

Honorable Hanseul Kang
State Superintendent of Education
District of Columbia
Office of the State Superintendent of Education
801 First Street, N.E., 9th Floor
Washington, D.C. 20002

Dear Superintendent Kang:

We have conditionally approved the District of Columbia's application for Federal Fiscal Year (FFY) 2016 funds under Part B of the Individuals with Disabilities Education Act (IDEA Part B). Our conditional approval is based on our review of the IDEA Part B application submitted by the District of Columbia Office of the State Superintendent of Education (D.C. OSSE) to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), on May 12, 2016, including the assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

In addition, the State provided specific assurances that it will:

1. Operate consistently with IDEA Part B and applicable regulations; and
2. Make such changes to existing policies and procedures as are necessary to bring those policies and procedures into compliance with the requirements of IDEA Part B as soon as possible, and not later than June 30, 2017. Within Section II of its application, the State has included, for each assurance it cannot meet at this time, the date by which it expects to complete necessary changes to any policies and procedures that are not yet in compliance with the requirements of IDEA Part B.

As set forth in Enclosure D, effective June 28, 2016, the Department removed the Department-wide Special Conditions from all grants awarded by the Department to D.C. OSSE. The Department has determined that D.C. OSSE has met the Department-wide Special Conditions related to indirect cost calculation and claiming, time and effort distribution, and subrecipient monitoring. The Department will continue to provide technical assistance for D.C. OSSE's administration of the Department's grants to ensure that D.C. OSSE sustains the improvements accomplished from implementing corrective actions and that its financial and grants management systems are operating to ensure management and administration of Department grant awards consistent with applicable Federal requirements. The Department will also continue to monitor DC OSSE's compliance, through such measures as review of DC OSSE audits and program reviews conducted by the Department's program offices, and will provide technical assistance as appropriate.

Pursuant to IDEA section 616(g) of IDEA Part B and 2 CFR §§200.207 and 3471.10, OSEP has designated D.C. as a "high risk" grantee and imposed Special Conditions on D.C. OSSE's FFY

2016 grant award to ensure: (a) timely initial evaluations and reevaluations; (b) compliance with secondary transition requirements; and (c) timely correction of noncompliance.

The Department's June 28, 2016 determination letter notes that, while D.C. has demonstrated progress, the State has not achieved compliance with the requirements related to: timely initial evaluations and reevaluations (IDEA sections 612(a)(7) and 614(a) through (c) and 34 CFR §§300.301(c)(1) and 300.303) and secondary transition (IDEA section 614(d)(1)(A)(i)(VIII) and 34 CFR §§300.320(b) and 300.321(b)). Although D.C. has demonstrated significant progress in the area of timely correction of noncompliance, as reported in its May 2, 2016 Special Conditions progress report, revised May 18, 2016, the Department stated that this is the first time that D.C. reported 95 percent or higher compliance with this requirement. Based on the above, the Department is imposing Special Conditions on the State's FFY 2016 grant award under Part B. The reasons for doing so and the specific conditions are detailed in Enclosure E.

On June 28, 2016, D.C. was notified that under section 616(d), the Department determined that D.C. "needs intervention" in implementing the requirements of Part B of the IDEA for the tenth consecutive year. In accordance with IDEA section 616(e)(2)(B)(i) and 34 CFR §300.604(b)(2)(i), the Department required D.C. to submit a corrective action plan (CAP) that is reasonably designed to address the major areas of noncompliance which contributed to the State's needs intervention determination. In addition to submitting a CAP, pursuant to IDEA section 616(e)(1)(B) and (2)(A) and 34 CFR §300.604(a)(2) and (b)(1), the Department directed D.C. to use \$250,000 of its FFY 2016 State-level funds under IDEA section 611(e) to address noncompliance with secondary transition requirements.¹ The Department authorizes D.C. to use the directed funds for other purposes if the State elects to direct local educational agencies that demonstrate noncompliance with the secondary transition requirements to use \$250,000 of their FFY 2016 IDEA Part B funds to address noncompliance with secondary transition requirements. In addition, pursuant to IDEA section 616(e)(1)(A) and (2)(A), the Department advised D.C. of available sources of technical assistance and directed the State to access technical assistance related to those results elements for which the State received a score of zero on the Part B Results Matrix issued with the Department's June 28, 2016 determination letter. The reporting requirements related to the CAP, directed use of FFY 2016 IDEA Part B funds, and required technical assistance outlined in the Department's June 28, 2016 letter are incorporated in the Special Conditions and described in Enclosure E.

Please note that as part of your application for FFY 2016, your State has provided a certification, pursuant to 34 CFR §76.104, that its application meets the requirements of IDEA Part B and that the State will operate its Part B program in accordance with all of the required assurances and

¹ Under Section III of the FFY 2016 Part B application, D.C. was required to complete an Excel Interactive Spreadsheet that describes how it intends to use its FFY 2016 State-level funds reserved under IDEA section 611(e) for administration and other State-level activities. In completing the Spreadsheet, each State must indicate, for each of the activities listed in IDEA section 611(e)(1) and (2), dollar amounts, if any, of the State's total allocation under section 611(e) for FFY 2016 that will be used for that activity. D.C. must obtain the prior approval of OSEP if it changes the dollar amounts that will be used for one of the activities listed in the Spreadsheet and that change exceeds ten percent of the total amount of funds reserved under IDEA section 611(e) for State-level activities. See 2 CFR §200.308(e).

certifications. Any changes made by the State, after OSEP approval, to information that is a part of the State's Part B application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed are the State's FFY 2016 grant awards for funds currently available under the Consolidated Appropriations Act, 2016, P.L. 114-113, for the IDEA Part B Section 611 (Grants to States) and Section 619 (Preschool Grants) programs. These funds are available for obligation by States from July 1, 2016, through September 30, 2018, in accordance with 34 CFR §76.709.

The amount in your award for Section 619 represents the full amount of funds to which you are entitled. However, 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 2016. Of the \$11,912,848,000 appropriated for Section 611 in FFY 2016, \$2,629,465,000 is available for awards on July 1, 2016, and \$9,283,383,000 will be available for awards on October 1, 2016. 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 relative population in the age range for which each State ensures a free appropriate public education (FAPE) to all children with disabilities, and the relative number of children living in poverty in the age range for which each State ensures FAPE to all children with disabilities.²

In FFY 2016, the appropriation for the Preschool Grants program is \$368,238,000. Under the Section 619 formula, in a year in which the amount available for allocation to States remains the same or increases from the prior year, State allocations, subject to certain maximum and minimum funding requirements, are based on the amount that each State received under Section 619 for FFY 1997, the relative population of children aged three through five, and the relative number of children aged three through five living in poverty.

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.

Enclosure C provides a short description of how Section 619 funds were allocated and how those funds can be used. In addition, Table II in Enclosure C shows State-by-State funding levels for distribution of Section 619 funds.

Section 611(e)(1)(C) of the IDEA provides that “[p]rior to expenditure of funds under this paragraph [Section 611(e)(1) concerning funds for State administration], the State shall certify to

² 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.

the Secretary that the arrangements to establish responsibility for services pursuant to [S]ection 612(a)(12)(A) are current.” We read this provision to mean that if a State does not have interagency agreements or other arrangements in place to establish responsibility for the provision of services, the State may not expend funds available to the State under Section 611(e)(1) [State administration funds] until the State has these agreements or arrangements in place.

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.

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) 2014 and SFY 2015. 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.

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 the 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 awards of FFY 2016 funds are 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.

As a reminder, all prime recipients of IDEA Part B 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/rconferencesms-web-.html>. Please contact your State’s Fiscal Accountability Facilitator if you have further questions.

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

Sincerely,

Ruth E. Ryder
Acting Director
Office of Special Education Programs

Enclosures

Enclosure A
Enclosure B
Enclosure C
Enclosure D
Enclosure E

cc: State Director of Special Education