

July 2, 2002

Honorable Patricia Nolan
Commissioner, Department of Health
Division of Family Health
3 Capitol Hill
Room 303-Canon Building
Providence, Rhode Island 02908

Dear Commissioner Nolan:

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

The approval is based upon our review and acceptance of the amendments to your State's existing application under Part C, and the receipt of required assurances for FY 2002. This includes the assurance from the Department of Health that the Statewide system of early intervention services required by Part C and its implementing regulations is in effect.

Part III of the FY 2002 application for Part C funds requested updated information about each State's restricted indirect cost rate. Based on that form, it is our understanding that you do not currently have an approved restricted indirect cost rate as required under 34 CFR §76.563-76.569. By accepting Part C grant funds, your agency (as the lead agency designated under Part C) is agreeing either to use a restricted indirect cost rate or cost allocation plan as required under the Education Department General Administrative Regulations (EDGAR) or to not charge indirect cost rates to the Part C program. Since you do not currently have an approved rate, the Department has determined that it is necessary to impose a temporary restricted indirect cost rate until such time as you have obtained an approved restricted rate from your cognizant Federal agency, and provide documentation to that effect. Therefore, for this FY 2002 Part C grant, you may use an indirect cost rate not to exceed 7.4 %. This rate is a 50 % reduction from your approved unrestricted rate; the Department has calculated this 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.

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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: Dave Hamel
Part C Coordinator