



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY
June 17, 2008

Honorable Felix P. Camacho
Governor of Guam
Office of the Governor
Executive Chamber
Agana, GU 96932

Mr. Wilfred Aflague
Interim Superintendent of Education
Guam Public Schools System
P.O. Box DE
Hagatna, GU 96932

Dear Governor Camacho and Mr. Aflague:

We are writing to express our concern that the ongoing management instability within the Guam Public Schools System (GPSS) may have a significant impact upon the implementation of Federal education programs in Guam. We have followed the recent changes in the leadership of GPSS, which have included the termination of Superintendent Luis Reyes, the appointment and subsequent immediate resignation of Superintendent Giovanni "Bunny" Sgambelluri, and the designation of two Interim Superintendents for GPSS, all within the span of only three months.

The apparent volatility of the GPSS management leadership raises significant concerns about the organization's ability to continue to improve its administration of Federal education grants, to plan for the allowable and effective use of Federal funds, and to implement Federally-funded programs and projects in accordance with all applicable Federal requirements. In the recent past, this type of management instability contributed to improprieties in the manner in which GPSS uses Department grant funds. Specifically, GPSS began to use program funds for purposes that were not included in its approved application and without first obtaining an approved amendment to the application.

In addition to the changes in GPSS's leadership, we are aware of the pending decision to delay the opening of public schools, and of the fact that GPSS has yet to provide a list of viable reform programs that schools may implement at the start of the 2008-2009 school year. We believe that these additional circumstances will have a substantial negative effect on GPSS's ability to implement its District Action Plan, which has formed a key basis for expenditure of Department grant funds. This only further heightens our concern regarding GPSS's ability to accurately plan for the use of Federal education funds and to effectively use those funds to serve Guam's students. Finally, a state of uncertainty seems to exist within GPSS regarding alternative reform programs that GPSS will make available to its schools to implement this school year. This prompts us to question the extent to which GPSS will fully provide services to its students with the Federal funds (Consolidated Grant) that are intended to improve student academic achievement.

We recognize the previous cooperation of, and progress made by, GPSS, including its efforts to address challenging and longstanding fiscal and programmatic accountability issues with regard to the administration of Federal education grants through the development of a Comprehensive Corrective Action Plan (CCAP), and to provide the Department with assurances that its management is sufficiently stabilized to ensure the proper administration and use of Federal education funds. However, we have a continuing responsibility to carefully monitor and to take action that will ensure continued compliance with Federal requirements and continued improvement in the administration and use of Federal education funds in Guam and, under the current circumstances we question whether proper administration of Federal education funds by GPSS is possible.

Under normal circumstances, fiscal year (FY) 2008 grants would be available to be awarded to GPSS beginning on July 1. However, in light of recent events and the current administrative instability in GPSS, before we can make decisions about the FY 2008 grants, the Government of Guam must demonstrate to the Department that the GPSS management structure has been sufficiently stabilized to permit it to continue to make management improvements and to address Guam's fiscal and programmatic accountability issues. The Government of Guam must also demonstrate to the Department that it meets all applicable Federal requirements, and that GPSS remains committed to the continued implementation of corrective actions outlined in the CCAP and to meeting special conditions contained in current grant awards. Guam must satisfactorily demonstrate its compliance with program requirements as well as its administrative capacity by June 27, 2008, so that we may make timely decisions on the issuance of FY 2008 grants to GPSS. If Guam's demonstration does not address our concerns adequately and does not ensure compliance and show the appropriate commitment to agreed upon corrective actions, we will discuss what further steps will be needed to ensure compliance and what actions Guam must take in order to demonstrate its eligibility for this year's grant awards.

Please be advised that if and when FY 2008 grants are awarded, they will contain special conditions, as a result of GPSS's "high risk" status under 34 C.F.R. § 80.12. In the meantime, the Department is closely monitoring GPSS's administration of its current Federal education grant awards and Guam's progress in implementing corrective actions contained in the CCAP. We urge the Guam government, including GPSS, to act quickly to stabilize the management structure of public education in Guam, so that the improvements that have been in process will continue and the efficient management of future grant awards is not jeopardized.

If you have any questions or require further assistance, have your staff contact Christine Jackson, the primary contact for the Management Improvement Team within the Office of the Secretary, at (202) 260-2516 or via e-mail at christine.jackson@ed.gov. We appreciate your immediate attention to these matters so that students in Guam can continue to receive Federal education program benefits.

Sincerely,



Philip A. Maestr
Director
Risk Management Service

cc: Joe San Agustin
Chairman
Guam Education Policy Board