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(Catalog of Federal Domestic Assistance Number 84.224B, Assistive Technology Act Technical Assistance Program)

Program Authority: 29 U.S.C. 3014.

Dated: September 25, 2003.

Robert H. Pasternack,

Assistant Secretary for Special Education and Rehabilitative Services.

[FR Doc. 03–24703 Filed 9–29–03; 8:45 am]

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DEPARTMENT OF EDUCATION

RIN 1820 ZA30

National Institute on Disability and Rehabilitation Research

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Notice of final priorities.

SUMMARY: The Assistant Secretary for Special Education and Rehabilitative Services announces final priorities for the Alternative Financing Mechanisms Program (AFP) under title III of the Assistive Technology Act of 1998 (AT Act) that is administered by the National Institute on Disability and Rehabilitation Research (NIDRR) and the Access to Telework Fund Program (Telework) under section 303(b) of the Rehabilitation Act of 1973, as amended (Rehab Act), that is administered by the Rehabilitation Services Administration (RSA). The Assistant Secretary may use these priorities for competitions in fiscal year (FY) 2003 and later years.

Waiver of Delayed Effective Date

The Administrative Procedure Act requires that a proposed rule be published at least 30 days before its effective date, except as otherwise provided for good cause (20 U.S.C. 553(d)(3)). In order to make timely grant awards, the Secretary has determined that a delayed effective date is impracticable.

FOR FURTHER INFORMATION CONTACT: Carol Cohen, U.S. Department of Education, 400 Maryland Avenue, SW., room 3420, Switzer Building, Washington, DC 20202–2645. Telephone: (202) 205–5666 or via the Internet: *carol.cohen@ed.gov.*

If you use a telecommunications device for the deaf (TDD), you may call the TDD number at (202) 205–4475.

Individuals with disabilities may obtain this document in an alternative format (*e.g.*, Braille, large print, audiotape, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT.**

SUPPLEMENTARY INFORMATION: We published a notice of proposed priorities and change to the application process for the Alternative Financing Mechanisms Program (AFP) and the Access to Telework Fund Program (Telework) in the **Federal Register** on August 5, 2003 (68 FR 46411). There are no significant differences between the notice of proposed priorities and this notice of final priorities.

Public Comment

In the notice of proposed priorities, we invited comments on the proposed priorities. The only substantive comments we received suggested changes the law does not authorize us to make under the applicable statutory authority.

Note: This notice does not solicit applications. In any year in which we choose to use one or more of these priorities, we invite applications through a notice in the **Federal Register**. A notice inviting applications for FY 2003 awards was published in the **Federal Register** on August 5, 2003 (68 FR 46418).

When inviting applications we designate each priority as absolute, competitive preference, or invitational. The effect of each type of priority follows:

Absolute priority: Under an absolute priority, we consider only applications that meet the priority (34 CFR 75.105(c)(3)).

Competitive preference priority: Under a competitive preference priority, we give competitive preference to an application by either (1) awarding additional points, depending on how well or the extent to which the application meets the priority (34 CFR 75.105(c)(2)(i)); or (2) selecting an application that meets the competitive priority over an application of comparable merit that does not meet the competitive priority (34 CFR 75.105(c)(2)(ii)).

Invitational priority: Under an invitational priority, we are particularly interested in applications that meet the invitational priority. However, we do not give an application that meets the priority a competitive or absolute preference over other applications (34 CFR 75.105(c)(1)).

Priorities

Eligibility for an AFP Grant

States that receive or have received grants under section 101 of the AT Act are eligible for an AFP grant. Under section 3(a)(13)(A) of the AT Act, State means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

Eligibility for a Telework Grant

States as defined in the AT Act and governing bodies of American Indian tribes located on Federal and State reservations consistent with section 7(19)(B) of the Rehab Act are eligible for a Telework grant. Consortia of States and American Indian tribes are also eligible for a Telework grant.

Joint Administration of Grants

States may jointly apply for and administer an AFP grant and a Telework grant. States that submit one application for the two priorities must meet the requirements for each priority and will compete separately under each priority.

Background

The background statements for the following priorities were published in the notice of proposed priorities on August 5, 2003 (68 FR 46411).

Priority 1: Alternative Financing Mechanism Program

The purpose of these requirements is to increase the funding for and provision of AT (Sec. 2(b)(1)(A)). The AFP will: (1) achieve the program's short-term goal of purchasing AT through alternative financing mechanisms for individuals with disabilities, and other eligible parties; and (2) achieve the program's long-term goals of establishing a nationwide network of permanent State AFPs that promote independence and choice.

States that receive or have received grants under section 101 of the AT Act are eligible to compete for an AFP (Sec. 303(a)). In its application, a State must identify and describe one or more of the following types of AFP programs that the State will implement:

(1) a low-interest loan fund;

(2) an interest buy-down program;

(3) a revolving loan fund;

(4) a loan guarantee or insurance program;

(5) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of AT devices or AT services; or

(6) another mechanism that meets the requirements of title III and is approved by the Secretary (Sec. 301(b)).

According to section 301(a) of the AT Act, the AFP is designed to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase AT. The terms ''AT devices'' and ''AT services'' are defined in section 3(a) of the AT Act. When family members, guardians, advocates, and authorized representatives (including employers who have been designated by an individual with a disability as an authorized representative) receive AFP support to purchase AT, the purchase must be on behalf of an individual with a disability, *i.e.*, the AT that is purchased must be solely for the benefit of that individual.

In addition, an applicant must submit the following assurances:

(1) *Nature of the Match:* an assurance that the State will provide the non-Federal share (25 percent) of the cost of the AFP in cash, from State, local, or private sources (Sec. 303(b)(1)). An applicant must identify the amount of Federal funds the State is requesting and the amount of cash that the State is going to generate as a match as well as the source of the cash.

(2) *Permanence of the Program:* an assurance that the AFP will continue on a permanent basis (Sec. 303(b)(2)).

A State's obligation to implement the AFP program consistent with all of the requirements, including reporting requirements, continues throughout the project period until there are no longer any funds available to operate the AFP and all outstanding loans have been repaid.

If a State decides to terminate its AFP while there are still funds available to operate the program, the State must return the Federal share of the funds remaining in the permanent separate account to NIDRR (*e.g.*, 75 percent if the original State:Federal match was 1:3) except for funds being used for grant purposes, such as loan guarantees for outstanding loans. However, before closing out its grant, the State must also return the Federal share of any principal and interest remitted to it on outstanding loans and any other funds remaining in the permanent separate account, such as funds being used as loan guarantees for those loans.

(3) *Consumer Choice and Control:* an assurance that, and information describing the manner in which, the AFP will expand and emphasize consumer choice and control (Sec. 303(b)(3)).

(4) *Supplement Not Supplant:* an assurance that the funds made available through the grant to support the AFP will be used to supplement and not supplant other Federal, State, and local public funds expended to provide alternative financing mechanisms (Sec. 303(b)(4)).

(5) *Permanent Separate Account:* an assurance that the State will ensure that (A) all funds that support the AFP, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund; (B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and (C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person (Sec. 303(b)(5)).

During the first 12-month budget period, a grantee must deposit its matching funds and its Federal award funds in the permanent and separate account.

(6) *Use and Control of Funds:* an assurance that (A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support the AFP; and (B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the AFP, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program (Sec. 303(b)(6)).

This assurance regarding the use and control of funds applies to all funds derived from the AFP including the original Federal award, the State matching funds, AFP funds generated by either interest bearing accounts or investments, and all principal and interest paid by borrowers of the AFP who are extended loans from the permanent separate account.

(7) *Indirect Costs:* an assurance that the percentage of the funds made available through the grant that is used for indirect costs will not exceed 10 percent (Sec. 303(b)(7)).

For each 12-month budget period, grantees must recalculate their allowable indirect cost rate, which may not exceed 10 percent of the amount of funds in the permanent and separate account and any outstanding loans from that account.

(8) *Contract with a Community-based Organization:* an assurance that the State will enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decision making at all organizational levels, to administer the AFP. The contract will: (1) Include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of title III; (2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and (3) require the community-based organization to enter into a contract, to expand opportunities under title III and facilitate administration of the AFP, with commercial lending institutions or organizations or State financing agencies (Sec. 304 (a) and (b)).

During the first 12-month budget period, a grantee must enter into the contract with a CBO and ensure that the CBO has entered into the contract with the commercial lending institutions or organizations or State financing agencies.

(9) *Administrative Policies and Procedures:* an assurance that the State and any community-based organization that enters into a contract with the State under title III, will submit to the Secretary the following policies and procedures for administration of the AFP: (1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential technology needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific AT device or service to be financed through the program; (2) A policy and procedure to ensure that access to the AFP shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of AT device or AT service for which financing is requested through the program; and (3) A procedure to ensure consumer-controlled oversight of the program (Sec. 305).

Grantees must submit the administrative policies and procedures required in this assurance within six months of the start of the grant.

(10) *Data Collection:* an assurance that the State will collect the following: (1) Information on the type of alternative financing mechanisms used by the State and the community-based organization with which each State entered into a

contract, under the program (Sec. 307); (2) the amount of assistance given to consumers through the program (who shall be classified by age, type of disability, type of AT device or AT service financed through the program, geographic distribution within the State, gender, and whether the consumers are part of an underrepresented population or rural population) (Sec. 307); and (3) information on the program's short-term and long-term goals.

Grantees must enter the data requested in this assurance, and other data the Secretary may require, in the system developed by the Secretary. The Technical Assistance provider has developed a (voluntary) web-based data collection instrument to assist the AFP grantees for this purpose. For more information on the data collection system, products, and reports, *see http://www.resna.org/AFTAP/loan/index.html.* Grantees must enter the data elements contained in this form as well as specific information (to be determined) pertaining to the short-term and long-terms goals.

Through the analysis of data collected under the following reporting requirements, the Secretary will assess grantee success in meeting the program's overall goals of:

(1) increasing access to alternative financing programs for the purchases of AT for individuals with disabilities; and

(2) establishing a nationwide network of permanent State AFPs that promote independence and choice.

Performance measures used to determine whether the goals have been accomplished will include: (1) Number of loan applications; (2) number of loans; (3) amount and terms of each loan; (4) number of loan applications denied and the reasons for the denials; (5) number of individuals with disabilities who obtained AT; (6) purpose and type of the AT purchased; (7) default rate and net losses; (8) number of States that have established new loan program or expanded existing loan programs; and (9) State loan capacity.

Grantee evaluation systems must be capable of collecting and analyzing this and any additional required information.

Priority 2: Access to Telework Fund

In its application, a State or Indian tribe must identify and describe one or more of the following types of programs that the State will implement:

(1) a low-interest loan fund;

(2) an interest buy-down program;

(3) a revolving loan fund;

(4) a loan guarantee or insurance program;

(5) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of computers and other equipment, including adaptive equipment;

(6) another mechanism that meets the requirements and intent of this program and is approved by the Secretary.

In addition, an applicant must submit the following assurances:

(1) *Nature of the Match:* an assurance that the State or Indian tribe will provide the non-Federal share (10 percent) of the cost of Telework in cash, from State or Indian tribe, local, or private sources. An applicant must identify the amount of Federal funds it is requesting and the amount of cash that the State or Indian tribe is going to generate as a match as well as the source of the cash.

(2) *Permanence of the Program:* an assurance that Telework will continue on a permanent basis.

A State or Indian tribe's obligation to implement Telework consistent with all of the requirements, including reporting requirements, continues throughout the project period until there are no longer any funds available to operate Telework and all outstanding loans have been repaid.

If a State or Indian tribe decides to terminate its Telework grant while there are still funds available to operate the program, the State or Indian tribe must immediately return the Federal share of the funds remaining in the permanent separate account to RSA (*e.g.*, 90 percent if the original State or Indian tribe: Federal match was 1:9) except for funds being used for grant purposes, such as loan guarantees for outstanding loans. However, before closing out its grant, the State or Indian tribe must also return the Federal share of any principal and interest remitted to it on outstanding loans and any other funds remaining in the permanent separate account, such as funds being used as loan guarantees for those loans.

(3) *Consumer Choice and Control:* an assurance that, and information describing the manner in which, Telework will expand and emphasize consumer choice and control.

(4) *Supplement Not Supplant:* an assurance that the funds made available through the grant to support Telework will be used to supplement and not supplant other Federal, State or Indian tribe, and local public funds to support similar services to individuals with disabilities.

(5) *Permanent Separate Account:* an assurance that the State or Indian tribe will ensure that (A) all funds that support Telework, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund; (B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and (C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person.

During the first 12-month budget period, a grantee must deposit its matching funds and its Federal award funds in the permanent and separate account.

(6) *Use and Control of Funds:* an assurance that (A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support Telework; and (B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering Telework, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program.

This assurance regarding the use and control of funds applies to all funds derived from Telework including the original Federal award, the State or Indian tribe matching funds, Telework funds generated by either interest bearing accounts or investments, and all principal and interest paid by borrowers of Telework who are extended loans from the permanent separate account.

(7) *Indirect Costs:* an assurance that the percentage of the funds made available through the grant that is used for indirect costs will not exceed 10 percent.

For each 12-month budget period, grantees must recalculate their allowable indirect cost rate, which may not exceed 10 percent of the amount of funds in the permanent and separate account and any outstanding loans from that account.

(8) *Administrative Policies and Procedures:* an assurance that the State or Indian tribe will submit to the Secretary the following policies and procedures for administration of Telework: (1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific device or

service to be financed through the program; (2) A policy and procedure to ensure that access to Telework shall be given to consumers regardless of type of disability, age, income level, location of residence in the State or Indian tribe, or type of device or service for which financing is requested through the program; and (3) A procedure to ensure consumer-controlled oversight of the program.

Grantees must submit the administrative policies and procedures required in this assurance within six months of the start of the grant.

(9) *Data Collection:* an assurance that the State or Indian tribe will collect the following: (A) Information on whether the program is achieving its short-term goal of increasing access to technology for disabled individuals through the provision of loans that must be used to purchase computers and other equipment, including adaptive equipment, so that individuals with disabilities can telework from home and other remote sites; and (B) Information on whether the program is achieving its long-term goal of increasing employment opportunities and competitive employment outcomes for individuals with disabilities.

Grantees must enter the data requested in this assurance, and other data the Secretary may require, in the system developed by the Secretary.

Through the analysis of data collected under the following reporting requirements, the Secretary will assess grantee success in meeting the program's overall goals of: (1) Increasing access to technology for disabled individuals; and (2) Increasing employment opportunities and competitive employment outcomes for individuals with disabilities.

Performance measures used to determine whether the goals have been accomplished will include: (1) Number of loan applications; (2) number of loans; (3) amount and terms of each loan; (4) number of loan applications denied and the reasons for the denials; (5) the types of equipment financed, including the total number of each type of equipment financed; (6) number of individuals who obtained telework employment as a result of Telework loans; (7) default rate and net losses; and (8) the total financial contribution to the project, including the Federal share and non-Federal matching contributions, and the source of the non-Federal share.

Grantee evaluation systems must be capable of collecting and analyzing this and any additional information as required by the Secretary.

In addition, each State applicant must provide the following assurance:

Contract with a Community-based Organization: an assurance that the State (note: Indian tribes are exempt from this requirement) will enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decision making at all organizational levels, to administer Telework. The contract will: (1) Include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of this priority; (2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and (3) require the community-based organization to enter into a contract, to expand opportunities under this priority and facilitate administration of Telework, with commercial lending institutions or organizations or State financing agencies.

During the first 12-month budget period, a grantee must enter into the contract with a CBO and ensure that the CBO has entered into the contract with the commercial lending institutions or organizations or State financing agencies.

Applicability of Education Department General Administrative Regulations (EDGAR) to AFP and Telework

In general, EDGAR applies to these two grants except to the extent it is inconsistent with the purpose and intent of title III of the AT Act, section 303(b) of the Rehab Act, or the requirements in this notice. Specifically, grantees are exempt from section 80.21(i) regarding interest earned on advances and the addition method in section 80.25(g)(2) applies to program income rather than the deduction method in section 80.25(g)(1). Also, sections 75.560–75.564 do not apply to the extent that these sections of EDGAR are inconsistent with the AFP and Telework requirement that indirect costs cannot exceed 10 percent. Finally, section 75.125, which requires applicants to submit a separate application for each program, does not apply to this competition.

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(Catalog of Federal Domestic Assistance Number 84.224C, Alternative Financing Program and 84.235T, Access to Telework Fund Program.)

Program Authority: 29 U.S.C. 773(b) and 29 U.S.C. 3051–3056.

Dated: September 25, 2003.

Robert H. Pasternack,

Assistant Secretary for Special Education and Rehabilitative Services.

[FR Doc. 03–24704 Filed 9–29–03; 8:45 am]

BILLING CODE 4000–01–P

DEPARTMENT OF EDUCATION

National Institute on Disability and Rehabilitation Research (NIDRR); Notice of Extension

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Notice of extension of project period and waiver.

SUMMARY: The Secretary waives the requirements in Education Department General Administrative Regulations (EDGAR), at 34 CFR 75.250 and 75.261(a) and (c)(2), respectively, that generally prohibit project periods exceeding 5 years and project period extensions involving the obligation of additional Federal funds to enable six Rehabilitation Research and Training Centers that conduct research on issues relating to the employment of individuals with disabilities to receive funding from October 1, 2003 until April 30, 2004.

EFFECTIVE DATE: This notice is effective September 30, 2003.

FOR FURTHER INFORMATION CONTACT: Donna Nangle, U.S. Department of Education, 400 Maryland Avenue, SW., room 3412, Switzer Building, Washington, DC 20202–2645. Telephone: (202) 205–5880 or via Internet: *Donna.Nangle@ed.gov.*

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