

July 1, 2018

Honorable Nancy Bargmann  
Director  
California Department of Developmental Services  
1600 9th Street  
Sacramento, California 95814

Dear Director Bargmann:

We have conditionally approved California's application for Federal fiscal year (FFY) 2018 funds under Part C of the Individuals with Disabilities Education Act (IDEA Part C). Our conditional approval is based on our review of the IDEA Part C application, submitted by the California Department of Developmental Services (CDDS) to the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), on May 3, 2018, May 31, 2018, and June 27, 2018.

Our conditional approval of the CDDS' FFY 2018 IDEA Part C grant is also based on the State's 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 conditional approval of the State's FFY 2018 IDEA Part C application is also based on our approval of the policies, procedures, agreement, and descriptions submitted by the State on October 5, 2012, April 27, 2015 and July 3, 2015 under Section II.A. 5, 6, 7, 8, 9, 10, 11, and 12, which submissions were approved in OSEP's memoranda dated June 22, 2015 and July 6, 2015.

Our conditional approval is also based on the CDDS' certification in Section II.D of its FFY 2018 IDEA Part C application, in which the State certifies under 34 CFR §76.104 that it will:

1. Operate throughout the period of the FFY 2018 grant award consistently with the requirements of the IDEA Part C as found in 20 U.S.C. §§1431 through 1443 and the regulations in 34 CFR Part 303; and
2. Make such changes to existing policies, procedures, methods, and descriptions as are necessary to bring those policies, procedures, methods and descriptions into compliance with the requirements of IDEA Part C, as soon as possible, and not later than either the date indicated by the State in Section II.A or B of its application or June 30, 2019 whichever is earlier.

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 States from the effective date of the grant award, 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 identified, and OSEP approves, the participant support costs listed in Section III of its

grant application as direct costs. The State lead agency must ensure that such costs are reasonable, necessary, and allowable to the IDEA Part C grant.

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). CDDS is proposing to charge indirect costs and is working with the Department's Indirect Cost Group (ICG) on identifying how it may charge indirect costs on a restricted basis for the FFY 2018 grant period. Approval of the State's IDEA Part C FFY 2018 grant application is not an approval of the State's proposed restricted indirect cost rate or cost allocation plan. 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. OSEP and ICG will continue to work separately with CDDS and its cognizant Federal agency to ensure that the applicable restricted indirect cost requirements are met for FFY 2018.

Section 604 of the IDEA provides that “[a] State shall not be immune under the 11<sup>th</sup> 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 adopts a new or revised IDEA Part C policy or procedure that is required under Part C of the IDEA or under the regulations in 34 CFR Part 303, it must subject those policies and procedures to the public participation requirements in 34 CFR §303.208 and, for those policies and procedures specifically referenced in 34 CFR §303.101(c), receive OSEP approval 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.

Page 3 – Lead Agency Director

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