

## **Idaho Part C 2008 Verification Visit Letter Enclosure**

### **Background**

The Idaho Department of Health and Welfare (DHW) is the State lead agency responsible for administering Part C of the IDEA in Idaho, and providing all Part C early intervention services. The Part C DHW Central Office (CO) personnel (Part C Coordinator, Data Manager and other Specialists) and personnel in seven Regional Offices (RO) of DHW are charged with oversight responsibilities, supervision of practitioners, and the provision of training and technical assistance. Geographically located to reach each area of the State, the Regional staff consists of 124 early intervention specialists and supervisors that carry out child find, employ early intervention practitioners, including service coordinators, and contract for direct services and/or service coordination as needed. DHW reported in its December 1, 2007 section 618 report that the State served 1,938 infants and toddlers with disabilities and their families, representing 2.69% of the State's population from birth to age three. In addition to the CO and RO, the State and Regional Early Childhood Councils help ensure that DHW is attuned to the needs of families and other stakeholders. OSEP received input from the State Early Childhood Council prior to the verification visit.

### **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**

OSEP learned, through review of DHW's monitoring reports and interviews with staff, that DHW has established components to implement and carry out its general supervisory responsibilities for Idaho's Part C system. DHW staff reported that Idaho's monitoring components function as a comprehensive system that has the capacity to identify noncompliance and to prevent the occurrence of noncompliance. See the next Section of this report for the explanation about how the State corrects noncompliance through the State's components described below. DHW staff described the following seven components that assist in identifying noncompliance, and for each component, DHW staff identified the State's goal.

1. Written policies, procedures and guidance, revised as needed.
  - Function: DHW staff reported that an electronic manual is available to all providers and Regional personnel regarding SPP/APR Indicators 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14 and all matters related to the implementation of Part C.
  - State's goal: All Part C personnel have easy access to policies, procedures, required forms, and evidence-based practices. The manual is user-friendly

and has a built in capacity to be updated, as needed; therefore facilitating rapid dissemination of changes to all stakeholders to ensure consistent implementation of Part C.

2. Central and Regional Office Management Teams.

- Function: DHW staff reported that personnel in these offices manage the entry, analysis, and dissemination of data collected in Idaho's electronic database related to Indicators in the SPPs/APRs and section 618 data. The CO personnel review the Part C data monthly and quarterly and the ROs use the data more frequently to ensure Part C processes are implemented as required, e.g. ensuring that the 45-day timeline from referral to initial IFSP is met, and ensuring the provision of timely services.
- State's goal: If monthly data analyses raise questions, the ROs attempt to prevent the occurrence of noncompliance. To assist the ROs, the CO staff disseminates program alerts throughout the State regarding required Part C timelines for each child and family in its database.

3. Quarterly Meetings with Regional Part C staff, Program Managers and Supervisors.

- Function: DHW staff reported that these meetings provide an opportunity to discuss quarterly performance of each of the seven Regions, according to information available at the CO at that point in time.
- State's goal: Clarify program performance expectations to ensure consistent implementation of Part C.

4. Annual Regional Self-Assessment.

- Function: The CO collects Part C data not available in its electronic database, including information for the SPPs/APRs. See data section in this report for full description.
- State's goal: DHW staff reported that the self-assessments support regional and local accountability by requiring staff to perform ongoing record reviews to improve practices. The ROs submit Annual self-assessments to the CO once a year, at the end of August. DHW staff reported that the CO reviews the self-assessments as part of the Annual Desk Audits (described below), and identifies any noncompliance reflected in those reports.

5. Annual Desk Audits.

- Function: Personnel in the CO analyze all available data to: (1) identify noncompliance; (2) prepare for a data verification visit; (3) prepare for a

focused monitoring on-site visit or (4) identify training and technical assistance needs.

- State's goal: DHW staff reported that the annual desk audits result in timely identification of noncompliance or potential noncompliance. The CO completes the desk audits of each RO once a year, by September 30<sup>th</sup>. If noncompliance is identified during the annual desk audits, the CO notifies the RO in November via electronic mail regarding the findings of noncompliance, including the data the CO used to identify the noncompliance.

6. Focused On-Site Monitoring.

- Function: The primary purpose for this monitoring is to evaluate the quality of service delivery and to identify the root cause(s) of potential noncompliance identified through the State's desk audits to more effectively improve program practices.
- State's goal: This activity was initiated in the fall of 2007 in two regions in the State; therefore the specific result is yet to be determined. However, the CO and RO staff reported to OSEP that this activity will continue. DHW staff reported that it did not identify any findings of noncompliance during the two focused monitoring visits that began in the fall of 2007. DHW staff indicated that if any noncompliance is identified through focused monitoring, they will notify the region of the noncompliance within two months of the visit, ensure that it is corrected within one year of identification, and report the noncompliance in the appropriate APR.

7. Engaging the State's Early Childhood Council, at least quarterly, in program improvement and compliance concerns.

- Function: The CO reported that these meetings ensure stakeholder input is received and interagency coordination for Part C is discussed and addressed.
- State's goal: The Council assists DHW in identifying areas of greatest concern for focused monitoring.

DHW reported to OSEP that together these components provide the State with the tools and quantitative and qualitative data needed to identify noncompliance or need for improvement. DHW reported data regarding the noncompliance it had identified in its SPP and the FFY 2005 and FFY 2006 SPPs/APRs, submitted to OSEP in December 2005, February 2007, and February 2008 respectively.

**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 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 noncompliance 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?*

#### **Verification Visit Details and Analysis**

OSEP learned, through interviews and document reviews, that Idaho's monitoring components function as a system for correcting noncompliance. The State also reported to OSEP that it utilizes all of the components for verifying correction of noncompliance, as appropriate. DHW staff described the following components for correcting noncompliance, and for each component, DHW staff identified the State's goal.

1. Written policies, procedures and guidance, revised as needed.
  - Function: An electronic manual is available to all providers and Regional personnel regarding SPP/APR Indicators 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13 and 14 and all matters related to the implementation of Part C.
  - State's goal: All Part C personnel have easy access to policies, procedures, required forms, and evidence-based practices; therefore facilitating implementation of corrective action plans.
2. Corrective Action Plans (CAPs), including timely correction and sanctions.
  - Function: The CO issues the CAP to the Region that has responsibility for implementing the CAP. In the CAP, the CO identifies regulatory violation(s) of Part C, provides a directed timeline and specific action for timely correction of noncompliance (as soon as possible, but no later than one year from the date of identification), and summarizes the evidence of correction that the CO will use to determine 100% correction. The CAP is closed when a Region reaches 100% compliance.

As stated in critical element 1 above, the CO notifies the Region via electronic mail regarding the findings of noncompliance, including the data the CO used to identify the noncompliance. The State reported that the date on the electronic mail notice is the start date for timely correction. The State shared data with OSEP showing that findings of noncompliance identified between July 1, 2006 and June 30, 2007 were corrected within 2 to 9 months from notification for SPP/APR Indicators 1, 7, and 8A, 8B and 8C.

- State's goal: RO staff reported to OSEP that the implementation of this type of corrective action plan resulted in management reorganization of local providers that was causing noncompliance and in improved communication between all direct service providers and the ROs because the individuals' roles and responsibilities are clearly delineated. The RO staff also reported to OSEP that they believed the technical assistance received from CO was relevant and targeted leading to correction of noncompliance.
- DHW also reported that it has the regulatory authority to impose sanctions should a Region fail to take the requisite corrective actions or if the corrective actions do not result in 100% timely correction in accordance with DHW's corrective action plan. The CO sanctions include: (1) Advise the Region of available technical assistance; (2) Direct the use of Regional funds; (3) Require the Region to develop a corrective action plan, an improvement plan or to enter into a compliance agreement with upper level administrators; or (4) Withhold Part C funds. The Regional Offices also have the authority to issue sanctions, that include: (1) Stop all new referrals to a contractor until noncompliance is substantially corrected; (2) Conduct a review of contracts more frequently; (3) Deny or recoup payment of services; or, (4) Terminate a provider contract.
- The CO staff reported that the CO used its sanction authority in April 2008 in one Region in which one provider had not timely corrected an area of noncompliance within one year from identification of noncompliance. The area of noncompliance was a related requirement for SPP/APR Indicator 2 regarding inappropriate justification of the extent to which early intervention services were not provided in a natural environment (34 CFR §§303.18 and 303.344(d)(1)(ii)). The CO specifically required the provider to participate in targeted technical assistance and to participate in reworking its contracted reimbursement rate for early intervention services. In addition, the CO staff increased its levels of monitoring, data review, and public reporting of the Region's data.

## 2. Central and Regional Office Management Teams.

- Function: The CO and RO managers reported that team work is key to implementing corrective activities likely to lead to change because these activities target specific needs in a Region.
- State's goal: RO staff and early intervention providers reported to OSEP the processes for this teamwork, e.g. development and implementation of corrective actions promotes communication about, responsibility for and a better understanding of what is required in Part C; thereby, creating a system that addresses both systemic correction and individual child and family concerns.

### 3. Annual Regional Self-Assessment.

- Function: The CO collects self-assessment information because these data are not collected in its electronic database. See data section in this report for a full description.
- State's goal: DHW staff reported that the self-assessments support regional and local accountability by requiring staff to perform record reviews. This is a complementary method the State uses to verify that noncompliance is corrected.

### 4. Quarterly meetings with Regional Part C staff, Program Managers and Supervisors.

- Function: The CO and RO personnel discuss quarterly performance of each of the seven Regions.
- State's goal: DHW staff reported that these meetings offer everyone an opportunity to clarify the program's expectations for correction of noncompliance.

### 5. Quarterly or Monthly Telephone Calls to the RO.

- Function: DHW staff reported that these calls afford the CO and RO an opportunity to review progress for correcting noncompliance and to determine if correction is on track with the required timelines.
- State's goal: RO staff told OSEP that these discussions have resulted in increased understanding about what is expected for corrective action.

### 6. Annual Desk Audits.

- Function: Personnel in the CO review all available data to confirm correction of noncompliance, need for technical assistance, or need for a focused monitoring. See description of data that the CO uses in its annual desk audits in the data section of this report.
- State's goal: CO reported that they have confidence that the State's data are valid and reliable. See additional information in the data section of this report.

### 7. On-site Data Verification Visits.

- Function: DHW staff reported that these visits ensure the validity and accuracy of all data collection by the RO, including correction data, if needed.

- State's goal: CO reported to OSEP that the on-site reviews demonstrated a high degree of accuracy in the data, e.g. the CO found some typographical errors. In its FFY 2006 SPP/APR, DHW reported 100% timely correction of the noncompliance it identified during FFY 2005 related to Indicators 1, 7, 8A, 8B, and 8C.

During the verification visit, the State provided updated data to OSEP indicating that the noncompliance the State had identified based on its compliance data for Indicators 1, 7, 8A, 8B, and 8C in the FFY 2006 APR was corrected within nine months or less from the date of identification. During the verification visit, the CO did not report correction of the noncompliance the State had identified regarding justifications for any Part C early intervention services that are not provided in the natural environment. See description of issue above. OSEP reiterated the need to report information regarding that noncompliance in DHW's FFY 2007 SPP/APR.

### **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. OSEP cannot, however, without also collecting data at the local level, determine whether the system is fully effective in correcting noncompliance in a timely manner.

### **Required Actions/Next Steps**

No action 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**

In 2005, OSEP approved DHW's policies and procedures and parents' rights notice related to all dispute resolution requirements consistent with the 2004 amendments to IDEA and the State continues to implement the approved procedures.

The CO staff reported that no requests for due process hearings or mediations have been received in the recent past. However one written complaint was filed on June 13, 2007. The State demonstrated to OSEP that the matter was resolved prior to the receipt of the written complaint. However, a written report of findings of fact was issued within the required 60-day timeline.

OSEP learned that RO supervisors provide technical assistance to parents and early intervention providers to encourage resolution of any problems that may be raised at the regional level. Two RO supervisors/managers told OSEP that they approach resolution of any issues at the local level through teaming because they have found that problems generally arise due to the interruption in effective communication between providers and

families. If parents are not satisfied with the local response to questions or concerns, RO staff encourages parents to contact the CO. The State Part C Coordinator is available to respond directly to parents' issues and maintains a log of issues brought to the CO's attention and timelines for their resolution, if needed. The ROs provide a summary of issues that arise at the local level to the CO annually and this information is shared with the State's Early Childhood Council.

During the verification visit, CO staff and OSEP also discussed how DHW informs parents of the dispute resolution procedures under Part C of IDEA. The CO staff told OSEP that the family service coordinator is the primary contact for informing parents of the dispute resolution procedures, and that CO and regional specialists monitor children's records to ensure that the service coordinators are providing the required information regarding dispute resolution procedures. These data are gathered weekly or monthly as part of file reviews conducted by the RO.

#### **OSEP Conclusions**

Based on the review of documents and interviews with CO personnel, OSEP determined the State has procedures and practices that are reasonably designed to implement the dispute resolution requirements of IDEA. However, because the State had not received any recent due process hearing requests, OSEP could not determine the effectiveness of those procedures and practices.

#### **Required Actions/Next Steps**

No action is required.

#### ***Critical Element 4: 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**

During the visit, the CO and RO staff frequently discussed the use of data collection to: (1) link data with program improvement and compliance; (2) meet the training and technical needs of the early intervention system leading to maintenance of compliance and retention of qualified personnel; and (3) implement collaborative activities between State staff, Regional staff and early intervention providers to promote program improvement and achieve compliance.

CO staff told OSEP that data collection and analysis is an integral part of their ongoing activities. Analysis of data is used, for example, to monitor program growth and effectiveness of child find, to identify trends in referrals to Part C and to ensure that all families have an opportunity to participate in feedback regarding the system of early intervention services. Specific examples reported by DHW staff regarding the State's efforts that have had an effect on children and families follow:



<b>Action</b>	<b>State-Reported Results for Eligible Children and Families</b>
Collected data on program enrollment and the effectiveness of child find.	The State required one Region to modify its child find efforts resulting in doubling the Region's enrollment of infants birth to 1. The Statewide percent of enrollment for infants birth to 1 is higher than the national average.
Collected trend data regarding primary referral sources and implemented specific strategies targeted to physicians.	Resulted in a significant increase in referrals from physicians.
Reviewed trends in family survey responses and developed targeted strategies to reach families representative of the population and race/ethnicity of Idaho. For example, a parent mentor called families to encourage them to complete the family survey, emphasizing that families' feedback can make a difference in how early intervention services are delivered.	Resulted in increased response rate to family surveys.
Conducted on-site data verification visits.	Data verification visits showed only minor typographical errors and did not indicate any patterns or skewing of the data. Resulting in increased confidence that the CO and ROs are utilizing credible data for improving the performance of the early intervention system and correcting noncompliance.
Conducted training regarding family centered practices in early intervention.	Regions participating in the training reported to OSEP that an increased number of IFSPs were being amended to reflect additional family-oriented goals and objectives.
DHW's Human Resources Department provides biweekly lists of potential applicants for Part C providers or service coordinators. The CO staff, within 48 hours, reviews applications, identifies potential applicants that are qualified to work in Part C and provides this information to the ROs where the hiring occurs.	RO staff has a continuous list of potential qualified employees so that vacancies can be filled as soon as possible.
In October 2007, the State convened a "Planning Summit" with its stakeholders in order discuss the enhancement of the statewide early intervention system for	As a result, workgroups were formed to study and analyze data and to develop recommendations, by the end of 2008, regarding contracting, enhancing early

Action	State-Reported Results for Eligible Children and Families
young children and families.	intervention practices, conducting quality assurance reviews, and providing training.

**OSEP Conclusions**

Based on the review of documents and interviews with State and Regional Offices, OSEP believes the State has procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities.

**Required Actions/Next Steps**

No 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, CSPD and interagency agreements, contracts or other arrangements)?*

**Verification Visit Details and Analysis**

During OSEP’s verification visit, DHW staff reported on the implementation of Part C grant application assurances related to monitoring and enforcement (specifically, local determinations and public reporting), interagency agreements, and the State’s system for professional development.

Local Determinations and Public Reporting: As a part of its responsibilities under sections 616 and 642 of the IDEA, each State must annually report to the public on the performance of each early intervention service provider against the State’s SPP/APR targets and must make an annual determination for each early intervention service provided. The CO demonstrated to OSEP that it met its annual reporting requirements in accordance with IDEA for the FFY 2005 and FFY 2006 SPPs/APRs. In addition, in making determinations (e.g. meets requirements, needs assistance, needs intervention or needs substantial intervention), the CO developed a rubric that takes into consideration a Region’s progress toward 100% compliance, repeated occurrences of noncompliance, timely data submissions, findings from on-site visits, and fiscal management. The CO staff provided examples of the formal notice sent to each RO with the determinations and any required enforcement actions. These notices were and will be disseminated annually in May.

Interagency Coordination: Under IDEA sections 635(a)(10), 637(a)(2), (6) and (9), and 640, each State lead agency must include in its Part C application: (1) a certification that its methods to ensure service provision and fiscal responsibility for services are current; and (2) its policies and procedures for transition (including an interagency agreement if the lead agency is not the SEA) and potential interagency agreements regarding referrals of children under the Child Abuse and Protection and Treatment Act (CAPTA).

DHW provides all Part C services either directly or through contracts. DHW staff confirmed that it uses Federal Part C funds as the payor of last resort, and ensured ongoing service provision for IFSP services in a timely manner during any disputes regarding financial responsibilities.

DHW is in the process of revising its interagency agreements and policies with the Idaho Department of Education (DOE) and Head Start that address child find and transition, and with the Division within the lead agency responsible for coordinating screening and referral of infants and toddlers who are involved in substantiated cases of child abuse or neglect in accordance with CAPTA. DHW reported that these agreements or policies will be submitted to OSEP in accordance with Part C's grant application requirements. The State also promotes collaboration among Part C, Local Education Agencies, Head Start, Migrant Seasonal Head Start, and American Indian and Alaska Native Head Start. These agencies (ROs and others) have over 120 agreements that are specific to local procedures and practices.

Personnel Development: The CO and RO staff told OSEP that personnel recruitment and retention are ongoing challenges. One of the many strategies the State implemented to address these challenges was to develop a Memorandum of Understanding (MOU) with the University of Idaho in May 2007 to support practica for early childhood students within the Regional Part C programs. The State was successful in placing five students with the Regions immediately after the MOU was signed. This is an ongoing activity and has resulted in recruiting new personnel to work in Idaho's Part C program.

The State determines training needs through analysis of relevant data, performance indicators, focused monitoring results, discussions with RO staff and recommendations from the State Early Childhood Council.

### **OSEP Conclusions**

Based on the review of documents and interviews with State personnel, OSEP believes the State has procedures and practices that are reasonably designed to implement selected grant application requirements (i.e., local determinations, public reporting, and professional development). OSEP will review and respond to any revised or new interagency agreements regarding transition, CAPTA and related children or Head Start through the State's Part C grant application process.

### **Required Actions/Next Steps**

No action is required.

## **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**

The CO reported that it uses both an electronic database and manual processes (paper and pencil) to collect and report data to the Department and the public under section 618 and under section 616 (SPP/APR). The database has 160 data fields, including unduplicated counts of children served in Part C, family demographic data, data of initial timely service delivery in Part C with reasons coded if not timely, Part C timelines for the initial IFSP, child outcome entry and exit scores, and the dates early childhood transition conferences were held. The data collected through the State's manual process (child and family record reviews and hand tabulation) include: (1) addenda to IFSPs to ensure all services are timely; (2) justifications for services that are not provided in a natural environment; (3) evaluations and assessments conducted; (4) family concerns and priorities on IFSPs; (5) eligibility determinations; (6) IFSPs containing transition objectives and strategies; and (7) notification to local education agency of children potentially eligible for Part B of IDEA.

The CO data manager explained how the State ensures the accuracy of data including: (1) statewide rules are in place to eliminate data entry errors through automated checks and balances; (2) all electronic and paper forms are standardized; and (3) the electronic database contains specific fields for data entry and drop down menus. The CO staff indicated that if any data anomalies are identified, the data manager has a procedure in place to provide technical assistance or to conduct an on-site data verification visit, if needed.

The CO staff told OSEP that they believe other important activities also support its data collection systems' accuracy and reliability, such as holding quarterly meetings with RO managers and early intervention personnel to discuss and problem solve data collection concerns, providing frequent written and verbal updates to RO staff and data entry personnel, and providing timely responses to questions that arise in the field about data concerns. The Regional data entry personnel also have access to a centralized "Help Desk" within DHW that assists data entry personnel with their issue and records system concerns that are reported to the Part C data manager. In addition, CO staff reported that if any data modifications are made, the CO's data manager conducts statewide training sessions.

CO and RO staff reported to OSEP that, although the electronic database, manual processes and Regional on-site data collection provides them the capacity to collect data that is required to be reported to OSEP under IDEA section 618 and under section 616, the State and Regional users have difficulty downloading and producing reports as readily as the CO and RO would prefer. According to the CO's data manager, the current database has reached its data and programming capacity for inputting data and producing reports. In lieu of producing reports and other needed information electronically, DHW staff remarked that they must perform extensive manual processes to develop reports of all the data needed under section 616 and to verify data collection for section 618 and section 616. To address these challenges, the CO staff reported that they have developed a strategic plan, in collaboration with the ROs, that contains specific requirements for a new electronic database, but the funding to implement this system is not available. In the

interim, DHW has assigned two programmers within the CO to establish a Web-based application that will reduce, at a minimum, the amount of “paper and pencil” data collection and reporting that is currently required. The new data application will be piloted in the spring of 2009.

**OSEP Conclusions**

Based on the review of documents, analysis of data, demonstration of the system and interviews with State personnel, OSEP believes the State 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 the 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 C.

**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**

The CO data manager reported on and provided copies to OSEP of the statewide data collection forms that all ROs use to collect and enter data into the electronic database and to record reviews of local child and family records. In addition, the CO reported that local data entry personnel are trained by the CO’s data manager regarding program requirements and the RO supervisors are held accountable for providing data and information that are complete and creditable. Data verification occurs on a continuous basis at the State and Regional levels.

**OSEP Conclusions**

Based on the review of documents, analysis of data, and interviews with State and Regional personnel, OSEP believes the State 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 the 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.

### **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**

The Division of Management Service (DMS) in DHW is responsible for ensuring Part C funds are obligated, after DHW receives its Part C grant from the U.S. Department of Education and the DMS' accounting section performs its budget allocation procedures, e.g. loading financial information into the State's financial management system. DMS is also responsible for managing and providing reports regarding relevant financial information to the CO and RO staff. Specifically, the DMS is responsible for operating the State's automated accounting system used for cost allocation, cash management (including obligation and liquidation), budgetary control, and for providing ongoing financial reporting to ensure that program managers use these data to make operating decisions, monitor performance, and allocate resources.

The Part C Coordinator and the Part C Supervisor are responsible for conducting quarterly review of expenditures for the relevant quarter for the CO and seven ROs. The Part C staff have access to the check registers for each RO and can easily flag any trends noted, such as any miscoding or if projections for expenditures are following a logical path, e.g. under- or over-spending. The RO supervisors are responsible for conducting monthly reviews of expenditures similar to the review that the CO conducts. OSEP met with relevant staff in the DMS responsible for financial management and oversight and they reported to OSEP that one of their many responsibilities is to review each invoice to ensure the funds are expended within the applicable Federal fiscal year providing another check on appropriate obligations and liquidation.

According to the U.S. Department of Education's Grant Administration and Payment System, Idaho has liquidated all of its Part C funds between FFY 2002 and FFY 2007. At the time of OSEP's visit, the lead agency was not yet required to liquidate its FFY 2008 Part C grant award funds.

#### **OSEP Conclusions**

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

#### **Required Actions/Next Steps**

No action is required.

#### ***Critical Element 2: 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**

Each lead agency must ensure that IDEA Part C funds are expended at the State level on appropriate uses of funds, consistent with the requirements in IDEA section 638, the EDGAR, OMB Circular A-81, and other applicable Federal requirements. DHW utilizes Medicaid, private insurance, and State directed funds for early intervention services. The State's automated accounting system does not allow for commingling of any of the sources of funding. Federal Part C funding covers the salaries for the Part C coordinator, two program specialists, the data manager and one part time administrative assistant, maintenance and implementation activities at the CO and ROs, the State Early Childhood Council activities, and direct services not covered by State funds or private or public insurance.

To ensure appropriate expenditures of all Federal and State funds, DHW houses an Internal Audit Unit (consultants) that provides independent appraisals of various operations and systems of control to determine whether processes are following legislative requirements and established policies, procedures and standards. The Internal Audit Unit also has the authority to determine if resources are used efficiently and economically, and planned objectives are accomplished effectively. This Unit has an ongoing audit plan to monitor internal controls of all units in DHW. Should the Internal Audit Unit make a finding, the Unit informs the DHW Director and works with the programs until the matter is resolved.

The State reported that it has accounting mechanisms and policies in place to ensure the Federal Part C dollars are used as payor of last resort. The policies are outlined in the State's Part C policies and procedures on file with the U.S. Department of Education. The State reported to OSEP that it accesses Medicaid and private insurance first whenever a child is eligible and the service is a reimbursable or claimable service. If the early intervention service is not timely approvable under public or private insurance, Part C State funds are used to pay for the services; then Part C Federal funds are used as payor of last resort. DHW has a centralized Revenue Unit that handles all collections of receipts from the Regions that provide the timely early intervention services consistent with the child's Individualized Family Service Plan. These claims are reported to the Revenue unit and processed through a management information system. The Revenue unit then credits the payments back to the ROs for the early intervention services that were previously rendered.

OSEP requested evidence that the non-supplant provisions were implemented in accordance with Part C of IDEA for at least the past three years. The State staff demonstrated its compliance with this provision for its Part C grants from FFY 2005 through FFY 2007. The State also provided the percent of overall expenditures from Federal and State sources from FFY 2005 through FFY 2007. These were respectively:

- FFY 2005: Federal 36%, State 64%;
- FFY 2006: Federal 32%, State 68%;
- FFY 2007: Federal 28%, State 72%.

The lead agency has a current cost allocation plan related to indirect costs charged to the Part C grant approved by its Federal cognizant agency until the State revises it.

**OSEP Conclusions**

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

**Required Actions/Next Steps**

No action is required.