



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

July 1, 2015

Honorable Phyllis L. Wallace, Ed.D, MS
Commissioner Designee
Virgin Islands Department of Health
1303 Hospital Ground Suite #10
Charlotte Amalie
St. Thomas, Virgin Islands 00802-6722

Dear Commissioner Wallace:

We have approved the Virgin Islands' application for Federal fiscal year (FFY) 2015 funds, under Part C of the Individuals with Disabilities Education Act (IDEA Part C). Our approval is based on our review of the IDEA Part C application, submitted by the Virgin Islands Department of Health (VIDH) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on April 20, 2015, May 21 2015, and June 29, 2015.

Our approval of the Virgin Islands' FFY 2015 IDEA Part C grant includes approval of policies, procedures, methods, descriptions, assurances, and certifications identified in Section II.A, II.B, and II.C, which is incorporated by reference to this grant award letter as Enclosure A. Our approval is also based on the Virgin Islands' certification in Section II.D of its FFY 2015 application that the Virgin Islands' provisions meet the requirements of IDEA Part C 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 that the Virgin Islands will operate its Part C program in accordance with all of the IDEA Part C requirements including required policies, procedures, methods, descriptions, assurances and certifications. See, 34 CFR §76.104.

OSEP's approval of the Virgin Islands' (VI) FFY 2015 IDEA Part C application is based on our approval of the geographic equity policy submitted by the Virgin Islands on April 23, 2014, under Section II.A.8 of the FFY 2015 IDEA Part C application, and the June 23, 2015 Amended Interagency Agreement Between VIDH, the VI Department of Education, and the VI Department of Human Services regarding transition submitted on June 29, 2015 under Section II.A.10 of the FFY 2015 IDEA Part C application.

The Virgin Islands' FFY 2015 IDEA Part C grant award is also being released subject to two sets of Special Conditions (which are Enclosures B and C to this letter and incorporated in this grant letter by this reference). These Special Conditions are being imposed by OSEP pursuant to the Department's authority in IDEA §§616(g) and 642 and 2 CFR §§200.207 and 3474.10.

Enclosure B is the Department's June 30, 2015 letter that imposes Special Conditions on the Virgin Islands' Government for all Department grants to the Virgin Islands (including the IDEA Part C FFY 2015 grant) to ensure fiscal accountability of grant funds. Enclosure C identifies the IDEA Part C FFY 2015 Special Conditions imposed under IDEA Part C to ensure the timely payment for the provision of early intervention services to infants and toddlers with disabilities and their families in the Virgin Islands. By accepting this grant award, VIDH expressly agrees to

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comply with the Special Conditions identified in both Enclosures B and C for throughout the period VIDH uses its IDEA Part C FFY 2015 funds.

As part of the IDEA Part C application for FFY 2015, VIDH has provided a certification, under Section II.D of its FFY 2015 application and pursuant to 34 CFR §76.104, that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2015 grant period.

Enclosed is the VIDH's FFY 2015 grant award for funds currently available under the Consolidated and Further Continuing Appropriations Act, 2015, P.L. 113-235, for the IDEA Part C program. These funds are available for obligation by IDEA grant recipients from July 1, 2015 through September 30, 2017 in accordance with 34 CFR §76.709.

Please note that effective with this IDEA Part C FFY 2015 grant award, IDEA Part C funds are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, codified in 2 CFR Part 200 and commonly referred to as the Uniform Guidance. The Uniform Guidance provisions in 2 CFR Part 200 replace provisions previously found in the Education Department General Administrative Regulations or EDGAR in 34 CFR Parts 74 and 80 and prior OMB Circulars A-87 and A-133. Under 2 CFR §200.308(e), a State must obtain the prior approval of OSEP, by submitting a revised Section III (Use of Funds), for a transfer of funds among direct cost categories, programs, or activities that exceed 10% of the total grant award or are expected to exceed 10% of that total, and the Federal share in the grant exceeds the Simplified Acquisition Threshold (currently set at \$150,000). This replaces a similar provision previously found in 34 CFR §80.30(c)(1). Please review the Department's technical assistance resources on the Uniform Guidance at <http://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>.

Section IV.B of the IDEA Part C FFY 2015 application requested updated information about how your lead agency implements the restricted indirect cost rate requirements in 34 CFR §303.225(c). VIDH indicated in Section IV.B that VIDH has a predetermined restricted indirect cost rate of 8.56% that will expire on September 30, 2015, and the lead agency is in the process of negotiating a new restricted indirect cost rate that will be in effect for the FFY 2015 grant period. In Section IV.B, your lead agency also indicated it will continue to bill IDEA Part C FFY 2015 grant funds based on this provisional restricted indirect cost rate until a final restricted indirect cost rate agreement is approved for FFY 2015. This letter confirms that, under 2 CFR §200.210(a)(15) (effective July 1, 2015) and by accepting this IDEA Part C FFY 2015 grant, the Virgin Islands will continue to bill the IDEA Part C FFY 2015 grant funds based on this provisional restricted indirect cost rate, to the extent authorized by your cognizant Federal agency, until a final restricted indirect cost rate agreement is approved for FFY 2015. When a final restricted indirect cost rate is approved by VIDH's cognizant Federal agency for FFY 2015, you must forward a copy of it to our Indirect Cost Unit and to your OSEP State Contact.

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, the Virgin Islands 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 2015 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. If the Virgin Islands revises those IDEA Part C policies or procedures that are required under Part C of the IDEA or the final regulations in 34 CFR Part 303, the Virgin Islands 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.

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 Fiscal Accountability 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,

A handwritten signature in black ink, appearing to read "Melody Musgrove". The signature is fluid and cursive, with a large loop at the end.

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

Enclosure

Enclosure A
Enclosure B
Enclosure C

cc: Part C Coordinator

