



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

SEP 29 2008

Honorable Nerissa Bretania-Shafer  
Superintendent of Education  
Guam Public School System  
P.O. 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) 2008 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 to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 16, 2008, and resubmitted on August 5, 2008, 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, 2009. 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 the grant award for funds currently available under the Department of Education Appropriations Act, 2008 for the Part B Section 611 (Grants to States) program. These funds are for use primarily in school year 2008-2009 and are available for obligation by States from July 1, 2008 through September 30, 2010.

Guam's FFY 2008 IDEA Part B grant award is being released subject to special conditions that are identified in the enclosed U.S. Department of Education's (USDOE's) September 26, 2008 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 can draw down only up to 50% of its grant award amount under each Department program, including the Grants to States program authorized by Part B of IDEA, until after it has: (1) obtained approval from USDOE of its revised comprehensive corrective action plan (CCAP); and (2) submitted its biannual report due January 31, 2009 describing its progress under the CCAP (see

enclosed special conditions for further information). 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) submission of a revised version of the CCAP no later than October 17, 2008; (2) submission of a biannual report to USDOE on GPSS' progress in implementing measures required under the CCAP; and (3) the timely completion of single audits.

Please note that as part of your application for FFY 2008, 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.

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 for FFY 2008 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. In a July 2, 2008 letter, GPSS confirmed that based on analysis of data regarding the age of the buses, total mileage accrued, frequency of maintenance services and costs for each bus, and the opening of three new schools, the bus replacement plan is still in place. In accordance with the approved multi-year bus purchase plan, GPSS reported that it purchased five buses, each totaling more than \$100,000. GPSS reported that the per-unit cost has significantly increased compared to the cost per bus, estimated at \$78,000, when the plan was first approved. GPSS also confirmed that the buses are inventoried each month and are locked in government-owned facilities when not in use. OSEP approves GPSS' request to purchase four buses using FFY 2008 Part B grant funds. Guam reported that the reduced number of buses that will be purchased is to take into account the significant increase in shipping costs. 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

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government facility on Guam), and request approval for future purchases under that grant application.

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

Sincerely,



William W. Knudsen  
Acting Director  
Office of Special Education Programs

Enclosures

Enclosure A

Enclosure B

Enclosure C

cc: State Director of Special Education