

**Guidance for Part C,  
Early Education Program Funds**

California Department of Developmental Services  
Early Childhood and Youth Services Division

2026–27

Revised January 2026

## Application Process

Form	Due Date
Funding Application and Budget Summary	May 29, 2026
Grant Award Notification	Return within 10 days after receipt
Interim Expenditure Claim Form	February 1, 2027
Final Expenditure Claim Form	September 1, 2027

As part of receiving the Part C, Early Education Program funds, the following forms must be completed, signed, and submitted to the California Department of Developmental Services (DDS) on or before the corresponding due dates listed above:

- Funding Application
- Budget Summary
- Grant Award Notification
- Interim Expenditure Claim Form
- Final Expenditure Claim Form

All forms, requests, and reports should be submitted electronically to [EarlyStartInvoices@dds.ca.gov](mailto:EarlyStartInvoices@dds.ca.gov)

## California Department of Developmental Services Contact Information

Part C, Early Education Programs Grant  
Programmatic Information:  
**Shannen Cheng**  
Section Chief  
Early Childhood and Youth Services Division  
Data Research and Reporting Section  
[Shannen.Cheng@dds.ca.gov](mailto:Shannen.Cheng@dds.ca.gov)

Fiscal Information:  
**Maricris Acon**  
Deputy Director  
Early Childhood and Youth Services Division  
[Maricris.Acon@dds.ca.gov](mailto:Maricris.Acon@dds.ca.gov)

## Frequently Asked Questions

### What are the minimum requirements for expenditures?

Funds must be expended on services for infants and toddlers, children with solely low

## Guidance for Part C, Early Education Program Funds

incidence disabilities specifically, visual, hearing, or severe orthopedic impairment, or any combination of these impairments from birth to under three years of age.

### **How do the Interim Report and Final Expenditure Claim differ?**

The Interim Report provides expenditures incurred up to that reporting date, while the Final Expenditure Claim must include all expenses for the full grant period, including those previously reported and any final costs.

### **What direct costs are allowable?**

In general, direct costs are those that can be identified specifically with a particular final cost objective. Typical direct costs chargeable to federal awards are:

- a. Compensation of employees for the time devoted and identified specifically to the performance of those awards
- b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards
- c. Equipment and other approved capital expenditure
- d. Travel expenses incurred specifically to carry out the award
- e. Salaries and benefits
- f. Administrative costs necessary to carry out the award
  - Accounting/budgeting/audits
  - Communication costs
  - Data processing
  - Recruitment costs (i.e., advertising)
- g. Leasing or renting facilities
- h. Maintenance or repair of equipment or facility "that does not add to the permanent value of the property or prolong its intended life"
- i. Building alterations that do not exceed \$10,000

When the capital assets, including building alterations, purchased with federal funds are sold or are no longer used by the early education program, the portion of the equity accrued must be refunded in the same proportion as the federal contribution in its initial cost

- j. Travel on "official business"
- k. Transportation
- l. Materials and other supplies for instructional services in the classroom, home, or other appropriate instructional setting which are "necessary to

## Guidance for Part C, Early Education Program Funds

carry out the grant”

No more than 10 percent of the federal Part C, Early Education Program grant may be expended for instructional materials and supplies without prior approval of the DDS

- m. Capital outlay that costs no more than \$5,000 per purchase

No more than 5 percent of the federal Part C, Early Education Program grant may be expended for capital outlay expenditures without prior approval of the DDS

- n. Indirect costs at the rate approved by the CDE (for more information, please contact the Office of Financial Accountability and Information Services by email at [sacsinfo@cde.ca.gov](mailto:sacsinfo@cde.ca.gov))
- o. Printing and duplication costs
- p. Meetings/conferences including exhibits to disseminate grant information
- q. In-service training/staff development

### **Can these costs be incurred via contract(s) for purchase of programs or services?**

Yes.

### **What costs are not allowable?**

Rental/lease-to-purchase (including but not limited to facilities and equipment) costs are not allowable.

### **Can the local educational agency (LEA) provide matching funds to allow a purchase over \$10,000?**

Yes, however other federal funds may not be used as the match. When the capital assets, including building alterations, purchased with federal funds are sold or are no longer used by the early education program, the portion of the equity accrued must be refunded in the same proportion as the federal contribution toward its initial cost.

Example: If the federal funds paid for 50 percent of the initial cost of an item, then 50 percent of the equity must be refunded.

### **What are the funding sources for the Part C, Early Education Program grant, the State Early Intervention grant, and the Infant Discretionary Funds?**

The Part C, Early Education Program grant funds are allocated from:

- Program cost account (PCA): 23761
- Standardized account code structure (SACS) resource code: 3385
- Revenue object: 8182

### **How does the local educational agency account for the Part C program in the standardized account code structure?**

## Guidance for Part C, Early Education Program Funds

Report the **revenues** as resource code 3385 (IDEA Early Intervention, Part C), goal 5710 (Special Education, Infants), and object 8182 (Special Education, Discretionary Grants).

Report the **expenditures** as resource code 3385 (IDEA Early Intervention, Part C), goal 5710 (Special Education, Infants), with the appropriate function (e.g., function 1190 [Special Education, Other Specialized Instructional Services]) and the appropriate object (e.g., object 1100 [Teachers' Salaries]).

### What are the definitions of capital expenditures, capital outlay, and legally obligated (as used in a grant award)?

**Capital expenditures** are the cost of facilities, equipment, other capital assets, and repairs which materially increase the value or useful life of a capital asset.

**Capital outlay** expenditures are the amounts paid for fixed assets or additions to fixed assets, including land or existing buildings, the improvement of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial and additional equipment.

**Legally obligated** is outlined in the following table clarifying the appropriate time period based on when a grantee makes obligations for various kinds of property and services (76.707 of the EDGAR, federal).

If the obligation is for:	The obligation is made:
Acquisition of real or personal property	On the date on which the grantee or LEA makes a binding written commitment to acquire the property
Personal services by an employee of the grantee or LEA	When the services are performed
Personal services by a contractor who is not an employee of the grantee or LEA	On the date on which the grantee or LEA makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date on which the grantee or LEA makes a binding written commitment to obtain the work
Public utility services	When the grantee or LEA received the services
Travel, conferences, or conference attended	When the travel is taken
Rental of real or personal property	When the grantee or LEA uses the property

When funds from a current grant are claimed for legal obligations, unspent federal revenue will remain on the books at year-end since the expenditures will not actually occur until the following year.

This unspent revenue is deferred by decreasing the income account in the current year's books and increasing the income account in the following year's books. As a result of deferring this unspent

## Guidance for Part C, Early Education Program Funds

revenue, the grant claim for the current year will exceed the federal grant funds reflected in the current year's books. An example of this follows:

<b>Revenue/Expenditures</b>	<b>Grant Claim (ends 6/30)</b>	<b>Current Year Books As of 6/30</b>	<b>Subsequent Year Books Beginning 7/1</b>
Federal revenue received	100	100	-
Federal revenue deferred	(20)	20	-
<b>Subtotal Revenue</b>	<b>100</b>	<b>80</b>	<b>20</b>
Actual expenditures	80	-	-
Legal obligations	20	-	-
<b>Subtotal Expenditures</b>	<b>100</b>	<b>80</b>	<b>20</b>

### Must separate accounting be kept for each grant award?

Yes.

Federal grant programs require that **separate accounting be maintained**. Accounting for one federal grant cannot be comingled with other federal grants or other funds.

Separate accounting provides a clear audit trail from the receipt of the funds by the state to the expenditure of the funds for goods and services at the local level.

### What are Part C funds intended to provide?

The California Early Intervention Services Act specifies that "Any increased costs to local educational agencies due to the implementation of this title shall be funded from the Part C federal funds provided for the purposes of this title" (14 *Government Code* [GC] 95024[a]). The GC, Title 14, Section 95003, states:

If the amount of funding provided by the federal government pursuant to Part C of the Individuals with Disabilities Education Act for the 1993–94 fiscal year, or any fiscal year thereafter, is not sufficient to fund the full increased costs of participation in this federal program by the local educational agencies, as required pursuant to this title, for infants and toddlers from birth through two years of age identified pursuant to Section 95014, and that lack of federal funding would require an increased contribution from the General Fund or a contribution from a local educational agency in order to fund those required and supplemental costs, the state shall terminate its participation in the program.

### Are additional funds available to SELPAs through DDS?

No. DDS does not administer or approve requests for additional funds. SELPAs should refer to the California Department of Education (CDE), who oversees those funding sources. DDS distributes

## Guidance for Part C, Early Education Program Funds

only the Part C allocation.

### What are the general definitions of supplemental and increased costs?

Supplemental and increased costs are expenses that were not already required under the *EC* or included in pre-existing funding arrangements. In general, the expenses must be required to implement the Part C, Early Education Program and must be supplemental to what was previously required.

**Required costs** are those costs that **must be incurred** in order to administer and operate the programs for infants and toddlers, birth through two years of age and their families, as specified in the federal regulations for Part C and in the California Early Intervention Services Act.

**Supplemental costs** are the costs of those activities and procedures that must be done for all infants and toddlers who are served by LEAs **that exceed the requirements** of Part 30 of the *EC* as it read June 30, 1993.

Appropriate Part C expenditures must meet two tests:

- (1) the costs are necessary to meet the requirements of Part C and the California Early Intervention Services Act; and
- (2) the costs are for services and activities that exceed the requirements of Part 30 of the *EC* as it read June 30, 1993.

### When are services to infants and toddlers considered required and supplemental?

LEAs are responsible for providing appropriate early intervention services to all infants with “solely a visual, hearing, or severe orthopedic impairment, or any combination thereof, and who are not eligible for services under the Lanterman Developmental Disabilities Services Act” (14 GC 95014(b)(2)). Thus, provision of appropriate early intervention services to infants and toddlers with **solely low-incidence (SLI) disabilities is required**. Services to this **mandated population** are also supplemental when: (1) the number of children exceeds the SELPA’s April 1993 base number of children with SLI conditions; or (2) the costs of special education and services for children in the base exceed the SELPA’s allocation of state funds.

- Required and supplemental costs related to serving this mandated population (infants and toddlers with SLI conditions) who are above a program’s April 1993 base may include the full range of special education and related services that may be required

### What are some specific examples of required and supplemental costs?

Part C imposes additional mandates and procedures on LEAs and SELPAs. There may be costs that are required to develop and disseminate information about policies and procedures that must be followed. Some specific examples of **administration and regionalized services** are:

- Staffing and materials costs associated with development and dissemination of policies and establishment of appropriate fiscal systems,

## Guidance for Part C, Early Education Program Funds

especially for LEAs who have not provided services to infants previously

- Staff development costs for the purposes of disseminating and implementing policies and procedures
- Administrative time for developing required policy materials, agreements, applications, etc.
- Costs associated with additional data collection and reporting due to Part C

Part C requires provision of appropriate early intervention services while the *EC* requires provision of special education and related services. LEAs are required to pay for the full range of early intervention services only for those children who have SLI disabilities. Analysis of requirements indicates that costs of the following are required and supplemental when an LEA provides those services as specified in an individualized family service plan (IFSP) to a child who has an SLI disability:

- Occupational therapy (direct service rather than consult only)
- Physical therapy (direct service rather than consult only)
- Nutrition services
- Respite care
- Transportation of families to early intervention services

Part C requires both procedures and timelines for early intervention services. These apply to all infants and toddlers who may be identified, evaluated and assessed, and served. All infants and toddlers must be assessed in five areas of development, not just in those areas related to the suspected disability. An LEA must conduct an IFSP meeting within 45 days of the receipt of a referral. An LEA is responsible for receiving and acting on referrals twelve months of the year. There is no break in the timelines between terms. Required and supplemental costs may include:

- Evaluation and assessment responsibilities (including costs associated with evaluating and assessing vision and hearing for those who were not suspected to have a disability associated with vision or hearing)
- Receiving and acting on referrals during term breaks
- Service coordination responsibilities
- Data collection responsibilities

### **How are specialized services and equipment provided for solely low-incidence infants and toddlers?**

SLI equipment and services are an allowable cost for Part C funds. SELPAs who served infants and toddlers prior to Part C should continue to use low-incidence funds for infants and toddlers and combine those resources with Part C funds to meet the needs of that population. Required and supplemental costs in this area are related to

## Guidance for Part C, Early Education Program Funds

equipment or services for the increased number of children with solely low-incidence disabilities or for equipment that LEAs were not previously required to provide.