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

JUL - 1 2012

Honorable Anna Whiting Sorrell
Director
Department of Public Health and Human Services
111 N. Sander St. PO Box 4210
Helena, Montana 59604-4210

Dear Director Whiting Sorrell:

We have conditionally approved Montana'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 Montana Department of Health and Human Services (DPHHS) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on April 17, 2012 and June 25, 2012.

Our conditional approval of the State's FFY 2012 IDEA Part C grant is also 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 is also based on our approval of the policies, procedures, and description submitted by DPHHS under Sections II.A.4, II.A.7 and II.A.11 of the FFY 2012 application, which policies and description are specifically identified in OSEP's June 27, 2012 memorandum.

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. Montana indicated in Section IV.B that DPHHS has a final cost allocation plan that identifies restricted indirect costs that has been approved by DPHHS's cognizant Federal agency and is effective until June 30, 2013. In Section IV.B, DPHHS (as the lead agency designated under Part C) indicated that it will continue to apply its cost allocation plan to its IDEA Part C FFY 2012 grant funds until a new cost allocation plan is negotiated and approved by DPHHS'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 DPHHS'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,

Melody Musgrove

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

Enclosure

Enclosure A

cc: Part C Coordinator