

July 1, 2018

Honorable Michael Trailor
Director
Arizona Department of Economic Security
1789 W. Jefferson, Mail Drop 1111
Phoenix, Arizona 85007

Dear Director Trailor:

We have approved Arizona's application for Federal fiscal year (FFY) 2018 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 Arizona Department of Economic Security- (ADES) to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), on May 3, 2018, June 21, 2018, and June 25, 2018.

OSEP's approval of the State's FFY 2018 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 State's certification in Section II.D of its FFY 2018 application that the State's 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 State 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 State's FFY 2018 IDEA Part C application is also based on approval of the revised public participation section of the Arizona Early Intervention Program (AzEIP) Policy Manual, page 7, submitted under section II.A.9 by the ADES in the FFY 2018 IDEA Part C grant application on May 3, 2018.

Enclosed is the State's FFY 2018 grant award for funds currently available under the Department of Education Appropriations Act, 2018, Title III of Division H, P.L. 115-141 for the IDEA Part C program. These funds are available for obligation by IDEA grant recipients from July 1, 2018 through September 30, 2020 in accordance with 34 CFR §76.709.

Under IDEA section 605, and 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)). The State did not identify any such costs in Section III of its grant application. If the State plans to use its FF 2018 IDEA Part C grant funds for such costs, it must submit a request for prior approval to which OSEP will respond separate from the grant letter.

Section IV.B of the IDEA Part C FFY 2018 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 ADES has a cost allocation plan that was approved by your cognizant Federal agency. Under IDEA Part C, the Department must ensure that the State lead agency's cost allocation plan meets the nonsupplanting requirements in IDEA section 637(b)(5)(B) and restricted indirect cost requirements in 2 CFR §200.210(a)(15) and 34

CFR §303.225(c). Approval of the State’s IDEA Part C FFY 2018 grant application is not an indication that the State’s cost allocation plan meets these nonsupplanting and restricted indirect cost requirements. OSEP and the Department’s Indirect Cost Group will work with the State and its cognizant Federal agency to ensure that its cost allocation plan meets the applicable restricted indirect cost requirements. Under 2 CFR §200.210(a)(15), by accepting this IDEA Part C FFY 2018 grant, your State lead agency is agreeing to charge indirect costs on a restricted basis for the period that the State uses any funds awarded under this FFY 2018 IDEA Part C grant.

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 2018 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 your State 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 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.

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.

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We appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,

/S/

Ruth E. Ryder
Acting Director
Office of Special Education Programs

Enclosure

Enclosure A

cc: Part C Coordinator