

Dated November 12, 2002

Rodney Watson, Assistant Superintendent  
Louisiana Department of Education  
Director of Special Education  
Post Office Box 94064  
Baton Rouge, Louisiana 70804-9064

Dear Dr. Watson:

In reviewing the State's Annual Performance Report under Part C of the Individuals with Disabilities Education Act (IDEA) submitted January 16, 2002, my staff had questions regarding the submission entitled "Sources of Funding and other support." On that submission, the column entitled "Total State Funds Committed" is lower for Fiscal Year 2001 than for previous years, apparently because the amount of State funding for Child Search decreased. My staff raised questions with your Part C office regarding total State and local expenditures on the Part C program, in order to verify that no supplanting violation had occurred.

As you know, the IDEA and its implementing regulations require States to use Part C funds to supplement State and local funds used for infants and toddlers with disabilities, and in no case to supplant those funds (IDEA 637(b)(5) and 34 CFR §303.124). Specifically, §303.124(b) states "To meet the requirement in paragraph (a) of this section, the total amount of State and local funds budgeted for expenditures in the current fiscal year for early intervention services for children eligible under this part and their families must be at least equal to the total amount of State and local funds actually expended for early intervention services for these children and their families in the most recent preceding fiscal year for which the information is available."

Section 303.124 does allow for reductions in the following two circumstances:

1. Decreases in the number of children who are eligible to receive early intervention services under this part; and
2. Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of facilities.

Because your staff was not able to answer all of our questions orally, we indicated that we would submit them to you in writing. In order to ascertain whether Louisiana is in compliance with Part C non-supplanting requirements, please provide the Office of Special Education Programs (OSEP) with the following information and clarification:

1. The total amount of State and local funds (not just State lead agency funds) spent on the Part C program for the past three years for which final amounts are available. In defining total State and local expenditures, States may include Federal funds that are not tied to specific spending purposes but were spent on the Part C program (e.g., Impact Aid). (However, under 34 CFR §303.520(d)(2), Medicaid reimbursements spent by the State are not considered part of State and local funds for this purpose.)
2. Is the \$391,400 decrease in State Child Search Funds (on page 6 of the Annual Performance Report) replaced by other State (not just State lead agency funds) or local funds for child find or another Part C function?
3. If the figures show a decrease in total State and local expenditures, can Louisiana provide documentation showing that either of the circumstances described in §303.124(b)(1) or (2) apply?

Please provide OSEP with a written response to these questions within three weeks of receiving this letter. Any additional information that helps clarify this issue may be included.

If you have any questions, please feel free to contact Cynthia Bryant (202-401-4583) or Larry Ringer (202-205-0979) of my staff.

Sincerely,

/s/ Patricia J. Guard for

Stephanie S. Lee  
Director  
Office of Special Education Programs

cc: Virginia Beridon  
Louisiana Department of Education