



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

NOV 14 2007

Honorable Tracy L. Wareing
Director
Arizona Department of Economic Security
1717 West Jefferson Street
P.O. Box 6123
Phoenix, Arizona 85005

Dear Director Wareing:

This is to inform you that we have conditionally approved Arizona's Application for Federal Fiscal Year (FFY) 2007 under Part C of the Individuals with Disabilities Education Act (IDEA). Arizona's FFY 2007 Part C funds are available for obligation from November 6, 2007 through September 30, 2009. Our conditional approval is based on our review of the application submitted by the Arizona Department of Economic Security (DES) to the U.S. Department of Education, Office of Special Education Programs (OSEP) on September 12, 2007 and revisions received on November 1, and 6, 2007, including policies, procedures, methods, descriptions, assurances, certifications, and submission statement provided in Section II, and incorporated by reference to this letter as noted in Enclosure A. In addition, the State provided the following specific assurances that it will:

1. Operate consistent with the Part C requirements in 20 U.S.C. 1431 through 1444 and applicable regulations in 34 CFR Part 303;
2. Ensure that the statewide system of early intervention services required by Part C and its implementing regulations is in effect throughout the FFY 2007 grant period; and
3. Make such changes to, and submit, as necessary, for OSEP's approval, the State's policies, procedures, methods, and descriptions as are necessary to bring those policies, procedures, methods and descriptions into compliance with the requirements of Part C of the IDEA, as amended, as soon as possible, and not later than the earlier of the date indicated by the State in Section II of its application or June 30, 2008. Section II of the State's application identifies the IDEA statutory sections for which the State needs to amend any policies, procedures, methods and descriptions and the timelines by which the State will amend its policies, procedures, methods and descriptions in order to comply with Part C of the IDEA. Within Section II, the State has included the date by which it expects to complete necessary changes associated with any policies, procedures, methods and descriptions that are not yet in compliance with the requirements of Part C of the IDEA, as amended.

The conditional approval for Arizona's FFY 2007 Part C grant is also based on the specific assurance, dated October 31, 2007 from DES and received November 6, 2007, in which DES assured that Arizona shall:

1. Make all changes necessary to Arizona's Early Intervention Program (AzEIP) Policies and Procedures Manual (August 2007) as specified in OSEP's October 18, 2007 Memorandum (Memo) to comply with the Part C requirements listed in the Issues Chart attached to OSEP's Memo and submit to OSEP on or before June 30, 2008 the revised AzEIP Policies and Procedures Manual;
2. Ensure compliance throughout the period of the State's grant award for FFY 2007 under Part C of IDEA with the following Part C regulations listed in the October 18, 2007 Issues Chart: 34 CFR §§303.342(e), 303.400, 303.403(a), 303.404(a)(2), and 303.422;
3. Send a memorandum to all agencies and early intervention service providers that are part of the State's early intervention system to inform them of changes that impact on the provision of early intervention services in the State with respect to Part C requirements identified in the above-mentioned Issues Chart and provide OSEP with a copy of such memorandum by December 1, 2007; and
4. Ensure that the statewide system of early intervention required by Part C of the IDEA as amended by P.L. 108-446 and Part C regulations at 34 CFR Part 303 will be in effect throughout the FFY 2007 grant period.

Arizona's Part C FFY 2007 grant award is also subject to DES's December 16, 2004 IDEA Part C Compliance Agreement (Agreement) with the U.S. Department of Education (Department), which Agreement ends on December 16, 2007. DES must submit progress reports under the Agreement on December 31, 2007 and March 31, 2008. In the final progress report due under the Agreement on March 31, 2008, Arizona must provide the Department with documentation of correction of all of the areas of noncompliance addressed under the Agreement. Specifically, Arizona must demonstrate compliance with the: (1) general supervision monitoring and correction requirements in 34 CFR §303.501(b); (2) child find and timely comprehensive evaluation requirements in 34 CFR §§303.321(e)(2) and 303.322(e)(1); (3) requirements regarding identification and timely provision of early intervention services in 34 CFR §§303.340(c), 303.342(e), and 303.344; and (4) timely transition planning requirements in 34 CFR §§303.148(b)(1), (b)(2)(i) and (b)(4) and 303.344(h). OSEP will respond to each of these issues after it receives the State's final report under the Agreement, due by March 31, 2008.

The enclosed grant award for FFY 2007 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 C.

Please note that as part of your State's application for FFY 2007, your State has made an assurance that, consistent with 34 CFR §80.11(c), it will comply with all applicable Federal statutes and regulations in effect with respect to the FFY 2007 grant period. Any

changes made by the State to its FFY 2007 application or its Part C policies or procedures that are application requirements after issuance of this grant award, must meet the applicable public participation requirements under Part C of the IDEA in 34 CFR §§303.110 through 303.113 and if they are requirements under Section II.A must be submitted to, and approved by, OSEP prior to the State's implementation of its new or revised application, policies and procedures.

Section IV.B of the FFY 2007 application for Part C funds requested updated information about each State's restricted indirect cost rate. Our records indicate that your agency has a final cost allocation plan that has been approved by the Department and is effective until amended. Section IV.B of your State's Part C Application indicates that your agency will continue to apply the currently approved cost allocation plan throughout the FFY 2007 grant year until a revised cost allocation plan is negotiated and approved by the State lead agency's cognizant Federal agency.

Section 604 of the IDEA provides that "[a] State shall not be immune under the eleventh amendment to the Constitution of the United States from suit in Federal court for a violation of this Act." 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 Arizona is expressly agreeing as a condition of IDEA funding to a waiver of Eleventh Amendment immunity and to ensuring that positive efforts are made to employ and advance employment of qualified individuals with disabilities in programs assisted under the IDEA.

We appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,



Patricia J. Guard
Acting Director
Office of Special Education Programs

Enclosure:

Enclosure A

cc: Part C Coordinator