

July 2, 2002

Honorable Charlotte Crawford
Director
Nevada Department of Human Resources
505 E King Street, Room 600
Carson City, NV 89701-3708

Dear Director Crawford:

We have determined that your State's application for Fiscal Year (FY) 2002, under Part C of the Individuals with Disabilities Education Act (Part C), can be conditionally approved. Therefore, I am enclosing your State's Part C grant award.

The conditional approval is based on our review and acceptance of the Department of Human Resources (DHR) Part C application for FY 2002, including:

1. those portions of the State's existing Part C application on file with the Secretary that remain in effect;
2. the assurance from DHR that the statewide system of early intervention services required by Part C and its implementing regulations is in effect; and
3. the June 27, 2002 assurance from DHR to the Office of Special Education Programs, in which DHR assures that it will take steps necessary to complete revisions to its application to conform it to the requirements of Part C, specifically to revise the description of the use of Part C funds for direct services to comply with 34 CFR §303.145(d)(2).

Part III of the FY 2002 application for Part C funds requested updated information about each State's restricted indirect cost rate. We understand that the Department of Human Resources has a cost allocation plan that applies to the Part C funds. You have not provided evidence that this plan has been approved by your cognizant Federal agency, the U. S. Department of Health and Human Services, nor that the plan has been reviewed by that agency or our Department for compliance with the restricted rate requirements. Please contact us within 30 days with the name and number of the person in your agency responsible for negotiating the plan, and someone from our Department who works on indirect costs will call that person to discuss this issue.

In addition, based on the information the Department of Human Resources provided us, it is our understanding that, for the portion of the Part C grant that goes to the Nevada Department of Human Resources Health Division, an unrestricted indirect cost rate of 12.6% is applied. This rate is not restricted as required by 34 CFR §76.563-76.569 for IDEA grants. Since the Health Division does not currently have an approved restricted rate, the Department has determined that it is necessary to impose a temporary restricted indirect cost rate until such time as the Health Division has obtained an approved restricted rate from your cognizant Federal agency, and provide documentation to that effect. Therefore, for this FY 2002

Part C grant, the Health Division may use an indirect cost rate not to exceed 6.3 %. This rate is a 50% reduction from the Health Division's approved unrestricted rate; the Department has calculated this

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percentage reduction as the average reduction for Part C lead agencies that have gone from an unrestricted rate to a restricted rate. This rate will remain in effect until we receive evidence of an approved restricted rate.

The enclosed grant award for FY 2002 is made with the continued understanding that this Office may, from time to time, require clarification of information within your application and appendices, if necessary. These inquiries are needed to allow us to appropriately carry out our administrative responsibilities related to Part C.

We appreciate your ongoing commitment to the provision of quality early intervention services to infants and toddlers with disabilities and their families.

Sincerely,

Stephanie S. Lee
Director
Office of Special Education Programs

Enclosure

cc: Janelle Mulvenon
Part C Coordinator

