

July 5, 2002

Honorable Marcia R. Morgan  
Secretary  
Cabinet for Health Services  
275 East Main Street  
Frankfort, Kentucky 40621-0001

Dear Secretary Morgan:

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 conditionally approved. Therefore, I am enclosing your State's Part C grant award.

The conditional approval is based upon our review and acceptance of the Cabinet for Health Services (CHS) Part C application for FY 2002, including:

1. the portions of the State's existing Part C application on file with the Secretary that remain in effect;
2. the assurance from CHS that the statewide system of early intervention services required by Part C and its implementing regulations is in effect; and
3. the July 1, 2002 assurance from CHS to the Office of Special Education Programs in which CHS assures that it will take the steps necessary to remove the current language in 911 KAR 2:130 that requests authorization of services beyond the State's guidelines and to cease the current practices of the review team panel that are in conflict with federal rules and regulations.

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 have a cost allocation plan that has been approved by your cognizant agency. However, we continue to have questions about whether it meets the restricted rate requirements of 34 CFR §76.563-76.569. 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.

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: Trish Howard  
Part C Coordinator