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INFORMATION MEMORANDUM

TO : Executive Directors, State Planning Councils
Chairpersons, State Planning Councils
Directors, State Administering Agencies

SUBJECT : Identification of the Functions and Activities Which Should be Considered as Planning and Administration Costs Under the Developmental Disabilities Formula Grant Programs -- BASIC SUPPORT

LEGAL AND RELATED REFERENCES : Developmental Disabilities Act of 1984, Public Law 98-527
45 CFR Part 74, Administration of Grants
45 CFR Parts 1385 and 1386, Developmental Disabilities Program; Final Rules

INFORMATION : Not less than sixty-five (65) percent of the amount available to the States from allotments under Section 125 of the Act is to be expended for service activities in the following four (4) priority services:

- o Alternative community living arrangements
- o Employment related activities
- o Child development
- o Case management services

The remainder of the amount available to the States from allotments under Section 125 of the Act is to be used for service activities for persons with developmental disabilities, and the planning, coordination, and administration of, and the advocacy for, the provision of such services. (Reference: Sections 122(b)(4)(E) (i) and (ii).)

PLANNING COSTS

Costs for salaries and expenses for the Planning Council personnel, including supportive services, such as clerical staff, are considered planning costs. The following functions and activities may be identified and claimed as planning costs:

- Development of the State plan for the Developmental Disabilities Program. (Note: This function is shared with the State Administering Agency. Those staff costs which the State Administering Agency can document when working with the Planning Council in the development of the State plan may be claimed as planning costs.)

- Monitor, review, and evaluate, not less often than annually, the implementation of the State plan by the State Administering Agency.

- Review and comment on activities for all State plans in the State which relate to programs affecting persons with developmental disabilities. This would include State plans from the following Federally assisted programs:

  1. Education for the handicapped

  2. Vocational rehabilitation

  3. Public assistance

  4. Medical assistance

  5. Social services

6. Maternal and child health

7. Crippled children's services

8. Comprehensive health and mental health

- Preparation and submission of periodic reports, through the Governor, requested by the Department of Health and Human Services on State Planning Council's activities and the maintenance of the records of such reports for verification.

- The maximum FFP matching rate is seventy-five (75) percent for planning.

ADMINISTRATION COSTS

At the request of any State, a portion of any allotment or allotments of such State under Part B of Public Law 98-527 for any fiscal year shall be available to pay one-half (or such smaller share as the State may request) of the expenditures found necessary by the Secretary for the proper and efficient administration of the State plan approved under Section 122 of the Act; except that not more than five (5) percent of the total of the allotments of such State for any fiscal year, or $50,000, whichever is less, shall be available for the total expenditures for such purpose by all of the State agencies designated under subsection 122(b)(1)(B) of the Act for the administration or supervision of the administration of the State plan. (Reference: Section 122(b)(7)(d)(1).)

Costs of salaries and expenses for the State Agency's personnel who are responsible for the administration and supervision of the State plan, including supportive services are considered administration costs. Examples of administration, supervision, and supportive services include, but are not limited to the following:

- The development of criteria and procedures to appropriately obligate funds for activities and services under the State plan.

- The fiscal management of the program through fiscal control and accounting procedures to assure the proper disbursement and accountability of funds.

- Implementation of the developmental disabilities (DD) State plan. (Example: Review and negotiation of contracts and subgrants for service activities under the State plan.)

- The preparation and submission of financial, program, and other reports as required by the State Planning Council or the Department Health and Human Services and the maintenance of the records of such reports for verification.

Any portion of the amount allowable for administration costs which is not utilized for that purpose may be utilized for implementing other activities as set forth in the State plan. The State plan must include a statement of proposed expenditures, including the amount requested from the allotment under Section 125 of the Act for the administration of the State plan.

Any amount paid under paragraph (1) of Section 122(b)(7)(d)(1) of Public Law 98-527 to any State for any fiscal year shall be paid on condition that there shall be expended from the State sources for such year for administration of the State plan approved under this Section not less than the total amount expended for such purposes from such sources during the previous fiscal year. (Reference: Section 122(b)(7)(d)(1) and (2).)

All costs, including the costs for the administration and supervision of the State plan, are subject to the Final Rules of the Developmental Disabilities Program, 45 CFR Parts 1385 an 1386 and the Department of Health and Human Services Regulations on the Administration of Grants, 45 CFR Part 74.

EFFECTTIVE DATE : Date of Issuance

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cc: Regional Administrators, Region III, VI, VII, and IX
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