



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

Honorable David Berns  
Director  
Department of Economic Security  
1717 West Jefferson Street  
P.O. Box 6123  
Phoenix, Arizona 85005

DEC 13 2004

Dear Director Berns:

The purpose of this letter is to respond to Arizona's March 29, 2004 submission of its Federal Fiscal Year (FFY) 2002 Annual Performance Report (APR) for the Individuals with Disabilities Education Act (IDEA) Part C funds used during the grant period July 1, 2002 through June 30, 2003. The APR reflects actual accomplishments made by the State during the reporting period, compared to established objectives. The APR is designed to provide uniform reporting from States and result in high-quality information across States.

The APR is a significant data source utilized in the Continuous Improvement and Focused Monitoring System (CIFMS) implemented by the Office of Special Education Programs (OSEP), within the U.S. Department of Education (Department). The APR falls within the third component of OSEP's four-part accountability strategy (i.e., supporting States in assessing their performance and compliance, and in planning, implementing, and evaluating improvement strategies) and consolidates the self-assessing and improvement planning functions of the CIFMS into one document. OSEP Memorandum regarding the submission of Part C APRs directed States to address five cluster areas: General Supervision; Comprehensive Public Awareness and Child Find Systems; Family Centered Services; Early Intervention Services in Natural Environments; and Early Childhood Transition.

### ***Background***

OSEP's May 22, 2000 Monitoring Report identified the following noncompliance with Part C. The Department of Economic Security through the Arizona Early Intervention Program (DES/AzeIP) did not ensure: (1) that monitoring procedures were effective in identifying and correcting noncompliance with Part C (34 CFR §303.501); (2) the child find system was a comprehensive, coordinated, State-wide child find system (34 CFR §303.321); (3) the dissemination of public awareness information to primary referral sources (34 CFR §303.320); (4) the initial Individualized Family Service Plan (IFSP) meeting was held within 45 days from initial referral (34 CFR §303.321(a)(1)); (5) it appropriately developed interim IFSPs (34 CFR §303.322 (e)(2)); (6) the provision of all services to all eligible infants and toddlers with disabilities, including children on American Indian reservations (34 CFR §303.322); and (7) all service coordination functions were implemented (34 CFR §303.23(a)(2)).

On March 25, 2004, DES/AzEIP requested that the Department consider entering into a Part C Compliance Agreement. The request was made in response to OSEP's two letters, both dated March 15, 2004, responding to the State's FFY 2001 APR and results from OSEP's visit to Arizona the week of December 8, 2003 to verify the State's systems for general supervision and data collection under section 618 of IDEA. Both letters documented DES/AzEIP's continued noncompliance with Part C noncompliance findings identified in OSEP's 2000 Monitoring Report. In its March 15, 2004 response to the FFY 2001 APR, OSEP requested DES/AzEIP submit in its FFY 2002 APR data and information on the status of correction of each of the seven findings. DES/AzEIP submitted its FFY 2002 APR on May 27, 2004 as noted below.

The Department's Compliance Agreement with DES/AzEIP is currently being finalized and addresses the four outstanding findings. Under the Compliance Agreement, DES/AzEIP must demonstrate full compliance with the four outstanding findings under Part C of IDEA within three years from the date the Agreement is signed. The State's FFY 2002 APR serves as a Progress Report related to all seven areas of noncompliance identified in OSEP's Monitoring Report including those four areas that will be addressed by the Compliance Agreement. The information from the State's FFY 2002 APR confirms that the State has addressed the public awareness and interim IFSP findings made by OSEP in its 2000 Monitoring Report and requests continued reporting on the State's child find efforts. The State's APR should reflect the collection, analysis, and reporting of relevant data, and document data-based determinations regarding performance and compliance in each of the cluster areas (as well as any other areas identified by the State to ensure improvement). OSEP's comments are listed by cluster area below.

### ***General Supervision***

OSEP's 2000 Monitoring Report identified one area of noncompliance in this cluster:

- **Monitoring procedures were not effective in identifying and correcting noncompliance with Part C (34 CFR §303.501).**

DES/AzEIP will address this area of noncompliance in the Compliance Agreement. DES/AzEIP must ensure that it will: (1) monitor the State participating agencies/private providers who deliver or contract to deliver Part C services in Arizona; (2) enforce contractual and/or legal obligations to ensure Part C compliance; (3) provide training and technical assistance, as needed, to providers and government participants in DES/AzEIP; and (4) correct deficiencies identified through monitoring in a timely manner. OSEP reviewed the State's proposed General Supervision work plan under the Compliance Agreement; however, OSEP cannot determine whether the State will be effective in identifying and correcting noncompliance until OSEP has reviewed the verification under the Compliance Agreement including the monitoring reports, data and other documentation that DES/AzEIP will be required to submit under the Compliance Agreement.

### ***Comprehensive Public Awareness and Child Find System***

OSEP's 2000 Monitoring Report identified the following areas of noncompliance in this cluster:

- **Lack of development of a comprehensive, coordinated, State-wide child find system (34 CFR §303.321).**

In the FFY 2002 APR, DES/AZEIP continued to report that its child find numbers are below the national average and indicated, on page 54 of the FFY 2002 APR, that its analysis reflected that no ethnic group was underrepresented or underserved in the State. DES/AZEIP reported that county-level analysis indicated that the category of "Native Americans" were identified at levels commensurate with the population, but the category of "Whites" were not. Some examples of activities to address this issue included: (1) analyzing referral data by age at referral and county, and utilizing results to focus public awareness efforts; (2) monitoring the Intergovernmental Agreement with the Arizona Department of Education (ADE) and developing and implementing agreements with Early Head Start, Healthy Families, and tribal early care and education programs; and (3) implementing a web-based referral mechanism.

During the Department's Compliance Hearing held in May 2004, it was reported that a Memorandum of Agreement (MOA) was in the process of being developed between DES/AZEIP and the Indian reservations; however the MOA has not yet been signed by all parties. In the next APR (FFY 2003), DES/AZEIP must continue to report its progress to increase the number of children served in the State and the status of the Memorandum of Agreement (MOA) with the Indian reservations.

- **Lack of dissemination of public awareness information to primary referral sources (34 CFR §303.320).**

DES/AZEIP addressed the lack of dissemination of public awareness information to primary referral sources in its FFY 2002 APR and its May 2004 submission to OSEP. DES/AZEIP provided referral data, the percentage of infants and toddlers with disabilities served, comparable child count data from States with similar eligibility criteria, information on content and distribution of public awareness materials, child find efforts, and information on community partners. DES/AZEIP revised its Child Find Intergovernmental Agreement with ADE.

Based on information provided in the FFY 2002 APR and other documents and information provided by the State, DES/AZEIP has confirmed that it has implemented all of its activities related to the development and dissemination of culturally relevant materials that inform families of the availability of early intervention services and access to culturally competent services.

### ***Family Centered Services***

Noncompliance was not identified in OSEPs' Monitoring Report for this cluster area. In the FFY 2002 APR, DES/AZEIP reported results of family survey data indicating family satisfaction and an increase in family capacity for families in the Part C system. On pages 44-50 of the FFY 2002 APR, DES/AZEIP provided information on service coordinator functions, training and

families' satisfaction with supports and services from service coordinators. On pages 50-52 of the FFY 2002 APR, some examples of planned activities included: (1) 100% of service coordinators will complete DES/AzEIP standards of practice training in 2003-2004; (2) revision of site reviews for monitoring to include family survey, family-directed assessment, and identification of functional outcomes that reflect family priorities; (3) revision of the child tracking system to capture family data; and (4) exploring national technical assistance resources.

In the next APR, OSEP requests that DES/AzEIP continue to report on its efforts to improve performance and ensure compliance in this area.

### ***Early Intervention Services in Natural Environments***

OSEP's 2000 Monitoring Report identified the following areas of noncompliance in this cluster:

- **Not convening the initial Individualized Family Service Plan (IFSP) meeting within 45 days from initial referral (34 CFR §303.321(a)(1)).**

DES/AzEIP will address this area of noncompliance in the Compliance Agreement. DES/AzEIP must ensure that within 45 days all potentially eligible infants and toddlers who are referred to the DES/AzEIP and suspected of having a disability receive comprehensive evaluations and assessments within 45 days and that the initial IFSP meeting is held. OSEP has reviewed the State's work plan to address Part C's 45-day timeline requirement under the Compliance Agreement; however, OSEP cannot determine whether the State will be able to meet Part C's 45-day timeline requirement until OSEP reviews the waiting list data and other information that DES/AzEIP must submit under the Compliance Agreement.

- **Inappropriately extending timelines for evaluations and assessments and routinely developing interim IFSPs (34 CFR §303.322 (e)(2)).**

DES/AzEIP addressed this area of noncompliance on page 62 of its FFY 2002 APR. DES/AzEIP reported that it has developed and implemented a revised State-wide IFSP process and form which includes the necessary Part C requirements. The State also reported in the FFY 2002 APR that it developed guidance for service coordinators and IFSP team members to prevent inappropriate extensions of timelines for evaluations and assessments and/or the routine development of interim IFSPs. Furthermore, DES/AzEIP established a State-wide Initial Planning Process (IPP) that sets forth the criteria for interim IFSPs. The IPP allows for a single point of entry of children into the system and provides for a general oversight of the referral and evaluation process, and development of the IFSP for each child in the State.

The State confirmed that it has completed all activities designed to ensure correction of the inappropriate extension of timelines for evaluations and assessments and the routine development of interim IFSPs.

- **Not ensuring the provision of all services to all eligible infants and toddlers with disabilities, including children on American Indian reservations (34 CFR §§303.340(c) and 303.342(3)).**

DES/AzEIP will address this area of noncompliance in the Compliance Agreement. DES/AzEIP must ensure that all early intervention services needed by an eligible infant or toddler with a disability and the child's family are identified on the child's IFSP and are provided in a timely manner to all eligible infants and toddlers with disabilities, including children on American Indian reservations. OSEP has reviewed the State's proposed early intervention services work plan under the Compliance Agreement, however, OSEP cannot determine whether the State will be effective in ensuring that needed early intervention services listed on the IFSP and provided to eligible children and their families until OSEP reviews the data and other verification documentation that DES/AzEIP must submit under the Compliance Agreement.

- **Not ensuring that all service coordination functions are implemented (34 CFR §303.23(a)(2)).**

DES/AzEIP will address this area of noncompliance in the Compliance Agreement. DES/AzEIP must ensure that each eligible family has a single service coordinator who: (1) coordinates all services across agency lines; (2) serves as the single point of contact for the family to help parents obtain the services and assistance they need; (3) facilitates timely delivery of available services; (4) continuously seeks appropriate services necessary to benefit the development of each child served for the duration of the child's eligibility; and (5) ensures that all families receive appropriate prior written notice and understand their procedural rights and safeguards. OSEP has reviewed the State's proposed service coordination work plan under the Compliance Agreement; however, OSEP cannot determine whether the State will be able to ensure service coordinators perform their roles and responsibilities until OSEP reviews the data and other service coordinator documentation that DES/AzEIP must submit under the Compliance Agreement.

The Part C FFY 2001 and FFY 2002 APRs requested data on the percentage of children participating in the Part C program that demonstrate improved and sustained functional abilities in the five developmental areas (34 CFR §303.322(c)(3)(ii)). On page 66 of the FFY 2002 APR, DES/AzEIP provided activities to address the indicator that included: (1) defining and measuring child and family outcomes; (2) incorporating data elements into the evaluation and monitoring system; (3) establishing benchmarks to measure progress; (4) utilizing national technical assistance resources; and (5) providing training and technical assistance. In the next APR, due March 31, 2005, DES/AzEIP must provide (if available) responsive data (whether collected through sampling, monitoring, individual IFSP review, or other methods) that reflects the percentage of children participating in the Part C program who demonstrate improved and sustained functional abilities in the five developmental areas, or its plan to collect and report such data by the FFY 2004 APR (expected deadline of March 31, 2006).

### ***Early Childhood Transition***

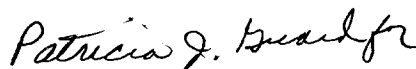
Noncompliance was not identified in OSEPs' Monitoring Report for this cluster area. In OSEP's response to the State's FFY 2001 APR, OSEP requested that the State report in the FFY 2002 APR monitoring or other data (such as IFSP review data) confirming that all eligible children had timely transition planning.

In its FFY 2002 APR, the State provided data from family surveys indicating that families were satisfied with the transition process. On page 71 of the FFY 2002 APR, DES/AzEIP provided sample data from the Arizona Department of Health Services that reported that of 276 children exiting Part C, 56 children exited after their third birthday (34 CFR §303.148). DES/AzEIP reported that the reason for late exits was due to parental choice and to the Part B system's limited capacity to conduct evaluations and assessments and develop Individualized Education Programs (IEPs) during the summer months. DES/AzEIP was not able to analyze all the exit data in the State to determine overall trends. The State identified in the FFY 2002 APR activities to address the issue including: (1) implementing site reviews to evaluate compliance with the Transition Agreement; (2) redesigning of the Arizona Child Tracking System (ACTS) to capture data elements related to transition; (3) developing a protocol for analyzing Part C exit data; and (4) having Part C and Part B staff meet twice a year to review data, determine compliance and develop action plans. As an attachment to its May 2004 submission, DES/AzEIP submitted procedures and protocols for its Continuous Monitoring and Quality Improvement System to include monitoring for timely transition planning.

In the next APR (FFY 2003), DES/AzEIP must report on its efforts to improve performance and ensure compliance in this area. The State must provide evidence of progress in correcting any identified noncompliance, including supporting data and its analysis.

OSEP recognizes that the APR and its related activities represent only a portion of the work in your State and we look forward to collaborating with you as you continue to improve results for infants and toddlers with disabilities and their families. We have received the State's signature page of the Compliance Agreement dated December 8, 2004 and will send the final Agreement as soon as it is signed by the Secretary. If you have questions, please contact Julia Martin at (202) 245-7431.

Sincerely,



Stephanie Smith Lee  
Director  
Office of Special Education Programs

cc: Molly Dries  
Part C Coordinator