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

JUL - 1 2011

Honorable Dan Wuori, PhD.
Chief Program Officer
South Carolina First Steps to School Readiness
1300 Sumter Street
Concord Building, Suite 100
Columbia, South Carolina 29201-3340

Dear Dr. Wuori:

We have conditionally approved South Carolina's application for Federal Fiscal Year (FFY) 2011 funds under Part C of the Individuals with Disabilities Education Act (IDEA Part C) with an effective grant date of July 1, 2011. Our conditional approval is based on our review of the application submitted by South Carolina First Steps to School Readiness (First Steps) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 31, 2011, including the policies, procedures, methods, descriptions, assurances, and certifications identified in Section II, which is incorporated by reference to this letter as Enclosure A. In addition, the State provided the following specific assurances that it will:

1. Operate consistently with the IDEA 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 IDEA Part C and its implementing regulations is, and will remain, in effect throughout the FFY 2011 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 IDEA Part C, 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, 2012. Within Section II of its application, 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 IDEA Part C.

OSEP's conditional approval of the State's FFY 2011 IDEA Part C grant award is also based on the July 1, 2011 specific assurance from First Steps in which First Steps assures that it shall:

1. Make all changes necessary to the State's policies and procedures and complete all actions to address the two issues identified in OSEP's June 28, 2011 memorandum to comply with the IDEA Part C requirements in 34 CFR §§303.322, 303.342, 303.343, and 303.344. First Steps must submit to OSEP the new and/or revised policies and procedures as soon as they are finalized, but no later than October 31, 2011;

2. Ensure that, throughout the period that the State uses its Federal fiscal year 2011 grant funds under IDEA Part C, all early intervention service programs and providers in the State will comply with all requirements of IDEA Part C, including the requirements in 34 CFR §§303.322, 303.342, 303.343, and 303.344;

3. Provide to OSEP, by September 1, 2011, a copy of the memorandum notifying all early intervention service programs and providers and parents that are part of the State's Part C early intervention system of any changes that affect the provision of early intervention services under Part C, including the IDEA Part C requirements in 34 CFR §§303.322, 303.342, 303.343, and 303.344; and

4. Ensure that the statewide system of early intervention required by Part C of IDEA in 20 U.S.C. 1431-1444 and applicable regulations in 34 CFR Part 303 will be in effect throughout the FFY 2011 grant period.

South Carolina's IDEA Part C FFY 2011 grant award is being released subject to Special Conditions to ensure that the State timely corrects noncompliance as soon as possible, but in no case later than one year, from identification as required by IDEA section 635(a)(10)(A) and 34 CFR §303.501(b) and verifies timely correction of the noncompliance. The Special Conditions are set forth in Enclosure B, which is incorporated by this reference to South Carolina's FFY 2011 IDEA Part C grant funds and which are imposed pursuant to the Department's authority in IDEA sections 616(g) and 642 and 34 CFR §80.12. Acceptance by South Carolina of this grant award constitutes an agreement by the State to comply with the enclosed Special Conditions, which require progress reports on October 15, 2011, February 1, 2012, with the State's FFY 2010 Annual Performance Report, and May 7, 2012.

Please note that as part of your State's application for FFY 2011, 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 during the FFY 2011 grant period. Before adopting a new or revised IDEA Part C policy or procedure that is required under Section II.A of the State's FFY 2011 application, the State must subject those policies and procedures to the public participation requirements in 34 CFR §§303.110 through 303.113 and receive OSEP approval for them prior to their implementation.

Enclosed is the State's FFY 2011 grant award for funds currently available under the Department of Defense and Full-Year Continuing Appropriations Act, 2011 -- P.L. 112-10 for the IDEA Part C program. These funds are available for obligation by States from July 1, 2011 through September 30, 2013 in accordance with 34 CFR §76.709.

Section IV.B of the State FFY 2011 application for Part C funds requested updated information about each State's restricted indirect cost rate. Your State indicated that First Steps has a restricted indirect cost rate agreement through the South Carolina Department of Education that expires on June 30, 2011, and the agency is in the process of negotiating a new restricted indirect cost rate that will be in effect for the FFY 2011 grant period. In Section IV.B, your agency indicated it will continue to bill the IDEA Part C FFY 2011 grant based on this previously approved restricted indirect cost rate of two percent (2%) until a final restricted indirect cost rate

agreement is approved for FFY 2011, which may result in an adjustment of the final audited expenditures allowed to the Part C FFY 2011 grant funds. When a final restricted indirect cost rate is approved for FFY 2011, please forward to our Indirect Cost Unit and to your OSEP State Contact: (1) a copy of the final restricted rate agreement; and (2) details of adjustments made to GAPS/G-5 liquidations from the provisional or prior billing rate after approval of the final rate.

Section 604 of the IDEA provides that "[a] State shall not be immune under the 11th 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, your 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 of FFY 2011 funds 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 may be necessary to allow us to appropriately carry out our administrative responsibilities related to IDEA Part C.

As a reminder, within 30 days of July 1, 2011, all prime recipients of IDEA (Part B or Part C) funds must report subaward information as required by the Federal Financial Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. FFATA guidance is found at http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html. Please contact your State's Recovery Act Facilitator if you have further questions.

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

Sincerely,

Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosure

Enclosure A

Enclosure B

cc: Part C Coordinator