

July 1, 2017

Honorable Michelle Davis, Ph.D.
Commissioner
Virgin Islands Department of Health
1303 Hospital Ground Suite #10
Charlotte Amalie
St. Thomas, Virgin Islands 00802-6722

Dear Commissioner Davis:

We have approved the Virgin Islands' application for Federal fiscal year (FFY) 2017 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 (Department), Office of Special Education Programs (OSEP), on April 12, 2017.

Our approval of the Virgin Islands' FFY 2017 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 2017 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 regulations in 34 CFR Part 303, 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.

The Virgin Islands' FFY 2017 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 sections 616(g) and 642 and 2 CFR §§200.207 and 3474.10. Enclosure B is the Department's June 26, 2017 letter that imposes Special Conditions on the Virgin Islands' Government for all Department grants to the Virgin Islands (including the IDEA Part C FFY 2017 grant) to ensure fiscal accountability of grant funds. Enclosure C identifies the IDEA Part C FFY 2017 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 comply with the Special Conditions identified in both Enclosures B and C throughout the period VIDH uses its IDEA Part C FFY 2017 funds.

Enclosed is the Virgin Islands' FFY 2017 grant award for funds currently available under the Consolidated Appropriations Act, 2017, P.L. 115-31, for the IDEA Part C program. These funds are available for obligation by IDEA grant recipients from July 1, 2017 through September 30, 2019 in accordance with 34 CFR §76.709.

Under IDEA section 605, 2 CFR Part 200, and 34 CFR §303.104, the State must obtain prior approval to charge the following expenses as direct costs: (1) equipment (2 CFR §200.33 and 34 CFR §303.104); (2) participant support costs (2 CFR §200.75); (3) construction/renovation (2

CFR §200.12(b) and 34 CFR §303.104); and (4) rent (2 CFR §200.465 and 34 CFR §303.225(d)). OSEP's approval of the FFY 2017 IDEA Part C grant application does not constitute approval for any costs that fall into these categories that are listed in Section III of the grant application. For any direct costs the State proposes under these categories in Section III of its FFY 2017 IDEA Part C grant application, OSEP will review and respond after July 1, 2017 through a separate approval process.

Section IV.B of the IDEA Part C FFY 2017 application requested updated information about how your lead agency implements the restricted indirect cost rate requirements in 34 CFR §303.225(c). Your State indicated in Section IV.B that VIDH has a final restricted indirect cost rate agreement that has been approved by your lead agency's cognizant Federal agency and is effective through September 30, 2019. This letter confirms that, under 2 CFR §200.210(a)(15) and by accepting this IDEA Part C FFY 2017 grant, your State will apply this restricted indirect cost rate of 5.43% until this rate is amended and approved by your cognizant Federal agency. If this restricted indirect cost rate agreement is revised during the period your State uses its IDEA Part C FFY 2017 funds, you must provide a copy of the revised restricted indirect cost rate agreement to the Department's Indirect Cost Unit and to your OSEP State Lead once it is approved by your 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, 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 2017 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 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,

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/S/

Ruth E. Ryder
Acting Director
Office of Special Education Programs

Enclosure (s)

Enclosure A

Enclosure B

Enclosure C

cc: Part C Coordinator