



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

Honorable Terrell I. Murphy
Commissioner
Texas Department of Assistive and
Rehabilitative Services
4800 N. Lamar Boulevard, Suite 320
Austin, Texas 78751

JUL 5 2006

Dear Commissioner Murphy:

This is to inform you that we have conditionally approved Texas's Application, including policies, procedures, methods, descriptions, and assurances, for Federal Fiscal Year (FFY) 2006 under Part C of the Individuals with Disabilities Education Act (IDEA). Our determination that you are eligible for a conditional approval is based on our receipt of the Part C Application for FFY 2006, including the policies, procedures, methods, descriptions, assurances, certifications, and submission statement submitted by the Texas Department of Assistive and Rehabilitative Services to the U.S. Department of Education, Office of Special Education Programs (OSEP), on April 7, 2006 and amendments received on April 11, 2006, in which it assures that it will:

1. Operate consistent with the Part C requirements of PL 108-446 and its applicable regulations in 34 CFR Part 303;
2. Ensure that the Statewide system of early intervention services required by Part C and its implementing regulations is in effect throughout the FFY 2006 grant period; and
3. Make such changes to, and submit for OSEP's approval, existing policies, procedures, methods, and descriptions as are necessary to bring those policies, procedures, methods and descriptions into compliance with the requirements of Part C of the IDEA, as amended, as soon as possible, and not later than the earlier of the date indicated by the State in Section II of its application or June 30, 2007. Section II of the State's application (which is incorporated by reference and enclosed with this grant letter) identifies the IDEA statutory sections for which the State needs to amend policies, procedures, methods and descriptions and the timelines by which the State will amend any policies, procedures, methods and descriptions in order to comply with Part C of the IDEA. Within Section II, the State has included the date by which it expects to complete necessary changes associated with any policies, procedures, methods and descriptions that are not yet in compliance with the requirements of Part C of the IDEA, as amended.

Enclosed is the State's grant award for funds currently available under the Department of Education FFY 2006 Appropriations Act for the Part C program. These funds are for use

primarily in the fiscal year 2006-2007 and are available for obligation by States from July 1, 2006 through September 30, 2008.

The enclosed grant award for FFY 2006 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 are needed to allow us to appropriately carry out our administrative responsibilities related to Part C.

Please note that as part of your State's Application for FFY 2006, your State has made an assurance, under 34 CFR §80.11(c) that it will comply with all applicable Federal statutes and regulations in effect with respect to the FFY 2006 grant period. Any changes made by the State to its FFY 2006 Application or to its Part C policies, after OSEP's approval, must meet the applicable public participation requirements in Part C of the IDEA and may also need to be submitted to OSEP for approval prior to implementation.

Your State has requested, as part of its Part C FFY 2006 Application, approval of grant funds under Section 605 of the IDEA, for capital expenditures. Specifically, the State proposes to use \$65,715 of its \$337,790 of data system maintenance funds to purchase computer hardware and software (server upgrade and routing equipment) to assist the State lead agency in developing and maintaining its centralized data collection system. The State has indicated that its purchase will enable the lead agency to report data as required under IDEA Sections 616 and 618. The Department has carefully reviewed the State's request and approves it under IDEA Section 605 and Office of Management and Budget (OMB) Circular A-87 (Attachment A) because the purchases will improve the Part C lead agency's ability to report State-centralized data annually as required under the State Performance Plan under IDEA Section 616 and data under IDEA Section 618. OSEP deems the proposed expenditures reasonable and necessary as required under OMB Circular A-87.

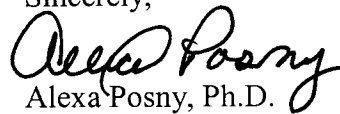
Section IV.B of the FFY 2006 application for Part C funds requested updated information about each State's restricted indirect cost rate. Our records indicate that your lead agency has a provisional restricted indirect cost rate and the agency is in the process of negotiating a new restricted indirect cost rate that will be in effect during the FFY 2006 grant period and specifically for the period: 9/01/2006 to 8/31/2007.

In Section IV.B of the Application, the State lead agency indicated it will continue to bill the Part C FFY 2006 grant based on this provisional or previously approved restricted indirect cost rate until a final restricted indirect cost rate is approved for FFY 2006, which may result in an adjustment of the final audited expenditures allowed to the Part C FFY 2006 grant funds. When a final restricted rate indirect cost rate is approved for FFY 2006, please forward to our Indirect Cost Unit: (1) a copy of the final rate agreement and (2) details of adjustments made to GAPS liquidations from the provisional or prior billing rate after approval of the final rate.

Section 604 of the IDEA provides that “[a] State shall not be immune under the eleventh 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. Therefore, by accepting this grant a 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.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Alexa Posny".

Alexa Posny, Ph.D.

Director

Office of Special Education Programs

Enclosures

Enclosure A

cc: Kathy Bentz
Part C Coordinator