



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

NOV 15 2004

Honorable Joel S. Gilbertson  
Commissioner  
Department of Health and Social Services  
Juneau, Alaska 99811-0601

Dear Commissioner Gilbertson:

The purpose of this letter is to respond to the Alaska Department of Health's (ADOH's) March 31, 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 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 activities) and consolidates the self-assessing and improvement planning functions of the CIFMS into one document. OSEP's Memorandum regarding the submission of Part C APRs directed States to address five cluster areas: General Supervision; Comprehensive Public Awareness and Child Find System; Family Centered Services; Early Intervention Services in Natural Environments; and Early Childhood Transition.

### ***Background***

In its February 4, 2004 response to Alaska's FFY 2001 APR, OSEP acknowledged that ADOH had addressed one of the four areas of noncompliance identified in OSEP's March 18, 2003 Self-Assessment letter.<sup>1</sup> OSEP requested in the February 2004 response to the FFY 2001 APR that ADOH submit, in the FFY 2002 APR, data that demonstrated progress toward compliance in the three remaining areas, including: (1) monitoring to ensure compliance with all Part C requirements; (2) the timely correction of State identified noncompliance; and (3) timely evaluations and assessments in order to hold initial Individualized Family Service Plan (IFSP) meetings within 45 days of referral to Part C. OSEP requested that ADOH submit a progress report on September 1, 2004<sup>2</sup> and a final report on February 4, 2005 to demonstrate that the three areas of noncompliance were corrected. OSEP, in the February 2004 response to the FFY 2001 APR, also required ADOH to provide data for the

<sup>1</sup> The finding addressed was the failure to provide all early intervention services identified on the IFSP.

<sup>2</sup> In a telephone conference with OSEP on August 25, 2004, Alaska requested and was granted a 30-day extension to submit the State's Progress Report. Alaska submitted its Progress Report for FFY'01 on September 30, 2004.

following seven areas in order to determine compliance because compliance could not be determined from the information included in the FFY 2001 APR. Data was to be included demonstrating that: (1) parents receive and understand their rights; (2) IFSPs include a statement of the major outcomes expected to be achieved for the child and family, and criteria, procedures and timelines used to determine the degree to which progress toward achieving the outcomes is being made; (3) service coordinators carry out all their responsibilities; (4) evaluations and assessment of child and family needs lead to the identification of all the child's needs and the family's needs related to enhancing the development of the child; (5) the lead agency notifies the appropriate local education agency that the child will shortly reach the age of eligibility for preschool services under Part B; (6) the transition planning conference is being held in a timely manner, with the approval of the family; and (7) IFSPs contain all the required transition information. In addition, OSEP required ADOH to revise its FFY 2001 APR evidence of change/benchmarks in the Comprehensive Public Awareness and Child Find and Early Intervention Services in Natural Environments cluster areas to ensure that all children would be identified and the initial IFSP meeting held for all children within 45 days of their referral to Part C. OSEP, in its February 2004 response to the FFY 2001 APR, accepted the activities and timelines proposed by ADOH to correct the three remaining areas of noncompliance and determine performance and compliance with all seven areas listed above. ADOH provided in its FFY 2002 APR data and other information that addressed the results and outcomes from those activities. ADOH in its September 2004 Progress Report provided updated data to demonstrate that strategies were being implemented that resulted in progress to correct the three identified areas of noncompliance.

During the week of August 11, 2003, OSEP visited Alaska to verify the State's systems for general supervision and data collection under Section 618 of IDEA. In its January 25, 2004 verification letter to the State, OSEP stated that ADOH did not have an effective monitoring system for identifying and correcting noncompliance. ADOH was required to provide updated data in its FFY 2002 APR to demonstrate progress to address this area of noncompliance, as described below in the General Supervision section of this letter.

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 January 2004 verification letter and February 2004 response to Alaska's FFY 2001 APR required ADOH to report in its FFY 2002 APR on its progress in addressing the two areas of noncompliance, related to monitoring consistent with 34 CFR §303.501: (1) monitoring and other procedures to ensure compliance with Federal Part C requirements; and (2) the timely correction of identified areas of noncompliance. OSEP also required ADOH to provide data to identify how the State ensures that parents receive and understand their procedural safeguard rights under Part C of IDEA. See 34 CFR §303.403.

#### **1. Monitoring to Ensure Compliance**

On pages 2-11 of the State's FFY 2002 APR, ADOH reported on its progress to address the two areas of noncompliance related to monitoring. ADOH stated that revisions were made to its monitoring

system and the following strategies were implemented in its State-wide system: (1) eight of the 19 Early Intervention/Infant Learning Programs (EI/ILP) were monitored utilizing revised monitoring protocols; (2) record review guidelines were standardized and piloted in three EI/ILPs; the results indicated that two of three EI/ILPs were in compliance and the remaining five EI/ILPs demonstrated improved performance with the general supervision requirements; (3) all EI/ILPs where noncompliance was identified were required to develop and implement an improvement plan to correct the identified areas of noncompliance within one year; (4) technical assistance and training were provided to ensure compliance and implementation of improvement strategies; and (5) data quality reports were developed and reviewed that demonstrated all 19 EI/ILPs were in compliance with the requirement to submit timely and accurate data. ADOH must submit to OSEP in its final progress report due February 4, 2005, data and its analysis reflecting continued identification of noncompliance with the requirements of Part C along with data demonstrating correction of identified noncompliance within one year of identification, including: (1) a list of all EI/ILPs monitored through February 1, 2005; (2) a list of findings of noncompliance made by EI/ILPs identified by the State; (3) copies of correspondence confirming the status of correction for each EI/ILP identified as being out of compliance; (4) at least two EI/ILP improvement plans; and (5) the status of correction for each EI/ILP identified as being in noncompliance.

On pages two through 11 of the State's FFY 2002 APR, ADOH identified a possible systemic issue relative to the lack of an effective general supervision system to ensure the requirements with procedural safeguards. ADOH stated that further data analysis was needed in order to verify whether this issue was systemic. In its FFY 2002 APR, ADOH identified strategies to conduct further data analysis and reported the preliminary results to OSEP in its September 30, 2004 Progress Report. On pages four through six of its September 2004 Progress Report, ADOH's updated data indicated: (1) proposed strategies were being implemented that resulted in progress to correct the three previously-identified areas of noncompliance and data to determine compliance and performance with the seven areas without data; and (2) noncompliance with the provision to ensure procedural safeguards (previously-identified by OSEP with no data and the State as probable systemic). In its September 2004 Progress Report, ADOH reported that State-wide training was conducted, follow-up site-visits were made and data from improvement plans were tracked to ensure timely correct of the areas of noncompliance. The State must include in its February 2005 final progress report updated monitoring and correction data that demonstrate: (1) monitoring procedures identify noncompliance with Part C requirements; and (2) the State ensures the timely correction of identified noncompliance consistent with 34 CFR §303.501.

## 2. Comprehensive System of Personnel Development

On pages eight and nine of the State's FFY 2002 APR, ADOH provided data to demonstrate compliance with this requirement. ADOH stated that appropriately and adequately trained personnel were available to meet the needs of eligible children and their families consistent with 34 CFR §303.361. ADOH reported that early intervention personnel met State certification requirements to provide services in their designated profession. ADOH stated that recruitment, retention and training of qualified early intervention personnel is a challenge for some of the remote regions in the State, but through the collaborative efforts with the University of Alaska, the Governor's Council on Disabilities and Special Education strategies are being implemented to address the challenges. OSEP looks forward to reviewing data in the FFY 2003 APR, due March 31, 2005, demonstrating continued performance and compliance in this area.

### 3. Procedural Safeguards

ADOH presented data in its FFY 2002 APR, that demonstrated noncompliance, not previously identified by OSEP, with the provision to ensure that parents understand their rights, consistent with the requirements at 34 CFR §303.400. ADOH reported that two of three piloted EI/ILPs record reviews demonstrated noncompliance with the provision to ensure that parents are provided their procedural safeguards as part of the prior written notice under 34 CFR §303.403. ADOH identified strategies to ensure that the EI/ILPs identified out of compliance would implement an improvement plan, attend training and receive a follow-up visit if warranted, to ensure correction of the noncompliance. OSEP accepts these strategies. ADOH, must report on the progress being made to correct the noncompliance, including supporting data and its analysis, in the FFY 2003 APR due March 31, 2005 and provide a report to OSEP demonstrating compliance not later than 30 days following one year from the date of this letter.

### 4. Coordination of Financial Resources

In Attachment 2 of the State's FFY 2002 APR, ADOH described the State's capacity to coordinate various funding resources within the State to ensure the provision of early intervention services. ADOH identified the following funding sources that support Part C activities: (1) Medicaid; (2) Tri-Care; (3) State general funds; (4) State Medicaid administrative funds; (5) private insurance; and (6) parent fees. The greatest financial support came from the State general funds. OSEP's review of the Federal financial report indicated that over the past three years ADOH expended its Federal Part C funds in a timely manner with no lapsed funds.

### 5. Reporting Timely and Accurate Data

OSEP, in its January 2004 verification letter reported that ADOH's system for collecting and reporting data demonstrated a reasonable approach to ensure the accuracy of its data reports to OSEP under section 618. On page ten and 11 of the State's FFY 2002 APR, ADOH reported that there is a system in place to ensure the reporting of timely and accurate data consistent with the requirements of IDEA Section 618. ADOH reported that with assistance from the General Supervision Enhancement Grant (GSEG) mechanisms were put in place to assist the State in verifying the data from the local level. ADOH stated that several improvements were made to the data-base system and Data Quality Reports, guidance and training were conducted, that resulted in timely reports and improvement in the accuracy of the data. ADOH identified strategies to continue improving performance in this area. OSEP looks forward to receiving information in the next APR to demonstrate continued performance with this area and appreciates the work of the State to ensure performance with this requirement to report timely and accurate data.

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

OSEP's February 2004 response to Alaska's FFY 2001 APR required the State to revise the goal in this cluster to demonstrate that decisions regarding eligibility for all infants and toddlers were made in conformity with the individual evaluation and assessment requirements at 34 CFR §303.320-323 of IDEA and not based upon a numerical goal.

On pages 13-19 of the State's FFY 2002 APR, ADOH revised the goal to specify that all potentially eligible infants and toddlers would be referred. ADOH provided trend data to demonstrate that coordinated child find and public awareness activities were implemented and mechanisms were in

place to ensure that all potentially-eligible infants and toddlers and their families were identified and referred. ADOH, reported that in FFY 2001, 2.21% of the eligible birth-to-three population, and .96% of the birth-to-one population received Part C services.

On pages 17 and 18 of the State's FFY 2002 APR, ADOH stated that 86% of the records reviewed documented eligibility based on a multidisciplinary evaluation and the remaining 14% were determined eligible based on established conditions. For the children referred to Part C during State Fiscal Year (SFY) 2003, the following procedures were used to determine eligibility: (1) 17% were based on Part C diagnosis; (2) 49% were based on developmental delay greater than 50%; and (3) 34% were based on clinical opinion. ADOH identified activities designed to ensure that all infants and toddlers in the State who were eligible for services under Part C were identified, located, and evaluated consistent with 34 CFR §303.321.

ADOH's data did not indicate noncompliance and, based on OSEP's review of the data and information reported in the State's FFY 2002 APR, OSEP did not identify additional concerns in this cluster area. OSEP looks forward to reviewing data and information in the FFY 2003 APR, due March 31, 2005, demonstrating continued performance and compliance in this area.

### *Family Centered Services*

In the February 2004 response to the State's FFY 2001 APR, OSEP required ADOH to provide data to demonstrate compliance and performance in the following two areas: (1) IFSPs contain a statement of the major outcomes expected to be achieved for the child and family, consistent with 34 CFR §§ 303.322(d) and 303.344; and (2) the criteria, procedures and timelines used to determine the progress toward achieving child and family outcomes to determine if they increase families' capacities to enhance outcomes for their child.

#### 1. Documentation of Child and Family Outcomes on the IFSP

On pages 28 and 29 of the State's FFY 2002 APR, ADOH presented data that demonstrated improvement. ADOH reported that samples from 21 records indicated that family concerns, priorities and resources were documented on 100% of the IFSPs and reflected the goals for the child and family. The results from the parent survey indicated that 86% of the families agreed that family needs were considered in the development of the IFSP. ADOH indicated that only 48% of the 21 IFSPs reviewed contained documentation that a family assessment was conducted with the approval of the family and 100% of the IFSPs contained a statement of the family's concerns, priorities and resources relative to enhancing the developmental needs of the child. Since this was a small sample, it was unclear if some of the records reviewed included IFSPs for those families who did not consent to a family assessment. ADOH stated that additional data would be collected in order to determine whether family assessments were: (1) conducted with approval of the family, but not documented on the IFSP; (2) not being conducted; or (3) conducted but without the approval of the family. On page thirteen of the September 2004 progress report, ADOH provided updated data that indicated none of the files reviewed documented whether parents were offered or declined consent for a family assessment. ADOH stated that a standard consent form would be instituted to capture this information and training would be provided to document the required information. ADOH must provide the results of these data and the analysis in the next APR, due March 31, 2005. If the data demonstrates noncompliance, please also submit with the next APR, strategies, timelines and targets to achieve compliance with the family assessment requirement.

## 2. Family Supports and Services Increase Families' Capacities to Enhance Child Outcomes

ADOH did not provide the data OSEP requested in its February 2004 letter regarding the criteria, procedures and timelines used to determine progress towards achieving child and family outcomes that demonstrate the family's capacity to enhance child outcomes. ADOH identified strategies to acquire these data and OSEP accepts these strategies. ADOH must report on the results of these activities in the FFY 2003 APR due March 31, 2004 to demonstrate performance in this area.

### *Early Intervention Services in Natural Environments*

In the February 2004 response to the FFY 2002 APR, OSEP required ADOH to report on the results of its strategies to: (1) complete evaluations, assessments and hold the initial IFSP meeting within 45 days of the referral as required by 34 CFR §§303.321(e) and 303.322(e); and (2) ensure the provision of services in the natural environment as required by 34 CFR §§303.12 and 303.344. OSEP also required ADOH to provide data to determine compliance with requirements that: (1) service coordinators carry out all their responsibilities; and (2) that evaluations and assessments of the child and family lead to the identification of the child's needs and the family's needs related to enhancing the development of their child. See 34 CFR §§303.12, 303.23, 303.321(e) and 303.344.

In addition, OSEP required ADOH to revise the percentage goals in this cluster from: (1) 80% to reflect that all eligible children would have an initial IFSP meeting within 45 days; and (2) 95% to reflect that all eligible children would be served in the natural environment and include a justification in the IFSP to the extent, if any, to which services would not be provided in a natural environment.

### 1. 45 Day Timeline

On pages 24-39 of the State's FFY 2002 APR, ADOH reported data that demonstrated improvement, but not compliance, with the Part C 45-day timeline requirement. The State's monitoring data for FFY 2002 indicated a decrease in the number of eligible children waiting for an evaluation or an initial IFSP meeting. Approximately 45 eligible children and their families in FFY 2002 waited for an evaluation or the initial IFSP meeting compared to 80 eligible children in FFY 2001. ADOH identified strategies in the FFY 2002 APR to ensure compliance with this provision prior to the next APR deadline (March 31, 2005). ADOH had established a standard that exceeded Federal Part C requirements regarding the development of the initial IFSP within 45 days of the referral to Part C. On page 25, Figure CE.1.3, of the APR, ADOH reported that 41% of IFSPs in FFY 2002 were completed consistent with the State's standard to complete IFSPs within 45 days rather than holding the initial IFSP meeting within 45 days of the referral to Part C. ADOH indicated that all noncompliant EI/ILPs were required to implement an improvement plan that would be monitored on a quarterly, basis to ensure compliance. On page ten of its September 2004 progress report, ADOH provided updated data that indicated increased improvement to address this requirement. ADOH reported that between April 1, 2004 and June 30, 2004 150 children were enrolled in the Part C program and 74% (112) had their IFSP signed within 45 days compared to 41% in FFY 2002 and 50% in FFY 2003. ADOH identified strategies to ensure compliance with this requirement, such as; the use of laptop computers to record evaluation and assessment information on-site and scheduling the IFSP meeting upon referral. ADOH must provide data resulting from these strategies to demonstrate correction in its February 4, 2005 final progress report.

2. Provision of Services on the IFSP

ADOH provided data to demonstrate continuous compliance with the provision to ensure that services were provided consistent with the documentation on the IFSP. On page 26 of the State's FFY 2002 APR, ADOH presented data from record reviews indicating that 100% of the IFSPs reviewed demonstrated that all early intervention services were provided consistent with the IFSP. ADOH included strategies to continue to ensure compliance in this area. OSEP did not identify any additional concerns in this area.

3. Service Coordination

On pages 25-27 of the State's FFY 2002 APR, ADOH reported data that demonstrated significant improvement but not full compliance with the provision to ensure that a single service coordinator is identified. This is an area not previously identified by OSEP. ADOH stated that only 43% of the 21 records reviewed documented the initial service coordinator. On page 11 of its September 2004 Progress Report, ADOH stated that additional data was collected to address this area of noncompliance, further analysis is required and the results will be reported in the next APR. On page 11 of its September Progress Report, ADOH provided updated data that demonstrated significant improvement, but not full compliance with this requirement. ADOH stated that 93% of the children referred to the Part C program, during April 1, 2004 and June 30, 2004, were assigned an initial service coordinator. ADOH must report on the progress to ensure that all eligible children are assigned a single service coordinator consistent with 34 CFR §303.23(a) in the FFY 2003 APR due March 31, 2005.

4. Documentation of Child and Family Needs on the IFSP

ADOH addressed this area of concern in the Family Centered Services section of this letter.

5. Natural Environments

On page 34 of the State's FFY 2002 APR, ADOH provided data that demonstrated substantial improvement, but not full compliance to ensure services in the natural environment. ADOH stated that 91% of the eligible children and families received services in the natural environment while 9% received services in settings other than the natural environment. Sample data from child record reviews indicated that 95% of the 21 records reviewed had appropriate justifications on the IFSP. ADOH must provide data to demonstrate full compliance with this requirement in its February 4, 2005 final progress report.

6. Early Childhood Outcomes

On pages 37-39 of the State's FFY 2002 APR, ADOH stated that children with significant delays (35% delay or greater) enrolled in EI/ILPs, demonstrated significant gains in all developmental areas. A comparison of the child's initial evaluations to post-evaluation results one year later indicated that the developmental gains were greatest in the areas of fine motor, gross motor and adaptive skills. ADOH reported that it would continue to collect and track these data over time to identify possible trends. OSEP requests that ADOH continue to report (whether by sampling or other methods) in the FFY 2003 APR on the percentage of children (by age if the data are available) who demonstrate sustained and improved functional abilities, including children with developmental delays.

### 7. Revision of Prior Goals

On pages 26 and 35 of the State's FFY 2002 APR, ADOH revised its goals to ensure that all eligible children (versus the existing State goal of 80%) would have an initial IFSP meeting within 45 days of referral and all eligible children (versus the existing State goal of 95%) would be served in the natural environment or include a justification on the IFSP of the extent, if any, to which services would not be provided in a natural environment.

### *Early Childhood Transition*

OSEP's 2004 response to the State's FFY 2001 APR, required that ADOH provide baseline data to determine the compliance with 34 CFR §§303.148 (b) and 303.344(h): (1) transition planning meetings were held, for children potentially eligible under Part B at least 90 days prior to the child's third birthday; (2) the lead agency notified the appropriate local education agency that the child will shortly reach the age of eligibility for preschool services under Part B; and (3) IFSPs included steps to support the transition of the child and the family.

On pages 41-42 of the State's FFY 2002 APR, ADOH presented baseline data that demonstrated noncompliance, not previously identified by OSEP, with the three requirements identified above: (1) 79% of the transition meetings are held at least 90 days prior to the child's third birthday; (2) for 42% of eligible children receiving early intervention service, the lead agency notifies the appropriate local education agency; and (3) 33 % of IFSPs included steps to support the transition of the child and the family. The State included strategies and projected targets and timelines to ensure compliance prior to the FFY 2003 APR due March 31, 2005. OSEP accepts these strategies and timelines. On page 19 of its September 2004 Progress Report, ADOH provided updated data, as of June 2004, that demonstrated an increase in the implementation of strategies to address these three areas. ADOH reported that: (1) 21% of the children over 30 months of age did not have a transition plan as compared to 40% as indicated in FFY 2002; (2) 18% of the local school districts had not been provided the notice regarding transition, as compared to 42% in FFY 2002; and (3) 79% of the children had a transition conference 90 days prior to the child's third birthday, as compared to 49% in FFY 2002. ADOH must report on the correction of these three areas of noncompliance, including supporting updated data and analysis current through March 2005, in the FFY 2003 APR, due March 31, 2005. ADOH must also submit a report to OSEP demonstrating compliance with these newly-identified areas of noncompliance not later than 30 days following one year from the date of this letter.

### *Conclusion*

In the Improvement Plan final progress Report due February 4, 2005, ADOH must include data or other information to demonstrate correction of the five previously-identified areas of noncompliance:

- **General Supervision:** (1) monitoring procedures that identify noncompliance with Part C requirements; and (2) timely correction of identified noncompliance consistent with 34 CFR §303.501.
- **Family Centered Services:** IFSPs include a statement of the family's resources priorities and concerns with the concurrence of the family as required by 34 CFR §303.22(d) and 303.344.
- **Early Intervention Services in Natural Environments:** (1) complete evaluations and assessments to ensure that the initial IFSP meeting is held within 45 days of the referral, as required by 34 CFR



§§303.321(e) and 303.322(e); and (2) provide services in natural environments as required by 34 CFR §§303.12 and 303.344.

In the FFY 2003 APR, ADOH must include data or other information to demonstrate progress to address the five newly-identified areas of noncompliance and submit a report to OSEP demonstrating compliance not later than 30 days following one year from the date of this letter:

- General Supervision: to ensure that parents understand their rights consistent with the procedural safeguards provisions as required by 34 CFR §303.400.
- Early Intervention Services in Natural Environments: a single service coordinator is identified, as required by 34 CFR §303.12, 303.23 and 303.321(e).
- Early Childhood Transition: (1) transition meetings are held at least 90 days prior to the child's third birthday; (2) the lead agency notifying the appropriate local education agency; and (3) IFSPs include steps to support the transition of the child and the family, as required by 34 CFR §§303.148 (b) and 303.344(h)

ADOH must submit data in the FFY 2003 APR to demonstrate improvement with the following two areas of performance

- Family Centered: the extent to which family supports and services enhance the family's capacity to enhance outcomes for infants and toddlers.
- Early Intervention Services in Natural Environments: the percentage of children participating in the Part C program who demonstrate improved and sustained functional abilities in the five developmental domains.

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. If you have questions, please contact Alma McPherson at (202) 245-7443.

Sincerely,



Stephanie Smith Lee  
Director  
Office of Special Education Programs

cc: Jane Atuk