Honorable Neal Young  
Director  
Arizona Department of Economic Security  
1717 W. Jefferson - Site Code 010A  
Phoenix, Arizona 85007

Dear Director Young:

This is to inform you that we have conditionally approved Arizona's application for Federal Fiscal Year (FFY) 2009 funds under Part C of the Individuals with Disabilities Education Act (IDEA or Part C). The effective date of Arizona’s FFY 2009 IDEA Part C grant is July 1, 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 July 1, 2009, including policies, procedures, methods, descriptions, assurances, certifications, and submission statement provided in Section II, which is incorporated by reference to this letter as Enclosure A. OSEP has reviewed and accepted the State's revised policies submitted under Section II.A.7 of the application. In addition, the State provided the following specific assurances that it will:

1. Operate consistently 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 2009 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, and applicable regulations, 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, 2010. Section II of the State's application identifies the IDEA requirements 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 and applicable regulations. Within Section II, the State has included for each requirement that it cannot meet at this time, 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 and applicable regulations.

Arizona’s FFY 2009 IDEA Part C grant award is being released subject to Special Conditions, which are identified in Enclosure B to this letter and are incorporated in this grant letter by this reference. These Special Conditions are imposed pursuant to the U.S. Department of Education's (Department) authority in IDEA sections 616(g) and 642 and 34 CFR §80.12. The Special Conditions in Enclosure B are imposed to ensure DES's ability to timely: (1) conduct evaluations,
assessments and initial Individualized Family Service Plan (IFSP) meetings for infants and toddlers within 45 days of the child’s referral under 34 CFR §§303.321(c)(2), 303.322(c)(1) and 303.342(a); and (2) provide early intervention services to infants and toddlers with disabilities and their families under 34 CFR §§303.340(c), 303.342(e), and 303.344(f)(1).

Please note that as part of your State’s application for FFY 2009, your State has made an assurance, pursuant to 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect with respect to the FFY 2009 grant period. Any changes made by the State to its FFY 2009 application or Part C policies or procedures that are application requirements, after OSEP approval, must meet the applicable public participation requirements under Part C in 34 CFR §§303.110 through 303.113 and, if they are requirements under Section II.A, must also be submitted to, and approved by, OSEP prior to the State’s implementation of its new or revised application, policies and procedures.

Enclosed is the State’s regular grant award for funds currently available under the Omnibus Appropriations Act, 2009 for the Part C program. These funds are for use primarily in 2009-2010 and are available for obligation by States from July 1, 2009 through September 30, 2011 in accordance with 34 CFR §76.709.

In addition to these regular FFY 2009 Part C funds, the American Recovery and Reinvestment Act of 2009 (ARRA) provided a one-time large increment in IDEA Part C funding. The ARRA IDEA Part C grants are a supplemental appropriation to the regular IDEA Part C appropriation. The first 50 percent of the ARRA IDEA Part C funds were awarded to States on April 1, 2009 and the second 50 percent will be available to States by September 30, 2009. Please note that each State will be required to submit additional information that addresses how the State will meet the accountability and reporting requirements in section 1512 of the ARRA before it will be considered eligible to receive the second 50 percent of the ARRA funds. Together, a State’s regular FFY 2009 IDEA funds and a State’s ARRA IDEA Part C funds constitute a State’s total FFY 2009 Part C allocation. Given the increased IDEA Part C FFY 2009 allocation to each State, States may wish to review carefully the guidance on the ARRA IDEA Part C grant awards, available at http://www.ed.gov/fund/data/award/idea/arra/index.html.

Section IV.B of the FFY 2009 application for Part C funds requested updated information about each State’s restricted indirect costs. Your State indicated that DES has a final cost allocation plan that identifies restricted indirect costs and which was approved by your Indirect Cost Unit through June 30, 2010. Section IV.B of your State’s Part C Application indicates that DES will continue to apply the currently approved cost allocation plan to its IDEA Part C FFY 2009 grant funds until a new cost allocation plan is negotiated and approved by DES’s cognizant Federal agency. As noted in the Department’s guidance to States, applying the currently approved cost allocation plan rate to the increased FFY 2009 Part C funds due to the ARRA (which was not considered in the rate calculation) could result in an over-recovery of indirect costs in the current period. Please carefully review the responses to questions B-1 and B-2 in the guidance available at http://www.ed.gov/fund/data/award/idea/arra/index.html and direct questions regarding any proposed adjustments to your Indirect Cost Unit.

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 a State 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.

The enclosed grant award for FFY 2009 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.

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

Enclosures
- Enclosure A
- Enclosure B

cc: Part C Coordinator