



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

DIRECTOR

**March 12, 2024**

By Email

Honorable Michael Rice, Ph.D.  
Superintendent of Public Instruction  
Michigan Department of Education  
608 West Allegan Street  
P.O. Box 30008  
Lansing, Michigan 48909  
Email: [RiceM6@Michigan.gov](mailto:RiceM6@Michigan.gov)

Dear Superintendent Rice:

OSEP is pleased to inform you that Michigan has resolved all but one of the findings and corrective actions identified by the U.S. Department of Education's (the Department) Office of Special Education Programs (OSEP) reported in the Differentiated Monitoring and Support (DMS) monitoring report to the Michigan Department of Education (MDE) dated January 12, 2023.

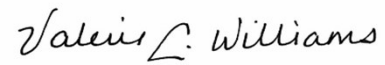
This letter is in response to MDE's submissions to OSEP to date to address the corrective actions noted in the January 12, 2023, DMS monitoring report. The chart, included in this letter, summarizes the monitoring component, finding, required actions, OSEP's analysis, and status of finding(s) based on the evidence received from MDE.

OSEP understands from Governor Whitmer's November 20, 2023, letter that the decision to make the Michigan Department of Lifelong Education Advancement and Potential (MiLEAP), the new State lead agency responsible for implementing the IDEA Part C program will not be effective until July 1, 2024. The Department (including OSEP staff and staff from our Office of General Counsel) have been working extensively with the Michigan IDEA Part C program to provide technical assistance on this change in lead agency. Thus, with respect to the one finding that remains under review in this letter regarding a method or interagency agreement needed with the State's Medicaid agency, OSEP will continue to work with MDE and MiLEAP to review Michigan's IDEA Part C Federal Fiscal Year (FFY) 2024 grant application that is due May 2024.

## SUMMARY OF MONITORING FINDINGS AND STATUS

We appreciate your efforts to ensure compliance and improve results for infants and toddlers with disabilities and their families. If you have any questions, please contact your OSEP State Lead.

Sincerely,

A handwritten signature in cursive script that reads "Valerie C. Williams".

Valerie C. Williams

cc: Part C Coordinator

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
<p><b>Monitoring and Improvement</b></p> <p>1.1 OSEP finds that MDE does not have a general supervision system that is reasonably designed to monitor the provision of IDEA Part C services as required under 34 C.F.R. §§ 303.120, 303.342(e), 303.344(d) and 303.700 through 303.702.</p>	<p><b>Policies and Procedures</b>—within 90 days of the date of the DMS monitoring report the State must submit to OSEP:</p> <ol style="list-style-type: none"> <li>1. Updated policies and procedures documenting its process for monitoring or otherwise providing oversight of the provision of early intervention services consistent with the IDEA Part C individualized family service plan (IFSP) requirements in 34 C.F.R. § 303.344(d). This oversight should include the collection of information related to the length, duration, frequency, intensity, and method of early intervention services.</li> </ol>	<p>The State submitted a corrective action plan (CAP) on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>On October 23, 2023, the State submitted updated policies and procedures that document the states process of providing oversight of the provision of early intervention services consistent with the IDEA Part C. Additionally, the updated policies explained how the State will collect information on the length, duration, frequency, intensity, and method of early intervention services in MDE’s local service areas.</p> <p>No further action needed at this time.</p>	<p><b>CLOSED</b></p>
<p><b>Monitoring and Improvement</b></p> <p>1.1 OSEP finds that MDE does not have a general supervision system that is reasonably designed to monitor the provision of IDEA Part C services as required under 34 C.F.R. §§ 303.120, 303.342(e), 303.344(d) and</p>	<p><b>Policies and Procedures</b>—within 90 days of the date of the DMS monitoring report the State must submit to OSEP:</p> <ol style="list-style-type: none"> <li>2. Evidence of any system updates and/or monitoring protocols that it has developed to provide oversight of IFSP implementation and provision</li> </ol>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>On October 12, 2023, the Stated submitted evidence of system updates, including design modules, child record review forms, and monitoring protocols that ensure the oversight of IFSP implementation and the provision of Part C services.</p>	<p><b>CLOSED</b></p>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
303.700 through 303.702.	of early intervention services.	No further action needed at this time.	
<p><b>Monitoring and Improvement</b></p> <p>1.1 OSEP finds that MDE does not have a general supervision system that is reasonably designed to monitor the provision of IDEA Part C services as required under 34 C.F.R. §§ 303.120, 303.342(e), 303.344(d) and 303.700 through 303.702.</p>	<p><b>Policies and Procedures</b>—within 90 days of the date of the DMS monitoring report the State must submit to OSEP:</p> <p>3. A timeline for monitoring or other oversight activities.</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>Specifically, the State submitted evidence and OSEP reviewed its timeline for monitoring and other oversight activities in its October 20, 2023, submission. OSEP appreciates the States efforts in revising its monitoring timelines and associated activities.</p> <p>No further action needed at this time.</p>	<b>CLOSED</b>
<p><b>Monitoring and Improvement</b></p> <p>1.1 OSEP finds that MDE does not have a general supervision system that is reasonably designed to monitor the provision of IDEA Part C services as required under 34 C.F.R. §§ 303.120, 303.342(e), 303.344(d) and 303.700 through 303.702.</p>	<p><b>Evidence of Implementation</b>—as soon as possible, but no later than one year from the date of the DMS monitoring report:</p> <p>1. Actual monitoring reports or data demonstrating that MDE has implemented its revised policies and procedures and provided monitoring or other oversight of the requirements in 34 C.F.R. §§ 303.120, 303.342(e), and 303.344(d).</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The State submitted evidence that it has implemented its revised policies and procedures in its December 12, 2023, submission and provided four monitoring reports as evidence that MDE has implemented its revised monitoring procedures.</p> <p>No further action needed at this time.</p>	<b>CLOSED</b>
<p><b>Fiscal</b></p> <p>2.1 OSEP finds that MDE does not conduct fiscal monitoring as required under 34 C.F.R. § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and</p>	<p><b>Corrective Action Plan</b>—within 90 days of the date of the DMS monitoring report the State must submit:</p> <p>1. A CAP that includes timelines for implementation of activities related to ensuring that MDE’s system of</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The corrective action plan included timelines for implementation of activities specific to the fiscal management component required actions. The CAP included timelines for implementation of correction activities to address the fiscal finding to ensure</p>	<b>CLOSED</b>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
<p>303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not consistently implement its Statewide system of payment (SOP) to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R. § 303.510.</p>	<p>payments is implemented consistently in all regions of the State incorporating IDEA Part C POLR requirements.</p>	<p>MDE’s system of payment in all regions of the State incorporating IDEA Part C POLR requirements.  No further action needed at this time.</p>	
<p><b>Fiscal</b> 2.1 OSEP finds that MDE does not conduct fiscal monitoring as required under 34 C.F.R § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not consistently implement its Statewide system of payment (SOP) to ensure that IDEA Part C funds are not used for services that would have been</p>	<p><b>Corrective Action Plan</b>—within 90 days of the date of the DMS monitoring report the State must submit a CAP that must include timelines and a list of supporting documentation that will be submitted to OSEP, including documentation related to:</p> <ul style="list-style-type: none"> <li>a. Monitoring and other oversight of IDEA requirements such as Statewide implementation of its system of payments and POLR policies.</li> </ul>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The State submitted the following documents for OSEP review: Monitoring Letters with Findings and corrective actions and timelines.</p> <p>The State submitted evidence of correction, including monitoring reports which identified findings of noncompliance with IDEA Part C fiscal requirements, and the timeline for correction required. The State also provided documentation of the implementation of its revised monitoring procedures and protocols. Based on the documentation such as updated fiscal monitoring protocol, update module in Catamaran to address frequency and intensity of services being provided, updated child record review, and updates to staff</p>	<p><b>CLOSED</b></p>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
<p>otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R. § 303.510.</p>		<p>personnel payroll reviews. The information submitted demonstrated the updated processes are reasonably designed to provide oversight of IDEA requirements such as Statewide implementation of its system of payments and POLR policies.</p> <p>No further action needed at this time.</p>	
<p><b>Fiscal</b></p> <p>2.1 OSEP finds that the State does not conduct fiscal monitoring as required under 34 C.F.R. § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not consistently implement its Statewide system of payment (SOP) to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R. § 303.510.</p>	<p><b>Corrective Action Plan</b>—within 90 days of the date of the DMS monitoring report the State must submit a CAP that must include timelines and a list of supporting documentation that will be submitted to OSEP, including documentation related to:</p> <p>b. Submit with its FFY 2023 grant application to OSEP under Section II.A.3.[b]. its method [to implement the payor of last resort and fiscal responsibility requirements] with its Medicaid agency.</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>OSEP issued a memorandum to the State on May 19, 2023, and found that the interagency agreement, submitted under the State’s FFY 2023 grant application, Section II.A.3.b (Method), is incomplete due to the issues identified in an attached checklist.</p> <p>The Governor of Michigan provided OSEP with a letter in November 2023 confirming that a lead agency change from the Michigan Department of Education to a newly created agency Michigan Department of Lifelong Education Advancement and Potential (MiLEAP) would be effective July 1, 2024.</p> <p>OSEP is working with MiLEAP and MDE to ensure that the State’s method with its Medicaid agency is updated as part of the State’s FFY 2024 IDEA Part C grant application.</p>	<p><b>UNDER REVIEW</b></p> <p>While there is no further action needed at this time, OSEP is working with MiLEAP and MDE to ensure that the State’s method with the State Medicaid agency (as well as other documents) are updated as part of the State’s FFY 2024 IDEA Part C grant application.</p>
<p><b>Fiscal</b></p> <p>2.1 OSEP finds that the State does</p>	<p><b>Corrective Action Plan</b>—within 90 days of the date of the DMS</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20,</p>	<p><b>CLOSED</b></p>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
<p>not conduct fiscal monitoring as required under 34 C.F.R § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment (SOP) requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not consistently implement its Statewide SOP to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R § 303.510.</p>	<p>monitoring report the State must submit a CAP that must include timelines and a list of supporting documentation that will be submitted to OSEP, including documentation related to:</p> <p>c. Analysis of the impact of inconsistent access of Medicaid as a payor source on the provision of early intervention services and outcomes for infants and toddlers with disabilities.</p>	<p>October 23, November 30, and December 12, 2023.</p> <p>The State provided documentation of its analysis of the impact of inconsistent access of Medicaid as a payor source on the provision of early intervention services and outcomes for infants and toddlers with disabilities. MDE reviewed all 56 intermediate school districts (ISDs) and compared billing to services, frequency and intensity of services. The State then ranked the ISDs based on the developed methodology. The 13 ISDs varied in ranking. Based on the analysis MDE concluded there was not a negative impact to infant and toddlers with disabilities and their families. The State concluded that IDEA Part C services were not impacted because of EIS providers not using Medicaid as a payor source.</p> <p>No further action needed at this time.</p>	
<p><b>Fiscal</b></p> <p>2.1 OSEP finds that the State does not conduct fiscal monitoring as required under 34 C.F.R. § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not</p>	<p><b>Corrective Action Plan</b>—within 90 days of the date of the DMS monitoring report the State must submit a CAP that must include timelines and a list of supporting documentation that will be submitted to OSEP, including documentation related to:</p> <p>d. Training activities provided to service areas regarding IDEA Part C fiscal requirements for a statewide system implementing MDE’s system</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The State submitted evidence of training activities conducted for the 13 ISDs identified. OSEP received copies of the presentation and attendance lists for the trainings. Additionally, the State schedule trainings for all ISDs on the IDEA Part C fiscal requirements which includes MDE’s system of payments and IDEA POLR requirements.</p> <p>No further action needed at this time.</p>	<p><b>CLOSED</b></p>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
<p>consistently implement its Statewide system of payment (SOP) to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R. § 303.510.</p>	<p>of payments and ensuring compliance with IDEA POLR requirements.</p>		
<p><b>Fiscal</b> 2.1 OSEP finds that the State does not conduct fiscal monitoring as required under 34 C.F.R. § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. In addition, OSEP finds that the State does not consistently implement its Statewide system of payment (SOP) to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in</p>	<p><b>Evidence of Implementation</b>—as soon as possible, but no later than one year from the date of the DMS monitoring report:</p> <ol style="list-style-type: none"> <li>1. Training and implementation for each of the remaining 13 service areas on accessing Medicaid for eligible infants and toddlers consistent with the MDE’s system of payments.</li> </ol>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The State submitted evidence of training activities conducted for the 13 ISDs identified. OSEP received copies of the presentation and attendance lists for the trainings. Additionally, the State schedule trainings for all ISDs on the IDEA Part C fiscal requirements which includes MDE’s system of payments and IDEA POLR requirements.</p> <p>No further action needed at this time.</p>	<p><b>CLOSED</b></p>



**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
34 C.F.R. § 303.510.			
<p><b>Fiscal</b></p> <p>2.2 OSEP finds that the State does not conduct fiscal monitoring as required under 34 C.F.R. § 303.120(a)(1) for two areas: payor of last resort (POLR) requirements in 34 C.F.R. §§ 303.500 and 303.510 and system of payment requirements in 34 C.F.R. §§ 303.520 and 303.521. OSEP finds that the State does not consistently implement its Statewide SOP policy to ensure that IDEA Part C funds are not used for services that would have been otherwise paid for from another public or private source in its local service areas as required under the POLR requirements in 34 C.F.R. § 303.510.</p>	<p><b>Evidence of Implementation</b>—as soon as possible, but no later than one year from the date of the DMS monitoring report:</p> <p>2. Implementation of MDE’s State-wide SOP policy in service areas impacted by their lack of access to Medicaid funding for early intervention services.</p>	<p>The State submitted a CAP on April 11, 2023; and subsequent revisions to the CAP on October 20, October 23, November 30, and December 12, 2023.</p> <p>The State submitted four fiscal monitoring reports which were conducted in the Fall of 2023 utilizing the State’s updated monitoring protocol. MDE also submitted a sustainability plan which outlines the State’s plan to conduct training to all ISDs on its system of payments, POLR policy annually and IDEA fiscal requirements.</p> <p>No further action needed at this time.</p>	<b>CLOSED</b>
<p><b>Dispute Resolution</b></p> <p>3.1 OSEP finds that the State does not select mediators on a random, rotational, or other impartial basis as required under 34 C.F.R § 303.431(b)(2)(ii).</p>	<p><b>Policies and Procedures</b>—within 90 days of the date of the DMS monitoring report the State must submit to OSEP:</p> <p>1. Documentation demonstrating that it has procedures and practices in place that are reasonably designed to</p>	<p>On April 11, 2023, the State submitted an updated Frequently Asked Questions (FAQ) for Mediation and Facilitation that is located on the <a href="#">Special Education Mediation Services</a> (SEMS) website (the contractor designated to manage mediation and facilitation) along with other evidence. MDE’s updated document indicates the State must select the mediator on a random, rotational, or other impartial</p>	<b>CLOSED</b>

**SUMMARY OF MONITORING FINDINGS AND STATUS**

<b>MONITORING COMPONENT &amp; FINDING</b>	<b>REQUIRED ACTIONS</b>	<b>OSEP ANALYSIS AND COMMENTS</b>	<b>NEXT STEPS/STATUS</b>
	<p>implement the IDEA dispute resolution requirements of IDEA in accordance with 34 C.F.R. § 303.431. Specifically, MDE must:</p> <ol style="list-style-type: none"> <li>a. Provide evidence that mediators are selected on a random, rotational, or other impartial basis.</li> </ol>	<p>basis.</p> <p>The State provided a list with links to public facing documents available on the <a href="#">MDE: Dispute Resolution Options</a> webpage, the <a href="#">Michigan Alliance for Families</a> website, and the <a href="#">Family Matters</a> webpage, which were revised on February 23, 2023, to reflect the requirements in 34 C.F.R. § 303.431.</p> <p>No further action needed at this time.</p>	
<p><b>Dispute Resolution</b></p> <p>3.2 OSEP finds that the State’s mediation policies and procedures are not consistent with the requirement under 34 C.F.R § 303.431(b)(7) that discussions that occur during the mediation process must be confidential.</p>	<p><b>Policies and Procedures</b>—within 90 days of the date of the DMS monitoring report the State must submit to OSEP:</p> <ol style="list-style-type: none"> <li>1. Documentation demonstrating that it has procedures and practices reasonably designed to implement the IDEA dispute resolution requirements of 34 C.F.R. § 303.431. MDE must:               <ol style="list-style-type: none"> <li>b. Provide evidence that discussions occurring during the mediation process, whether in-person or virtual, are confidential.</li> </ol> </li> </ol>	<p>On April 11, 2023, the State submitted a revised Statement of Understanding Regarding the Special Education Mediation Process that also includes the Virtual Agreement for Mediation. Language and practice not aligned with 34 C.F.R § 303.431(b)(7) was removed. The revised document addresses mediation confidentiality as required under the federal regulations.</p> <p>No further action needed at this time.</p>	<p><b>CLOSED</b></p>