

July 7, 2003

Honorable Thomas Watkins
Superintendent of Public Instruction
Michigan State Department of Education
PO Box 30008
Lansing, Michigan 48909

Dear Superintendent Watkins:

This is to inform you that we have conditionally approved Michigan's Eligibility Document Submission for Federal Fiscal Year (FFY) 2003 under Part B 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 following documents submitted by the Michigan State Department of Education to the U.S. Department of Education, Office of Special Education Programs (OSEP):

1. The Part B Eligibility Document Submission for FFY 2003 including the Eligibility Documents submitted April 13, 2000, and subsequent revisions to those Eligibility Documents and the Submission Statement submitted May 9, 2003; and
2. The June 30, 2003 letter from Michigan to OSEP, in which Michigan assures that as soon as possible, but no later than July 1, 2004, Michigan will complete all of the changes set forth in the June 26, 2003 issues chart including: 34 CFR §§ 300.7(c)(1)(i); 300.121; 300.534(a)(1); 300.342(b)(ii); 300.343(a); 300.132; 300.138(b)(2) and (b)(3); 300.141; and 300.142(a)(1) and (a)(2).

In the June 30, 2003 letter, Michigan also assures that it will take steps to ensure that, throughout the period of this grant award, all public agencies in the State that provide special education and related services to children with disabilities will operate their programs in a manner fully consistent with Part B. Michigan further assures that it will provide OSEP with a copy of a memorandum notifying all public agencies of the changes that impact on public agencies' provision of special education and related services that OSEP requires as a result of its review of the State's eligibility documents.

Please note that as part of your Eligibility Document Submission for FFY 2003, 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 periods for which it receives grant funding. Any changes made by the State, after OSEP approval, to information that is a part of a State's eligibility documentation, must meet the public participation requirements of the IDEA and must be approved by OSEP before implementation.

The Michigan FFY 2003 IDEA Part B grant awards are being released subject to FFY 2003 Special Conditions, as set forth in Enclosure C, that are being imposed pursuant to the Department's authority in 34 CFR §80.12. Specifically, OSEP determined that Michigan is not reporting publicly and to the Secretary on the participation and performance of children with disabilities who participate in regular State and district-wide assessments and alternate assessments in the same frequency and detail as non-disabled students, as required at 20 U.S.C. 1412(a)(17) and 34 CFR §300.139(a)(2).

Your State's failure to report on the participation and performance of children with disabilities in regular and alternate assessments resulted in the Department imposing the FFY 2002 Special Conditions contained in Enclosure C of this letter. Michigan did not meet those Special Conditions, and has not yet reported to the Secretary and the public on the participation and performance of children with disabilities in regular and alternate assessments. Therefore, the Department is imposing Special Conditions on the State's FFY 2003 grant awards under Part B. The reasons for doing so and the specific conditions are detailed in the enclosure. Michigan must administer these awards both in keeping with the applicable provisions of Federal law and regulations and the Special Conditions attached to the grant award document. Acceptance by Michigan of these grant awards constitutes an agreement by the State to comply with these Special Conditions.

Enclosed are grant awards for funds currently available under the Department of Education FFY 2003 Appropriations Act for the Part B Section 611 (Grants to States) and Section 619 (Preschool Grants) programs. These funds are for use primarily in school year 2003-2004 and are available for obligation by States from July 1, 2003 through September 30, 2005.

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 2003. Of the \$8,874,397,536 appropriated for Section 611 in FFY 2003, \$3,202,397,536 is available for awards on July 1, 2003, and \$5,672,000,000 will be available on October 1, 2003.

The funding formula for the Section 611 program is the same as was implemented for FFY 2000. Subject to certain maximum and minimum funding requirements, State allocations are based on the amount that each State received from FFY 1999 funds, the general population in the age range for which each State ensures a free appropriate public education (FAPE) to all children with disabilities, and the number of children living in poverty in the age range for which each State ensures FAPE to all children with disabilities.

Enclosure A provides a short description of how Section 611 funds were allocated and how those funds can be used. In addition, Table I in Enclosure A shows funding levels for distribution of Section 611 funds.

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

These awards are based on submission of a complete eligibility document package, a signed assurance statement regarding resolution of issues identified in OSEP's review of that eligibility document package, and implementation of the provisions of the Individuals with Disabilities Education Act. The complete eligibility document package and assurances must be made available for public inspection.

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

Sincerely,

/s/Patricia J. Guard for

Stephanie S. Lee
Director
Office of Special Education Programs

Enclosures

cc: Jaquelyn Thompson, State Director