



# Understanding the IDEA Part C State Grant Funding Cycle and Different Fiscal Years



## Introduction

# INTRO

This document reviews the life cycle of an Individuals with Disabilities Education Act (IDEA) Part C state grant and how those phases correspond to federal and state fiscal years.

Each year, each eligible state or territory receives a federal grant under Part C of the IDEA to assist states in implementing a coordinated system that provides early intervention services for infants and toddlers with disabilities from birth through age 2 and their families.

Each Part C grant is associated with a **federal fiscal year** (FFY), which runs from October 1 to September 30. For example, FFY 2022 is the FFY October 1, 2021, through September 30, 2022. Because Part C grants are forward funded, they are released for obligation on July 1 in the FFY they are appropriated and carried through to September of the following fiscal year. So, the FFY 2022 Part C awards are authorized for obligation July 1, 2022, through September 30, 2023. This timeframe is referred to as the budget period in the state's Grant Award Notification (GAN).

Each state chooses its own **state fiscal year** (SFY). In most states, the SFY runs from July 1 to June 30. For example, SFY 2023 is the SFY running from July 1, 2022, to June 30, 2023.

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*The Center for IDEA Fiscal Reporting helps states improve their capacity to collect, report, analyze and use IDEA fiscal data. The center is a partnership among WestEd, AEM Corporation, American Institutes for Research (AIR), Emerald Consulting, the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill, the Center for Technical Assistance for Excellence in Special Education (TAESE) at Utah State University, and Weststat.*

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## Life Cycle of an IDEA Part C State Grant Award

# LIFE CYCLE

### PLANNING

Many states begin planning for a new IDEA Part C grant in the fall before the Office of Special Education Programs (OSEP), U.S. Department of Education, releases preliminary budget information — typically in January. States are encouraged by OSEP to begin budget planning using the most recent grant award amount until the state receives the final allocation in July. The state application for IDEA funds must be submitted by early May and is generally approved by OSEP before July 1. For example, planning for FFY 2022 funds may begin in the fall of 2021 for an application that will be submitted in early May 2022.

### BUDGET PERIOD

Because Part C awards are forward funded,<sup>1</sup> the budget period for FFY 2022 funds is July 1, 2022, through September 30, 2023, the following FFY. This is the period for which OSEP has provided federal Part C funds for specific approved activities.

### TYDINGS PERIOD

The Tydings period allows state grantees to carry over and obligate for an additional 12 months any federal Part C funds that were not obligated in the fiscal year for which they were appropriated (section 421(b) of the General Education Provisions Act (GEPA), 20 U.S.C. 1225(b) and 34 CFR §76.709). For example, the Tydings funding period for FFY 2022 awards is October 1, 2023, to September 30, 2024.

### PERIOD OF PERFORMANCE

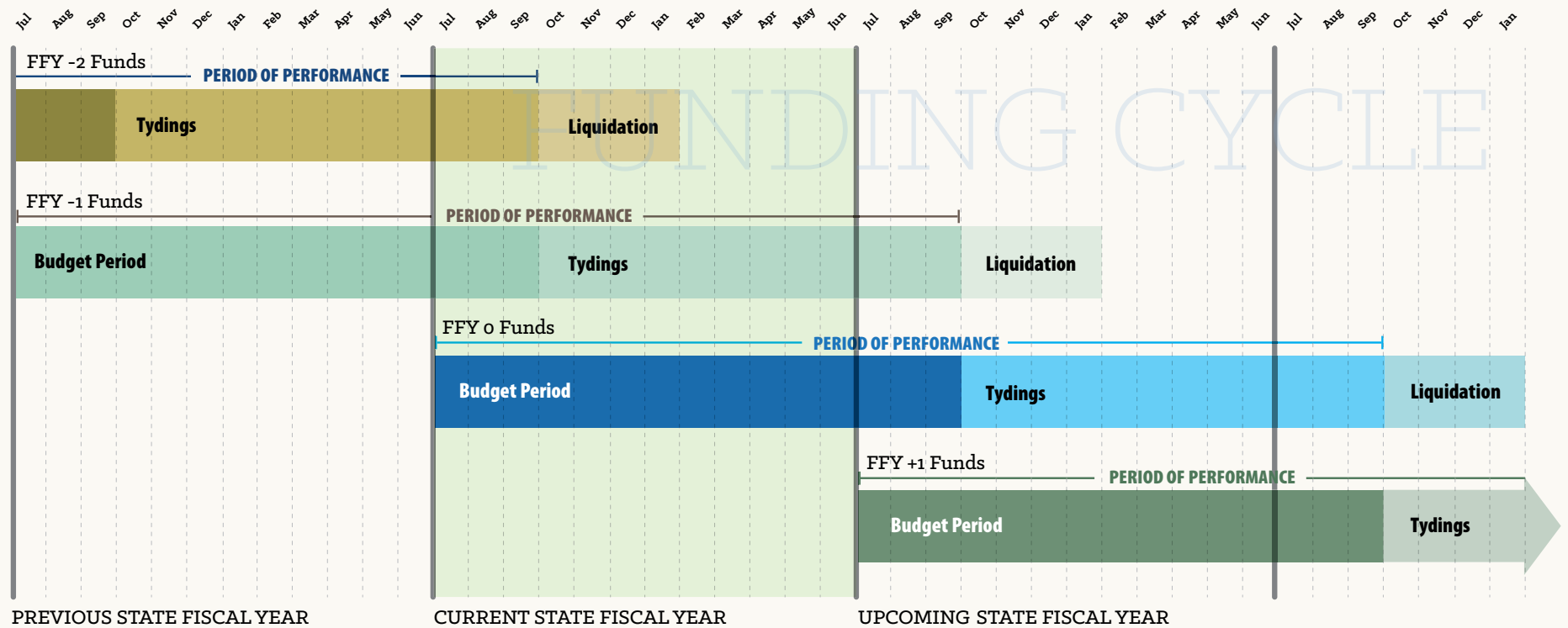
The period of performance refers to the complete time frame that the state may obligate funds for a particular grant award. Taken together, the budget period (15 months) and the Tydings period (12 additional months) create a 27-month period of performance. States can obligate appropriated IDEA funds throughout this period (2 CFR §200.309 and 2 CFR §200.77). This period is also referred to as the period of obligation. For example, FFY 2022 funds can be obligated from July 1, 2022, through September 30, 2024.

### LIQUIDATION PERIOD

State grantees must liquidate all obligations (i.e., pay outstanding debts) within 120 days of the end of the period of performance. This deadline is January 28. For example, FFY 2022 funds must be liquidated by January 28, 2025. Extensions to this liquidation period may be considered by the U.S. Department of Education (2 CFR 200.344(b)).

<sup>1</sup> The authority for forward funding comes from the Appropriations Act each year.

## IDEA Part C State Grant Funding Cycle



The graphic above depicts the stages of an IDEA Part C federal grant and how they correspond to federal and state fiscal years. From left to right, the graphic shows state fiscal years using a common timeframe, July 1–June 30, separated by dark vertical lines. The shaded area in the middle represents the **Current State Fiscal Year**.

Each horizontal bar represents part of or all the 27 months during which one of these federal grants funds is available to the state and its corresponding liquidation period. The differently shaded sections of each horizontal bar represent a different stage of that award's life cycle: 15 months of budget period, 12 months of the no-cost carry-over Tydings period, plus 120 days of the liquidation period. The planning stage may be individualized based on the state's development and state-approval timeline; therefore, those months are not included in the graph.

Four different federal fiscal years are considered from the standpoint of the Current State Fiscal Year on this graphic:

- FFY -2 Funds: The grant award from two years ago is available for obligation until September 30 and for liquidation until January 28 of the current state fiscal year. (Gold bar)
- FFY -1 Funds: The grant award from the previous fiscal year is available for obligation throughout the current state fiscal year. (Light green bar)
- FFY 0 Funds: The current year grant award is available for obligation. (Blue bar)
- FFY +1 Funds: The period of the upcoming year's grant budget period that extends into future years. (Dark green bar)

In any state fiscal year, state grantees and subrecipients are obligating and liquidating up to three years of IDEA grant awards.

For additional resources, please visit CIFR at <http://cifr.WestEd.org> or contact us at [cifr\\_info@WestEd.org](mailto:cifr_info@WestEd.org).