



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

Honorable Michael E. Ward  
Superintendent of Public Instruction  
North Carolina Department of Public Instruction  
301 North Wilmington Street  
Raleigh, North Carolina 27601-2825

OCT 15 2004

Dear Superintendent Ward:

The purpose of this letter is to respond to the North Carolina Department of Public Instruction's (NCDPI) April 15, 2004 submission of its Federal Fiscal Year (FFY) 2002 Annual Performance Report (APR) for the Individuals with Disabilities Education Act (IDEA) Part B 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 for IDEA 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. 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's Memorandum regarding the submission of Part B APRs directed States to address five cluster areas: General Supervision; Early Childhood Transition; Parent Involvement; Free Appropriate Public Education (FAPE) in the Least Restrictive Environment; and Secondary Transition.

### ***Background***

As documented in OSEP's letter of October 28, 2003, data in North Carolina's December 2001 Self-Assessment and June 28, 2002 Improvement Plan indicated seven areas of noncompliance: (1) due process hearing decisions did not always meet the Part B timelines (34 CFR §300.511(a) and (c)); (2) the State was not resolving all complaints within the required 60-day timeline (34 CFR §300.661(a) and (b)(1)); (3) the State did not have procedures in place for the provision of FAPE to youth with disabilities incarcerated in local adult correctional facilities (34 CFR §§300.121 and 300.122); (4) children with disabilities with behavioral issues were not always receiving FAPE (34 CFR §300.300); (5) the State did not disaggregate and report data regarding participation and performance on State-wide assessments for children in out-of-district placements and State-Operated Programs (34 CFR §300.139); (6) some local education agencies (LEAs) were out of compliance with the requirement to invite students to Individualized Education Program (IEP) meetings, where a purpose was the consideration of transition service

needs or needed transition services (34 CFR §300.344(b)(1)); and (7) some LEAs did not include required transition components in IEPs (34 CFR §300.347(b)). OSEP's letter directed the State to make specified revisions to the Improvement Plan. In its June 9, 2004 letter, OSEP accepted the State's revised Improvement Plan (submitted April 27, 2004), and directed the State to provide to OSEP, by July 9, 2005 documentation showing that the State had corrected all areas of noncompliance.

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. OSEP's comments are listed by cluster area.

### ***General Supervision***

As noted above, OSEP's October 2003 letter identified three areas of noncompliance in this cluster: (1) due process hearing decisions did not always meet the Part B timelines; (2) the State was not resolving all complaints within the required 60-day timeline; and (3) the State did not have procedures in place for the provision of FAPE to children with disabilities incarcerated in local adult correctional facilities.

### **Previously Identified Noncompliance Issues**

**Timely Due Process Hearing Decisions.** The Part B regulations require that the final decision in a due process hearing be reached and mailed to the parties not later than 45 days after the receipt of a request for a hearing, and that a hearing officer may grant specific extensions of time beyond that period at the request of either party (34 CFR §300.511(a) and (c)). In its 2001 Self-Assessment, the State reported that, "from 1997-2000, due process hearings were decided within the required 45-day timeline approximately 33% of the time; 27 of 161 due process hearings requested from 1997-2000... exceeded the required 45-day timeline." In its June 9, 2004 letter, OSEP accepted the State's plan to address this issue. Data on page 1 of Attachment 1 of the APR indicated that, from July 1, 2002 through June 30, 2003: (1) 44 due process hearings were requested; (2) five due process hearings were held (fully adjudicated); (3) five due process hearing decisions were issued after the 45-day timeline and extensions expired; and (4) 15 due process hearings were pending as of June 30, 2003. According to item number 7 on page 4 of this cluster of the APR, the State did not track the number of extensions granted at the request of a party in 2002-03. On page 7 of the APR, the State set targets that: (1) "by March 2004, the [State education agency's (SEA's)] Due Process Log will be modified to capture any extensions granted prior to the hearing;" and (2) "by June 2004, IDEA requirements for implementation of due process procedures and timely rendering of decisions will be clarified with the Office of Administrative Hearings."

The State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis, in the next APR (due March 31, 2005). In addition, as noted above, the State must submit to OSEP, by July 9, 2005, its final Progress Report with data and analysis demonstrating correction of the noncompliance.

**Timely Complaint Decisions.** The Part B regulations require that NCDPI issue its written decision on each Part B formal written complaint within 60 days of receipt of the complaint, unless the timeline is extended due to exceptional circumstances with regard to a particular

complaint (34 CFR §300.661(a) and (b)(1)). In its 2001 Self-Assessment, the State reported that from 1998-2001, 50% of formal complaints were resolved within the 60-day timeline. Data on Page 1 of Attachment 1 of the APR indicated that, during the period from July 1, 2002 through June 30, 2003: (1) 57 complaints were received; (2) 39 complaints resulted in findings of fact and conclusions (32 with findings of noncompliance and 7 with no findings of noncompliance); (3) 18 complaints were not investigated because they were either withdrawn or NCDPI did not have jurisdiction to investigate them; (4) 38 complaints were completed/addressed within timelines; and (5) no complaints were pending as of 9/30/03. OSEP appreciates the work of the State in ensuring compliance with the timeline requirements of 34 CFR §300.661(a) and (b)(1). In the next APR, the State must continue to report on the State's progress in ensuring full compliance with those requirements.

**Provision of FAPE in Local Adult Correctional Facilities.** In its 2001 Self-Assessment, the State reported it did not have procedures in place to ensure the provision of FAPE to eligible youth with disabilities incarcerated in local adult correctional facilities, as required by 34 CFR §§300.121 and 300.122. North Carolina's revised Improvement Plan, accepted by OSEP on June 9, 2004, provided improvement strategies, targets, evidence of change and timelines to address this issue. The State did not address this finding in its APR. In the next APR, due March 31, 2005, the State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis. In addition, as noted above, the State must submit to OSEP, by July 9, 2005, its final Progress Report with data and analysis demonstrating correction of the noncompliance.

### **Additional Issues**

**General Supervision Instruments and Procedures.** The APR appears to show that the State has a system to identify noncompliance. For example, page 7 of this cluster of the APR provides that, "By the 2003-04 school year, SEA will maintain the use of effective instruments and procedures to identify and correct IDEA noncompliance in a timely manner through the Continuous Improvement Focused Monitoring System and the State's Dispute Resolution procedures." However, the APR did not explain the actions taken by the State to correct noncompliance. The APR did indicate that, through the Comprehensive Exceptional Children Accountability System (CECAS), which would be available to LEAs, charter schools and State-operated programs by September 2004, the State would be able to analyze data to determine "needed follow-up in LEAs that are noncompliant in the areas of monitoring, complaints and hearing resolution, etc., and next steps to take if compliance has not been reached." In the next APR, the State must address the extent to which its system is ensuring correction of State identified noncompliance.

**Sufficient Numbers Personnel to Meet the Identified Educational Needs of all Children with Disabilities.** According to baseline/trend data on page 5 of this cluster of the APR, "During the 2002-03 school year, there were a total of 878 fully certified and 97 not fully certified special education teachers to provide educational services to students with disabilities ages 3-5. There were a total of 5 vacant teacher positions for this group. There were a total of 8,752 fully certified and 2,079 not fully certified special education teachers to provide educational services to students with disabilities ages 6-21. There were a total of 96 vacant teacher positions for this group." The APR also reported, on page 5 of this cluster that, "there were a total of 9,992 fully certified and 1,509 not fully certified administrators, related services providers,

paraprofessionals, and other providers who provided educational services to students with disabilities ages 3-21.”

On page 8 of the APR, the State reported that, “During July 2003, special education licensure requirements were revised in North Carolina, changing specific disability licenses for the high-incidence disability categories. Teachers who work with the high incidence disability populations (e.g., students identified as having a behavioral-emotional disability) were fully licensed and highly qualified, where appropriate.” The APR also stated that, “During July 2003, the restructured Exceptional Children licensing process took effect. The new license was aligned with national and state emphasis on student achievement and meaningful access to the general curriculum.” The APR contained targets, activities to achieve targets/results, and timelines and resources to address this issue. OSEP looks forward to reviewing the results of the strategies implemented by the State to address this issue, in the next APR.

**State Procedures and Practices to Ensure Collection and Reporting of Accurate and Timely Data.** The State provided information regarding its data collection system on page 6 of this cluster of the APR. On pages 13 and 15, the APR also included targets, activities to achieve targets, and timelines and resources to ensure the continued collection and reporting of accurate and timely data. In addition, the State indicated on page 15 of this cluster of the APR that it would “work with OSEP and WESTAT to ensure North Carolina’s data reporting requirements will be aligned with theirs.” OSEP looks forward to reviewing information from North Carolina’s data system in the 618 data submissions and the next APR.

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

On pages 1 through 6 of this cluster of the APR, the State provided data regarding the provision of FAPE to children with disabilities transitioning from Part C to Part B, as well as targets, activities to achieve targets and results, timelines and resources. On page 2 of the APR, the State reported that it received a General Supervision Enhancement Grant to integrate the State’s Part C and Part B databases, thus providing data collection to track the transition of eligible children from Part C to Part B, and to verify that eligible children received services by their third birthday. In addition, the State indicated, on page 4 of the APR, that “in the 2004-05 school year, CECAS will be available to the Part C staff to analyze, report and disseminate data as well as transfer children with disabilities records from Part C to Part B.”<sup>1</sup> OSEP looks forward to reviewing the impact of North Carolina’s strategies and data collection activities in the next APR.

### ***Parent Involvement***

Page 3 of this cluster of the APR indicated that in the 2002-2003 school year, parents from 18 LEAs, 17 charter schools, and two State-Operated Programs completed a parent survey that measured the parents’ understanding of the due process rights afforded to them and their children. The outcome of the survey found that parents indicated a need for additional training

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<sup>1</sup> OSEP assumes that any integration of the Part C and Part B databases and transfer of records will ensure that the disclosure of personally identifiable information from the education records of children with disabilities is consistent with the IDEA and the Family Educational Rights and Privacy Act (FERPA). OSEP has enclosed, for your information, a copy of its February 11, 2004 letter to Elder which discusses the limited disclosure of personally identifiable information for purposes of meeting IDEA’s child find mandate.

on special education issues at their child's school. Pages 3 through 5 of the APR provided targets, activities to achieve targets and results, timelines and resources to address the outcomes of the survey. OSEP looks forward to reviewing the impact of North Carolina's strategies in the next APR.

### ***Free Appropriate Public Education in the Least Restrictive Environment***

As noted above, OSEP's October 2003 letter identified two areas of noncompliance in this cluster: (1) children with disabilities with behavioral issues were not always receiving FAPE; and (2) the State did not disaggregate and report data regarding participation and performance on State-wide assessments for children in out-of-district placements and State-Operated Programs.

#### **Previously Identified Noncompliance Issues**

**FAPE for Children with Behavioral Issues.** At 34 CFR §300.300, the Part B regulations require that public agencies provide FAPE to all children with disabilities residing in the State. Based on information in the State's 2001 Self-Assessment, OSEP identified noncompliance with that requirement. In the Self-Assessment, the State reported that "students with disabilities who have behavioral issues are not always receiving appropriate services as evidenced by the high dropout and suspension rates due to teacher shortages, lack of professional training for administrators and general education personnel, and lack of access to appropriate instruction." In its June 9, 2004 letter, OSEP accepted the State's plan to address this issue. In addition, on page 16 of this cluster of the APR, the State included the following activity: "Increase the number of licensed and highly qualified special and regular education teachers working with students identified as having a behavioral or emotional disability and/or behavioral issues." In the next APR, due March 31, 2005, the State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis. In addition, as noted above, the State must submit to OSEP, by July 9, 2005, its final Progress Report, with data and analysis demonstrating correction of the noncompliance.

**Reporting on Participation and Performance on State-Wide Assessments for Children in Out-of-District Placements and State-Operated Programs.** At 34 CFR §300.139, the Part B regulations require that NCDPI report aggregated and disaggregated data on the participation and performance of children with disabilities on State-wide assessments. In its June 2002 Improvement Plan, the State reported that the "State doesn't disaggregate, analyze, use and report data regarding...participation and performance on statewide assessments by out-of-district placements and State Operated Programs." The State's revised Improvement Plan provided that, "By October 2004, participation and performance data for students with disabilities in out-of-district placements will be included in assessment results reported to [NCDPI] by the LEAs." Page 15 of the revised Improvement Plan also projected that, "By April 2005 [NCDPI] will demonstrate that it is reporting performance data to the Secretary and the public on the participation of students in out-of-district placements as often as it reports performance of nondisabled students." In its June 9, 2004 letter, OSEP accepted the State's plan to address this issue. In the next APR, due March 31, 2005, the State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis. In addition, as noted above, the State must submit to OSEP, by July 9, 2005, its final Progress Report with data and analysis demonstrating correction of the noncompliance.

### **Additional Issues**

**Disproportionality.** 34 CFR §300.755 requires that States that identify significant disproportionality on the basis of race in the identification of children with disabilities (including identification within particular categories of disability) or in placements into particular settings must provide for the review and, if appropriate, revision of the policies, procedures and practices used in identification or placement to ensure that they comply with Part B. The instructions for the 2002 APR required States that identify significant disproportionality to report on the results of that review of policies, procedures and practices. The State's FFY 2002 APR included information regarding disproportionate representation. On page 10 of this cluster of the APR, the State indicated that "if LEAs' data were significantly disproportionate, LEAs completed a comprehensive review of the data and of the policies, procedures and practices for the identification and placement of children with disabilities to determine whether they comply with the requirements of IDEA, are otherwise appropriate, and are ethnically and racially balanced." In the next APR, the State must report on the results of that review of policies, procedures and practices.

North Carolina's FFY 2002 APR also contained goals for the number of children with disabilities of certain racial or ethnic backgrounds who would be identified as eligible for services under Part B, and for the number of children with disabilities of certain racial or ethnic backgrounds who would be placed in certain settings under Part B. On pages 12 and 13 of this cluster of the APR, the State included the following projected targets: "The disproportionate representation of students with disabilities receiving special education by race/ethnicity, the disability categories by race/ethnicity, and the educational settings by race ethnicity will decrease. In the 2004-05 school year, data will show that the percentage of students with disabilities receiving special education, by race/ethnicity, will decrease in disproportionate representation when compared to the total student population. In the 2004-2005 school year, data will show that the percentage of students identified in particular disability categories, by race/ethnicity, will decrease in disproportionate representation when compared to the total student population. In the 2004-2005 school year, data will show that the percentage of students with disabilities identified in particular educational settings will decrease in disproportionate representation when compared to the total student population."<sup>2</sup> The proposed use of numerical goals based upon race raises serious concerns under federal civil rights laws and the United States Constitution, and is not an appropriate way to address the potential compliance problems that significant disproportionality may indicate. Any proposed use of numerical goals/targets based upon race, even where the numerical goal is based upon comparable numbers in the general population, raises the same legal concerns. In addressing significant disproportionality related to identification and placement, under 34 CFR §300.755, it is appropriate to look at policies, procedures and practices related to placement in the least restrictive environment and related to the referral, evaluation and identification process to determine if they are educationally appropriate, consistent with the requirements of Part B and race neutral. Such an examination regarding placement in the least restrictive environment (consistent with the requirements at 34 CFR §§300.501 and 300.550-300.556) would generally include a review of policies, procedures and practices related to: (1) the continuum of placement options; (2) the availability of, and access to, supplementary aids and services; (3) the participation of parents in placement team

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<sup>2</sup> OSEP's October 2003 letter addressed this issue with regard to goals that the State included in its Improvement Plan. Although the State did not use specific percentages in its FFY 2002 APR, as it had included in its Improvement Plan, the targets in the APR still constitute general numerical goals based on race and ethnicity.

decisions; and (4) State monitoring activities and technical assistance related to placement in the least restrictive environment. An examination regarding the referral, evaluation and identification process generally would include a review of the availability and use of pre-referral intervention services, the selection and use of evaluation instruments and materials, the selection and use of evaluation criteria, and the reasons for referral for special education evaluations. In its FFY 2002 APR, the State included some strategies that address these types of examinations. The State must ensure that all of the language in its FFY 2003 APR is consistent with Federal law.

**Graduation/Drop-Out.** On page 6 of this cluster of the APR, the State reported that, “In the 2002-2003 school year, 19,834 drop-out events were reported for grades 7-12, at a rate of 3.23 percent. There was [sic] 18,964 drop-out events reported for grades 9-12, a rate of 4.78 percent. These numbers included both students with and without disabilities. Based on the Part B exiting data, students with disabilities dropped out at a rate of 21 percent. Since students with disabilities were also included in the drop-out rate, North Carolina was unable to compare the drop-out rate of students with disabilities against students without disabilities.”

The State also reported that, “In the 2002 school year, 67,574 students graduated with a diploma. This number included both students with disabilities and students without disabilities. Based on the Part B exiting data, students with disabilities graduated with a regular diploma at a rate of 9 percent and received a certificate of completion at a rate of 33 percent. Since students with disabilities are also included in the graduation rate, North Carolina was unable compare the graduation rate of students with disabilities against students without disabilities.”

On page 13 of the APR, the State projected that, in the 2004-2005 school year, baseline graduation and drop-out data would be collected so a comparison of students with disabilities could be made against their nondisabled peers. The State included activities to achieve the targets, timelines and resources to address the drop-out and graduation rates. OSEP looks forward to reviewing the results of these efforts in the next APR.

**Suspension/Expulsion.** On page 14 of this cluster of the APR, the State included the following targets and activities: “In the 2004-05 school year, data will demonstrate a decrease in the rate of suspension and expulsion for students with disabilities when compared to their nondisabled peers as well as when compared among LEAs within the state. By 2004-2005 disciplinary removals among students with disabilities as a whole will decrease according to the suspension/expulsion data in the Exceptional Children’s End-of-the Year Report.” 34 CFR §300.146 requires that States examine data to determine if significant discrepancies are occurring in the rate of long-term suspensions and expulsions of children with disabilities either: (1) among LEAs in the State; or (2) compared to the rates for nondisabled children within the agencies. Where the State determines that significant discrepancies are occurring, it must review and, if appropriate, revise (or require the affected State agency or LEA to revise) its policies, procedures and practices relating to the development and implementation of IEPs, the use of behavioral interventions, and procedural safeguards to ensure that the policies procedures and practices comply with Part B. On page 6 of this cluster of the APR, the State indicated that a review of the suspension and expulsion rates for children with disabilities was conducted, and that those rates were comparable among LEAs and to the rates for children without disabilities within the LEAs.

**Placement in the Least Restrictive Environment.** On page 14, the State included the following targets and activities: “In the 2004-2005 school year, there will be an increase in the number of children with disabilities educated with their nondisabled peers to the maximum extent appropriate, including preschool. By April 2005, data from Continuous Improvement Focused Monitoring will show that LEAs are in compliance with procedures for placement of students with disabilities in the least restrictive environment and that North Carolina ranks above the national average for educating students with disabilities in the regular education setting with the use of supplemental aids and services.” OSEP looks forward to reviewing the impact of North Carolina’s strategies in the next APR.

**Preschool Outcomes.** On page nine of this cluster of the APR, the State reported that the early language-communication, pre-reading and social-emotional skills of preschool children with disabilities, receiving special education and related services, were improving. In the APR, NCDPI reported the following activities for the 2002-2003 school year: (1) seven early-emergent literacy centers developed to provide regional training and model demonstration sites; (2) beginning development of a pre- and post-assessment to measure progress in language/communications and State-wide use of the Early Language Literacy Classroom Observation Tool Kit; and (3) State-wide workshops in the area of social-emotional development. However, OSEP was unable to determine from the APR how the State reached its conclusion that the early language-communication, pre-reading and social-emotional skills of preschool children with disabilities receiving special education and related services were improving. Under the Government Performance and Results Act of 1993, 31 U.S.C. 1116, the effectiveness of the IDEA section 619 program is being measured based on the extent to which early language/ communication, pre-reading, and socio-emotional skills of preschool children with disabilities receiving special education and related services are improving. In the FFY 2003 APR (due March 31, 2004), North Carolina must either submit documentation of data (whether collected through sampling, monitoring, individual IEP review, or other methods), targets for improved performance and strategies to achieve those targets for this area, or a plan to collect the data for the FFY 2004 APR, including a detailed timeline of the activities necessary to implement that plan.

### ***Secondary Transition***

As noted above, OSEP’s October 2003 letter identified two areas of noncompliance in this cluster: (1) some LEAs were not in compliance with the requirement to invite students to IEP meetings where a purpose was the consideration of transition service needs or needed transition services; and (2) some LEAs did not include required transition components in IEPs.

**Inviting Students with Disabilities to IEP Meetings.** At 34 CFR §300.344(b)(1), Part B requires that each public agency invite a student with a disability of any age to attend his or her IEP meeting, if a purpose of the meeting will be the consideration of the student’s transition services needs under 34 CFR §300.347(b)(1), the needed transition services for the student under 34 CFR §300.347(b)(2), or both. North Carolina’s June 2002 Improvement Plan indicated that NCDPI found some LEAs to be in noncompliance with these requirements. In its June 9, 2004 letter, OSEP accepted the State’s plan to address this issue. On page 2 of this cluster of the APR, the State reported that: (1) NCDPI found eight of the 11 LEAs that it monitored during the 2002-2003 school year to be out of compliance with the requirement to invite students to participate in IEP meetings when transition was discussed; and (2) 41% of LEAs that conducted record reviews as part of LEA self-assessment during 2001-2003, were in noncompliance for



failing to invite students to participate when transition was discussed. In the next APR, due March 31, 2005, the State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis. In addition, as noted above, the State must submit to OSEP, by July 9, 2005 its final Progress Report with data and analysis demonstrating correction of the noncompliance.

**Transition-Related Content of IEPs.** At 34 CFR §300.347(b), Part B requires that the IEP for each student with a disability beginning at age 14 (or younger, if determined appropriate by the IEP team), include a statement of transition services needs that meets Part B requirements. North Carolina's June 2002 Improvement Plan indicated that, "... when LEAs were monitored between 1997-2001, 74 citations were found for inadequate transition components and 63 citations in which the IEP failed to provide required transition components." In its June 9, 2004 letter, OSEP accepted the State's plan to address this issue. On page 2 of this cluster of the APR, the State reported that: (1) NCDPI found six of the 11 LEAs that it monitored during the 2002-2003 school year to be in noncompliance because IEPs did not include a transition component; and (2) 37% of LEAs that conducted record reviews as part of LEA self-assessment during 2001-2003 were in noncompliance because IEPs did not include a transition component. In the next APR, due March 31, 2005, the State must provide to OSEP an update regarding its progress in correcting the noncompliance, including current supporting data and analysis. In addition, as noted above, the State must submit to OSEP, by July 9, 2005, its final Progress Report with data and analysis demonstrating correction of the noncompliance.

### ***Conclusion***

In the next APR, the State must provide to OSEP:

1. An update, including current supporting data and analysis, regarding its progress in correcting the following areas of noncompliance: (1) timeliness of due process hearing decisions (34 CFR §300.511(a) and (c)); (2) the provision of FAPE to youth with disabilities incarcerated in local adult correctional facilities (34 CFR §§300.121 and 300.122); (3) the provision of FAPE to children with disabilities with behavioral issues (34 CFR §300.300); (4) reporting data regarding participation and performance on State-wide assessments for children in out-of-district placements and State-Operated Programs (34 CFR §300.139); (5) inviting students to IEP meetings where a purpose is the consideration of transition service needs or needed transition services (34 CFR §300.344(b)(1)); and (6) transition-related content of IEPs (34 CFR §300.347(b));
2. Continued reporting on the State's progress in ensuring full compliance with the timeline requirements for State complaints (34 CFR §300.661(a) and (b)(1));
3. Information regarding the extent to which the State's general supervision system is correcting State identified noncompliance;
4. The results of the review of policies, practices and procedures that is completed when LEA data show significant disproportionality (the State must also ensure that all of the language in its FFY 2003 APR is consistent with Federal law); and
5. Either documentation of data (whether collected through sampling, monitoring, individual IEP review, or other methods) regarding preschool outcomes, targets for improved performance and strategies to achieve those targets for this area, or a plan to collect the data for the FFY 2004 APR, including a detailed timeline of the activities necessary to implement that plan.

In addition, the State must submit to OSEP by July 9, 2005, documentation showing that the State corrected the noncompliance relating to: (1) timeliness of due process hearing decisions (34 CFR §300.511(a) and (c)); (2) the provision of FAPE to youth with disabilities incarcerated in local adult correctional facilities (34 CFR §§300.121 and 300.122); (3) the provision of FAPE to children with disabilities with behavioral issues (34 CFR §300.300); (4) reporting data regarding participation and performance on State-wide assessments for children in out-of-district placements and State-Operated Programs (34 CFR §300.139); (5) inviting students to IEP meetings where a purpose is the consideration of transition service needs or needed transition services (34 CFR §300.344(b)(1)); and (6) transition-related content of IEPs (34 CFR §300.347(b)).

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 children and youth with disabilities and their families. If you have questions, please contact Delores Barber at (202) 245-7263.

Sincerely,



Stephanie Smith Lee  
Director  
Office of Special Education Programs

cc: Mary N. Watson, Director  
Exceptional Children Division  
North Carolina Department of Public Instruction