



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

MAR 25 2003

Mr. Moeolo Vaatausili
Director
Special Education Division
American Samoa Department of Education
Pago Pago, American Samoa 96799

Dear Mr. Vaatausili:

This is in response to your fax dated February 27, 2003 asking whether American Samoa can use Federal formula grant funds available to American Samoa under Part B of the Individuals with Disabilities Education Act (Part B) to purchase 2 wheelchair buses, 3 vans, and 2 sport utility vehicles, which will be used to replace 2 wheelchair buses and 5 vans/buses that were manufactured from 1992-1995. You quote the following estimated costs for these vehicles, based upon bids that you solicited from local dealers: 2 wheelchair buses (at a cost of approximately \$61,500.00 each); 3 12- passenger vans (at the cost of approximately \$36,000.00 each); and 2 sport utility vehicles (in the price range of \$28,000.00-\$36,500.00 each).

In a subsequent fax, you stated that the vehicles you plan to purchase with Part B formula grant funds are needed because special education services that were provided in a special education center are now provided in public schools island-wide, and the number of children who are provided with special education services in accordance with an individualized education programs (IEP) has increased. According to your fax, it is a struggle to schedule transportation for students when the old vehicles need repairs. The new vehicles are needed to meet the transportation needs described in the IEPs of children with disabilities, which is a required related service under Part B.

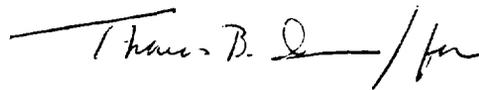
OMB Circular 87 – General Principles for Determining Allowable Costs, Section C, Item 1, Factors Affecting Allowability of Costs, states that to be an allowable cost under Federal awards, the cost must “(b)e necessary and reasonable for proper and efficient performance and administration of Federal awards.” Furthermore, Section 605 of the Individuals with Disabilities Education Act states: “If the Secretary determines that a program authorized under the Act would be improved by permitting program funds to be used to acquire appropriate equipment, or to construct new facilities or alter existing facilities, the Secretary is authorized to allow the use of those funds for those purposes.”

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Under this authority, this Office determines that the purchase of vans and buses described in this letter are allowable costs if the requirements of Part B, the Federal cost principles in OMB Circular 87, and procurement requirements are met. If Part B funds are used to pay the entire cost of purchasing these vehicles, the vehicles must be used exclusively to provide transportation for children with disabilities.

If you have any questions about this letter, please contact Ms. Lucille Sleger at (202) 205-8104.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie S. Lee" followed by a stylized flourish or initials.

Stephanie S. Lee
Director
Office of Special Education
Programs