



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

JUN 15 2007

Honorable June St. Clair Atkinson  
Superintendent of Public Instruction  
North Carolina Department of Public Instruction  
301 North Wilmington Street  
Raleigh, North Carolina 20760-2825

Dear Superintendent Atkinson:

Thank you for the timely submission of North Carolina's Annual Performance Report (APR) and revised State Performance Plan (SPP) under Part B of the Individuals with Disabilities Education Act (IDEA), as amended in 2004. We also appreciate the revisions to North Carolina's SPP received on February 19, 2007.

As you know, under IDEA section 616, each State has an SPP that evaluates the State's efforts to implement the requirements and purposes of Part B of the IDEA and describes how the State will improve its implementation of Part B. In the revised SPP due by February 1, 2007, States were required to provide information on: (1) specific new indicators; and (2) correction of any deficiencies identified in the Office of Special Education Programs' (OSEP's) SPP response letter sent to your State last year. States were also required to submit by February 1, 2007, an APR for Federal fiscal year (FFY) 2005 that describes the State's: (1) progress or slippage in meeting the measurable and rigorous targets established in the SPP; and (2) any revisions to the State's targets, improvement activities, timelines or resources in the SPP and justifications for the revisions. We appreciate the State's efforts in preparing the FFY 2005 APR and revised SPP.

The Department has reviewed the information provided in the State's FFY 2005 APR and revised SPP, other State-reported data, information obtained through monitoring visits, and other public information and has determined that, under IDEA section 616(d), North Carolina needs intervention in meeting the requirements of Part B of the IDEA. The State should review IDEA section 616(e) regarding the potential future impact of the Department's determination.

The Department's determination is based on the totality of the State's data in its SPP/APR and other publicly available information, including any compliance issues. The factors in States' FFY 2005 APR and February 1, 2007 SPP submissions that affected the Department's determinations were whether the State: (1) provided valid and reliable FFY 2005 data that reflect the measurement for each indicator, and if not, whether the State provided a plan to collect the missing or deficient data; and (2) for each compliance indicator that was not new (a) demonstrated compliance or timely corrected noncompliance, and (b) in instances where it did not demonstrate compliance, had nonetheless made progress in ensuring compliance over prior performance in that area. We also considered whether the State had other IDEA compliance issues that were identified previously through the Department's monitoring, audit or other activities, and the State's progress in resolving those problems. See the enclosure

entitled “How the Department Made Determinations under Section 616(d) of the IDEA in 2007” for further details.

Specific factors affecting OSEP’s determination of needs intervention for North Carolina included (1) the State reported 48.4% compliance for Indicator 12, which represents slippage from 58% in 2004 – 2005; and (2) the failure of the State to report valid and reliable data for Indicators 2, 8, and 15.

With respect to Indicator 12, the State was required to report the percent of children referred by Part C prior to age 3, who are found eligible for Part B, and who have an individualized education program (IEP) implemented by their third birthdays. The State’s very low level of compliance on this critical indicator demonstrates that North Carolina is not ensuring that all children transitioning from Part C to Part B are receiving special education and related services by their third birthdays. In addition, the State is not making progress in this area; rather, its compliance level is decreasing, and the State did not demonstrate correction of prior noncompliance in this area.

With respect to Indicator 15, the State’s exercise of general supervision, the State was required to report the percent of noncompliance corrected within one year of identification, broken down by the number of findings of noncompliance and the number of corrections completed as soon as possible but in no case later than one year from identification. For noncompliance identified through dispute resolution (due process hearings, complaints, and mediations) and through monitoring for nonpriority areas, the State provided, as required by the measurement for this indicator, the number and percentage of findings corrected within one year from identification. For noncompliance identified through monitoring for priority areas, however, the State did not report the number or percentage of FFY 2004 findings of noncompliance that were corrected within one year from identification. Accordingly, OSEP and the public cannot determine whether the State is exercising one of its critical functions under IDEA, monitoring the implementation, and the enforcement, of Part B.

We hope that the State will be able to demonstrate that it meets requirements in its next APR

The table enclosed with this letter provides OSEP’s analysis of the State’s FFY 2005 APR and revised SPP and identifies, by indicator, OSEP’s review and acceptance of any revisions made by the State to its targets, improvement activities (timelines and resources) and baseline data in the State’s SPP. It also identifies, by indicator, the State’s status in meeting its targets, and whether the State’s data reflect progress or slippage, and whether the State corrected noncompliance and provided valid and reliable data. The table also lists, by indicator, any additional information the State must include in the FFY 2006 APR or, as needed, the SPP due February 1, 2008, to address the problems OSEP identified in the revised SPP or FFY 2005 APR. The State must provide this required information. We plan to factor into our determinations next year whether or not States provided the additional information requested in this table in their FFY 2006 APR, due February 1, 2008, and may take other actions as well, if the State’s data, or lack of data, regarding these issues indicates continuing noncompliance.

As you know, your State must report annually to the public on the performance of each local educational agency (LEA) located in the State on the targets in the SPP under IDEA section 616(b)(2)(C)(ii)(I). The requirement for public reporting on LEA performance is a critical provision in ensuring accountability and focusing on improved results for children with

disabilities. Please have your staff notify your OSEP State Contact when and where your State makes available its public report on LEA performance. In addition, States must review LEA performance against targets in the State's SPP, especially the compliance indicators, determine if each LEA meets the requirements of the IDEA and inform each LEA of its determination. For further information regarding these requirements, see SPP/APR Guidance Materials at <http://www.rrfcnetwork.org/>.

We hope that the State found helpful, and was able to benefit from, the monthly technical assistance conference calls conducted by this Office, ongoing consultation with OSEP State Contacts and OSEP-funded Technical Assistance Center staff, materials found on the IDEA 2004 website, and attendance at OSEP-sponsored conferences. OSEP will continue to provide technical assistance opportunities to assist your State as it works to improve performance under Part B of the IDEA. If you have any feedback on our past technical assistance efforts or the needs of States for guidance, we would be happy to hear from you as we work to develop further mechanisms to support State improvement activities.

As noted above, your State has been determined to Need Intervention. Pursuant to section 616(d)(2)(B) of the IDEA and 34 CFR §300.603(b)(2), a State that is determined to Need Intervention or Need Substantial Intervention, and does not agree with this determination, may request an opportunity to meet with the Assistant Secretary for Special Education and Rehabilitative Services to demonstrate why the Department should change its determination. To request a hearing, submit a letter to John H. Hager, Assistant Secretary, Office of Special Education and Rehabilitative Services, 400 Maryland Avenue SW, Room 5107, Potomac Center Plaza, Washington, DC 20202-2600 within 30 days of the date of this letter and provide in the letter the basis for your request.

OSEP is committed to supporting North Carolina's efforts to improve results for children with disabilities and looks forward to working with your State over the next year. If you have any questions, would like to discuss this further, or want to request technical assistance, please do not hesitate to call Ms. Delores Barber, your OSEP State Contact, at 202-245-7263.

Sincerely,



Patricia J. Guard  
Acting Director  
Office of Special Education Programs

Enclosures

cc: State Director of Special Education