



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

APR 7 2004

Honorable Carmen Hooker Odom
Secretary
North Carolina Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

Dear Secretary Hooker Odom:

The purpose of this letter is to respond to the North Carolina Department of Health and Human Services' (DHHS') July 7, 2003 submission of its Federal Fiscal Year (FFY) 2001 Annual Performance Report (APR) for the Individuals with Disabilities Education Act (IDEA) Part C funds used during the grant period July 1, 2001 through September 30, 2002 and to respond to the December 30, 2003 submission of DHHS' Improvement Plan. The APR reflects actual accomplishments made by the State during the reporting period (as compared to established objectives). The APR for Part C of 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. OSEP Memorandum 03-6 (regarding the submission of Part C APRs) directed States to address five cluster areas in their Part C APRs: General Supervision; Comprehensive Public Awareness and Child Find System; Family Centered Services; Early Intervention Services in Natural Environments; and Early Childhood Transition. 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.

DHHS submitted its Improvement Plan to OSEP in July 2002. DHHS also chose to use the Improvement Plan format for the APR that it submitted on July 7, 2003.¹ For each of the five Part C cluster areas, the first four columns in North Carolina's FFY 2001 Part C APR (i.e., Improvement Strategies, Evidence of Change/Benchmarks, Timelines, and Resources) included all of the same content as in its original Improvement Plan submitted to OSEP in July 2002. The State also updated the Improvement Plan in its APR by adding two columns: (1) in the

¹ OSEP, in its letter of April 15, 2003 regarding the instructions for the Part C APR for FFY 2001, stated that if a State has developed a databased Improvement Plan, as part of OSEP's Continuous Improvement Monitoring Process (CIMP), (i.e., an OSEP-approved improvement plan), the State may choose to submit that improvement plan in lieu of Table I covering the "Status of Program Performance" in the five Part C Cluster Areas. OSEP stated that, if the State chooses this improvement plan format, it must include in its improvement plan an explanation and analysis of the progress (or slippage) by cluster area, during the reporting period of July 1, 2001 through June 30, 2002 (or the State's designated 12-month period), and the planned activities for the next reporting period.

“Explanation and Analysis of Progress” column, the State described what it had accomplished since the original submission of its Improvement Plan in July 2002; and (2) the “Future Activities” column described the actions that the State was planning to undertake to improve or maintain program performance, as well as compliance with Part C requirements.

In its letter of October 30, 2003, OSEP responded to the State’s July 2002 Improvement Plan, stating that the data in North Carolina’s 2001 Self-Assessment and July 2002 Improvement Plan identified five areas of noncompliance, and directing the State to revise the Improvement Plan to address these areas of noncompliance. Specifically, OSEP directed the State to: (1) include, for each area of noncompliance, evidence of change, benchmarks and revised timelines for all improvement strategies to ensure that North Carolina can demonstrate full compliance within a reasonable period of time not to exceed one year from the date of OSEP’s October 30, 2003 letter; and (2) submit, on April 30, 2004, a report on its progress in correcting the noncompliance.

In response to OSEP’s October 30, 2003 letter, the State submitted an addendum to its Improvement Plan on December 30, 2003, in which it set forth its proposed improvement strategies, evidence of change/benchmarks, and timeframes to address the five identified areas of Part C noncompliance. OSEP approves North Carolina’s Improvement Plan subject to the State also submitting evidence of change data (such as monitoring or IFSP review data) for the following two areas of noncompliance: (1) the 45-day timeline requirements in 34 CFR §§303.321(e), 303.322(e), 303.342(a), and (2) the transition requirements in 34 CFR §303.148(b)(2)(i).

For each of the five cluster areas, OSEP has set forth below its analysis of the content of the APR, as well as OSEP’s comments regarding North Carolina’s December 2003 Improvement Plan.

General Supervision

OSEP’s October 20, 2003 letter identified noncompliance in this cluster area because the State’s Self-Assessment reported that there are variations in service delivery creating gaps in training for early intervention professionals and that not all Part C providers in the State were credentialed. This is inconsistent with the requirements of 34 CFR §303.12(a)(3)(ii) and (d)(1)(vi) that early intervention services are to be provided by qualified personnel and that the Lead Agency provide training and technical assistance, as needed, to professionals providing early intervention services. DHHS’ December 2003 Improvement Plan included strategies that the State would implement to address this noncompliance at all levels in the system, with timelines for implementation of the changes needed to expand early intervention personnel certification throughout the State within one year of OSEP’s October 30, 2003 letter. DHHS must submit to OSEP by October 30, 2004 a final progress report documenting that the State has ensured correction of the identified noncompliance.

With regard to other areas of the General Supervision cluster, DHHS provided a narrative summary in its APR regarding what it had accomplished with regard to implementing a number of the State’s Part C improvement planning initiatives. The APR states that DHHS often worked

in collaboration with the State Interagency Coordinating Council (SICC), the Department of Public Instruction (DPI), and other agencies and organizations in the development and implementation of many of the State's improvement planning initiatives. On pages 1 and 2 in the General Supervision Section, in the "Evaluation and Analysis of Progress" column, the State discussed a number of actions it has taken in preparation for the implementation of the integrated DPI/DHHS database in order for Part B and Part C to access and share data more effectively.² The "Future Activities" column of the APR discussed the initiation of planning activities with the State information technology agency to complete programming for State-wide implementation of the new database, and joint planning with DPI for training local agencies in use of the new database. On page 7 of the APR General Supervision Section, the State discussed its Early Intervention Reorganization Plan and a process for implementing the plan. The General Supervision Section also described a number of initiatives that pertain to other Part C cluster areas. It is OSEP's expectation that, as part of its improvement planning efforts and in reporting in the APR, the State will collect, analyze, and report to OSEP relevant data, and make data-based determinations regarding the implementation of its monitoring system and other general supervision responsibilities.

Child Find and Public Awareness

In its October 2003 letter, OSEP identified noncompliance in this cluster area because the State's 2001 Self-Assessment acknowledged that there was a "lack of print translation at both the state and local levels into other languages spoken by significant portions of the population." Part C requires, at 34 CFR §303.320, that the Lead Agency ensure the development and dissemination of public awareness materials to primary referral sources, which includes translation of materials into other languages to be accessible by non-English-speaking referral sources. DHHS's December 2003 Improvement Plan includes strategies that the State will implement to address the noncompliance, including steps to translate public awareness documents into other languages, followed by the timelines for completion and dissemination of the translated public awareness materials within one year of OSEP's October 30, 2003 letter. The APR also stated that the SICC Public Awareness Committee works with DHHS to enhance child find, including the development of a variety of print and video materials targeted at specific physicians. The APR stated that local ICCs deliver these products to community pediatric practices. DHHS must submit to OSEP by October 30, 2004 a final progress report documenting that the State has ensured correction of the identified noncompliance.

In its October 2003 letter, OSEP also addressed two issues regarding numerical goals that were set by the State in its original July 2002 submission of its Improvement Plan. As the State had not received OSEP's October 2003 letter when it submitted its July 2003 APR, the same numerical goals were included in the APR. The State did not respond to the numerical goal issues in its December 2003 Improvement Plan. The State must revise its Improvement Plan to be consistent with the guidance regarding numerical goals that OSEP provided in its October 2003 letter. The State must submit those revisions to its Improvement Plan to OSEP within 60 days of the date of this letter. In addition, the State's July 2003 submission of its APR explained

² Disclosure of personally identifiable information from education records between the Part B and Part C agencies requires prior written parental consent unless a specific exception applies under the IDEA and the Family Educational Rights and Privacy Act (at 20 USC 1232g and 34 CFR Part 99).

that DHHS developed and implemented policies that required counties with identification rates below the State's minimum standard of 1.2% to develop interagency child find plans. The APR also stated that DHHS works with the Governor's Smart Start Program to include identification goals as performance measures for local Smart Start Programs Statewide. These local policies raise similar concerns regarding numerical goals, and the State must ensure that all of its policies regarding requirements for counties or local programs are consistent with the guidance that OSEP provided in its October 2003 letter. The State must monitor to ensure that eligibility decisions by counties or local programs for all infants and toddlers are made in conformity with the individual evaluation and assessment requirements of Part C of IDEA (at 34 CFR §§303.320 through 303.323) and not based upon a numerical goal. In addition, the State must ensure that it does not find local and county provider programs out of compliance for failing to meet a particular numerical goal provided that eligibility decisions are made consistent with Part C.

With regard to other areas in the Child Find and Public Awareness Cluster, the APR describes a number of outreach activities and initiatives that the State has undertaken. The APR also stated that the Infant-Toddler Program data plan includes the generation and dissemination of a variety of data, by county, including numbers and percentages of the birth to three population served in Part C, as well as children's age at referral, referral source, child ethnicity, and child eligibility categories. DHHS, working in coordination with the State Pediatrics Society and the Office of Rural Health, also initiated in-service training for healthcare professionals focusing on best practices in screening and how early intervention can be a resource for physicians.

The APR further stated that DHHS, the SICC, the State Pediatric Society, and leading medical schools in the State planned and implemented a survey of all pediatricians and family practitioners which looked at physicians' awareness of early intervention and the reasons for referring, or not referring, families to early intervention. The APR also stated that DHHS, in collaboration with the State Pediatric Society, identified and disseminated recommended practices regarding communication between the medical community and early intervention. The APR noted that DHHS has worked with the Office of Rural Health and the Pediatric Society to implement a pilot project that involved placing service coordinators in offices of local pediatric practices to have them conduct screenings (using the "Ages and Stages" questionnaire). The APR stated that, in developing specific recommendations for the State's Early Intervention Reorganization Plan, DHHS looked at what would most significantly enhance referral rates, and involved physicians in the development and implementation of the plan.

The APR Child Find and Public Awareness Section included a statement that "In FY 2001-02, the total number of children served [in the State's Part C Infant-Toddler Program] was 1,990 more than it [served] in FY 2000-01." The APR Child Find Section also stated that planned future activities include continuing local public awareness initiatives with the medical community throughout local ICC's; expanding the number and locations of in-service training events for healthcare professionals that focus on screening and early intervention; working with the ICC Cultural Diversity Committee to plan and implement outreach activities to minority groups; and providing training and support regarding cultural diversity and how to implement these improvement strategies.

It is OSEP's expectation that, as part of its improvement planning efforts and in reporting in the APR, the State will collect, analyze, and report to OSEP relevant data, and make data-based determinations regarding the implementation of its public awareness and child find activities.

Family Centered Services

As noted in its October 2003 letter, OSEP identified noncompliance in this cluster area because the Improvement Plan indicated "only one-fifth of the counties (22 of the 100 counties) had some type of family support-related organization that could provide family training and support as needed." This is inconsistent with 34 CFR §303.12(d)(1)(v) and (d)(3) that requires the Lead Agency to offer, as early intervention services, "training or technical assistance for a child with disabilities or, if appropriate, that child's family" and "family training, counseling and home visits." DHHS' December 2003 Improvement Plan included strategies the State would implement to increase family support in the early intervention system, primarily at the local Children's Developmental Services Agency (CDSA) program level. The "evidence of change/benchmarks" column described the steps that the State would take to implement new family support services and bring various family support-related organizations together to ensure State-wide availability of family support services, followed by timelines for implementation of these changes to achieve correction within one year of OSEP's October 30, 2003 letter. DHHS must submit to OSEP by October 30, 2004 a final progress report documenting that the State has ensured correction of the identified noncompliance.

With regard to the Family Centered Services cluster, the APR also explained that DHHS completed a new Family Satisfaction/Experience Questionnaire, developed through a cooperative agreement with the Frank Porter Graham Child Development Institute (FPG) and the Family Support Network (FSN); DHHS' Community Review monitoring process will include data from the questionnaires. The APR further indicated that the State would conduct training for all Part C providers, the Parent Training and Information (PTI) Center, and the local FSN programs and would begin State-wide use of the new questionnaires regarding all Part C providers by January 2004. The APR stated that future activities include ensuring that the Early Intervention Reorganization Plan would include even stronger expectations for family involvement. For example, the APR stated that future activities include implementing policies requiring parent membership on the new Regional Interagency Councils and the committee to oversee the implementation of the Early Intervention Reorganization, and parent involvement in the management of contract agencies. The APR also described other planned activities, including finalizing procedures to collect parent involvement data across all Part C providers at the State and local levels, developing a long-term plan for ongoing training and technical assistance on family involvement for the State and local lead agency staff and personnel from local provider agencies, involving parents and the ICC Child and Family Committee in planning training for new service coordinators, developing a plan for identifying family perceptions and support needs, and utilizing the recently established early intervention update newsletters and the website to share best practices and family involvement Statewide.

It is OSEP's expectation that, as part of its improvement planning efforts and in reporting in the APR, the State will collect, analyze, and report to OSEP relevant data, and make data-based determinations regarding family centered services.

Early Intervention Services in Natural Environments

In its October 30, 2003 letter, OSEP identified noncompliance in this cluster area because the State's Self-Assessment and Improvement Plan acknowledged waiting lists for evaluations and assessments, resulting from inadequate funding and personnel shortages. This is inconsistent with the requirements, at 34 CFR §§303.321(e), 303.322(e), and 303.342(a), that DHHS ensure that an initial evaluation and assessment for each infant and toddler is completed, and the initial IFSP meeting is convened within 45 days after the public agency receives the referral. DHHS' December 2003 Improvement Plan included strategies that the State would implement to address this noncompliance, including steps that the State would take to implement system redesign changes to the State's Part C evaluation and eligibility determination process and service coordination, with timelines for completion of the needed changes for correction within one year of OSEP's October 30, 2003 letter. In addition, the APR stated that a personnel survey for 2001-2002, by category, included an assessment of existing service coordination caseloads, by type of provider agency, and this survey included the impact of the caseload size on meeting the 45-day timeline. The APR also stated that planned future activities would include utilizing the existing Infant-Toddler Database to compare average time between referral and assessment (and the convening of an initial IFSP meeting) and utilizing the results to document the need for additional resources in ongoing caseload size standards. DHHS must submit to OSEP by October 30, 2004 a final progress report that includes data (such as monitoring or IFSP review data) demonstrating compliance with the requirements at 34 CFR §§303.321(e), 303.322(e), and 303.342(a).

With regard to this cluster, the APR also stated that DHHS has revised the Community Review monitoring process so that it now includes an in-depth case review process for determining whether families are receiving service coordination at the level they need, and indicators for all of the service coordination components. The APR stated, under future activities, that part of the Reorganization Plan would include developing a long-term projection for fiscal/personnel resources for service coordination, based on identification rates. The APR further stated that: (1) survey results were compiled in a State-wide report and utilized for proposed standards for caseload size under the Reorganization Plan; (2) personnel data were included as part of the early intervention integrated data plan; and (3) an evaluation of these caseload data will be incorporated into the new Community Review Process. The APR also indicated that the revised Community Review monitoring process includes in-depth case review to determine whether children and families have IFSPs that reflect the services recommended as a result of evaluations and whether families are receiving all services indicated on their IFSPs. It is OSEP's expectation that, as part of its improvement planning efforts and in reporting in the APR, the State will collect, analyze, and report to OSEP relevant data, and make data-based determinations regarding early intervention services in natural environments.

The FFY 2001 APR also requested data on the percentage of children participating in the Part C program that demonstrate improved and sustained functional abilities in the developmental areas listed in 34 CFR §303.322(c)(3)(ii). The APR stated that the Early Intervention Branch of DHHS, was working in conjunction with parents, DPI representatives, and local Part C agencies, to identify child and family outcomes to be used in State-wide data collection, and that DHHS has entered into an agreement with the FPG to pilot a process to collect outcome data from local

Part C agencies. The APR did not, however, contain any performance data relating to child and family outcomes from their participation in the State's Infant-Toddler Early Intervention Program. Please include in the next APR either responsive data or the State's plan on how it will collect these data (whether through sampling, monitoring, individual IFSP review, or other methods).

Early Childhood Transition

In its October 30, 2003 letter, OSEP identified noncompliance in this cluster area because the State's Self-Assessment reported that monitoring data revealed that 48% of the counties monitored had difficulty meeting transition timelines and conducting transition meetings in a timely fashion. This is inconsistent with 34 CFR §303.148(b)(2)(i) which requires that, in the case of a child who may be eligible for preschool services under Part B, and with the approval of the family, the Lead Agency must convene a conference among the Lead Agency, the family, and the local educational agency at least 90 days, and at the discretion of the parties, up to six months, before the child is eligible for the preschool services, to discuss any services that the child may receive. DHHS' December 30, 2003 Improvement Plan included a number of strategies that the State would employ to meet the transition requirements and to coordinate more effectively with DPI around transition to preschool services, including implementing an integrated data system. The "evidence of change/benchmarks" column described the steps that the State would take to implement a new data system, collaborative training and other transition changes, with timelines for implementation of these steps. The APR further reported that DHHS and DPI jointly developed fields for the new integrated birth to five interagency database, and the database will have a variety of data that will help improve the transition process, including the date of the 90-day transition meeting and the date the child leaves the Part C program and starts Part B services, along with the type of Part B placement. DHHS must submit to OSEP by October 30, 2004 a final progress report that includes data (such as monitoring or IFSP review data) demonstrating compliance with the requirements in 34 CFR §303.148(b)(2)(i).

With regard to this cluster, the APR also described a number of early childhood initiatives that DHHS has undertaken pursuant to its Improvement Plan in coordination with DPI and other State agencies and organizations. The Transition Handbook, developed by the SICC Transition Subcommittee and funded jointly by DPI and DHHS, was updated and translated into Spanish. The ICC Transition Subcommittee also reviewed other DPI and DHHS transition materials. The revised Part C Family Experience/Satisfaction survey now includes specific sections on transition, as a result of input from the SICC Transition Subcommittee. DHHS reviewed and updated its Orientation to Early Intervention training program for new staff of provider agencies, and included specific transition components in planning the responsibilities and training for new service coordinators under the Reorganization Plan. The APR stated that DHHS, DPI, and the State childcare agency continued funding "Partnerships for Inclusion," a technical assistance component of FPG which focuses on best practices in inclusion and transition. DHHS' Part C Comprehensive System of Personnel Development Manager is an active member of the Birth through Kindergarten Consortium. The APR Transition Cluster also discussed the Lead Agency's initiatives pertaining to revising the Infant-Toddler Specialist Certification Process to include all public and private providers of special instruction, all staff of local lead agencies, and

other public agencies providing service coordination, and noted that the certification includes specific competencies related to child and family transitions.

It is OSEP's expectation that, as part of its improvement planning efforts and in reporting in the APR, the State will collect, analyze, and report to OSEP relevant data, and make data-based determinations regarding early childhood transition.

Conclusion

As indicated above, DHHS must submit to OSEP (1) by April 30, 2004, its progress report on the Improvement Plan, (2) within 60 days of the date of this letter, the revisions to its Improvement Plan regarding numerical goals as set forth in OSEP's October 30, 2003 letter, and (3) by October 30, 2004, a final progress report that demonstrates correction of all areas of noncompliance, including evidence of change data (such as monitoring or IFSP review data) for the following two areas of noncompliance: (a) the 45-day timeline requirements in 34 CFR §§303.321(e), 303.322(e), 303.342(a), and (b) the transition requirements in 34 CFR §303.148(b)(2)(i).

We recognize the time and effort that went into the development of the Improvement Plan and APR and appreciate the State's work to describe North Carolina's performance related to serving infants and toddlers with disabilities and their families under IDEA. We look forward to collaborating with North Carolina as you continue to improve results for infants and toddlers with disabilities and their families.

Sincerely,



Stephanie Smith Lee
Director
Office of Special Education Programs

cc: Duncan Munn
Part C Coordinator