



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

Honorable Carolyn Holmes  
Deputy Commissioner  
Department of Health and Senior Services  
P.O. Box 360  
Trenton, NJ 08625-0360

NOV 16 2004

Dear Deputy Commissioner Holmes:

The purpose of this letter is to respond to New Jersey's July 6, 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 strategies) 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 for Part C 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***

OSEP's April 11, 2003 letter approving the New Jersey Department of Health and Senior Services' (DHSS) December 20, 2002 Improvement Plan (IP) indicated that the timeline for the State to address each of the eight areas of noncompliance identified in OSEP's September 14, 2001 Monitoring Report was one year from the issuance of OSEP's April 11, 2003 letter and requested that the State submit IP Progress Reports on July 1, 2003 and January 2, 2004. OSEP's 2001 Monitoring Report identified eight areas of noncompliance: (1) monitoring procedures did not identify all areas of noncompliance with Part C and did not ensure correction (34 CFR §§303.501(a) and (b)(1)-(4)); (2) DHSS did not have procedures in place to determine whether primary referral sources were disseminating information to parents about the availability of early intervention services (34 CFR §303.321(d)(2)(iii)); (3) DHSS did not ensure the coordination of child find activities among all public agencies (34 CFR §303.321(c)); (4) family supports were

not identified and documented on Individualized Family Service Plans (IFSPs) (34 CFR §§303.344(b), (c) and (d)); (5) required service coordination responsibilities were not implemented in accordance with Part C (34 CFR §§303.23(a) and (b)); (6) DHSS did not ensure that IFSP teams were making individual decisions for IFSP services, based on the unique needs of each child and family (34 CFR §303.344(d)); (7) IFSPs did not include all of the required content relating to the transition process (34 CFR §303.344(h)); and (8) transition procedures did not ensure that a meeting where appropriate was held 90 days prior to the child's third birthday (34 CFR §303.148(b)(2)(i)).

DHSS' July 1, 2003 IP Progress Report was included in the State's FFY 2001 APR submitted on July 1, 2003. OSEP's March 26, 2004 letter commented on DHSS's FFY 2001 APR and July 1, 2003 and January 2, 2004 IP Progress Reports and requested DHSS to provide on or before April 11, 2004 data that confirmed correction of all noncompliance identified in OSEP's 2001 Monitoring Report. Because the State requested an extension for submitting its FFY 2002 APR that would include data to confirm the status of the State's progress toward correcting noncompliance, DHSS submitted its FFY 2002 APR and final IP Progress Report on July 6, 2004.

As discussed further below, DHSS submitted data and analyses demonstrating correction for the following four areas of noncompliance identified in OSEP's 2001 Monitoring Report that: (1) DHSS has procedures in place to determine whether primary referral sources are disseminating information to parents about the availability of early intervention services; (2) DHSS ensures the coordination of child find activities among all public agencies; (3) family supports and services are identified; and (4) service coordinators are carrying out all responsibilities.

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. This letter responds to the State's FFY 2002 APR, the final IP Progress Report and additional State data received on October 26, 2004. OSEP's comments are listed by cluster area below.

### ***General Supervision***

OSEP's March 26, 2004 letter to DHSS regarding the FFY 2001 APR requested that the State report, on or before April 11, 2004, data confirming correction of the finding of noncompliance that monitoring procedures did not identify all areas of noncompliance with Part C and did not ensure correction (34 CFR §§303.501(a) and (b)(1)-(4)).

In the State's IP, approved by OSEP on April 11, 2003, DHSS outlined five methods it would implement prior to April 11, 2004 to identify and correct noncompliance. These included: (1) data collection (including implementation of an electronic IFSP database, monthly reporting by service coordination units, and record reviews of all children enrolled in early intervention on December 1 of each year); (2) monthly provider self-assessments; (3) procedural safeguards oversight; (4) State-wide surveys; and (5) focused on-site monitoring (IP, Outcome 4, pages two through nine). In addition, the State

proposed to hire four new State staff with direct responsibility for monitoring and system evaluation, but DHSS did not obtain these staff as planned due to a State hiring freeze. OSEP's April 11, 2003 letter approving DHSS' IP raised a concern about whether DHSS could implement the proposed comprehensive general supervision activities within one year due to the need for additional State staff. DHSS' response, received on May 29, 2003, stated "despite fiscal constraints, personnel hiring freezes, early retirements, and State personnel procedures, progress has been made toward increasing State staff for the Early Intervention System." The State expected to complete the hiring process by July 1, 2003. Four new staff was hired between 2003 and 2004.

*Data collection.* In accordance with its IP (Outcome 4, pages two through nine), the State reported in the FFY 2002 APR, on pages two through nine, that it implemented two of the three data collection methods for monitoring. These were: (1) service coordination units submitted monthly reports to the regional collaboratives (REICs) during 2002 and 2003 and ongoing;<sup>1</sup> and (2) REICs conducted record reviews for all children enrolled on December 1 of each year (2001-2003 and ongoing). Service coordination units reported on referrals, IFSPs, service coordination caseloads, 45-day timeline from referral to initial IFSP meeting, and exiting data. Record reviews were to provide information regarding age at referral, primary diagnosis, referral sources, verification that IFSPs were individualized and implemented as written, and measurement of the 45-day timeline from referral to initial IFSP meeting.

DHSS reported, on pages 22-25 of the FFY 2002 APR, that the State implemented a different database than the one outlined in the State's Improvement Plan, because the State believed a new improved system would provide greater accountability for service delivery and oversight.<sup>2</sup> According to DHSS, the new electronic database would provide mechanisms to: monitor services recorded and provided in accordance with the IFSP; improve timely responses to potential noncompliance concerns through utilization of data triggers gleaned from the database for immediate follow-up with providers; ensure timely reimbursement of providers; and track personnel credentials.<sup>3</sup> As of June 30, 2004, the electronic system was partially in place with 74 of 96 providers registered on line and 5,000 of approximately 8,085 child/family records entered. The State expected all eligible children and service providers to be registered by September 2004.<sup>4</sup>

*Provider self-assessments.* As outlined in its IP (Outcome 4, pages two through nine) and described in the FFY 2002 APR (pages six through nine), DHSS initiated a semi-annual self-assessment procedure on February 1, 2002 whereby each service provider agency was required to pinpoint strengths and potential areas for improvement as well as results from a sample of record reviews. The REICs were responsible for reviewing the self-assessments and following up with providers to develop corrective actions, if appropriate,

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<sup>1</sup> Through contract mechanisms, DHSS supports four Regional Early Intervention Collaboratives that are responsible for local planning, development, and implementation of the early intervention system and for ensuring that families have a voice in decision-making on Regional Boards.

<sup>2</sup> The State reported that the database, developed and partially implemented, presented insurmountable challenges for effective implementation and data analysis.

<sup>3</sup> A complete listing of management information functions was outlined on page 24 of the APR.

<sup>4</sup> OSEP in-person conversation with the State on August 4, 2004.

to ensure that concerns or noncompliance identified by the self-assessments were addressed. The State reported in the FFY 2002 APR that providers typically reported strengths, but were less likely to identify areas of weaknesses. However, the State reported that if noncompliance was identified, corrective action plans were required and followed up by the REICs to ensure resolution. The State provided a list of issues most often identified that required technical assistance or corrective action. Those relating to OSEP's findings that were resolved through training and technical assistance and correction were: providing a smooth transition from Part C to Part B; developing individualized IFSPs; and providing and documenting family supports and services (APR, pages seven through nine).

*Procedural Safeguards Oversight:* In the APR, DHSS reported on pages 11-12 and Attachment 1 that requests for one hearing, one mediation, and one mediation/complaint were filed with the State. All issues were resolved informally within appropriate timelines and requests for formal procedures were withdrawn. As outlined in the State's IP (Outcome 4, pages two through nine) and described in the FFY 2002 APR (pages four through six), the State tracked and responded to telephone calls received by families either at the REICs or the State Procedural Safeguards Office. All calls, received at the REICs, were documented and followed-up by REIC staff. All results from follow-up were reported to the State. The State Procedural Safeguards staff followed the same procedure as the REIC staff. In the APR (pages five through six), DHSS described examples of questions and concerns identified from family telephone calls received during the period from July 1, 2002 through December 30, 2003 as well as intervention and training that the REICs provided to follow up on issues/concerns identified from telephone calls. In two instances, the State provided compensatory services for a child's early intervention service and ensured that additional service providers were hired (APR, page five). The State reported that the majority of the issues were resolved within 1-60 days after telephone calls were received.<sup>5</sup>

*Surveys:* As outlined in the State's Improvement Plan (Outcome 4, pages two through nine) and described in the FFY 2002 APR (page 11 and pages 41-43), the State intended to develop a State-wide system to conduct family and provider surveys as well as regional surveys. While the State-wide system was under development, separate family surveys were implemented by each REIC to determine family satisfaction with service coordination, the evaluation process, the IFSP process, provision of early intervention services and transition. Surveys distributed to families from July 2002 through June 2003, were used to document and assess family experiences and satisfaction with early intervention. The State reported families had high satisfaction rates for provision of service coordination, the evaluation process, and the IFSP process (APR, pages 41-43). The State also reported that two of the four REICs surveyed families to determine their experiences with transition process and found that 97% of families that responded reported they had received adequate support during transition and were provided information about family's rights during transition (APR, page 77).

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<sup>5</sup> OSEP telephone conversation with the State on August 13, 2004.

The State did not report how many family surveys were distributed and returned, whether the surveys were representative of the families enrolled in early intervention, and how the surveys were used to carry out monitoring. If the State intends to utilize surveys as part of its general supervision, OSEP suggests that DHSS report in its next APR how the surveys were used for monitoring purposes and information about the sampling mechanism and number or percentage of parents that responded to the State's survey in comparison to number or percentage of children served.

*Focused on-site monitoring:* The State originally planned to implement its focused on-site monitoring system between June and September 2003 (IP, Outcome 4, pages two through nine). According to information in the FFY 2002 APR, DHSS reported it would begin implementing a focused monitoring system between April and December 2004 instead (page four and pages 10-11). The State reported that it conducted a pilot study for focused monitoring activities in April 2004 at which time the State conducted a record review of a random selection of 76 records from each of the four regions (page four and pages 10-11). See the Early Intervention Services cluster below for results from this monitoring activity related to child outcomes.

#### *Other General Supervision components*

*Comprehensive system of personnel development:* DHSS provided an analysis of its comprehensive system of personnel development that it indicated was crucial to ensuring system improvement for New Jersey's early intervention system and to addressing system concerns underlying OSEP's findings of noncompliance. The State reported it conducted monitoring to ensure all early intervention providers had the necessary credentials. Graphs of trend data of additional personnel hired in comparison to services provided, reported in the APR on pages 17-18, demonstrated that increased number of personnel who provided occupational therapy, physical therapy, special instruction, and speech pathology matched provision of increased number of early intervention services. Many initiatives were implemented to address the needs of children with autism, including providing training for 101 newly hired paraprofessionals and other early intervention personnel. Other initiatives included development of a Competency-Based Orientation System for all newly hired early intervention personnel (APR, page 19) and incentives to retain personnel.

DHSS reported in the APR in Attachment 2 on the State's capacity to coordinate the various funding sources within the State to ensure the provision of early intervention services. The greatest financial support for Part C came from State appropriations. DHSS reported that during the time period from 1999 to 2004, the State legislature doubled its State appropriations for early intervention services.<sup>6</sup> Others included: (1) Federal Title V (Maternal and Child Health); (2) medical assistance (3) city and county governments; (4) private/charity; and, (5) family fees.

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<sup>6</sup> E-mail from the State on August 12, 2004

*Conclusions*

The State reported its various strategies for building an infrastructure and for implementing its continuous monitoring and improvement in the State's early intervention system, such as its electronic database, monthly reporting and procedural safeguards oversight to address the OSEP-identified noncompliance identified in OSEP's 2001 Monitoring Report that monitoring procedures did not identify all areas of noncompliance with Part C and did not ensure correction (34 CFR §§303.501(a) and (b)(1)-(4)). However, OSEP cannot conclude that the monitoring methods that were implemented (the self-assessment process, monthly reporting by service coordination units, the procedural safeguards oversight system, annual December 1 IFSP record reviews, results from surveys, and focused monitoring of 76 records) constituted effective oversight and monitoring to ensure that the State identifies and corrects all noncompliance, including the OSEP-identified noncompliance cited above for individualized IFSP decision making and transition conference and planning requirements. Specifically, DHSS did not provide confirmation of correction for all areas of noncompliance identified in OSEP's 2001 Monitoring Report and information to demonstrate that the State is implementing an effective monitoring system required by Part C, except for one newly-identified area of noncompliance identified by the State (reported in the Early Intervention Services cluster below).

In the FFY 2003 APR (due on March 31, 2005), DHSS must provide to OSEP its documentation that the State has implemented monitoring procedures to ensure that it can identify all noncompliance with Part C and ensure correction in a timely manner. Documentation could include: (1) a list of findings of noncompliance identified; (2) for each finding, the length of time for correction from the date a corrective action plan was approved; (3) documentation to verify the status of correction; (4) DHSS' responses to providers that had persistent noncompliance, if any; and (5) an analysis of the State's monitoring methods in effectively identifying and correcting noncompliance (analyses of self-assessments, analyses of monitoring reports, results from training and technical assistance that corrected noncompliance). If no systemic findings of noncompliance were identified, DHSS should indicate this and provide data to demonstrate compliance with Part C requirements (inclusive of OSEP-identified compliance concerns). See the remaining body of this letter that describes OSEP's suggestions for analyses, monitoring and performance data the State could use to demonstrate compliance.

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

OSEP's March 26, 2004 letter to DHSS regarding the FFY 2001 APR requested that the State report on or before April 11, 2004, data confirming correction of OSEP's findings of noncompliance that: (1) DHSS did not have procedures in place to determine whether primary referral sources were disseminating information to parents about the availability of early intervention services (34 CFR §303.321(d)(2)(iii)); and (2) DHSS did not ensure the coordination of child find activities among all public agencies (34 CFR §303.321(c)).

The State addressed OSEP's findings regarding documentation of dissemination practices for primary referral sources and coordination of child find activities by providing trend data analysis and other information in the FFY 2002 APR, pages 29-39. DHSS reported that it maintained a tracking log to monitor child find activities and dissemination of materials (APR, page 29). DHSS also reported monitoring data of referral patterns for all children enrolled in early intervention services on December 1, 2003 (8,085), demonstrating that a variety of primary referral agencies and individuals were referring children to the early intervention system. The State also provided analyses of age at referral by referral source, and referral patterns by selected agencies. The largest percentage of referrals was from physicians (37.9%) (page 32). Moreover, the monitoring data showed that 39% of all children in the early intervention system on December 1, 2003 were referred prior to their first birthday; 42% before age two; and 18.8% between ages two and three. This demonstrates a large percentage of children referred prior to ages one and two.

DHSS reported activities that demonstrated ongoing collaboration and/or co-training with agencies that provided child care, child welfare services, newborn hearing screening, the State's Birth Registry and the State Education Agency (SEA) (pages 36-39). In the future, the State intended to examine child find data and make annual year-to-year comparisons to target public awareness and continue to monitor child find activities on a quarterly basis (APR, pages 38-39).

Based on OSEP's review of the data and information reported in the APR, the State completed the strategies it identified in its IP (Outcome 3, pages 2-7) to address this area of noncompliance.

### *Family Centered Services*

OSEP's March 26, 2004 letter to DHSS regarding the FFY 2001 APR (inclusive of IP Progress Reports) requested that the State report on or before April 11, 2004, data that confirmed correction of noncompliance that family supports were identified and documented on IFSPs (34 CFR §303.344(b), (c), and (d)).

DHSS indicated that it implemented several systemic change initiatives to address OSEP's finding and enhance the State's family-centered services in the Part C system as described on pages 43- 47 of the APR. These included: (1) a family support coordinator was housed in each of the four REICs to provide training and information to families; (2) all service coordinators and providers received training on how to facilitate family needs assessments, with family concurrence, and how to document family concerns, priorities, resources, services and supports on IFSPs; (3) REICs established websites to increase families' and providers' access to information regarding family support services; (4) the State provided targeted State funds for family services; and (5) the State amended its contracts with service providers to ensure that all providers were accessing family supports and services available in their respective communities. OSEP appreciates DHSS' commitment to initiate activities that promote a family-centered Part C system.

The State reported monitoring data regarding identification of family supports and services documented by 8,085 record reviews conducted on children enrolled in early intervention on December 1, 2003 (APR, pages 40-41). These data showed that the State provided 626 families with an average of 34 hours per year of direct services, including family training, psychological counseling, and/or social work services that were identified on their child's IFSP. Based on the data and information provided by the State, OSEP identified no additional concerns in this area.

### *Early Intervention Services in Natural Environments*

OSEP's March 26, 2004 letter to DHSS regarding the FFY 2001 APR (inclusive of IP Progress Reports) requested that the State report, on or before April 11, 2004, data that confirmed correction of noncompliance that service coordination responsibilities are implemented in accordance with Part C (34 CFR §§303.23(a) and (b)), and DHSS ensures that IFSP teams are making individual decisions for IFSP services, based on the unique needs of each child and family (34 CFR §303.344(d)). OSEP also requested that DHSS report on the percentage of children who demonstrated improved and sustained functional abilities.

Service coordination: On pages 48-54 of the FFY 2002 APR, the State provided its analysis regarding the status of service coordination and its activities to promote systems change throughout the State to ensure compliance and performance. Systems change activities included: (1) the State appropriated additional funds to ensure each service coordinator served no more than 60 children and families and procedures were put in place to enforce that ratio; and (2) a competency-based personnel development system and other administrative strategies were developed and implemented to ensure ongoing training and technical assistance and support to service coordinators. In accordance with the Improvement Plan (Outcome 1, pages 4-9, and Outcome 4, pages 7-9), the State required each county service coordination unit to provide monthly reports to the REICs that provided data about how service coordinators were carrying out responsibilities for referrals, 45-day timeline from referral to initial IFSP, IFSP development and implementation, early childhood transition, and that each service coordination unit met the State-mandated caseload requirement. Trend data on pages 50-52 of the APR showed that between December 1, 2001 and December 1, 2003 the number of service coordinators increased from 87 to 150 and the average service coordination caseload ratio decreased from 78 in 2002 and 54.9 in 2003.<sup>7</sup> The State indicated in a July 27, 2004 telephone conversation with OSEP that monthly reports also demonstrated that every child had a service coordinator. The State reported to OSEP on October 26, 2004, that no systemic noncompliance was identified from monitoring data collected in its annual December 1 record review that had a dual purpose for monitoring Part C requirements and Medicaid claims for service coordination. The State reported that it intended to continue to monitor service coordination through its monthly reporting, the electronic management information system and its focused on-site monitoring.

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<sup>7</sup> OSEP monitored the State in 2001.



Based on the data and information provided in the State's FFY 2002 APR, the State has implemented systems change activities and increased the numbers of available service coordinators while decreasing the caseload for individual service coordinators. In addition, the State provided documentation that it has monitored and will continue to monitor to ensure service coordinators are carrying out all Part C responsibilities such as (1) ensuring that evaluations and assessments are conducted in a timely manner; (2) conducting annual and periodic IFSP reviews; (3) ensuring implementation of IFSP services; (4) informing families of their rights, etc. OSEP identified no additional concerns in this area but requests that the State provide updated service coordinator monitoring data in the FFY 2003 APR as part of its response to the probe on service coordinators.

Individual decisions for IFSP services

In its 2001 Monitoring Report, OSEP identified several factors that appeared to impede the State's ability to ensure that IFSPs are individualized. Two of these factors were: (1) State policy provided that a child and family were eligible for up to two hours of services per week at public expense. If a child or family needed services beyond the 2 hours at public expense, a fee was charged for those services based on State financial eligibility determination procedures or a family's insurance was billed. OSEP found that providers were not implementing this policy; and (2) lack of adequate personnel. According to local administrators, occupational, physical and speech therapy positions were the most difficult to fill and a lack of trained interventionists who were skilled in working with children diagnosed with autism was also reported.

As a result of OSEP's monitoring findings, the State initiated significant changes to the State's provider system and amended in its FFY 2003 Part C Application its system of payment policies and procedures to address the underlying causes for noncompliance. The State also implemented the following strategies as reported in the APR (pages 59-66): (1) provided extensive training and technical assistance to providers and service coordinators about serving young children with autism; (2) conducted record reviews of all children enrolled in December 1, 2001, 2002 and 2003 and reported the number and types of services provided to children enrolled from December 1, 2001 to December 1, 2003; (3) provided analysis of supports and services provided to young children with autism; (4) demonstrated that intensity of services vary per child with autism (pages 59-66); and (5) initiated a comprehensive system of personnel development to recruit and retain needed service providers, described above under the "General Supervision" cluster.

As specified in the State's IP (Outcome 1, pages 3-4 and 6-9), the State planned to verify that IFSPs were individualized and implemented as written during the December 1, 2001-December 1, 2003 record reviews. The data provided in the FFY 2002 APR and the final Progress Report do not confirm compliance that each IFSP included a statement of specific early intervention services necessary to meet the unique needs of the child and family to achieve the outcomes listed in the IFSP (34 CFR §303.344(d)). In the FFY 2003 APR (due on March 31, 2005), DHSS must provide to OSEP its analysis of its IFSP record review and/or data from other monitoring activities (for example, the electronic

database, self-assessments, or procedural safeguards oversight) that would demonstrate that IFSPs are individualized and implemented as written. These data could include: (1) the number or percent of IFSPs that identified needed early intervention services in accordance with evaluations and assessments; and (2) the number or percent of IFSPs that indicated that early intervention services listed on IFSPs were provided.

*Other Early Intervention Services Components*

On pages 55-58 of the APR, DHSS reported data for one and one-half years that demonstrated its monitoring capacity to determine by quarter, per region, whether children and families received timely initial evaluations and assessments and initial IFSP meetings within 45-days of referral. For this time period, in three of the four regions, 99% of initial IFSP meetings occurred prior to 45-days. In one region that demonstrated 97% compliance, the State noted that a corrective action would be in place to ensure correction within one year of identification of noncompliance (page 58). The State planned to monitor the timelines for all regions monthly, require correction, and modify the management information system so that the reason for delays would be reported. OSEP appreciates the State's efforts to ensure compliance with Part C's 45-day timeline requirements.

The State reported on pages 70-71 of the APR that as of December 1, 2003, 99% of all early intervention services were provided in natural environments, inclusive of home (94%) and community settings (5%) (Early Head Start and childcare) and, in Outcome 4, page 49 of the IP, reported that a monitoring procedure was in place to ensure justifications for services not provided in natural environments were appropriate. To sustain its ongoing system of improvement, DHSS intended to collaborate with a variety of other agencies, including childcare agencies, to develop interagency activities and to provide technical assistance about including children with disabilities in a variety of community settings.

The Part C FFY 2001 and FFY 2002 APRs requested data on the percentage of children participating in the Part C program that demonstrated improved and sustained functional abilities (in the developmental areas listed in 34 CFR §303.322(c)(3)(ii)). The State provided information as follows: (1) during the FFY 2002 APR reporting period, DHSS focused its efforts in the development of its electronic data collection system in order to establish future baseline data on all children and families; (2) DHSS planned to collect baseline data, in 2004, on the number of IFSPs that address outcome achievement and explore methods for assessing family outcomes; (3) DHSS conducted a record review of 76 IFSPs (sample from the four REICs) to determine whether IFSPs contained outcome achievement information for children in the system. The State reported that 96% of the 76 IFSPs reviewed identified activities/strategies related to outcome achievement. OSEP suggests that DHSS continue to pursue strategies to measure whether children participating in the early intervention system demonstrate improved and sustained functional abilities. In the next APR for FFY 2003 (due March 31, 2005), DHSS must either submit, if available, data (whether collected through sampling, monitoring, or other methods), targets for improved performance and strategies to achieve those targets for

this area, and an update of its plan to collect and report on the data for the FFY 2004 APR, including a detailed timeline of the activities necessary to implement that plan.

### *Early Childhood Transition*

OSEP's March 26, 2004 letter to DHSS regarding the FFY 2001 APR requested that the State report on or before April 11, 2004, data that confirmed correction of the identified noncompliance that (1) IFSPs include all of the required content relating to the transition process (34 CFR §303.344(h)), and (2) transition procedures ensure that a meeting where appropriate was held at least 90 days prior to the child's third birthday (34 CFR §303.148(b)(2)(i)).

As reported in the FFY 2002 APR (pages 77-81), strategies to ensure smooth transition to preschool special education services under Part B that were in the planning and development phases included: (1) translating the transition parent manual into the ten most frequently used languages in the State; (2) developing a county resource guide and other training materials for families; (3) developing a coordinated data management system to be shared between DHSS and the New Jersey Department of Education (NJDE) that would result in outcome data about the effectiveness of early childhood transition throughout the State. DHSS and the NJDE developed a family information booklet about transition and co-presented at training events. DHSS also offered training opportunities regarding transition to families through the State's Parent Training and Information Center and the REICs.

According to the IP (Outcome 5, pages two through five), the State intended to use its five monitoring methods to identify and correct OSEP-identified noncompliance regarding transition. Information the State reported in the APR regarding providers' self-assessments (pages seven through nine) noted that REICs provided training and technical assistance and followed-up on corrective actions for transition issues identified from the self-assessments (pages six through seven). The State also reported that two of the four REICs surveyed families to determine their experiences with transition process and found that 97% of families that responded reported they had received adequate support during transition and were provided information about family's rights during transition (APR, page 77).

However, the State acknowledged that a "system to ensure that children and families are prepared for transition in accordance with their IFSP is not yet in place. In three counties, service providers, service coordinators, parents, interagency representatives, and administrators reported that steps to prepare the child for their next preschool environment are not delineated on IFSPs ... review of thirty-four records confirmed that IFSPs do not include these steps" (APR, page 76). Among the strategies to address the IFSP transition planning requirements was the development and implementation of a revised Statewide IFSP process and form by July 2004.

The data provided in the FFY 2002 APR and the final Progress Report indicate that IFSPs do not include all of the required content relating to the transition process at 34

CFR §303.344(h) and no monitoring or other data was provided on Part C's transition conference requirements at 34 CFR §303.148(b)(2)(i). In the FFY 2003 APR (due March 31, 2005) DHSS must provide: (1) its analysis from the State's monitoring of provider self-assessments, record reviews, or data from other sources that confirm the State has corrected the noncompliance; (2) a copy of the revised IFSP process and form regarding transition; and (3) confirmation that the revised IFSP form containing transition requirements has been implemented in the State. OSEP requests that the monitoring analysis include (1) the number or percent of IFSPs of children at transition age that include steps to be taken to support the child to preschool special education services or other services, as appropriate; and (2) the number or percent of IFSPs of children at 33 months or older that indicate transition planning conferences where appropriate were convened at least 90 days prior to the child's third birthday. If the data indicate continuing noncompliance for either requirements, the State must also provide in the next APR its strategies, targets, and timelines to ensure full compliance as soon as possible with the requirements.

### *Conclusion*

OSEP appreciates that DHSS' efforts to initiate broad systems change to address underlying causes for the noncompliance identified by OSEP while simultaneously developing and implementing its general supervisory strategies described above.<sup>8</sup>

However, as noted above, the State must provide documentation to OSEP in the FFY 2003 APR due on March 31, 2005, that it has completed correction of the following four areas of noncompliance outstanding from OSEP's 2001 Monitoring Report: (1) monitoring procedures identify all areas of noncompliance with Part C and ensure corrective actions (34 CFR §§303.501(a) and (b)(1)-(4)); (2) DHSS ensures that IFSP teams were making individual decisions for IFSP services, based on the unique needs of each child and family (34 CFR §303.344(d)); (3) IFSPs include all of the required content relating to the transition process (34 CFR §303.344(h)); and (4) a transition planning meeting, where appropriate, was held, at least, 90 days prior to the child's third birthday (34 CFR §303.148(b)(2)(i)).

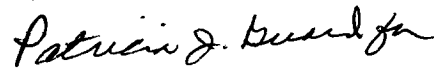
In addition, in the next APR for FFY 2003 due March 31, 2005, DHSS must provide OSEP with data (whether collected through sampling, monitoring, or other methods) on the percentage of children who demonstrated sustained and improved functional abilities or, if the data are not yet available, an update of the State's plan to collect and report such data by the FFY 2004 APR (expected deadline March 31, 2006), including a detailed timeline of the activities necessary to implement that plan.

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<sup>8</sup> Systems change included overhaul of the State's provider system and revisions in the parental fee system. One result of the systems change was that thirty-four new provider agencies were added.

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 Sheryl Parkhurst at (202) 245-7472.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Smith Lee".

Stephanie Smith Lee  
Director  
Office of Special Education Programs

cc: Terry Harrison  
Part C Coordinator