

MANUAL: Personnel
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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
Public Health Service

Chapter CC22--Pay and Allowance Administration
Subchapter CC22.4--Allowances
Personnel INSTRUCTION 4--Education Allowances for Dependents of Officers
Stationed in Foreign Areas

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Section A. Purpose and Scope

1. The purpose of this INSTRUCTION is to provide policy and procedures for payment of the education and transportation allowances which are authorized for the primary and secondary schooling of eligible dependents of PHS commissioned officers who are stationed in foreign areas. These allowances are designed to assist in defraying those costs necessary to obtain American-type educational services which are ordinarily provided without charge (tuition-free) by the public schools in the U.S.
2. The provisions of this INSTRUCTION are not applicable to officers who are assigned to the Agency for International Development (AID) and who are paid under foreign service reserve salary schedules, or in the Panama Canal Zone. Officers assigned to AID are eligible for the education allowance provided by the Department of State Standardized Regulations. Officers assigned in the Panama Canal Zone are eligible for the education allowance provided by P.L. 83-153, as amended by P.L. 83-453.

Section B. Authority

1. The HEW Annual Appropriations Act authorizes and provides funds for the expenses of primary and secondary schooling in foreign countries of eligible dependents of PHS commissioned officers stationed in foreign countries when the available schools at the duty station are not both adequate and tuition free. The education related expenses cannot exceed those of the Department of Defense for the same duty station. In addition, the Act authorizes transportation allowances for dependents between schools and their places of residence when adequate schools are not accessible to dependents by regular means of transportation. A determination that the schools at the duty station are not adequate must be made by the Secretary, HEW, or his designee.
2. The Director, Commissioned Personnel Operations Division (CPOD), Office of Personnel Management (OPM), Office of Management (OM), PHS, has been delegated the authority to:
 - a. Authorize funds for the education of dependents in an adequate tuition-fee school when he has determined that the primary and secondary schools in the foreign area to which the officer is stationed are inadequate and/or not tuition free; and
 - b. Authorize funds for transportation of dependents between their places of residence and an adequate tuition-fee school when he has determined that the school is not readily accessible by regular means of transportation.

3. The authorities cited in 2, above, were delegated by the Assistant Secretary for Administration and Management to the Assistant Secretary for Health (ASH) by memorandum dated September 27, 1973, which was continued in effect by the Secretary on March 8, 1977. Further redelegations of these authorities are contained in Part 3 of this manual.

Section C. Definitions

1. Adequate school means a primary school (grades kindergarten and 1-8 or equivalent) or a secondary school (grades 9-12 or equivalent) which provides an educational curriculum and services reasonably comparable to those normally provided without charge in public schools in the U.S. In order to be considered adequate, schools must meet the following criteria:
 - a. Educations Standards - Elementary schools must conform to reasonable American standards. Secondary schools should meet the standards for accreditation prescribed by a recognized secondary school accreditation association in the U.S.
 - b. Curriculum - The curriculum must include instruction in American history, civics, government, and other pertinent subjects which are designed to provide an American-type education.
 - c. Location - Schools must be reasonably accessible to pupils' homes so that undue hazards of transportation and the expense connected therewith are minimized.
 - d. Language - General instruction must be in English.
 - e. Physical facilities - The school facilities must meet reasonable standards of safety, health, and education requirements.
2. Education allowance means an allowance to assist an officer in meeting the extraordinary and necessary expenses, not otherwise compensated for, occurred by reason of his/her service in a foreign area in providing adequate primary and secondary education for his/her eligible dependents in that foreign area.
3. Education facility means (a) school at duty station, or (b) school away from duty station, or (c) home-study as defined in this section.
4. Eligible dependent means a dependent of a PHS commissioned officer who:
 - a. Will be at least 5 years of age but not more than 20 years of age by December 31 of the current school year or is handicapped (regardless of age) and enrolled in an educational program, including per-school and post-school, for the handicapped;

- b. Is the unmarried child, stepchild, legally adopted child, legal ward of a sponsor, or resident in the household of a sponsor who stands "in loco parentis"; and
 - c. Is dependent upon the sponsor for more than one half of his/her support.
5. Home-study course means a complete academic course using correspondence course materials in the place of residence or private instruction.
 6. Reasonable daily commuting distance means the travel time from the dependent's family residence to the nearest local, least expensive, and adequate tuition-fee school. For dependents in grades kindergarten through six, travel time should not exceed forty-five minutes, one way. For students in grades seven through twelve, travel time should not exceed sixty minutes, one way.
 7. School at duty station (local) means a primary or secondary school within reasonable daily commuting distance of the officer's place of residence.
 8. School away from duty station means a primary or secondary school so far beyond reasonable daily commuting distance of the officer's post as to necessitate board and room in connection with attendance.
 9. School year means the total number of calendar days involved in obtaining, by means of a specific educational facility, primary or secondary schooling within one prescribed maximum rate in one 12-month period.
 10. Transportation allowance means an allowance to assist an officer in meeting the transportation expenses incurred when the nearest local, least expensive, and adequate tuition-fee school is not accessible to the officer's dependents by commercial means of public transportation.
 11. Tuition-fee schools means schools located in overseas areas other than U.S. Government-operated or -sponsored schools which provide adequate American-type educational services on a tuition-fee basis.
 12. U.S. Government operated or -sponsored schools mean those tuition-fee schools in foreign countries both at and away from the duty station which meet the adequate school requirements, which have available space, and which have been furnished by the U.S. Government sizeable grants or sums of money (either dollars or local currency) for construction and/or operating budget. This definition also includes those schools in foreign countries in which the U.S. Government has played a leading role in the establishment and/or development (this could include the significant investment of Government funds where the aim was, in part, to ensure adequate dependent education facilities).

Section D. Policy

1. The education allowance is designed to assist in defraying those costs necessary to obtain educational services for an officer's dependents in foreign countries where local schools, if any, are unable to provide adequate free education similar to that provided without charge by the public schools of the U.S. The education allowance is based upon the authorized expenses stated in this INSTRUCTION for the nearest local, least expensive, adequate tuition-fee school. The education allowance for officers assigned to duty stations where there are no local adequate tuition-fee schools will be based upon the authorized expenses stated in this INSTRUCTION for the educational facility selected by the officer in accordance with the order of educational facility selection precedence.
2. The order of precedence to be applied in selecting an educational facility to provide educational services for an officer's dependents are:
 - a. U.S. Government-operated or -sponsored schools at the duty station;
 - b. Nearest local, least expensive, and adequate tuition-fee schools at the duty station;
 - c. Home study courses; and
 - d. U.S. Government-operated or-sponsored schools or least expensive and adequate tuition-fee schools located away from the duty station, whichever is nearest to the duty station.
3. Nothing in this INSTRUCTION is intended to preclude officers from enrolling their dependents in tuition-fee schools at no expense to the U.S. Government even if local schools provide adequate tuition free education. No additional education allowance will be granted to officers who enroll their dependents in a more expensive tuition-fee school at the duty station, away from the duty station, or in a foreign country other than that to which the officer is assigned. Officers who enroll their dependents in any educational facility not in accordance with the order of precedence are responsible for the additional payments to the school.
4. No education allowance will be granted to officers who do not enroll their dependents in a U.S. Government-operated or -sponsored school at the duty station. Exceptions may be made by the Director, CPOD, for such reasons as:
 - a. The school's inability to accommodate the dependent;
 - b. Excessive commuting time;
 - c. Hazardous traffic for young students who have to travel by foot;
 - d. Health conditions certified by medical authority; and

- e. To avoid hardship at duty stations where schools were newly designated as U.S. Government-operated or -sponsored and children have been attending other schools, the following additional criteria are to be used in granting exceptions to required attendance at such schools:
- (1) The dependent must have been in attendance at other than the Government-operated or -sponsored school at the close of the last school year.
 - (2) The officer was assigned to the duty station during at least part of the last preceding school year.
 - (3) The officer believes it would be disadvantageous for the dependent to change schools during the remainder of the parent's tour of duty at the duty station.
5. Dependents who are in attendance in a tuition-fee school may complete current school year at U.S. Government expense if, during the school year, the sponsor is transferred or dies while on active duty.
 6. Dependents of a sponsor who becomes a prisoner of war, is detained by a foreign power, or is declared missing in action may remain in a tuition-fee school at U.S. Government expense for so long as the prisoner, detention, or missing status continues to exist.
 7. Kindergarten is considered a one school-year program similar to the U.S. public school program immediately preceding grade one which does not include the nursery school level. Any authorization for reimbursement of kindergarten or any other primary or secondary grade level expenses beyond an initial one school-year grant must be fully justified by the officer to the Director, CPOD.
 8. Where an officer who is on temporary duty at a foreign duty station enroute to his permanent duty station incurs educational expense on behalf of his/her dependent, the education allowance grant for such dependent will be administered in accordance with the provisions of Section F. The grant will not be made until the officer or member of his/her family arrives at the temporary duty station of assignment.
 9. During periods of Absence Without Leave or Leave Without Pay, an officer is not eligible for the education allowance for any dependents.
 10. Education and transportation allowances will be paid for the dependent of an officer on reimbursable or nonreimbursable detail to a foreign area, if such payment is provided in writing in the detail agreement.
 11. Dependents of officers on assignment in Canada generally will not be eligible for an education allowance unless the officers are assigned to specific localities where public school instruction is not in English.

Section E. Pupil Entrance Requirements

1. For admission to kindergarten in a tuition-fee school, an eligible dependent child must be at least 5 years of age by December 31 of the current school year.
2. For admission to first grade in a tuition-fee school, an eligible dependent child must be at least 6 years of age by December 31 of the current school year.
3. For admission to grades two through twelve in a tuition-fee school an eligible child who is at least 6 years of age but not more than 20 years of age by December 31 of the current school year will be placed in the appropriate grade based upon documentation from the school previously attended and in accordance with local school policies.

Section F. Officer Transfers To a New Foreign or Nonforeign
Duty Station But the Dependent Remains in The Same School

1. Transfers to a New Foreign Duty Station - An officer, assigned to a duty station in a foreign area, who receives official notice of transfer to a new foreign post while his/her dependent is attending school, may permit his/her child to remain in the same school only until the child finishes the current school year being attended, whether or not successfully passed. If the child remains in the same school, the officer will be granted the rate of education allowance of his/her last previous duty station for the remainder of the child's attendance in the current school year. After the dependent finishes this school year, the rate of education allowance at the new duty station is payable for costs of any further education received. An officer shall immediately notify the Director, CPOD, of his/her decision to have the dependent remain in the same school for the remainder of the school year or to transfer to a school at the officer's new foreign post.
2. Transfers to a New Non-Foreign Duty Station - When an officer, assigned to a duty station in a foreign area, receives official notice of transfer to a new duty station in a non-foreign area while his/her dependent is attending school and the dependent remains in the same school to complete the current school year while the officer transfers, the Director, CPOD, may waive recovery of all or portions of the education allowance if he/she is satisfied that such recovery would be against equity and good conscience or against the public interest. A decision to retain the dependent in the same school must be justified by the officer to the Director, CPOD, for continuation of the education allowance for the remainder of the school year. Evidence weighing against recovery and meriting exercise of the waiver includes circumstances where:
 - a. The dependent's educational progress would be affected by the withdrawal of the dependent from the school before the end of the school year; or

- b. The school would make no refund of tuition and other payments even if the dependent were to be withdrawn from the school before the end of the school year. After the dependent finishes this school year, whether or not successfully passed, any further education costs incurred either at the same school or the new nonforeign duty station are the responsibility of the officer.

Section G. Authorized Education Allowance Expenses

1. An officer will normally be granted for each school year, or fraction thereof, on behalf of each of his/her dependents in grades kindergarten through 12, the following education connected cost assessed by the educational facility selected in accordance with the order of precedence provided in Section D, if required:
 - a. Basic tuition.
 - b. Entrance or registration fee.
 - c. Laboratory and library fees.
 - d. Textbooks and necessary school supplies.
 - e. Special activities such as art, music, and physical education if they are included in the courses regularly offered in the curriculum of the school.
 - f. Extra-curricular instruction in a foreign language not offered in the school when such study began in the U.S. and continued study in the same language overseas is considered essential.
 - g. Summer school attendance in those instances where it is required to make up time lost incident to permanent change of station travel or differences in the inclusive dates of the school year.
 - h. Enrollment and instruction of educable dependent children, without regard to age, who are handicapped, including those who are blind and/or deaf, when adequate facilities are not or cannot be made available in the local adequate schools.
 - i. Room, board, and dormitory charges when residence at a school connected dormitory is required.
2. An officer will be granted the education connected costs for home study correspondence courses offered by educational institutions accredited by a state department of education in the U.S. or a regional accrediting association in the U.S. in situations where school attendance is not practical. These costs are basic tuition, books, materials, shipping costs, and lesson postage, and advisory teaching services.

Section H. Authorized Transportation Allowance Expenses

1. An officer will normally be granted for each school year, or fraction thereof, on behalf of each of his/her dependents in grades kindergarten through 12, transportation connected costs assessed between the nearest local, least expensive, adequate tuition-fee school and the officer's place of residence. This allowance is available only when the school is not accessible to the officer's dependents by regular commercial means of transportation.
2. The transportation allowance may be used for school controlled transportation or for private automobile or carpool transportation.
3. If the transportation is provided by the school, the charges for the service must be included in the school invoice.
4. If the transportation is provided by private automobile or carpool transportation, the cost must be computed as follows: Mileage necessary to take the dependent to and from the nearest local, least expensive, and adequate tuition-fee school (not to exceed two round trips per day) multiplied by the number of school days attended, divided by 12 (miles to the U.S. gallon of gasoline), multiplied by the most favorable price of gasoline available to the officer at the duty station. In the event more than one child is transported to the same school the rate will not be increased. If dependent children of two or more officers travel in the same privately-owned automobile or carpool transportation, only one claim for reimbursement of transportation can be made.

Section I. Costs not Covered By The Education or Transportation Allowances

Some costs that an officer may incur unavoidably are not reimbursable and are not calculated into the established allowance for the duty location. These are costs that parents who send their dependents to American public schools usually pay for themselves. The costs include lunch fees (a dependent usually brings or buys his own in the U.S.), uniforms (daily school clothing is always paid for by parents in the U.S.), field trips, refundable deposits, individual courses for music, dancing, horseback riding, sports and other specialized instruction, personal laundry, locker and towel fees, admissions to school events, school publications, and other items not ordinarily provided free of charge by U.S. public schools. Also, except for preliminary diagnostic testing, the costs of medical treatment, including psychiatric, for the handicapped dependents condition are not included in the education allowance.

Section J. Payment of Education and Transportation Allowances

1. Officers are required to submit to the Director, CPOD, documentation specifying the reasons why local schools are not considered to be adequate, if such is the case. The information must include an analysis in accordance with the definition of an adequate school as provided in Section C above for each inadequate school at the duty station. Claims

for payment of the education allowance and transportation allowance should be submitted quarterly in memorandum form to:

Director
Commissioned Personnel Operations Division
Office of Personnel Management, Office of Management, PHS
Room 4A-15
Parklawn Building
Rockville, Maryland 20857

2. Reimbursement will be made at the currency exchange rate in effect on the date of payment by the officer to the school for the education allowance. The same exchange rate will be used for determining the transportation allowance. Therefore, officers are required to certify the exchange rate used. Officers will be paid the education allowance through reimbursement for the allowable expenses as assessed by the educational facility selected in accordance with the order of precedence provided in Section D. Each claim shall be for allowable expenses as specified in Section G above, and supported by receipted copies of paid bills. In addition, the claim must list the names and dates of birth of dependent students for whom reimbursement is requested. The allowance should be prorated to terminate on the date of the dependent's 21st birthday. The officer must also certify that the adequate tuition-fee school proposed for education allowance determination is in accordance with the order of educational facility selection precedence as provided in Section D. The certification must also include an assessment of the criteria as specified in the definition of an adequate school in Section C above as well as a brochure or prospectus published by the school describing curriculum offerings, physical facilities, etc.
3. Officers will be paid the transportation allowance through reimbursement for the allowable expenses connected with transportation of the dependent to the U.S. Government-operated or -sponsored school at the duty station or the nearest local, least expensive, and adequate tuition-fee school only if such school is not accessible to the dependents by regular means of public transportation. Claims for reimbursement should be submitted in the form as specified in Section H above. Officers are required to include certifications concerning the unavailability of public transportation and the distance and number of round trips made during the period for which the claim is made. Normally, reimbursement will not exceed the cost of two round trips each school day.
4. Payments for claims authorized on Personnel Orders issued by the Director, CPOD, shall be made by the Division of Central Payroll, HEW.
5. The only exception to the reimbursement policy is when a monetary advantage, such as a discount, would accrue to the U.S. Government if payment was made in advance.

Section K. Termination of Education and Transportation Allowances

1. Normal Termination - The allowances normally will terminate at the end of the school year, or fraction thereof, upon which the allowances are based, when no amendment of the allowances is required under subsection 2 below.
2. Other Termination -
 - a. Where the allowances are not terminated normally under subsection 1 above they will be terminated as of the following dates:
 - (1) The date the officer retires or is separated;
 - (2) The date the officer transfers to a new foreign or nonforeign duty station except as provided by Section F;
 - (3) The date the educational facility for the dependent changed;
 - (4) The date the dependent is withdrawn from school for the remainder of the school year; or
 - (5) Any date specified by the Director, CPOD.
 - b. If the Director, CPOD, determines that revision of the allowances is necessary in connection with the above terminations, the recomputed allowances should provide for recovery of payment or increased payment when applicable.

Where proration is determined to be the appropriate method of recomputation, the following formulas should be used.

Officer's authorized school year expenses as
provided in Sections G and H = Daily Rate
 The number of calendar days in the educational
 facility's school year

Daily Rate X the number of calendar days = School Year
 dependent enrolled in the educational facility Expenses Payable

Grant payment up to the school year expenses payable amount or recover any payments above that amount.

In situations where a school's policy requires payment of the full year's expenses for partial school year attendance, the officer is required to provide such certification from the school to the Director, CPOD.