INFORMATION MEMORANDUM

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

SUBJECT: Transfer of Part B Funds from One State Planning Council to Another State Planning Council


45 CFR Parts 1385 and 1386, amended November 20, 1989 (54 FR 47982)

PURPOSE: The purpose of the Information Memorandum is to inform States that Part B funds cannot be transferred directly from one State to another.

CONTENT: State Planning Councils wishing to assist another state (e.g., any state(s) seeking funds as a result of hurricane or other natural disaster) by donating any portion of Part B funds to another State Planning Council are reminded to review the requirements of the Developmental Disabilities Assistance and Bill of Rights Act (the Act), and attendant regulations.

Section 122 of the Act provides that participation in the Basic State Grant Program is contingent on approval of a State Plan. The State Plan must include an assurance that the State will use the allotted funding to make a significant contribution to enhancing the capabilities of agencies in the State to improve the independence, productivity, and integration into the community of persons with developmental disabilities. Thus,
Part B funding must be used toward improving service provision in the State receiving the Basic State Grant.

The Act [Section 125(c)] also provides for combining funds to support activities in more than one state. However, there is no provision for donation or transfer of one state's Part B funds to another State Planning Council to support activities which will benefit only the recipient state. The Act provides for joint efforts which benefit all of the cooperating states.

A State Planning Council has suggested that Part B funds might be transferred from one State to another through reallocation. However, Section 125(d) of the Act provides that an amount of a State's allotment may be reallocated if the Secretary determines that a particular State will not require such funds. Reallocated funds must be distributed proportionately among the other States whose funds were not reduced. Thus, there is no provision in the Act for reallocating funds directly from one State to another.

EFFECTIVE DATE: Date of Issuance.

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Will Wolstein
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Administration on Developmental Disabilities

Copy To: Regional Administrators, ACF/DHSS
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