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

JUL - 1 2011

Honorable Nancy S. Grasmick
State Superintendent of Schools
Maryland State Department of Education
200 West Baltimore Street, 7th Floor
Baltimore, Maryland 21201-2595

Dear Superintendent Grasmick:

We have approved your State's application for Federal Fiscal Year (FFY) 2011 funds under Part B of the Individuals with Disabilities Education Act (IDEA Part B). Our approval is based on review of the application submitted by the Maryland State Department of Education (MSDE) to the U.S. Department of Education, Office of Special Education Programs (OSEP), on May 5, 2011, including assurances provided in Section II and incorporated by reference to this letter as noted in Enclosure A.

Please note that as part of your application for FFY 2011, your State has made an assurance, pursuant to 34 CFR §80.11(c), that it will comply with all applicable Federal statutes and regulations in effect during the FFY 2011 grant period. Any changes made by the State, after OSEP approval, to information that is a part of a State's application, must meet the public participation requirements in 34 CFR §300.165.

Enclosed are the State's FFY 2011 grant awards for funds currently available under the Department of Defense and Full-Year Continuing Appropriations Act, 2011 -- P.L. 112-10 for the IDEA Part B Section 611 (Grants to States) and Section 619 (Preschool Grants) programs. These funds are available for obligation by States from July 1, 2011 through September 30, 2013 in accordance with 34 CFR §76.709.

The amount in your award for Section 619 represents the full amount of funds to which you are entitled. However, the amount shown in your award for the Section 611 program is only part of the total funds that will be awarded to you for FFY 2011. Of the $11,482,200,578 appropriated for Section 611 in FFY 2011, $2,889,817,578 is available for awards on July 1, 2011, and $8,592,383,000 will be available for awards on October 1, 2011. Under the Section 611 formula, in a year in which the amount available for allocation to States decreases from the prior year, but is greater than the 1999 level, any amount available for allocation to States above the 1999 level is allocated based on the relative increases in funding that the States received between 1999 and the prior year.

For FFY 2011, the appropriation for the Preschool Grants program is $373,350,802. Under the Section 619 formula in a year in which the amount available for allocation to States decreases from the prior year, but is greater than the 1997 level, any amount available for allocation to States above the 1997 level is allocated based on the relative increases in funding that the States received between 1997 and the prior year.

Enclosure B provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure B shows funding levels for distribution of Section 611 funds and the parameters for within-State allocations.

Enclosure C provides a short description of how Section 619 funds were allocated and how those funds can be used. In addition, Table II in Enclosure C shows State-by-State funding levels for distribution of Section 619 funds.

Section 611(e)(1)(C) of the IDEA provides that "[p]rior to expenditure of funds under this paragraph [section 611(e)(1) concerning funds for State administration], the State shall certify to the Secretary that the arrangements to establish responsibility for services pursuant to section 612(a)(12)(A) are current." We read this provision to mean that if a State does not have interagency agreements or other arrangements in place to establish responsibility for the provision of services, the State may not expend funds available to the State under section 611(e)(1) [State administration funds] until the State has these agreements or arrangements in place.

Under section 608(a)(2) of the IDEA, each State that receives funds under IDEA Part B is required to inform in writing local educational agencies located in the State of any State-imposed rule, regulation, or policy that is not required by IDEA or Federal regulations. A State may use the same list of State-imposed rules, regulations, and policies that it was required to submit to the Department in Section IV of its IDEA Part B application for this purpose.

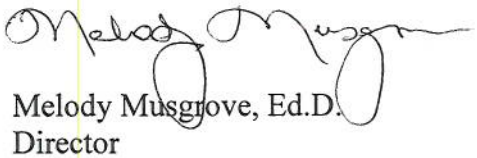
The enclosed grant awards of FFY 2011 funds are made with the continued understanding that this Office may, from time to time, require clarification of information within your application, if necessary. These inquiries may be necessary to allow us to appropriately carry out our administrative responsibilities related to IDEA Part B.

Based on OSEP's verification letter dated February 9, 2011, to the MSDE, OSEP concluded that the State's policies and procedures related to determining if local education agencies (LEAs) have met the excess cost requirement were not consistent with the requirement in 34 CFR §§300.16 and 300.202. MSDE was required, within 90 days of the verification letter, to provide an assurance that the State: (1) revised its policies and procedures for calculating excess cost with the requirements in 34 CFR §§300.16 and 300.202; and (2) issued guidance to its LEAs that describe the revised policies and procedures determining excess costs. The State provided this assurance to OSEP on April 5, 2011, therefore OSEP has determined that the State has satisfied the required action.

As a reminder, within 30 days of July 1, 2011, all prime recipients of IDEA (Part B or Part C) funds must report subaward information as required by the Federal Financial Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. FFATA guidance is found at http://www2.ed.gov/policy/gen/leg/recovery/rms-web-conferences.html. Please contact your State's Recovery Act Facilitator if you have further questions.

We appreciate your ongoing commitment to the provision of quality educational services to children with disabilities.

Sincerely,



Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosures

Enclosure A
Enclosure B
Enclosure C

cc: State Director of Special Education