

Washington Part B 2009 Verification Visit Letter

Enclosure

I. General Supervision

Critical Element 1: Identification of Noncompliance

Does the State have a general supervision system that is reasonably designed to identify noncompliance in a timely manner using its different components?

Verification Visit Details and Analysis

The State's general supervision components are comprised of: (1) the dispute resolution system; (2) Safety Net submissions¹; (3) fiscal reviews including State audit reports; (4) LEA performance on compliance indicators; and (5) program reviews. All components of the State's general supervision system are coordinated through the collection, analysis, and interpretation of data collected in a statewide database, the "iGrants System." The database facilitates data-driven decision-making across every component of the State's general supervision system and it is used to identify focused monitoring priority areas, to effectively manage State resources, make significant disproportionality designations for LEAs, if appropriate, and pinpoints areas within LEAs in need of improvement.

The Office of the Superintendent of Public Instruction (OSPI) reported that with respect to Annual Performance Report (APR) compliance indicators, findings of noncompliance are made if: (1) an LEA is below 100% compliance on Annual Performance Report (APR) Indicators 11, 12, 13, or 20; (2) an LEA is above 0% for Indicators 9 or 10²; or (3) the SEA does not ensure that 100% of timelines are met for Indicators 16 or 17. OSPI identifies noncompliance through all of the State's general supervision activities that include, but are not limited to program review activities, (such as on-site visits and self-studies) citizen complaints and due process results, Safety Net submissions, and LEA performance on the APR compliance indicators. The State also ensures that noncompliance is identified in citizen complaints and due process hearings through regular training of complaint hearing officers and administrative law judges on the requirements of the IDEA. The State ensures that noncompliance is identified through all other general supervision activities that include: (1) data collection on all 20 SPP/APR indicators; (2) data analysis of local educational agency (LEA) applications and self-evaluations; (3) technical assistance; (4) LEA self-study compliance training materials; and (5) verification and focused monitoring visits to LEAs.

¹ LEAs may apply for additional State Safety Net and Federal funding based on a demonstration of financial need that considers all available revenues against all legitimate expenditures. There are two categories of additional Safety Net funding: Individual High Needs Students and Community Impact.

² Indicator 9 – Disproportionate Representation; Indicator 10 – Disproportionate Representation by Disability Category; Indicator 11 – Child Find; Indicator 12 – Early Childhood Transition; Indicator 13 – Secondary Transition; Indicator 16 – Complaints; Indicator – 17 Due Process Hearing; and Indicator 20 – Timely and Accurate Data

The OSPI staff reported that it assists LEAs in using data to identify noncompliance through a variety of mechanisms including the LEA Federal Grant Application, self-evaluations, and LEA performance data profiles on APR Indicators 1-14 and 20, and training on the use of several data verification tools commonly used during focused monitoring on-site visits.

OSEP reviewed the State's: (1) APR/SPP data; (2) data from the State's iGrants System; (3) monitoring reports; (4) sample LEA Applications; (5) sample complaint and due process hearing findings; and (6) protocol for the identification, tracking and reporting of significant disproportionality. During the on-site interview process with OSEP staff, OSPI shared case studies from Wellpinit School District and Ferndale School District that provided examples of: (1) program review LEA self-evaluations; (2) disproportionality and transition self-study materials; (3) technical assistance resources available for LEAs; and (4) OSPI determinations scoring rubric for LEAs. OSPI also outlined for OSEP the State's process to identify noncompliance and share information between OSPI offices. On or around November 1 of each year, LEAs with identified noncompliance receive notification that noncompliance was found in the LEA as a result of the LEA's APR data or self-study data, and a description of the identified noncompliance is posted on OSPI's iGrants System Form Package 442³ for each identified LEA. On or around January 31, a second set of notifications of noncompliance is sent to LEAs that received an on-site monitoring visit from OSPI. OSPI reported that the communication process to share compliance related information between the fiscal, compliance review, dispute resolution, learning improvement, and data management offices is based on the State's iGrants System. Any LEA with noncompliance is flagged in the iGrants System. The iGrants System identifies the type of noncompliance and any specific actions required of the LEA. The information in the iGrants System is available in every State office.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, the Office of Special Education within the Office of Special Education Programs at the U.S. Department of Education (OSEP) believes the State has a general supervision system that is reasonably designed to identify noncompliance in a timely manner using its different components.

OSEP, cannot, however, without collecting data at the local level, determine whether the State's procedures are fully effective in identifying compliance in a timely manner.

Required Actions/Next Steps

No action is required.

Critical Element 2: Correction of Noncompliance

Does the State have a general supervision system that is reasonably designed to ensure correction of identified noncompliance in a timely manner?

³ Form 442 is used to record noncompliance, track noncompliance timelines, direct the submission of data showing correction of noncompliance and allow for ESD and OSPI review and verification of data submitted for correction of noncompliance.

Verification Visit Details and Analysis

During the visit, OSPI staff stated that correction of noncompliance occurs as soon as possible, but no later than one year from written notification to the LEA of the noncompliance. OSPI staff also explained that correction of noncompliance includes ensuring that the LEA is correctly implementing the specific regulatory requirements and has corrected each individual case of noncompliance, unless the child is no longer within the jurisdiction of the LEA, consistent with the guidance in OSEP Memorandum 09-02. OSPI's one year timeline includes verification of LEA correction of noncompliance by the Educational Service Districts (ESDs) and final approval of correction of noncompliance by OSPI.

The State monitors the progress LEAs make in correcting noncompliance and ensures correction of noncompliance in a timely manner through a series of checks and balances conducted by LEA, ESD, and OSPI staff. No later than April 30 of each year, any LEA notified of noncompliance on November 1 or January 31, as described in Critical Element 1 of this document, must submit a summary of how the LEA corrected the noncompliance. LEAs use iGrants Form Package 442 to provide a description of the correction of noncompliance and, if required, also provide a corrective action plan that addresses systemic improvement. In addition, OSPI reported that it established cooperative agreements with ESDs⁴ to assist the SEA in verifying the correction of noncompliance in member LEAs. On or before July 31, ESD representatives summarize the evidence of correction including that specific individual instances of noncompliance have been corrected and that the LEA is now correctly implementing the requirement based on a review of file and/or data reviews, on-site visits, staff interviews or observations. As a final step in the State's system to ensure correction of noncompliance, on or before September 30, OSPI reviews the types of documentation provided to the ESDs, samples the files submitted by the LEA, and provides technical assistance to ESD representatives on effective strategies to correct noncompliance in member LEAs. If OSPI agrees with the assessment of the ESD that the LEA has corrected all identified noncompliance, OSPI notifies the LEA that their correction of noncompliance has been approved.

If the State is not satisfied with the evidence provided by the LEA to the ESD to verify correction of noncompliance and/or the State does not agree that the LEA has complied with the corrective action plan, the State may take one or more of the following actions: (1) conduct a verification visit; (2) provide additional technical assistance; (3) withhold in whole or in part a specified amount of State and/or Federal special education funds; (4) request assistance from the State auditor's office to initiate an audit; and (5) prohibit the LEA from reducing its maintenance of effort (MOE) for any fiscal year, consistent with section 613(a)(2)(C)(iii) of the IDEA. The entire process of monitoring and verifying correction is completed within one year from the identification of noncompliance.

OSEP reviewed the State's: (1) APR/SPP data; (2) iGrants Form Package 442; and (3) OSPI technical assistance and enforcement actions used in the correction of identified noncompliance. During the interview process, OSPI demonstrated the State's ability to correct noncompliance using two case studies based on data from the Seattle School District. Using

⁴ There are nine ESDs in Washington State.

these two case studies, OSPI demonstrated how LEAs provide the State with descriptions of how the noncompliance was corrected and activities for system-wide improvement.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State has a general supervision system that is reasonably designed to ensure correction of identified noncompliance in a timely manner using its different components.

OSEP, cannot, however, without collecting data at the local level, determine whether the State's procedures are fully effective in ensuring the correction of identified noncompliance in a timely manner.

Required Actions/Next Steps

No action is required.

Critical Element 3: Dispute Resolution

Does the State have procedures and practices that are reasonably designed to implement the dispute resolution requirements of IDEA?

Verification Visit Details and Analysis

The State must have in place dispute resolution procedures to implement its dispute resolution responsibilities under Part B of the IDEA as set forth in IDEA section 615 and 34 CFR §§300.140, 300.151 through 300.153, 300.506, 300.508 through 300.552 and 300.704(b)(3)(i).

Mediation

OSPI contracts with a private dispute resolution firm to provide qualified and impartial mediators who ensure that any mediation meetings and mediation agreements meet the requirements of 34 CFR §300.506(b)(5) and (6). Mediation is available at any time if both parties agree to participate in mediation. OSPI staff stated to OSEP that in FFY 2007 there were 28 mediations and of those, 22 mediations resulted in a mediation agreement.

State Complaint System

OSPI's requirements for filing a written complaint are outlined in State regulations, the State's Procedural Safeguards Notice, and the State's Dispute Resolution Mechanisms document. State regulations do not allow appeals for State complaint decisions. The State reported that OSPI's dispute coordinator reviews written decisions prior to review by the State Director who issues the complaint decision.

State complaints are tracked through the State database. OSPI reported that additional strategies to track State complaints include weekly meetings of the dispute resolution team, quarterly reviews of the efficiency of the tracking system, and use of an electronic calendar for calculating deadlines for timely resolution of complaints. OSPI staff demonstrated for OSEP during the verification visit how the State uses the complaint database to ensure that State complaints are issued within the 60-day timeline and only extends the 60-day timeline for exceptional circumstances related to the complaint. The complaint database also indicates if

the complainant and LEA, or other agency agrees in writing to extend the time to use mediation, or an alternative dispute resolution method, consistent with 34 CFR §300.152.

OSPI ensures implementation of State complaint decisions through a corrective action matrix that includes all written decisions, any actions required, and the evidence necessary to verify that the action is implemented. If the corrective action ordered in the written decision is not implemented by the timeline established in the written decision, the Superintendent of Public Instruction will initiate withholding or recovering funds, or any other sanction deemed appropriate for LEA or public agency.

As part of OSEP's procedures to verify that the State complaint log and reported data were consistent, OSEP reviewed the State's FFY 2007 APR data for Indicator 16, which indicated that all complaints were resolved within timelines and the State's complaint log that documented the timeline for the resolution of complaints as required by 34 CFR §300.152.

Resolution Sessions

OSPI reported that it convenes resolution sessions within 15 days of a request for a due process hearing unless both parties agree to waive the meeting or agree to participate in mediation instead of a resolution meeting, as required by 34 CFR §300.510. OSEP reviewed the State's procedures for implementing resolution sessions and the State's APR data for Indicator 18. The State's FFY 2007 APR data for Indicator 17 indicated that 34 of 81 hearing requests that went to resolution sessions were resolved through resolution session settlement agreements.

Due Process Hearings

OSPI reported that a model form is available on the State's website for parents and LEAs to use in requesting a due process hearing. Due process hearings are conducted by the Office of Administrative Hearing (OAH) and cases are heard by administrative law judges (ALJs). A hearing coordinator and a full time support staff at the OAH ensure proper intake and tracking of due process timelines. The hearing coordinator sends initial intake information, including timelines to the assigned ALJ. OSEP reviewed the due process hearing tracking system in the State database and found that the database currently does not have a field to recalculate hearing timelines if a resolution session is started, but terminated before the end of the 30-day resolution period. OSEP reviewed hearing decisions made between July 1, 2006 through June 30, 2007 and found that in a sample of three hearing files in which a resolution session terminated before the conclusion of the 30-day resolution period⁵, the ALJ identified the necessity to recalculate the hearing timeline in the written hearing decision, and adjusted the timeline for completing the hearing 45 days from the termination of the resolution session.

As part of OSEP's procedures to verify that the State due process log and reported data were consistent, OSEP reviewed the State's FFY 2007 APR data for Indicator 17, which indicated that 14 of 15 fully adjudicated due process hearing requests were fully adjudicated within the 45-day timeline or a timeline that was properly extended by the hearing officer at the request of either party.

⁵ Hearing decisions reviewed: (1) Federal Way School District; (2) Olympia School District; and (3) Kent School District.

In addition to tracking due process timelines, OSPI reported that each LEA with a due process decision requiring corrective action must provide an update through their Annual LEA Federal Fund Application. OSPI program supervisors review all LEA responses and cross-reference that information with the Due Process database to ensure adequate progress, direct technical assistance resources, and verify correction of noncompliance. The State also allows parents to file a State complaint if an LEA fails to implement a due process hearing. All due process hearing facts and decisions are posted on the State's website.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State has a general supervision system that is reasonably designed to implement the dispute resolution requirements of IDEA.

OSEP, cannot, however, without collecting data at the local level, determine whether the State's procedures are fully effective in implementing the dispute resolution requirements of IDEA.

Required Actions/Next Steps

No action is required. However, OSEP recommends that the State devise a formal procedure to allow OSPI to monitor due process hearing timelines when resolution sessions are terminated before the 30-day resolution session period in accordance with 34 CFR §300.510(c).

Critical Element 4: Improving Educational Results

Does the State have procedures and practices that are reasonably designed to improve educational results and functional outcomes for all children with disabilities?

Verification Visit Details and Analysis

OSPI described multiple procedures and practices implemented to improve educational results and functional outcomes for students with disabilities throughout the State. OSPI presented evidence in case studies from Seattle to OSEP staff that highlighted the State's work to improve performance on graduation and dropout rates, post-school outcomes, placements in the least restrictive environment, and preschool outcomes. In each of these areas, OSPI has provided ongoing training to LEAs on documentation and data reporting requirements, so that improvement efforts are based on accurate data. OSPI has also enhanced the self-evaluation component of the LEA Federal Application for all LEAs in the State and developed and disseminated comprehensive compliance training modules. OSPI reported that in an effort to improve outcomes, the State uses cooperative agreements with ESD regional representatives to provide targeted technical assistance to member LEAs. The State also supports all technical assistance efforts with resources on the State website that include research, articles, tools, templates and links to technical assistance centers.

OSEP Conclusions

Based on the review of documents, analysis of data, demonstration of the system capabilities and interviews with State personnel, OSEP believes that the State has procedures and practices that are reasonably designed to improve educational results and functional outcomes for all children with disabilities.

Required Actions/Next Steps

No further action is required.

Critical Element 5: Implementation of Grant Assurances

Does the State have procedures and practices that are reasonably designed to implement selected grant assurances (i.e., monitoring and enforcement, significant disproportionality, private schools, CEIS, NIMAS and assessment)?

Public Reporting and Determinations

As part of its monitoring and enforcement responsibilities under section 616 of the IDEA and 34 CFR §§300.600(a) and 300.602, each State must annually report to the public on the performance of each LEA against the State's SPP/APR targets and must make an annual determination of each LEA. The State meets this reporting requirement by providing public access to profiles for each district on the State's website that identifies the performance of each LEA against State SPP/APR targets and makes an annual determination for each LEA. The determination that OSPI gives each LEA is integrated into the State iGrants System and available for each LEA to review. OSPI reported to OSEP that it uses data from its statewide database related to audit results, timely correction of identified noncompliance, timely and accurate data, and data on APR compliance Indicators 9, 10, 11, 12, and 13⁶ to make determinations. To meet requirements, OSPI stated that the LEA must have resolved all special education audit issues, corrected all issues of noncompliance as soon as possible, but no later than one year from identification.

In consultation with its stakeholders, the State developed criteria for making local determinations consistent with the requirements under section 616 of the IDEA and 34 CFR §§300.603 and 300.604.

Significant Disproportionality and CEIS

OSPI reported that the State's definition of significant disproportionality is a weighted risk ratio of 4.0 or greater for three consecutive years for any racial/ethnic group. OSPI also reported that the State's definition of significant disproportionality was designed to accurately identify significant disproportionality in LEAs that span very large and very small populations of children with disabilities receiving services. OSPI provides increasing levels of technical assistance, tools, and resources based on the weighted risk ratio of the LEA to help prevent or eliminate significant disproportionality. OSPI rank orders LEAs based upon their weighted risk ratio to identify LEAs that may: (1) be at risk for disproportionality; (2) have disproportionate representation; (3) be at risk for significant disproportionality; and (4) have significant disproportionality.

OSEP's review of the State's definition of significant disproportionality included a discussion with OSPI staff about the factors the State considered in setting the State's current weighted risk ratio of <0.5 or >4.0 over three consecutive years. One of the primary factors OSPI reported to OSEP that strongly influenced the current risk ratio was the need to accommodate

⁶ Indicator 9 – Disproportionate Representation; Indicator 10 – Disproportionate Representation by Disability Category; Indicator 11 – Child Find; Indicator 12 – Early Childhood Transition; Indicator 13 – Secondary Transition

significantly different population sizes of children receiving special education services in Washington's largest and smallest LEAs. OSPI staff explained that the current risk ratio was set to prevent false identification of significant disproportionality in Washington's smaller districts where the addition or removal of two or three children with special needs may cause the district to be identified with significant disproportionality. OSEP's review of OSPI current data reflected that OSPI's current risk ratio made it highly unlikely that findings of significant disproportionality would be found in districts with large special education populations. OSPI staff agreed with this assessment. During the verification visit, OSEP highlighted additional significant disproportionality calculation methods available from OSEP's regional resource centers, Data Accountability Center, and other States, that OSPI may be able to use that would be more sensitive to disproportionality but at the same time would not overly identify smaller LEAs based on small number shifts in the population of students with disabilities in those LEAs.

As required under IDEA, 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 such children, the State reported that it: (1) provides for the review and if appropriate, revision of the policies, procedures, and practices to comply with the requirements of IDEA; (2) requires any LEA identified to reserve fifteen percent of its Part B funds to provide, under section 613(f) of the IDEA, comprehensive coordinated early intervention services (CEIS) to serve children in the local education agency, particularly children in those groups that were significantly over-identified; and (3) requires the LEA to publicly report on the revision of policies, practices, and procedures related to disproportionality.

Private Schools

During the interview with OSEP staff, the State reported and provided examples of Excel templates completed by LEAs that illustrated how the State monitors to ensure that LEAs are spending a proportionate amount of Federal Part B funds on providing special education and related services for parentally-placed children with disabilities in accordance with 34 CFR §300.133(a).

NIMAS

The State demonstrated that it has adopted the National Instructional Materials Accessibility Standard (NIMAS) and coordinates with the National Instructional Materials Access Center (NIMAC) in accordance with 34 CFR §300.172.

Assessments

The State reported that, as part of the annual LEA application process and though on-site verification of LEA records, it monitors to ensure that LEAs comply with Part B requirements for statewide and districtwide assessments consistent with 34 CFR §300.160.

OSEP Conclusions

Based on the review of documents, analysis of data, and reviews with State personnel, OSEP believes the State has demonstrated it has procedures and practices that are reasonably designed to implement selected grant assurances (i.e., monitoring and enforcement, significant disproportionality, private schools, CEIS, NIMAS and assessment).

OSEP cannot, however, without also collecting data at the State and local levels, determine whether these procedures and practices are sufficient to ensure that LEAs in the State effectively implement these selected grant assurances.

Required Actions/Next Steps

No action is required. However, OSEP recommends that OSPI review resources that address the use of differentiated risk ratios based on LEA size to consider adjusting its current procedure for identifying significant disproportionality.

II. Data

Critical Element 1: Collecting and Reporting Valid and Reliable Data

Does the State have a data system that is reasonably designed to collect and report valid and reliable data and information to the Department and the public in a timely manner?

Verification Visit Details and Analysis

During the verification visit, OSPI reported using multiple data systems to collect and report valid and reliable data and information submitted to the U.S. Department of Education and the public in a timely manner. Washington's database system consists of a centralized web-based database that integrates: (1) the iGrants System; (2) section 618 data collected in the "Core Student Record System"; (3) data for suspension and expulsion, preschool outcome disproportionality, timely evaluation, and early childhood transition collected from Excel templates; (4) data from State monitoring activities; (5) mediation, complaints, and due process hearing data collected from a database; and (6) fiscal data collected from an accounting and fiscal database.

OSPI reported that the State's data system includes the following components to ensure that data are valid and reliable: (1) automated logic checks; (2) review periods for LEAs to verify submitted data for accuracy; and (3) independent review by the heads of OSPI's special education departments for higher level data analysis review of data validity and reliability.

OSPI provides opportunities for training and technical assistance in a variety of formats including self-calculating calculators, Excel templates, self-study guides, and training sessions that are designed to involve several component offices of the State (accounting, fiscal, monitoring, complaints, and administrative services) in a coordinated training for local data managers, data entry personnel and LEA program supervisors and trainers held at the same time and location. This training promotes a common understanding of the State's data collection and reporting requirements, strategies to promote enhanced data accuracy, and hands-on instruction in using calculators, templates, and study guides.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes that Washington has a data system that is reasonably designed to collect and report valid and reliable data and information to the Department and the public in a timely manner.

OSEP cannot, however, without also conducting a review of data collection and reporting practices at a local level, determine whether all public agencies in the State implement the State's data collection and reporting procedures in a manner that is consistent with Part B.

Required Actions/Next Steps

No action is required.

Critical Element 2: Data Reflect Actual Practice and Performance

Does the State have procedures that are reasonably designed to verify that the data collected and reported reflect actual practice and performance?

Verification Visit Details and Analysis

OSPI reported that student-specific data is triangulated from multiple data collections to ensure that the data collected are valid and reliable.

The State reported that it ensures that the data it collects and reports reflect actual practice through a series of checks and balances, involving training of personnel at all levels, validation in the Federal Fund Application, LEA performance profiles, Safety Net applications and the State's compliance package, Form 442.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP concludes that Washington has procedures that are reasonably designed to verify that the data collected and reported reflect actual practice and performance. OSEP cannot, however, without conducting a review of data collection and reporting policies at that local level, determine whether all public agencies in the State implement the State's data collection and reporting procedures in a manner that reflects actual practice and performance.

Required Actions/Next Steps

No action is required.

Critical Element 3: Integrating Data Across Systems to Improve Compliance and Results

Does the State compile and integrate data across systems and use the data to inform and focus its improvement activities?

Verification Visit Details and Analysis

The State reported that it uses its data systems for continuous improvement, monitoring, technical assistance, and ongoing support for LEAs. A central element in this process is the data profiles that can be created at the ESD, LEA, and school level. At all levels, OSPI demonstrated how the State's database can assist in the development of local improvement plans and direct professional development activities. The State's data system has a powerful public access portal to allow parents and any other public stakeholder to disaggregate, compile, and compare data across the State to foster investment in improvement activities.

OSPI demonstrated how the State's current system interfaces with every major office related to education including the audit office, fiscal office, monitoring, and the administrative office that is responsible for due process hearings. The State's integrated approach to data collection facilitates the determination assigned to each LEA and ensures that audit and fiscal issues are

available for special education program experts and the State legislature to make decisions and design effective improvement activities.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State compiles and integrates data across systems and uses the data to inform and focus its improvement activities.

Required Actions/Next Steps

No action is required.

III. Fiscal

Critical Element 1: Timely Obligation and Liquidation of Funds

Does the State have procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA funds?

Verification Visit Details and Analysis

OSPI reported that it monitors obligation and liquidation of Part B funds throughout the year through the State's Grant Management System. OSEP staff reviewed all the methods the State uses to insure timely obligation and liquidation of IDEA funds including: (1) grants bulletins issued regularly to LEAs; (2) "Use of Funds Bulletin"; (3) monthly grant tracking sheets; (4) weekly review of budgets; and (5) monthly meetings with the budget analyst. OSEP verified that the State's Grants Management System-cash draw will not allow LEAs to draw down more money than they are budgeted. OSPI also issues notification of timelines for timely obligation and liquidation of funds and instructions for budget submissions and revisions.

OSEP confirmed through the U.S. Department of Education's Grants Administration and Payment System that the State expended all of its FFY 2007 funds in a timely manner.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State has procedures that are reasonably designed to ensure the timely obligation and liquidation of IDEA funds.

OSEP cannot, however, without collecting data at the State and local levels, determine whether all public agencies in the State implement fiscal procedures that ensure the timely obligation and liquidation of IDEA funds.

Required Actions/Next Steps

No action is required.

Critical Element 2: Appropriate Distribution of IDEA Funds

Does the State have procedures that are reasonably designed to ensure appropriate distribution of IDEA funds within the State?

Verification Visit Details and Analysis

OSEP verified that the State complies with Federal requirements in calculating subgrant allocations for Part B and ARRA funds to LEAs and other State agencies. The State requires all entities that receive funds, including charter and State-operated schools, provide assurances regarding MOE, supplement not supplant, and other appropriate accounting procedures. The State provides information to LEAs each year regarding the distribution process including how Part B funds must be used. State auditors also review State and LEA funds. The State has established a “Risk Pool Safety Net.” LEAs may apply for Safety Net funding based on a demonstration of financial need that considers all available revenues against all legitimate expenditures.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State has procedures that are reasonably designed to ensure appropriate distribution of IDEA funds within the State.

OSEP cannot, however, without collecting data at the State and local levels, determine whether all public agencies in the State implement fiscal procedures that ensure appropriate distribution of IDEA funds.

Required Actions/Next Steps

No action is required.

Critical Element 3: Appropriate Use of IDEA Funds

Does the State have procedures that are reasonably designed to ensure appropriate use of IDEA funds?

Verification Visit Details and Analysis

The State reported that it ensures that LEAs use Part B funds to supplement and not supplant State, local, and other Federal funds through: (1) assurances and current board policies required of all LEAs; (2) published guidance provided in the “School District Accounting Manual” for fiscal requirements; (3) training provided to LEA business managers and special education directors by OSPI staff; (4) annual training provided by the State Accounting Office to business managers emphasizing recent issues of noncompliance; and (5) planning templates for MOE, comprehensive coordinated early intervention services, and excess cost available on OSPI’s website for LEAs and LEA profiles displaying student data for SPP/APR indicators. OSPI stated that it reviews and verifies all documentation submitted by LEAs as an explanation for reduction in expenditures from the prior year. Washington also adopts a biennial budget that ensures that all funds allocated for special education and related services always *exceed* the prior year allocation. For example, the General Fund State appropriation for special education programs for FY 2010 is \$640,959,000 and rises to \$652,388,000 in FY 2011.

During the verification visit, OSPI staff demonstrated how the State’s accounting and data system ensures that all funds are accounted for in the State’s State-level MOE calculation, including any State funds spent on special education services that are in addition to the State funds appropriated specifically for special education programs. Washington’s accounting system allows OSPI to account for funds spent on special education in any State office. OSPI produced reports detailing the breakdown of all special education expenditures in the State, and

discussed the checks and balances built into the accounting system to ensure State MOE is calculated correctly. This included the use of specific accounting codes to identify funds used for any allowable expense for special education. In Washington, virtually all non-Federal funding for education is State funding and is accounted for in the State's accounting and data system. In those few instances where funding for education is not from a State or Federal source, it is assigned an appropriate code in the State's accounting system to allow identification as an educational expense, and in particular if it is a special education expense.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP believes the State has procedures that are reasonably designed to ensure appropriate use of IDEA funds within the State.

OSEP cannot, however, without collecting data at the State and local levels, determine whether all public agencies in the State implement fiscal procedures that ensure appropriate distribution of IDEA funds.

Required Actions/Next Steps

No action is required.