



U. S. DEPARTMENT OF EDUCATION

**WHITE HOUSE INTERAGENCY GROUP ON INSULAR AREAS
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American Samoa

The American Samoa Government (ASG) and the American Samoa Department of Education (ASDOE) have focused their resources to address and resolve the action items listed on their Corrective Action Plan (CAP), which was developed in response to numerous material weaknesses and noncompliance findings reported in single audit reports and ASG’s designation as a high-risk grantee by the U.S. Department of Education (ED). The Governor of ASG has created a High Risk Task Force to promote a renewed sense of urgency and facilitate collaboration amongst the ASG departments and agencies in addressing their CAP items and correct materials weaknesses and significant deficiencies in a timely manner.

ED was able to validate during its August 2013 site visit that the ASG has in fact completed the implementation of all phases of a Longitudinal Data System (LDS), ASDOE Chancery Student Management System (SMS), and ParentConnect Integrated Data System throughout the entire school system with the capability to administer and maintain student data using one central system instead of having separate databases. ASG has also provided trainings to Chancery SMS users and also promoted public awareness for parents and community members.

ASG continues to address the remaining critical challenges in the areas of procurement, internal controls, development and implementation of written policies and procedures for various business processes, and timely completion of expansion and upgrading and full implementation of ASG IFAS without further delays. ASG could become effective in managing ED funds and accomplishing programs in accordance with laws, regulations, and terms and conditions of the grants through establishing and maintaining credible financial and data management systems and implementing effective internal controls. A strong commitment and collaboration amongst various offices of the ASG is essential in accomplishing these goals and resolving all CAP items.

FY 2011- FY 2013 Award Balances for Education Grants

Subprogram Fiscal Year	Program Office	CFDA Program Title	PR Award Number	Obligation Amount	Expenditure Amount	Available Balance
2013	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A130003	\$17,162,383	\$2,130,232	\$15,032,151

	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A130119	\$6,297,058	\$2,702,147	\$3,594,911
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A130132	\$592,157	\$57,844	\$534,313
2013 Subtotal for Education Grants				\$24,051,598	\$4,890,223	\$19,161,375
2012	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A120003	\$17,665,230	\$15,009,103	\$2,656,127
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A120012	\$6,358,510	\$6,314,117	\$44,393
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A120041	\$592,157	\$231,969	\$360,188
2012 Subtotal for Education Grants				\$24,615,897	\$21,555,189	\$3,060,708
2011	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A110003	\$16,307,680	\$16,307,680	\$0
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A110012	\$6,297,058	\$6,297,058	\$0
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A110041	\$582,117	\$571,365	\$10,752
2011 Subtotal for Education Grants				\$23,186,855	\$23,176,103	\$10,752

CNMI Public School System

The CNMI Public School System (PSS) used ARRA and ED program funds to meet its established goal of having all of its teachers become highly qualified and pass both the PRAXIS I and II exams by 2014. Stimulus funds were also used to update its operating systems to reflect more effective internal controls within its procurement and financial management systems. Special conditions on Education grant awards continue to require regular reporting on the use of ED grants. In FY 2013, CNMI PSS developed a corrective action plan approved by ED that specifically address corrective actions related to recent audit findings.

FY 2011- FY 2013 Award Balances for Education Grants

Subprogram Fiscal Year	Program Office	CFDA Program Title	PR Award Number	Obligation Amount	Expenditure Amount	Available Balance
2013	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A130001	\$8,589,639	\$972,899	\$7,616,740
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A130157	\$4,785,135	\$58,343	\$4,726,792
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A130168	\$454,283	\$0	\$454,283
2013 Subtotal for Education Grants				\$13,829,057	\$1,031,242	\$12,797,815
2012	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A120001	\$8,448,174	\$7,667,549	\$780,625
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A120106	\$4,831,832	\$3,730,825	\$1,101,007
	Office of Elementary & Secondary Education	Education Grant Program for Freely Associated States	S256A120002	\$1,849,361	\$1,155,639	\$693,722
	Office of Special Education & Rehabilitative	Special Education - Grants for Infants &	H181A120025	\$454,283	\$305,467	\$148,816

	Services	Families with Disabilities				
2012 Subtotal for Education Grants				\$15,583,650	\$12,859,480	\$2,724,170
2011	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A110001	\$8,249,224	\$8,249,224	\$0
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A110106	\$4,785,135	\$4,785,135	\$0
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A110025	\$446,581	\$446,581	\$0
	Office of Elementary and Secondary Education	Striving Readers	S371C110029	\$244,474	\$171,258	\$73,216
2011 Subtotal for Education Grants				\$13,725,414	\$13,652,198	\$73,216

Guam Department of Education Education grants awarded to the Guam Department of Education (GDOE) continue to include special conditions that require the oversight of a third-party fiduciary agent, Alvarez & Marsal, which is in its fourth contract year. GDOE is making incremental progress toward transitioning financial management from the third-party agent, which includes the full implementation of its new Financial Management System, and associated improvements in several organizational processes. Guam legislation that was passed in conjunction with the ARRA SFSF funding created a Trust Fund designated to commit \$75,742,784 of local funding for CIP and technology projects originally approved in the Phase I and Phase II ARRA SFSF-ESF applications, which as of January 31, 2014 have been completely obligated for contracts in support of both technology and STEM initiatives within several middle and high schools across the island.

FY 2011-FY 2013 Award Balances for Education Grants

Subprogram Fiscal Year	Program Office	CFDA Program Title	PR Award Number	Obligation Amount	Expenditure Amount	Available Balance
2013	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A130002	\$19,917,123	\$2,762,332	\$17,154,791
	Office of Special Education &	Special Education - Grants to	H027A130131	\$13,962,402	\$650,934	\$13,311,468

	Rehabilitative Services	States				
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants & Families with Disabilities	H181A130143	\$1,448,962	\$0	\$1,448,962
2013 Subtotal for Education Grants				\$35,328,487	\$3,413,265	\$31,915,222
2012	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A120002	\$20,663,597	\$7,751,922	\$12,911,675
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A120013	\$14,098,659	\$9,133,997	\$4,964,662
	Office of Elementary & Secondary Education	Education Grant Program for the Freely Associated States	S256A120004	\$1,856,484	\$100,807	\$1,755,677
	Office of Special Education & Rehabilitative Services	Special Education - Grants for Infants and Families with Disabilities	H181A120008	\$1,448,962	\$471,924	\$977,038
				\$38,067,702	\$17,458,650	\$20,609,052
2011	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A110003	\$20,592,543	\$20,528,166	\$64,377
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A110013	\$13,962,402	\$13,962,402	\$0
	Office of Special Education & Rehabilitative	Special Education - Grants for Infants &	H181A110008	\$1,424,395	\$1,424,395	\$0

	Services	Families with Disabilities				
	Office of Elementary & Secondary Education	Striving Readers	S371C110032	\$772,245	\$414,270	\$357,975
	Office of Elementary & Secondary Education	Impact Aid	S041B117023	\$99,617	\$99,617	\$0
2011 Subtotal for Education Grants				\$36,851,202	\$36,428,850	\$422,351

Virgin Islands

The Virgin Islands Department of Education (VIDE) continues to use the services of its third-party fiduciary agent, Bazilio, Cobb, and Associates (BCA), formerly known as Thompson, Cobb, Bazilio, and Associates (TCBA), to support fiscal management and procurement activities for selected major U.S. Department of Education (ED) programs including the Consolidated Grant (consolidated under the Title V program) and IDEA special education grants (Parts A and B). The funds have been utilized for a variety of programs including Career and Technical Education, School Improvement, Improving Teacher Quality, Math and Science Partnerships, and State Assessments of Student Performance.

FY 2011- FY 2013 Award Balances for Education Grants Only

Subprogram Fiscal Year	Program Office	CFDA Program Title	PR Award Number	Obligation Amount	Expenditure Amount	Available Balance	Available Balance
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A130169	\$8,874,264	\$1,674,282	\$7,199,982	
2013 Subtotal for Education Grants				\$8,874,264	\$1,674,282	\$7,199,982	
2012	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A120004	\$22,810,581	\$16,026,889	\$6,783,692	
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A120004	\$8,960,866	\$7,081,348	\$1,879,518	
	Office of Elementary & Secondary Education	Education Grant Program for the Freely Associated States	S256A120001	\$1,948,589	\$333,974	\$1,614,615	

	Institute of Education Sciences	Statewide Longitudinal Data Systems	R372A120029	\$1,125,236	\$1.00	\$1,125,235
	Office of Elementary & Secondary Education	Impact Aid	S041B125692	\$117,701	\$117,701	\$0
2012 Subtotal for Education Grants				\$34,962,973	\$23,559,912	\$11,403,061
2011	Office of Elementary & Secondary Education	Consolidated Grant to the Outlying Areas	S403A110004	\$20,946,351	\$20,673,358	\$272,993
	Office of Special Education & Rehabilitative Services	Special Education - Grants to States	H027A110004	\$8,874,264	\$8,859,915	\$14,349
	Office of Elementary & Secondary Education	Striving Readers	S371C110031	\$882,164	\$479,590	\$402,574
	Office of Elementary & Secondary Education	Impact Aid	S041B115692	\$102,954	\$102,954	\$0
2011 Subtotal for Education Grants				\$30,805,733	30,115,817	\$689,916

CONSOLIDATED GRANTS TO INSULAR AREAS

Under 48 U.S.C. § 1469a, each Insular Area (American Samoa, Guam, Commonwealth of Northern Mariana Islands, and Virgin Islands) may “consolidate any or all grants made to it for any fiscal year or years.” Under the consolidated grant authority, Insular Areas may use and administer funds only under programs during a fiscal year for which the Insular Area is entitled to receive funds under an appropriation for that program, 34 C.F.R. § 76.136. Each year, the Department of Education (Department) identifies the programs under which the Insular Areas may consolidate their funds (currently, 12 of the Department’s programs are eligible for consolidation). The Insular Areas have consistently used the consolidated grant authority to consolidate the majority of its funds and carry out activities under Title V, Part A (Title V-A) of the Elementary and Secondary Education Act (ESEA). The Insular Areas choose to consolidate their funds under Title V-A because of the number and broad scope of activities authorized under the program. In addition, Title V-A allows State educational agencies to reserve up to 15 percent of their allocations to carry out a number of State-level activities and for administration of the Title V-A program.

Since fiscal year (FY) 2008, Congress has not appropriated funds for Title V-A; therefore, absent Congressional action, the Insular Areas were not authorized to continue to consolidate funds

under Title V-A.¹ If unable to use their funds under Title V-A, the Insular Areas would have been restricted to a much more limited use of their funds under the consolidated grant authority. This would have meant a potential disruption in, and major changes to, programs implemented by the Insular Areas, including with respect to services provided and students and teachers served. Thus, for the last few years (FY 2009 through the current FY 2012), Congress has included in the Education appropriations law a provision specifically authorizing the Insular Areas to consolidate funds under Title V-A. The most recent extension of this authority is in the Consolidated Appropriations Act, 2012, Division F, Title III, section 305, which states that “[t]he Outlying Areas may consolidate funds received under this Act, pursuant to 48 U.S.C. 1469a, under Part A, Title V of the ESEA.”

The authority to consolidate funds under Title V-A may be extended again in FY 2014 under the appropriations law for this fiscal year, if Congress again takes that action.

¹ In FY 2008, the Insular Areas were able to obtain a waiver to continue to consolidate funds under Title V-A, but the waiver was applicable only for that fiscal year.