently available under the Department of Defense and Full-Year Continuing Appropriations Act, 2011 -- P.L. 112-10 for the IDEA Part B Section 611 (Grants to States) program. These funds are available for obligation by States from July 1, 2011 through September 30, 2013 in accordance with 34 CFR §76.709. However, funds awarded to FSM are available for obligation from July 25, 2011 through September 30, 2013.

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 2011. Of the $11,482,200,578 appropriated for Section 611 in FFY 2011, $2,889,817,578 is available for awards on July 1, 2011, and $8,592,383,000 will be available for awards on October 1, 2011. Under the Section 611 formula, in a year in which the amount available for allocation to States decreases from the prior year, but is greater than the

1999 level, any amount available for allocation to States above the 1999 level is allocated based on the relative increases in funding that the States received between 1999 and the prior year.

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 award of FFY 2011 funds is made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries may be necessary to allow us to appropriately carry out our administrative responsibilities related to IDEA Part B.

As a reminder, all prime recipients of IDEA (Part B or Part C) funds must report subaward information by the end of the month following the month from when the award was made, as required by the Federal Financial Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. FFATA guidance is found at http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html. Please contact your State's Recovery Act Facilitator if you have further questions.

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

Sincerely,

Melody Musgrove RM

Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosures

Enclosure A
Enclosure B

cc: State Director of Special Education