



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

JUL - 2 2007

Honorable Luis S. N. Reyes
Interim Superintendent of Education
Department of Education
Post Office Box DE
Hagatna, Guam 96932

Dear Superintendent Reyes:

This is to inform you that we have conditionally approved Guam's application for Federal Fiscal Year (FFY) 2007 under Part B of the Individuals with Disabilities Education Act (IDEA). Our conditional approval is based on review of your application submitted by the Guam Public School System (GPSS) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 3, 2007, including assurances provided in Section II, and incorporated by reference to this letter as noted in Enclosure A. In addition, the State provided specific assurances that it will:

1. Operate consistent with the applicable Part B 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, as amended, as soon as possible, and not later than June 30, 2008. Section II of the State's application identifies the IDEA statutory sections for which the State needs to amend policies and procedures and the timelines by which the State will amend its policies and procedures in order to comply with Part B of the IDEA. Within Section II, the State has included the date by which it expects to complete necessary changes associated with any policies and procedures that are not yet in compliance with the requirements of Part B of the IDEA, as amended.

Enclosed is a grant award for funds currently available under the Department of Education FFY 2007 Appropriations Act for the Part B Section 611 (Grants to States). These funds are for use primarily in school year 2007-2008 and are available for obligation by States from July 1, 2007 through September 30, 2009.

Guam's FFY 2007 IDEA Part B grant award is being released subject to special conditions that are identified in the enclosed U.S. Department of Education's June 29, 2007 letter to GPSS (included as Enclosure C). These Special Conditions are being imposed pursuant to the Department's authority in 34 CFR §80.12 due to continuing problems in GPSS' fiscal accountability and management practices and controls. Under the Special Conditions, GPSS must develop a new, comprehensive corrective action plan (CAP) in collaboration with the Department that addresses these issues, and once finalized, report semi-annually on its progress in implementing the CAP. The special conditions associated with the high-risk designation that remain in effect while the GPSS continues to address the Department's remaining fiscal and management concerns include the following: (1) the timely completion of single audits; (2) submission of detailed reports; and (3) monthly posting of budget and expenditure information on the GPSS website.

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Our mission is to ensure equal access to education and to promote educational excellence throughout the Nation.

Please note that as part of your application for FFY 2007, your State 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 periods for which it receives grant funding. 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.

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 2007. Of the \$10,782,961,000 appropriated for Section 611 in FFY 2007, \$5,358,761,000 is available for awards on July 1, 2007, and \$5,424,200,000 will be available on October 1, 2007.

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. Table II in Enclosure B shows your State-specific information for within-State distribution of 611 funds based on your State's application. If you disagree with the information in Enclosure B Table II, notify your State contact immediately.

The enclosed grant award for FFY 2007 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 are needed to allow us to appropriately carry out our administrative responsibilities related to Part B.

Section 606 provides that each recipient of assistance under IDEA make positive efforts to employ and advance in employment qualified individuals with disabilities in programs assisted under the IDEA. Therefore, by accepting this grant a State is expressly agreeing as a condition of IDEA funding to ensuring that positive efforts are made to employ and advance employment of qualified individuals with disabilities in programs assisted under the IDEA.

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. Guam must continue to confirm in each subsequent application, that 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.

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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

cc: State Director