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**TO:** Chairpersons, State Developmental Disabilities Councils  
Executive Directors, State Developmental Disabilities Councils

**SUBJECT:** Impact of 1994 Amendments on Obligation of Federal Funds for Developmental Disabilities Councils Using State Interagency Agreements

**LEGAL REFERENCES:** The Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1994, Public Law 103-230 (42 U.S.C. 6000 et seq)

**CONTENT:**

The purpose of this information memorandum is to call attention to the change contained in the 1994 amendments regarding obligation of funds, particularly with respect to State Interagency Agreements (SIAs). Sec. 125(c) of the Act states:

"(c) OBLIGATION OF FUNDS.--For the purposes of this part, State Interagency Agreements are considered valid obligations for the purpose of obligating Federal funds allotted to the State under this part."
This change will affect Federal assistance to State Developmental Disability Councils under this Act for SIAs originating on or after April 6, 1994.

SIAs have usually not been considered to be valid obligations for the purpose of obligating funds allotted under the Developmental Disabilities program since a State was held to be a single entity which could not contract with itself. Therefore, SIAs would not constitute binding, legally enforceable agreements. The exception to this holding was in the case of those entities which were constitutionally separate from the State and therefore not under the control of the State (such as the recent situation in Minnesota involving an SIA between a State agency [the Developmental Disabilities Council] and the University of Minnesota). For situations involving SIAs prior to April 6, 1994, the interpretation described in this paragraph continues to govern.

INQUIRIES
TO: Regional Administrators, ACF
Regions I-X

Bob Williams
Commissioner
Administration on Developmental Disabilities

cc: Regional Administrators, ACF, Regions I-X
Director, Regional Operations Staff, ACF
Executive Director, National Association of Developmental Disabilities Councils