



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

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

OCT 25 2005

Dear Secretary Hooker Odom:

The purpose of this letter is to respond to the North Carolina Department of Health and Human Services' (DHHS') March 30, 2005 submission of its Federal Fiscal Year (FFY) 2003 Annual Performance Report (APR) under the Individuals with Disabilities Education Act (IDEA) Part C for the grant period July 1, 2003 through June 30, 2004. The APR reflects actual accomplishments that the State made during the reporting period, compared to established objectives. The Office of Special Education Programs (OSEP) has designed the APR under the IDEA to provide uniform reporting from States and result in high-quality information across States. The APR is a significant data source for OSEP in the Continuous Improvement and Focused Monitoring System (CIFMS).

The State's APR should reflect the collection, analysis, and reporting of relevant data, and include specific data-based determinations regarding performance and compliance in each of the cluster areas. This letter responds to the State's FFY 2003 APR. OSEP has set out its comments, analysis and determinations by cluster area.

***Background***

The conclusion of OSEP's October 7, 2004 FFY 2002 response letter required North Carolina to submit a final Progress Report, which the State submitted on November 10, 2004. OSEP responded to the final Progress Report on January 10, 2005. OSEP's October 2004 and January 2005 letters directed the State to provide the following in its FFY 2003 APR:

1. Data showing whether initial individualized family service plan (IFSP) meetings are being held within 45 days; and
2. Data regarding compliance with the requirements of 34 CFR §303.148(b)(2)(i), that the State collects from either its web-based data system between January and March 2005, or sample record reviews of children exiting Part C who are potentially eligible for Part B.

As detailed in OSEP's July 1, 2005 FFY 2005 North Carolina Part C Grant Award letter, OSEP determined that the State did not provide OSEP with the required documentation or proposed actions to ensure timely correction of the noncompliance related to: (1) conducting evaluations

and assessments and convening initial IFSP meetings within 45 days of referral to Part C (34 CFR §§303.321(e), 303.322(e) and 303.342(a)); and (2) the transition planning requirements of 34 CFR §303.148(b)(2)(i). In the State's FFY 2005 Part C Grant Award letter, OSEP designated the State as a high-risk grantee and imposed Special Conditions on the Grant Award related to those two areas of noncompliance. In the Special Conditions enclosure to that letter, OSEP included a detailed analysis of the status of the State's efforts to correct those areas of noncompliance, and specified documentation that the State must submit in its first Progress Report, due by October 28, 2005, and in its second Progress Report, due by April 14, 2006, demonstrating correction of those two areas. Therefore, OSEP is not addressing those areas of noncompliance in this letter.

### *General Supervision*

#### Identification and timely correction of noncompliance

On pages 3-6 of the FFY 2003 APR, the State provided information about the new monitoring system. OSEP conducted a visit to the State in July 2005 to verify the effectiveness of the State's systems for general supervision and data collection under section 618 of the IDEA, and issued its letter reporting on the results of the visit in October 2005. During the verification visit, the State described proposed components of a multi-faceted general supervision system that it intends to utilize to ensure compliance and improve performance. As explained in OSEP's letter regarding the verification visit, it will be important that, as part of the description of its General Supervision system in its State Performance Plan (SPP), due December 2, 2005, the State provide information, data and analysis regarding the implementation of its system for identifying and correcting noncompliance.

#### Dispute resolution

In Attachment 1 and on pages 7-8 of the General Supervision cluster in the FFY 2003 APR, the State indicated that it received no formal Part C administrative complaints or Part C requests for either due process hearings or mediations during the reporting period. In addition, on page 2, the Lead Agency stated that it maintained a tracking log of calls received from parents of children with special needs regarding various issues and that the substantive questions were referred to appropriate Regional Early Intervention Consultants who ensure resolution with all parties concerned. OSEP appreciates the State's efforts in this area and looks forward to reviewing data and information in this area in the SPP, due December 2, 2005.

#### Personnel

On pages 10-13 of the APR, the State included data regarding the number of Infant-Toddler Program Specialist certificates and Associate certificates issued during FFY 2003, compared to FFY 2002, and service coordinator caseload data indicating a one-to-32 service coordinator-to-child ratio. On pages 10-11, the State included information regarding training and development activities. OSEP appreciates the State's updates and efforts regarding personnel development.

Collection and timely reporting of accurate data

On pages 14-15 of the FFY 2003 APR, the State included data and information regarding the State's present and future data collection and reporting systems and procedures, indicating that under the present data system, there continued to be some time delays in entering data into the system. The State reported that work on the development of the State's new Comprehensive Exceptional Children Accountability System, an integrated birth to 21 database developed in collaboration with the Department of Public Instruction, continued during FFY 2003 with public meetings with stakeholders to develop the content and process of gathering and reporting various types of information used in the integrated data plan. In preparation for the submission of the SPP on December 2, 2005, the State should carefully consider its current data collection against the requirements related to Indicator #14 to ensure that all data will be accurate and timely. As noted in OSEP's verification letter, as part of its response to Indicator #14, the State must include updated information regarding the accuracy of its personnel data.

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

On pages 17-20 of the FFY 2003 APR, the State included child count data indicating an increase and a positive trend in the numbers of infants and toddlers served in the State's Part C system. On page 18, the State included referral and referral source data, and on page 20, the State noted that the average age of children referred to the Part C system was 15 months. On page 19, the State reported that four percent of the State's population was non-English speaking and may benefit from public awareness materials in languages other than English. Three fourths of these individuals speak Spanish or Spanish Creole, and public awareness and other Part C program materials have been translated into Spanish. The Lead Agency indicated that the Child Development Service Agencies (CDSAs), with their partner agencies, can address additional language requirements for public awareness materials in their geographical areas. OSEP appreciates the State's efforts in this area and looks forward to reviewing data and information in this area in the SPP.

***Family Centered Services***

On pages 21-23 of the FFY 2003 APR, the Lead Agency reported information regarding family-centered services, indicating that it convened an interagency taskforce to develop a plan for determining child and family outcomes, including the identification of outcomes and measures. On page 21, the State also reported that: (1) of the 144 inventory surveys disseminated, 112 inventory surveys were completed and the findings were presented to all stakeholders (no analysis of these findings was included in the FFY 2003 APR); (2) the Lead Agency continued to utilize the Exceptional Children's Assistance Center (ECAC) and the Family Support Network (FSN) as partners in training, system planning/policy review, and as local resources for families; and (3) during FFY 2003, the Lead Agency developed and piloted an Early Intervention Services Assessment Scale (EISAS), involving a detailed family experience questionnaire, to provide information about the key aspects of early intervention services. OSEP appreciates the State's efforts in this area and looks forward to reviewing information as requested in this area in the SPP.

***Early Intervention Services (EIS) in Natural Environments (NE)***

Service coordination

On page 25 of the FFY 2003 APR, the State reported that all families have an assigned service coordinator. OSEP appreciates the State's efforts in this area.

Evaluation and identification of needs

As noted above, OSEP addressed this area of noncompliance in the State's FFY 2005 Part C grant award, and will not address it in this letter.

Individualized family service plans (IFSPs)

On page 28 of the FFY 2003 APR, the State included: (1) a statement that IFSPs included services identified by the IFSP team, including the family as a key decision-maker; (2) a general statement, under Explanation of Progress or Slippage, that the early intervention database did not provide adequate information to address these IFSP indicator goals, but that the new integrated web-based data-system would provide this information; and (3) there were challenges in ensuring a choice of providers, especially in rural areas. Indicator #1 in the SPP requests information regarding the timely provision of services. In preparation for the submission of the SPP on December 2, 2005, the State should carefully consider its current data collection against the requirements related to this indicator in the SPP packet to ensure that data will be responsive to those requirements. The State must submit responsive baseline data regarding the percentage of infants and toddlers with IFSPs who receive all of the early intervention services on their IFSPs in a timely manner in the SPP.

Natural environments

On page 30 of the FFY 2003 APR, the State included section 618 Settings data indicating that 86 percent of children served in the State's Part C system had the home as their primary service setting and that an additional 9.4 percent of children received services in programs designed for typically developing children. OSEP appreciates the State's efforts in this area and looks forward to reviewing information as requested in this area in the SPP.

Early childhood outcomes

Under the Government Performance and Results Act of 1993, 31 U.S.C. 1116, the effectiveness of the IDEA Part C program is measured based on the extent to which children receiving Part C services demonstrate improved and sustained functional abilities in the cognitive, physical, communication, social or emotional and adaptive developmental areas. The Part C FFY 2001, 2002 and 2003 APRs 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). On page 32 of the FFY 2003 APR, the State included general statements that: (1) "Children show improvements on re-evaluations in their functional abilities;" and (2) "There was a State sponsored study in 2003 that provided information on a sample (N = 112) of children and families across North Carolina regarding progress, as a result

of participation in Early Intervention.” On page 32, under Projected Targets, the State indicated that it would develop a strategic plan that would result in the statewide implementation of the child outcome study and, under Future Activities, stated that it would pursue funding opportunities to assist with the statewide implementation and strategic planning of development of measurement options for functional abilities. The State also indicated that a Child and Family Outcomes Committee would continue to identify and prioritize activities to facilitate statewide implementation of these measures. The SPP instructions establish a new indicator in this area, for which States must provide entry data in the FFY 2005 APR, due February 1, 2007. The State should carefully review the instructions to the SPP in developing its plans for this collection. OSEP looks forward to reviewing the State’s plan for collecting the data in the SPP.

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

As noted above, OSEP addressed this area of noncompliance in the State’s FFY 2005 Part C grant award, and will not address it in this letter.

### ***Conclusion***

As noted above, the Special Conditions Enclosure of the State’s FFY 2005 Part C grant award letter specifies documentation that the State must submit to address noncompliance related to the 45-day timeline and transition planning requirements. In the SPP the State must include data and analysis regarding its effectiveness in ensuring the correction of noncompliance and updated information regarding the accuracy of its personnel data.

IDEA 2004, section 616, requires each State to submit a SPP that measures performance on monitoring priorities and indicators established by the U.S. Department of Education. These priorities and indicators are, for the most part, similar to clusters and probes in the APR. OSEP encourages the State to carefully consider the comments in this letter as it prepares its SPP, due December 2, 2005.

OSEP recognizes that the APR and its related activities represent only a portion of the Part C 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 your OSEP Part C State Contact, Rhonda Spence, at (202) 245-7382.

Sincerely,



Troy R. Justesen  
Acting Director  
Office of Special Education Programs

cc: Deborah Carroll, Ph.D.  
Part C Coordinator