



# UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

May 15, 2009

Dr. Nerissa Bretania-Shafer  
Superintendent  
Guam Public School System  
P. O. Box DE  
Hagatna, GU 96932

Dear Superintendent Bretania-Shafer:

As promised during your meetings with U.S. Department of Education (USDOE or Department) staff in March, we have included a list of updates that should be addressed in the next Guam Public School System (GPSS) biannual Comprehensive Corrective Action Plan (CCAP) report submission due by May 31, 2009. The Department will also consider the information in this next biannual CCAP report in lieu of the MIT onsite visit that was initially scheduled for March 30-April 3.

As always, your next biannual report must provide an update on the status of all outstanding and completed tasks in the CCAP, with supporting documentation. In addition, we are requesting that the biannual report include information (together with supporting documentation) about the following matters that the Department would have reviewed during its onsite visit:

- Provide a summary of recommendations resulting from the completion of the Management and Curriculum Audit conducted by Evergreen Solutions, LLC, including GPSS' responses to those recommendations, and any action steps taken or planned for the recommendations
- Provide the status regarding the completion of the financial management contract with MGA Consulting
- Provide the status of the Management Internal Controls (MIC) program implementation
- Provide a summary of the actions taken in response to the Sierra final report of the Direct Instruction program district-wide implementation
- Provide a list of the reform program options made available to schools for implementation beginning in SY 2009-2010

Finally, as requested by the Department in the recent program determination letter (PDL) concerning the fiscal year (FY) 2007 single audit, GPSS must provide responses to corrective actions as part of the biannual CCAP report.

Specifically, GPSS must provide:

- a revised Standard Operating Procedure (SOP) regarding program income that includes the steps or procedures that it has established to ensure that Department of Education Extended Day (DEED) program income is used to support costs of the DEED program and evidence that it is using the program income to support the DEED program.
- evidence that the procurement training slated for May 2009 (based on the training calendar in its documentation) has occurred and that it is continuing to enforce applicable procurement procedures and policies; and ensuring that its employees understand the Guam procurement requirements for sole source procurements and that they take all appropriate steps prior to engaging in a sole source procurement, including the necessary written determinations justifying a sole source procurement.

- evidence that (1) it has established and is implementing procedures to ensure compliance with Attachment B, Section 8(h) of OMB Circular A-87 regarding support for payroll costs; (2) it is ensuring that its supervisors are preparing, signing and maintaining semi-annual certifications for employees who spend their time working solely on one Federal program; and (3) for employees who split time between Federal and local program activities, it is ensuring that these employees are preparing and signing monthly time distribution records that reflect an after-the-fact distribution of the employee's time spent on Federal and local program activities and that the employees are paid accordingly from Federal and local funds.
- a report on the status of the realignment of the Business Office and the effect of the realignment on improving its financial management of Department funds, and its progress toward improving its financial management systems and operations in an effort to improve internal controls and maintain compliance with local and Federal requirements.
- an update on its implementation of the property management system, including a copy of the updated Fixed Assets SOP; report from the physical inventory conducted as of March 31, 2009; evidence (reports or other documentation) that it has performed the reconciliation of fixed asset data as between the property management and financial management systems; and further examples of documents and records used in the property management process, including fixed assets reports generated from the automated fixed assets system, that contain all details required for accurate management of the property.

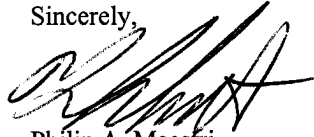
With respect to the special conditions currently placed on grants awarded to GPSS, the USDOE has decided that the 50% drawdown restriction will be removed. This decision is based on our determination that GPSS has, at least minimally, satisfied the following conditions:

1. Obtained the Department's approval of the revised CCAP, as required in section II.A.2 of the special conditions;
2. Submitted the CCAP biannual report due January 31, 2009 describing its progress in implementing measures under both the current and approved-revised CCAP that the Department has determined, based on the report and other information the Department has available, demonstrates that GPSS is making progress under the CCAP; and
3. Demonstrated stability in program administration by its compliance with program requirements and the special conditions on grant awards made under the Department's programs.

Although the Department is removing the 50% drawdown restriction, we remain concerned about the various areas in which GPSS must continue to make significant improvement to ensure compliance with Federal requirements for the use of Department funds. The Department will be conducting a CCAP validation visit in the coming months, which will include a thorough review of GPSS's progress on the range of matters addressed in the CCAP, the FY 2007 single audit and PDL, and also identified by Evergreen Solutions. The information provided in response to this request and submitted as part of the next CCAP report will allow the USDOE to gauge progress being made and appropriately identify specific technical assistance needs for the visit and thereafter, as well as the extent to which the Department may need to take any further action, such as the drawdown restriction. We are hopeful that GPSS will continue to make progress in its management and administration of Department funds.

If you have any questions or require further assistance, please have your staff contact Christine Jackson, the primary contact for the Management Improvement Team of the Risk Management Service within the Office of the Secretary, at (202) 260-2516 or via e-mail at [christine.jackson@ed.gov](mailto:christine.jackson@ed.gov). We look forward to continuing the partnership established with you and the GPSS staff.

Sincerely,



Philip A. Maestri  
Director  
Risk Management Service  
Office of the Secretary

cc: Governor of Guam  
Guam Congressional Delegate  
Speaker, Twenty-Ninth Guam Legislature  
Guam Attorney General  
Chair, Guam Education Policy Board  
Deputy Superintendent, Finance & Administrative Services  
Deputy Superintendent, Curriculum & Instruction Improvement  
Deputy Superintendent, Education Support & Community Learning  
Lester Kuykendall, GPSS Internal Auditor  
Ike Santos, Federal Programs Administrator