



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

July 1, 2014

Honorable Donna Frett-Gregory
Commissioner of Education
Virgin Islands Department of Education
1834 Kongens Gade
St. Thomas, Virgin Islands 00802-6746

Dear Commissioner Frett-Gregory:

We have approved your State's application for Federal Fiscal Year (FFY) 2014 funds under Part B of the Individuals with Disabilities Education Act (IDEA Part B). Our approval is based on review of the application submitted by the Virgin Islands Department of Education (VIDE) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 12, June 10, and June 12, 2014, including assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

Virgin Islands' FFY 2014 IDEA Part B grant award is also being released subject to the fiscal Special Conditions regarding the Department-wide Special Conditions placed on all Department grants awarded to VIDE in order to ensure that the Virgin Islands is managing and administering Department funds in accordance with applicable Federal requirements. The specific reasons for doing so and the special conditions are detailed in Enclosure C. Because the services of a third-party fiduciary agent continue to be necessary to ensure that the Virgin Islands is managing and administering Department funds in accordance with applicable Federal requirements, the Department, through the FFY 2014 Special Conditions, is continuing to require the Virgin Islands to use a third-party fiduciary to perform the financial management duties required under 34 CFR Parts 75, 76 and 80 for all Department grant awards.

Please note that as part of your application for FFY 2014, 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 2014 grant period. Any changes made by the State, after OSEP approval, to information that is a part of a State's application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed is the State's FFY 2014 grant award for funds currently available under the Consolidated Appropriations Act, 2014 -- P.L. 113-76 for the IDEA Part B Section 611 (Grants to States) program. These funds are available for obligation by States from July 1, 2014, through September 30, 2016, in accordance with 34 CFR §76.709.

The amount shown in your award for the Section 611 program is only part of the total funds that will be awarded to you for FFY 2014. Of the \$11,472,848,000 appropriated for Section 611 in FFY 2014, \$2,189,465,000 is available for awards on July 1, 2014, and \$9,283,383,000 will be available for awards on October 1, 2014. Under the Section 611 formula, in a year in which the amount available for allocations to States increases from the prior year, subject to certain

maximum and minimum funding requirements, State allocations are based on the amount that each State received from FFY 1999 funds, the general population in the age range for which each State ensures a free appropriate public education (FAPE) to all children with disabilities, and the number of children living in poverty in the age range for which each State ensures FAPE to all children with disabilities.¹

Enclosure B provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure B shows funding levels for distribution of Section 611 funds and the parameters for within-State allocations.

Under section 608(a)(2) of the IDEA, each State that receives funds under IDEA Part B is required to inform in writing local educational agencies located in the State of any State-imposed rule, regulation, or policy that is not required by IDEA or Federal regulations. A State may use the same list of State-imposed rules, regulations, and policies that it was required to submit to the Department in Section IV of its IDEA Part B application for this purpose.

The enclosed grant award of FFY 2014 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 B.

In Section V of its IDEA Part B application, pursuant to the authority in IDEA section 618(a)(3), the State was required to submit data on the total amount of State financial support made available for special education and related services for children with disabilities in State fiscal year (SFY) 2012 and SFY 2013. If OSEP receives information through audits, fiscal monitoring or other means that raises questions about the data your State has provided in Section V, OSEP will follow-up with your State.

As a reminder, 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. First-tier subaward information must be reported by the end of the following month from when the award was made or obligated. FFATA guidance is found at <http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html>. Please contact your State's Fiscal Accountability Facilitator if you have further questions.

¹ The amount that a State's allocation may increase from one year to the next is capped at the amount the State received in the prior year multiplied by the sum of 1.5 percent and the percentage increase in the total amount appropriated for Part B of IDEA from the prior year. Additionally, the maximum amount that a State may receive in any fiscal year is calculated by multiplying the number of children with disabilities ages 3 through 21 served during the 2004-2005 academic year in that State by 40 percent of the annual per pupil expenditure (APPE), adjusted by the rate of annual change in the sum of 85 percent of the children aged 3 through 21 for whom that State ensures FAPE and 15 percent of the children living in poverty. Because there are multiple caps, in any year the "effective cap" on a State's allocation is the lowest cap for that State.

We appreciate your ongoing commitment to the provision of quality educational services to children with disabilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Melody Musgrove". The signature is fluid and cursive, with a horizontal line extending to the right from the end of the name.

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

Enclosures

- Enclosure A
- Enclosure B
- Enclosure C

cc: State Director of Special Education