



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

Ms. Renée Lewis
Director, Agency Financial Services
Washington State Office of Public Instruction
Old Capitol Building
P.O. Box 47200
Olympia, Washington 98504-7200

AUG 17 2004

Dear Ms. Lewis:

I am writing in response to your June 8, 2004, letter concerning the treatment of program income generated as a result of registration fees charged at professional development conferences for teachers, the costs of which were paid for with Part B of the Individuals with Disabilities Education (Part B) grant funds. Currently, according to your letter, the Washington State Office of the Superintendent of Public Instruction (OSPI) -- as provided for at 34 CFR §80.25(g)(1) -- deducts program income from the allowable costs that can be charged to the Part B grant. You ask that the U.S. Department of Education's Office of Special Education Programs (OSEP) authorize OSPI to use Part B program income consistent with 34 CFR §80.25(g)(2). Under this provision, program income is not deducted from the allowable costs that can be charged to the Part B grant. Instead, program income can be added to the funds used to carry out the Part B grant. Under this method, the program income in question must be used for the purposes and conditions of the grant agreement. See, 34 CFR §80.25(g)(2).

In accordance with the Education Department General Administrative Regulations at 34 CFR §80.25 and your request of June 8, 2005, OSEP approves your request to add, consistent with 34 CFR §80.25(g)(2), the program income generated by registration fees charged for professional development conferences to the Part B grant award. Please note, however, that expenditure of this program income on Part B grant-related activities could affect the level of State financial support for special education and related services that your agency is required to maintain under 34 CFR §300.154. If you have any further questions on this matter, please feel free to contact Martin Benton at (202) 245-7270 or Dr. JoLeta Reynolds at (202) 245-7459 (press 3).

Sincerely,

Stephanie Smith Lee
Director
Office of Special Education Programs

cc: Dr. Douglas Gill
Special Education Section