Honorable Thomas D. Watkins  
Superintendent of Public Instruction  
Michigan Department of Education  
608 West Allegan Street  
P.O. Box 30008  
Lansing, Michigan 48909

Dear Superintendent Watkins:

The purpose of this letter is to respond to Michigan’s April 1, 2004 submission of its Federal Fiscal Year (FFY) 2002 Annual Performance (APR) for the Individuals with Disabilities Education Act (IDEA) Part B 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 B APRs directed States to address five cluster areas: General Supervision; Early Childhood Transition; Parent Involvement; Free Appropriate Public Education in the Least Restrictive Environment; and Secondary Transition.

Background

OSEP conducted a visit to Michigan during the week of November 16, 2003 to verify the effectiveness of the State’s systems for general supervision, data collection under section 618 of IDEA and State-wide assessment. OSEP provided the results of this visit to the State in a letter dated March 16, 2004. The verification letter, FFY 2003 Grant Award letter, and April 16, 1997 Monitoring Report identified three areas of noncompliance. First, on page 13 of the 1997 Monitoring Report and page 4 of the 2004 verification letter, OSEP identified that the Michigan Department of Education (MDE) State complaint procedures were not sufficient to ensure that complaints were resolved within 60 days of receipt (or within timelines extended due to exceptional circumstances with respect to a particular complaint) (34 CFR §300.661). OSEP issued Michigan’s FFY 2003 Grant Award subject to special conditions regarding the timely resolution of State-level complaints.
The March 2004 verification letter required that Michigan demonstrate compliance with complaint timelines by May 16, 2004. In response to the verification letter, Michigan submitted a Progress Report on the State’s complaint procedures on May 14, 2004 that included MDE’s revised improvement plan (IP). OSEP’s FFY 2004 Grant Award letter acknowledged that the information and data that Michigan provided in the May 14, 2004 letter, demonstrated Michigan’s compliance with complaint timeline requirements at 34 CFR §300.661(a) and (b)(1), and required that Michigan provide additional reporting in the FFY 2003 APR in order for the State to demonstrate that it continues to be in compliance with these requirements.

Second, OSEP identified on page 6 of the 2004 verification letter, that within MDE’s two-tier due process hearing system, the public agency did not ensure that, no later than 45 days after the request for a hearing, a final decision was reached and a copy mailed to each of the parties, unless the hearing officer grants a specific extension of time at the request of either party as required by 34 CFR §300.511(a) and (c). Also, MDE did not ensure that not later than 30 days after the receipt of a request for an appeal, a final decision was reached and a copy mailed to each of parties as required by 34 CFR §300.511(b), unless the hearing officer grants a specific extension of time at the request of either party (34 CFR §300.511(2)(c)). The March 2004 verification letter required that Michigan submit a plan to correct noncompliance related to timelines of hearings and appeals by May 16, 2004.

Third, as stated on page 2 of the FFY 2003 Grant Award letter, Michigan did not report publicly and to the Secretary on the participation and performance of children with disabilities in regular State-wide and alternate assessments, including the alternate assessment for children with mild cognitive impairments, with the same frequency and in the same detail as information for nondisabled children was reported as required by 34 CFR §300.139(a). In response to the FFY 2003 Grant Award letter, Michigan submitted a final alternate assessment Progress Report on June 2, 2004. OSEP issued Michigan’s FFY 2004 Grant Award subject to new special conditions because Michigan was not reporting publicly and to the Secretary on the participation and performance of children with disabilities on regular assessments in the same detail as it reports on the regular assessment of nondisabled children, as required at 20 U.S.C. 1412(a)(17) and 34 CFR §300.139(a).

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). This letter responds to the State’s FFY 2002 APR, the State’s May 14, 2004 IP Progress Report, and the State’s final alternate assessment Progress Report of June 2, 2004.

General Supervision

Timely Correction of Identified Noncompliance. On pages 3 through 8 of the APR, MDE included data and information that indicated the following area of noncompliance, not previously identified by OSEP: MDE does not ensure that local education agencies (LEAs) implemented required corrective actions (34 CFR §300.600). On pages 4 through 7 of the APR, the State reported the following information regarding the timely identification and
correction of noncompliance: (1) instituted use of trained contract lead monitors within the Michigan monitoring system; (2) development of a focused monitoring system with a component to improve LEA accountability; and (3) implementation of a process to follow up on issues not completed from previous monitoring cycles in urban intermediate school districts (ISDs) and (4) construction of a single database system to track timelines, issues and location within the two tiers of the MDE due process system. OSEP accepts these strategies. In the next APR due March 31, 2005, the State must include data and analysis demonstrating progress toward compliance and provide a report to OSEP, with data and analysis demonstrating compliance, as soon as possible, but not later than 30 days following the end of the one-year timeline.

Identification of Systemic Issues through the Analysis of Data from all Available Sources, including Monitoring and their Remediation. On pages 8 through 10 of the APR, MDE described that it identified systemic issues through analysis of its monitoring data, due process hearings, and complaints. The State included strategies and targets designed to ensure compliance and performance. OSEP looks forward to reviewing the results of the strategies in the next APR.

Dispute Resolution System Ensures that Complaint Investigations, Mediations, and Due Process Hearing and Reviews are completed in a Timely Manner. On page 4 of the March 2004 verification letter, OSEP reported the following area of noncompliance: (1) MDE did not ensure that complaints were resolved within required timelines (within 60 days after a complaint was received by the State, or within extended timelines granted due to exceptional circumstances that exist with respect to a particular complaint, as required by 34 CFR §300.661(a) and (b)(1)). OSEP required Michigan to submit evidence of correction of noncompliance within 60 days from the date of the March 2004 verification letter. On pages 4 and 5 of Michigan’s May 14, 2004 Progress Report, the State included data and analysis that demonstrated 100 percent correction of the noncompliance: of the 122 complaints open on March 16, 2004, all were resolved by May 14, 2004. MDE noted, however, that while 100 percent of the cases were resolved, many of the cases had already exceeded the 60-day timeline; therefore, taking into account only those resolved within required timelines, 41.6 percent were completed in a timely manner. OSEP acknowledges Michigan’s efforts to make the changes necessary to resolve complaints within timelines, including: (1) hiring six outside contractors and seven internal compliance investigators; (2) working to develop a new database; and (3) revising and clarifying its policy concerning what constitutes an exceptional circumstance. However, OSEP remains concerned about Michigan’s ability to sustain compliance in meeting requirements under 34 CFR §300.661 because of longstanding noncompliance (see OSEP’s March 2004 verification letter). In the next APR due March 31, 2005, Michigan must include data and analysis to indicate maintenance of compliance.

OSEP’s March 2004 verification letter to Michigan indicated the following areas of noncompliance: (1) ensuring that the public agency issues due process hearing decisions within required timelines (45 days after receipt of a request for a hearing, or, if the hearing officer, at the request of either party, granted a specific extension of time, within the extended timeline) (34 CFR §300.511(a)); and (2) ensuring that the State educational
agency issues timely decisions resulting from appeals of due process hearing decisions (not later than 30 days after an appeal is received, or, if the review officer, at the request of either party, granted a specific extension of time, within the extended timeline (34 CFR §300.511(b)). In Attachment A of Michigan’s May 14, 2004 Improvement Plan letter, the State reported that: (1) a meeting would be held to identify crucial problems with hearings and set parameters of a rudimentary database to use immediately; (2) the existing database information would be sent to the Great Lakes Regional Resource Center for database redesign to include: linkages and interaction between due process hearings, the complaint database and the mediation database, training and technical support for the database, and an evaluation of the new database design; (3) a range of possible interventions and/or sanctions for hearing officers would be developed; and (4) hearing officers would be required to notify MDE concerning settlement negotiations between parties, continuances and pending court interventions justifying substantial timeline extensions. However, MDE’s 2004 Improvement Plan letter did not provide information or data to ensure that due process hearings and reviews would be held within required timelines.

Therefore, MDE must submit to OSEP in the next APR due March 31, 2005: (1) a summary of identified problems with the State’s dispute resolution system with strategies, proposed evidence of change, targets and timelines for each problem identified; (2) specific interventions or sanctions for hearing officers; and (3) the proposed language requiring hearing officers to notify MDE concerning settlement negotiations between parties, continuances and pending court interventions justifying substantial timeline extensions. In the next APR, the State must include data and analysis demonstrating compliance.

A Sufficient Supply of Personnel Available to Meet the Needs of All Children with Disabilities. On page 15 of the APR, Table 4.1 indicated that Michigan did not have an adequate supply of qualified special education personnel in the areas of autism and learning disabilities, or an adequate supply of special education supervisors (34 CFR §300.380(a)(2)). On pages 16 through 18 of the APR, the State reported the following strategies: (1) implementation of an online teacher training project (the Autism Collaborative Endorsement) that leads to an autism teaching endorsement; (2) implementation of a new teacher monitoring initiative; and (3) collaboration with institutions of higher education in applying for and implementing OSEP personnel preparation grants. The State submitted targets, activities, and strategies as part of its FFY 2002 APR to increase the supply of qualified personnel. From data and information provided by the State on page 15 of the FFY 2002 APR, however, OSEP could not determine whether children with disabilities failed to receive needed services because of a lack of personnel. In the next APR due March 31, 2005, the State must provide OSEP with its specific State requirements and policies to be followed in the event of personnel shortages, along with any guidance or technical assistance provided to local education agencies (LEAs), specifically regarding what LEAs need to do to ensure that children with disabilities receive all services required by their Individualized Education Programs (IEPs).

Collection and Reporting of Accurate and Timely Data. On page 19 of the APR, the State reported using the Michigan Compliance Information System to ensure that data from ISDs and LEAs was accurate. The data submitted under section 618 of IDEA, including the
December 1 child count data collection, used data edits and duplicate-checking algorithms to ensure that submitted counts from ISDs and LEAs matched final reported counts. The State also reported that 5,000 records were randomly selected and checked to ensure that appropriate files existed for each submitted record. The 2003 data was intended to establish a baseline for future reporting. OSEP looks forward to reviewing information in the next APR that includes both implementation of strategies and the resulting data.

Early Childhood Transition

The APR included data and information concerning compliance with Part C transition requirements, but indicated that MDE to date was unable to address whether Part B eligible children transitioning from Part C received services by their third birthday, consistent with 34 CFR §300.132(b) or whether Part B personnel participated in timely transition planning all eligible children consistent with 34 CFR §300.132(c). On page 24 of the APR, the State reported that: MDE was unable to verify the development and implementation of IEPs or IFSPs for eligible Part B children by age 3. Pages 25 and 26 of the APR included strategies, proposed evidence of change, targets and timelines to collect appropriate data for the FFY 2003 APR, due March 31, 2005 and implement corrective actions if problems are identified. However, those pages of the APR also include inappropriate targets of 90% compliance by June 2005 and 2006. Compliance targets must be 100%. In the next APR, MDE must make appropriate revisions to this section of its report.

Parent Involvement

On page 27 in the APR, the State reported that: sixty-one percent of parent’s surveyed in the 2001-2002 school year and 57 percent surveyed in the 2002-2003 school year felt that their children’s current secondary transition services were not meeting their needs. The APR did not include an analysis or explanation of progress or slippage in this area. In the next APR, Michigan must include such an analysis, along with strategies and timelines that address each of the issues identified in the analysis, documentation of the implementation of the strategies and resulting data demonstrating improvement.

Page 28 of the FFY 2002 APR indicated that results from parent surveys showed that: (1) parents of children with disabilities were given the opportunity to participate in the evaluation process; (2) parents participated in IEP meetings that were scheduled at a mutually agreed upon time and place; and (3) parents understood their rights in the IEP process. MDE included activities and goals on pages 33 through 35 of the FFY 2002 APR to maintain and improve its outreach to parents. OSEP looks forward to reviewing information in the next APR that includes both implementation of strategies and the resulting data.

Free Appropriate Public Education in the Least Restrictive Environment

Disproportionality. On pages 32 through 50 of the APR, Michigan analyzed and reported data regarding race/ethnicity of children with disabilities in various educational
environments and disability categories relative to the State's general school enrollment and the child count of children with disabilities. Based upon this analysis of its data, MDE made the following findings: (1) Black children were the only group over-represented in the category of mental retardation; and (2) Black and Asian children with disabilities were over-represented in the most restrictive educational settings that included private residential settings and settings outside the regular class more than 60 percent of the time, but the numbers of Asian students overall was quite low.

Part B requires, at 34 CFR §300.755(b), that "In the case of a determination of significant disproportionality with respect to the identification of children as children with disabilities, or the placement in particular educational settings of these children, ...the State shall provide for review and, if appropriate revision to the policies, procedures, and practices used in the identification or placement to ensure that the policies, procedures, and practices comply with Part B of the act." On page 50 of the APR, MDE included strategies to address its identified issues of disproportionality. OSEP accepts these strategies and MDE must include the results of the State's review of the policies, procedures, and practices used in the placement of children with disabilities in the State's FFY 2003 APR.

Graduation and Dropout. The State reported data and information in the APR indicating barriers to improving performance as measured by graduation and drop-out rates. Michigan reported a graduation rate of 42 percent for students with disabilities and a graduation rate of 86.14 percent for students without disabilities. Michigan reported a drop-out rate of 48.1 percent for students with disabilities and a drop-out rate of 3.7 percent for students without disabilities. On page 56 of the APR, the State included the following strategies: (1) exploration of system barriers and development of strategic directives to help students meet challenging educational standards; (2) development of data profiles for drop-out and graduation data; and (3) analysis of drop-out and graduation rates by ISD and LEA. Page 56 of the APR contained a numerical goal for increasing the number of children with disabilities who meet the minimum standard for graduation set by Michigan. On page 56 of the APR, the State set a target graduation rate of 80 percent and a drop-out rate below 20 percent. In the next APR, Michigan should include strategies and timelines for improving performance, along with documentation of the implementation of strategies and resulting data demonstrating improvement related to systemic barriers, strategic directives, data profiles of graduation and dropout data, and the analysis of drop-out and graduation rates by ISD and LEA.

Suspension and Expulsion. On pages 58 through 63 of the APR, the State included data and analysis about suspension and expulsion. On page 58 of the APR, the State included data that identified that students with disabilities were more likely to be expelled from school than their nondisabled peers. Expulsion of students with disabilities occurred at rates above that of nondisabled students for the following infractions: (1) physical assault by 5.5 percent; (2) sexual assault by 1.39 percent; and (3) carrying dangerous weapons by 1.11 percent. Students with disabilities are less likely than their nondisabled peers to be expelled for drugs or narcotics, verbal assault, and disrupting the educational process. The State described a variation in the rate of suspension for children with disabilities that varied from .04 percent to 3.39 percent across school districts. The State identified three factors
contributing to variation in the rate of suspension: (1) lack of an overall standard for suspensions; (2) lack of consistent implementation of positive behavior intervention programs; and (3) different methods of reporting suspensions by school districts within the ISDs. Michigan indicated that it was unable to compare suspension data for students with disabilities to their nondisabled peers because there was no statutory requirement to report suspensions for nondisabled students and, therefore, the suspension data the State collected this year would be the baseline for future reporting. Michigan included strategies and timelines to enable valid comparisons and analysis of the 2003-2004 suspension data. Under 34 CFR §300.146, the State must examine its data to determine if significant discrepancies are occurring in the rate of long-term suspensions and expulsions of children with disabilities either: (1) among LEAs in the State; or (2) compared to the rates for nondisabled children within the agencies. Where the State determines that significant discrepancies are occurring, it must review and, if appropriate, revise (or require the affected State agency or LEA to revise) its policies, procedures and practices relating to the development and implementation of individualized education programs (IEPs), the use of behavioral interventions, and procedural safeguards to ensure that the policies procedures and practices comply with Part B. In the next APR, the State must include information about its review and, if appropriate, revision of policies, procedures and practices consistent with 34 CFR §300.146, when it identifies significant discrepancies. OSEP looks forward to reviewing comparative data for children with and without disabilities and the State’s analysis of the data, including information on its review and as appropriate revision of policies and procedures in the next APR.

Participation of Children With Disabilities in State and District-wide Assessments.

On pages 67 and 71 of the APR, the State included information regarding the participation of children with disabilities in State-wide assessments, including baseline data, targets, activities, and timelines. For 2002-2003, Michigan reported that nearly 89 percent of children with disabilities in the grades assessed participated in either the regular assessment or the alternate assessment for math and nearly 87 percent of children with disabilities in the grades assessed participated in either the regular assessment or the alternate assessment for reading. However, in comparing the number of children with disabilities coded as "absent" with the number of children with disabilities that the State reported as having IEPs, the data appeared to indicate that nearly 12 percent of 11th graders did not participate in the math assessments. For example, of the 11,984 children in the 11th grade with IEPs, the State reported that 1428 of those children were absent from the reading assessments. Similar absentee rates are indicated for children with disabilities taking the reading assessments, with 13.5 percent of 11th graders not participating. The data on pages 65 through 71 of the APR indicated an overall participation rate of approximately 88.3 percent for students with disabilities.²

¹ Michigan APR, pages 67
² Please note that the regulations under the No Child Left Behind Act (NCLBA) provide, at 34 CFR §200.20(c), that, in order to make adequate yearly progress (AYP), a school or LEA must ensure that not less than 95 percent of its students with disabilities in the grades tested participate in the State assessments under 34 CFR §200.2.
According to the information reported in the Biennial Performance Report for the 2000-2001 school year, Michigan was not reporting publicly and to the Secretary on the participation and performance of children with disabilities in State and district-wide assessments, including alternate assessments, as required by 34 CFR §300.139.

Michigan’s January 2004 Progress Report indicated that Michigan developed and administered an alternate assessment for children with disabilities who could not participate in the State-wide assessments. The report indicated that until the MI-Access Phase 2 assessments (Michigan’s alternate assessment program for children who have, or function as if they have, mild cognitive impairments) are ready for State-wide administration, MDE adopted the BRIGANCE assessments in the content areas of mathematics and English/language arts. In June 2004, Michigan submitted its final Progress Report demonstrating that Michigan was reporting publicly and to the Secretary on the participation and performance of children with disabilities in regular and alternate State- and district-wide assessments. However, Michigan also reported that it did not report to the public and to the Secretary on the participation and performance of children with disabilities on regular assessments in the same detail as it reported assessments of nondisabled children. For example, MDE’s State-wide assessment, the Michigan Educational Assessment Program (MEAP) has four performance categories for nondisabled children, but the demographic reports only provided information on the number of children with disabilities who were proficient. Further, MDE did not disaggregate the MEAP results for students with disabilities by gender and ethnicity, as it did for nondisabled students. Therefore, Special Conditions attached to Michigan’s 2004 Grant Award letter required that the State: (1) submit to OSEP by December 1, 2004, a written plan detailing the steps and timelines for reporting publicly and to the Secretary on the participation and performance of children with disabilities on regular assessments in the same detail as it reports on the regular assessment of nondisabled children, unless it would result in the disclosure of performance results identifiable to individual children by May 30, 2005; (2) submit Progress Reports on January 31, 2005, March 28, 2005, and a final submission on May 30, 2005. The final Progress Report must include information demonstrating that MDE is reporting publicly on the participation and performance of children with disabilities in regular assessments.

On pages 65 through 79 of the APR, the State included data and analysis of performance for children with disabilities on State- and district-wide assessments. The data indicated a 34 percent overall increase in performance in the fourth grade and a 23 percent increase in the eighth grade. The data indicated performance on the eighth grade math assessment was an area of concern. However, the data indicated a positive trend for fourth and seventh graders in English language assessment. Michigan included strategies and timelines for improving the participation of children with disabilities in regular State-wide assessments and improving their performance in regular and alternate assessments. Strategies proposed in the APR included training and technical assistance to LEAs on assessment options. OSEP looks forward to reviewing the results of implementation of the strategies, and the resulting data demonstrating improvement, in the next APR.

Children with Disabilities Educated with Nondisabled Peers to the Maximum Extent Appropriate. On page 83 of the APR, the State included data and analysis that identified
barriers to increasing the number of children with disabilities who are educated with non-disabled peers to the maximum extent appropriate. The primary barrier identified in early childhood settings is the State’s funding system that prevents special education teachers from providing any programs or services to nondisabled children. The State also identified that children with multiple disabilities are more likely to spend most of their day in a separate facility. The State included strategies, targets, activities, and timelines for improving performance in this area that included meetings between special education and general education to develop recommendations for an integrated system and recommendations on how best to gather and calculate least restrictive environment data. OSEP looks forward to reviewing data and information resulting from implementation of strategies and the resulting data demonstrating improvement, in the next APR.

Early Language/Communication, Pre-Reading, and Social-Emotional Skills of Preschool Children with Disabilities. On page 86 of the APR, MDE reported that it was not able to provide data on this new data collection requirement. MDE included a plan to collect this data. Under the Government Performance and Results Act of 1993, 31 U.S.C. 1116, the effectiveness of the IDEA section 619 program is being measured based on the extent to which early language/communication, pre-reading, and social-emotional skills of preschool children with disabilities receiving special education and related services are improving. In the FFY 2003 APR, MDE must either submit documentation of data (whether collected through sampling, monitoring, individual IEP review, or other methods), targets for improved performance and strategies to achieve those targets for this area, or a plan to collect the data for the FFY 2004 APR, including a detailed timeline of the activities necessary to implement that plan.

Secondary Transition

On page 88 of the APR, MDE reported that it was unable to provide post-school outcome data. MDE indicated that post school data in this area had not been collected in a systematic manner. Graduation rates for students with disabilities were increasing although low (42.1%) and drop-out rates were decreasing but are high (48.1%). Although MDE included strategies to develop a system to collect this data, OSEP was unable to determine either compliance or performance in this area. In the FFY 2004 APR, Michigan must provide responsive information in this area.

Conclusion

In the next APR, the State must provide:

- data and analysis demonstrating progress toward ensuring that LEAs implemented required corrective actions;
- demonstration of compliance with Early Childhood Transition requirements, including the development and implementation of an IEP, or, if appropriate, an IFSP, by the eligible child’s third birthday and the participation of Part B staff in timely transition planning;
• a summary of identified problems with the State’s due process hearing system with strategies, proposed evidence of change, targets and timelines for each problem identified; specific interventions or sanctions for hearing officers; and the proposed language requiring hearing officers to notify MDE concerning settlement negotiations between parties, continuances and pending court interventions justifying substantial timeline extensions; and data and analysis demonstrating compliance;

• specific State requirements and policies to be followed in the event of personnel shortages, along with any guidance or technical assistance provided to LEAs, specifically regarding what LEAs need to do to ensure that children with disabilities receive all services required by their IEPs;

• implementation of strategies and the resulting data related to the collection and reporting of accurate and timely data;

• data and analysis demonstrating maintenance of compliance with formal written complaint timelines;

• revision of early childhood transition targets;

• results of the State’s review of the policies, procedures, and practices used in the identification of children as having mental retardation and the placement of children with disabilities to ensure that the policies, procedures and practices are in compliance with IDEA and other Federal civil rights laws and are race-neutral;

• comparative data on suspensions and expulsions for children with and without disabilities and the State’s analysis of the data, including information on its review and, as appropriate, revision of policies and procedures;

• documentation of data (whether collected through sampling, monitoring, IEP review, or other methods), targets for improved performance of children with disabilities on preschool outcomes and strategies to achieve targets for this area, or a plan to collect the data for the FFY 2004 APR, including a detailed timeline of the activities necessary to implement that plan; and

• post-school outcome data.

Consistent with the special conditions on MDE’s FFY 2004 grant award, the State must also report on January 31, 2005, March 28, 2005 and May 30, 2005 data and analysis demonstrating progress toward compliance with 34 CFR §300.139 regarding State-wide assessments.
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 children and youth with disabilities and their families. If you have any questions, please contact Dr. Al Jones at (202) 245-7394.

Sincerely,

Stephanie Smith Lee
Director
Office of Special Education Programs

cc: Jacquelyn J. Thompson, Ph.D.