



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

JUL - 1 2012

Honorable Clarence H. Carter
Director
Arizona Department of Economic Security
1717 West Jefferson Street, Site Code 010A
Phoenix, Arizona 85007

Dear Director Carter:

We have conditionally approved Arizona's application for Federal Fiscal Year (FFY) 2012 funds under Part C of the Individuals with Disabilities Education Act (IDEA Part C). 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 April 23, 2012 and June 28, 2012.

Our conditional approval of the State's FFY 2012 IDEA Part C grant is based on the State's policies, procedures, methods, descriptions, assurances, and certifications identified in Section II, which is incorporated by reference to this grant award letter as Enclosure A. Our approval is also based on the State's certification under Section II.D of its FFY 2012 application that the State will:

1. Operate throughout the period of the FFY 2012 grant award consistently with the requirements of the IDEA as found in 20 U.S.C. 1431 through 1443 and the final regulations in 34 CFR Part 303 (as published on September 28, 2011); and
2. Make such changes to existing 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, 2013. *See*, 34 CFR §76.104.

OSEP's conditional approval of the FFY 2012 IDEA Part C grant application is also based on OSEP's review and approval of the following documents submitted by the State on April 23 and June 28, 2012 under Sections II.A.2 (Early intervention services – Definitions policy, effective July 2012), II.A.3.a (System of payments – Chapter 9 Financial Matters), II.A.7 (Referral of specific children – Chapter 1, Overview, Section 1.5.4), and II.A.9 (Public participation- Chapter 1, Overview, Section). These revisions were submitted in response to OSEP's June 13, 2012 Memorandum, which also noted issues under Section II.A.10 (Transition). The State's April 9, 2012 application indicated that it would provide revised transition policies and interagency agreement under section II.A.10 (as well as its method and policies under II.A.3.b and II.A.4) not later than June 30, 2013.

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

Under IDEA sections 616(g) and 642 and 34 CFR §80.12, Arizona's FFY 2012 IDEA Part C grant award is being released subject to Special Conditions, which are identified in Enclosure B to this letter and are incorporated into this grant letter by this reference. Arizona's FFY 2011 IDEA Part C grant award was subject to Special Conditions to ensure compliance with the timely service provision requirements under IDEA Part C in Maricopa County through its largest EIS program, DDD, which is part of DES. The State's FFY 2011 Special Conditions progress reports provided data from July 1, through November 15, 2011 indicating 76% compliance and updated data for the period from January 1, 2012 through March 15, 2012 indicating 97% compliance. These FFY 2011 data indicate progress on timely service provision in Maricopa County within FFY 2011 and from the State's FFY 2010 State-wide data of 78%, but the FFY 2011 data continue to reflect noncompliance. Therefore, the Department is continuing to impose Special Conditions in FFY 2012 to ensure the State's ability to timely initiate early intervention services to infants and toddlers with disabilities and their families in Maricopa County through DDD, as required in 34 CFR §§303.342(e), and 303.344(f)(1). The enclosed Special Conditions require the State to submit two progress reports, the first on February 1, and the second on May 6, 2013, to ensure compliance with these timely service provision requirements.

As part of your State's application for FFY 2012, your State has made an assurance, under Section II.C.2 of its FFY 2012 application and pursuant to 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2012 grant period.

Before adopting a new or revised IDEA Part C policy or procedure that is required under Part C of the IDEA or the final regulations in 34 CFR Part 303, the State must subject those policies and procedures to the public participation requirements in 34 CFR §303.208 and receive OSEP approval for those policies and procedures referenced in 34 CFR §303.101(c) prior to their implementation.

Enclosed is the State's FFY 2012 grant award for funds currently available under the Consolidated Appropriations Act, 2012 -- P.L. 112-74 for the IDEA Part C program. These funds are available for obligation by States from July 1, 2012 through September 30, 2014 in accordance with 34 CFR §76.709.

Section IV.B of the State FFY 2012 application for Part C funds requested updated information about each State's restricted indirect cost rate. Arizona indicated in Section IV.B that DES has a cost allocation plan that identifies restricted indirect costs and the plan has been approved by the Department, DES's cognizant Federal agency, and is effective January 1, 2012. In Section IV.B, DES (as the lead agency designated under Part C) indicated that it will continue to apply the currently approved cost allocation plan to its IDEA Part C FFY 2012 grant funds until a new cost allocation plan is negotiated and approved by DES's cognizant Federal agency. Please forward a copy of the new or revised cost allocation plan to our Indirect Cost Unit and to your OSEP State Contact once it is approved by DES's cognizant Federal agency.

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 2012 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, no later than August 31, 2012, all prime recipients of IDEA (Part B or Part C) funds, must report subaward information as required by the Federal Funding 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,

Handwritten signature of Melody Musgrove in cursive script, with the initials 'MM' at the end.

Melody Musgrove, Ed.D.

Director

Office of Special Education Programs

Enclosures

Enclosure A

Enclosure B

cc: Part C Coordinator