Background:

Delaware's Birth to Three Early Intervention System operates under the authorization of Part C of the Individuals with Disabilities Education Improvement Act of 2004 (IDEA). The Delaware Department of Health and Social Services (DHSS) is the lead agency for Part C in Delaware. The program is administered by the Birth to Three staff within the Division of Management Services (DMS), which provides leadership and policy direction for DHSS. Children and families eligible for Part C services are served through Child Development Watch (CDW) within the Division of Public Health (DPH). CDW consists of two regions, Northern Health Services and Southern Health Services, with staff drawn from DPH and Division of Developmental Disabilities Services. The Department of Education and the Department of Services for Children, Youth and their Families also provide service coordination services. Other service providers include Christiana Care Health Services, Inc., Alfred I. duPont Hospital for Children, and community providers that have contracts with DHSS. Early intervention services and supports for Part C families include, but are not limited to speech-language pathology, physical and occupational therapy, transition planning, speech instruction, social work and transportation.

Delaware reported in its Part C FFY 2007 annual performance report (APR) that it served 860 infants and toddlers with disabilities as of October 1, 2006. Delaware has adopted a State system of payments under 34 CFR §303.521 and has adopted the Part C due process hearing procedures under 34 CFR §303.420 to resolve individual child disputes under Part C.

OSEP appreciates the cooperation and assistance provided by PTI staff, State Interagency Coordinating Council (SICC) members and parents in providing feedback and input on the State's systems for early intervention. We look forward to collaborating with all stakeholders and actively working with the State to improve results for infants, toddlers, and children with disabilities and their families.

I. General Supervision System

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

Components of the General Supervision System

The State's Part C Coordinator reviewed the components of the State's general supervision system with OSEP, reporting that the major components of the State's general supervision system consisted of: (1) on-site chart reviews; (2) reports from its Integrated Services Information Systems (ISIS), an electronic database which is used by service coordinators to track assessment and service data from initial referral to exit; (3) ongoing improvement planning and revisions to strategies; (4) focused monitoring of its Northern and Southern local programs; and (5) results from complaints and due process hearings. The Part C Coordinator told OSEP that a

finding of noncompliance is defined as any violation of Federal or State requirements. The State reported that a written finding of noncompliance identified at the child-specific or systemic level includes the citation from the Federal or State regulation, and is issued when an instance of noncompliance is identified through any component of the State's general supervision system. The State also reported that the written finding of noncompliance requires that the noncompliance must be corrected within one year of identification of the finding.

On-site Monitoring of Local Programs

State staff reported that, prior to the annual on-site monitoring visit, data from the ISIS system are used to identify targeted areas to be addressed during the on-site visit and areas of concern in need of further investigation. For example, the State issues bi-weekly caseload reports and monthly reports that reflect local program performance relative to compliance with Part C requirements. The monthly reports contain aggregated and trend data on each service coordinator's caseload, and include information regarding the number of referrals received and transition procedures. Local staff told OSEP that implementation of the bi-weekly caseload reports has enabled them to self-identify potential areas of noncompliance and implement improvement strategies to minimize the occurrence of noncompliance prior to the on-site monitoring visit from the State.

State staff told OSEP that on-site monitoring visits are conducted in the Northern and Southern local programs every year. The monitoring team, consisting of the Part C Coordinator, Assistant Part C Coordinator, Training Administrator, as well as several local program managers, conduct chart reviews, desk audits, ISIS queries and fiscal audits to determine the status of compliance. Each service coordinator has a minimum of ten percent of his or her caseload reviewed to ensure that the data sample is representative. Should issues arise from the representative sample, additional child records are selected for review.

OSEP reviewed the Quality Management chart audit tool, the primary monitoring instrument used to conduct on-site monitoring. The chart audit tool captures specific family and service information, as well as information on priority Indicators 1, 2, 4, 7, 8 and 9. For example, the compliance review determines the extent to which service coordinators record whether family's rights are discussed during the intake process, when there is a proposed change to the individualized family service plan (IFSP), and again, at the annual IFSP review. The compliance review also determines the extent to which services documented on the IFSP are provided in the natural environment, the presence of the school district representatives at the transition conference, as well as compliance with other Part C IDEA and State requirements.

In addition to an on-site compliance review, local programs may also receive a focused monitoring review based on the analysis of their compliance and performance data. State staff told OSEP that the areas of focused monitoring are based on priority indicators reported in the APR, as well as targeted areas identified by the SICC. For example, during the verification visit, representatives of the SICC told OSEP that timely transition from Part C to Part B was identified as a focused monitoring area during the FFY 2008-2009 performance period because this is an area of persistent noncompliance that contributed to the State's determination of Needs Assistance for two consecutive years.

Following the completion of the on-site monitoring and focused monitoring visits, the State conducts a formal exit interview with the local program supervisors informing them of the preliminary results of the monitoring visit, as well as any potential findings. Written findings,

indicating the areas of noncompliance and the timeline for correction (at least within one year of the finding, but sometimes shorter timelines are given), are issued to the local programs after the visit.

State staff told OSEP that during and prior to the FFY 2007 performance period, on-site monitoring visits were normally conducted during March and written findings were issued to local programs in June. However, for the FFY 2008 (July 1, 2008 to June 30, 2009) performance period, State staff reported that on-site monitoring visits were conducted in April 2009, but written findings were not issued to local programs until October 2009 (FFY 2009). The State explained that the six month delay in issuing those findings was due to competing priorities and staff shortages, and that the delay occurred only for that one monitoring cycle. For the FFY 2009 reporting period (July 1, 2009 – June 30, 2010), the State indicated that it plans to conduct on-site monitoring visits in March 2010, and issue findings in June 2010.

Statewide budgetary constraints and staffing resources are barriers cited by the State to ensuring the timely identification of noncompliance. State staff reported that the American Recovery and Reinvestment Act (ARRA) funds have enabled the State to address these barriers by expanding the hours of casual/seasonal employees to implement the provisions of its general supervision tools, including reviewing Part C fiscal claims on a regular basis. The use of ARRA funds has also provided the Part C Coordinator and Assistant Part C Coordinator more time to concentrate on program compliance and areas where improvement is needed. In spite of these challenges, the State told OSEP that staff continues to identify and implement effective program strategies to maintain compliance with Part C regulations.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP concludes that the State has components of a general supervision system that are reasonably designed to identify noncompliance in a timely manner, except that the State delayed issuing findings based on its April 2009 on-site monitoring.

Required Actions/Next Steps

In its FFY 2009 APR, due February 1, 2011, in addition to reporting, as required, on the correction of any findings of noncompliance identified during FFY 2008 (July 1, 2008 to June 30, 2009) and corrected in FFY 2009 (July 1, 2009 to June 30, 2010), the State must confirm that it conducted on-site monitoring visits in March 2010, and issued findings in June 2010.

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

The Part C provisions in IDEA sections 616, 635(a)(10)(A) and 642 and 34 CFR §303.501 require the State to ensure that when it identifies noncompliance with the requirements of Part C by early intervention service (EIS) programs and providers, the noncompliance is corrected as soon as possible, and in no case later than one year after the State's identification of the noncompliance. As explained in OSEP Memorandum 09-02, dated October 17, 2008 (OSEP Memo 09-02) and previously noted in OSEP's monitoring reports and verification letters, in order to demonstrate that previously identified noncompliance has been corrected, the State must

verify that the EIS program/provider: (1) is correctly implementing the specific regulatory requirements; and (2) has corrected each individual case of noncompliance, unless the child is no longer within the jurisdiction of the EIS program/provider.

State staff described for OSEP various components of its general supervision system used to ensure that noncompliance is corrected as soon as possible and in no case later than one year after identification. State staff reported that based on the review of the State's trend data, the average period for correction is four months from the time a written letter of findings is issued to the local program.

The Assistant Part C Coordinator explained that when an instance of noncompliance is identified during a monitoring visit, the State conducts an informal exit conference, and within a week following the exit conference, issues a formal notification via email to the local program, identifying the noncompliance and requiring correction. Local programs are required to correct and resolve the noncompliance and send a response email to the State to confirm correction, as soon as possible, but in no case later than one year from identification. The Assistant Part C Coordinator reported that a response email is sent to the local program confirming the receipt of the correction email and that quarterly follow-up visits to the local programs are conducted to verify the correction within one year following the identification of the noncompliance.

During the visit, OSEP learned that the State categorizes noncompliance as individual child-specific or systemic. When noncompliance is identified at the individual child-specific level, the State provides training and technical assistance to the local program staff to resolve and correct the noncompliance as soon as possible. If systemic noncompliance is found, policies and procedures are closely reviewed with local program management and potential short- and long-term strategies are identified. In addition, an assessment of improvement strategies is conducted to determine what revisions, if any, are needed to maintain compliance. State staff informed OSEP that if the intervention strategies (i.e., technical assistance, training, and monitoring of progress data) do not result in correction at least within one year from identification, enforcement actions are imposed that may include increased technical assistance, mandatory training, frequent monitoring including chart reviews, and the discontinuation of the provider's contract.

For both child-specific and systemic findings of noncompliance, State staff review updated data issued in the bi-weekly reports, monthly reports and quarterly follow-up visits to determine whether the noncompliance is corrected for the individual child. In addition, the State reported that, for instances related to service provision, the local provider must respond via email indicating that the instance of noncompliance has been corrected and further confirm that systems are in place to avoid future noncompliance.

The State also reported that it reviews updated data to monitor progress towards compliance, and to determine whether the noncompliant practice has discontinued at the local program level. However, for both child-specific and systemic findings of noncompliance, it is unclear whether the State reviews updated data to verify that each EIS program with noncompliance is correctly implementing the specific regulatory requirements (i.e., has achieved 100% compliance).

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP concludes that the State has components of a general supervision system that

are reasonably designed to ensure correction of identified noncompliance in a timely manner, except that it is unclear whether the State verifies that each EIS program with noncompliance is correctly implementing the specific regulatory requirements (i.e., has achieved 100% compliance). In addition, OSEP cannot, 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

Within 60 days of the date of this letter, the State must submit an assurance that when it verifies the correction of noncompliance, it reviews updated data to ensure that each EIS program with noncompliance is correctly implementing the specific regulatory requirements (i.e., has achieved 100% compliance).

Critical Element 3: Dispute Resolution

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

Staff reported that the State has adopted procedures for dispute resolution under IDEA section 639 and 34 CFR §§303.420 and 303.510 through 303.512, including mediation, complaint resolution and due process hearing requests. The Part C Coordinator reported that the State has not received any requests for due process hearings since before 2003. The State reported that its Family Rights Brochure contains information on dispute resolution and due process rights, as well as procedures for families to file a formal written complaint or request a due process hearing when necessary. Staff reported that at key points of service, including the intake and multi-disciplinary assessment process, service coordinators work with families informing them of their right to dispute resolution through mediation, complaint and impartial hearings.

During the verification visit, OSEP learned that the State supports and encourages its local programs to resolve complaints and inquiries informally at the local program level. The State staff told OSEP that the most common type of informal complaint occurs when a parent requests to change the service coordinator or service provider. When these types of issues arise, the State staff reported that a discussion is held with the family to discern the concern or issues and may result in the State selecting a different service coordinator. The local program staff told OSEP that if parents are not satisfied with the response at the local level, they are informed how to file a written complaint or request a due process hearing and are encouraged to contact the State's Part C Coordinator, who is always available to respond to parents' issues. The Part C Coordinator reported that due to the emphasis on relationship building skills of the local staff with the families, informal complaints rarely, if ever, rise to the level of a complaint or due process hearing.

The Part C program staff collaborates with the Department of Education to work with the Special Education Partnership for Amicable Resolution of Conflict (SPARC), the conflict resolution program of the University of Delaware. The State staff utilizes SPARC's Hearing Officers for dispute resolution and/or mediation requests. The criteria for appointing Hearing Officers is based on their knowledge of the provisions of Part C, as well as their awareness of the needs of and services available to eligible infants and toddlers with disabilities and their families.

During the verification visit, the State staff told OSEP that SPARC conducts training for the Part C staff, with the most recent training conducted in December 2008, focused on Conflict

Resolution. The State has not had a request for a formal complaint or due process hearing in more than eight years.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP concludes that Birth to Three has procedures and practices that are reasonably designed to implement mediation, complaint and due process hearing dispute resolution procedures. However, because the State has not received any due process hearing requests, complaints, or mediations for the last several years, OSEP cannot determine the effectiveness of those procedures and practices.

Required Actions/Next Steps

No action required.

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

The State staff reported that all components of its general supervision system, including public awareness and child find efforts, monitoring, collection of data, and training and technical assistance efforts are designed to ensure improved results and outcomes for infants and toddlers with disabilities and their families. The staff reported that its system for improving early intervention results and functional outcomes is training and technical assistance around functional outcomes. With the development and implementation of statewide electronic IFSPs and greater involvement from the SICC, the State staff reported that they have seen improved and tangible results for infants and toddlers with disabilities and their families.

The State staff reported to OSEP that revisions were made to their procedures and practices on early intervention results and functional outcomes within the past two years. A new collaboration between Part C and Part B/619 was formed to support professional development opportunities for staff to learn specific measurement tools and provide opportunities for staff to increase their knowledge of best practices for early intervention assessment. The State staff also reported that it has incorporated early childhood assessment skills as part of its professional development program within the birth to five early childhood system.

In addition, information on evidence-based practices is distributed to the regional programs, early intervention providers and to the SICC throughout the year. Among the most recent technical assistance documents available were topics such as evaluation and assessment reporting, continuity of care, transition planning, and developing interim IFSPs. These documents are maintained by the State and are distributed through email attachments and links to documents on the web.

In addition, the State provides materials to parents on how to advocate for their child and parent rights. The Part C Coordinator also reported that the State provides funding to Delaware's Parent Information Center (PIC) to provide training and educational opportunities for families. Additionally, the State's website contains numerous resources and links for families. The PIC participated in OSEP's stakeholder process in the fall by completing and summarizing the results of the parent surveys.

During the verification visit, the State discussed with OSEP its plan to revise its current eligibility criteria. OSEP will respond to this matter under separate cover letter.

Staff reported that individualized services are a part of the State's vision. In addition, the State's IFSP process was revised with the involvement and input from families, service coordinators and other relevant parties involved in the IFSP process to ensure that the process focuses on how to adequately conduct family assessments and to appropriately address families' priorities and concerns through services.

Twice a year, the Part C monitoring team conducts targeted training on child outcomes. The staff reported that the Northern and Southern programs and service providers meet to share preliminary outcome data and provide technical assistance on the Early Childhood Outcome (ECO) crosswalks, the ECO decision tree, and the Child Outcome Summary Form (COSF).

OSEP's Conclusions

Based on the review of documents and interviews with State and local personnel, OSEP concludes that Birth to Three has procedures and practices that are reasonably designed to improve early intervention results and functional outcomes. Without collecting data at the local level, OSEP cannot determine whether the system is fully effective in improving educational results and functional outcomes for all children 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, the State reported on the implementation of Part C grant application assurances related to monitoring and enforcement (local determinations and public reporting), interagency agreements and the State's system for professional development.

The State described the following components designed to implement selected grant application requirements:

Public Reporting and Local Determinations

As part of its responsibilities under sections 616 and 642 of the IDEA, each State must annually report to the public on the performance of all of its EIS programs against the State's SPP/APR targets and must make an annual determination for each program. Delaware meets the reporting requirement by posting a profile for its Northern and Southern programs on its website in July of each year, however, this year the public reporting was posted in October 2009 because of staff shortages. The Part C Coordinator told OSEP that when making determinations on the status of its local programs, the State bases its determinations on IDEA requirements and OSEP's guidance. Particular attention is paid to the review of data and compliance information from its annual SPP/APR, as well as program data on the timely provision of new services, timely multi-disciplinary assessments and IFSP meetings, delivery of services within the natural environment and timely transition conferences. Based on the analysis of the data, local program

determinations are made in the following categories: meets requirements, needs assistance, needs intervention or needs substantial intervention. The State reported that determinations are made only after careful analysis of all available information.

Interagency Coordination

Under IDEA sections 637(a)(2) and 640(b), each State agency must include in its Part C application a certification that its methods to ensure service provision and fiscal responsibility for services are current. The State reported that Part C services are provided by Northern and Southern Health Services, through staff drawn from DPH and Division of Developmental Disabilities Services. Other service providers include Christiana Care Health Services, Inc., Alfred I. duPont Hospital for Children, and community providers that have contracts with DHSS.

The Delaware Department of Education (DOE) and the Department of Services for Children, Youth and their Families (DSCYF) also provide service coordination services. DHSS has an interagency agreement with DOE and DSCYF, indicating that DHSS is ultimately responsible for the ensuring the availability of Part C services, and providing dispute resolution procedures to be used if disputes arise.[1]

Personnel Development

The State staff told OSEP that personnel development continues to be addressed through the activities and responsibilities that are coordinated with the DOE through the Partner's Council for Children with Disabilities (PCCD) and its work in early childhood and in highly qualified personnel. The Part C Training Administrator serves on the committee to ensure that the training needs, personnel development and promising practices associated with the Birth to Three Early Intervention System are adequately addressed. Interagency collaboration and joint planning are supported and endorsed by the PCCD Bylaws.

The State staff reported that training needs are also identified through an annual survey at early childhood conferences statewide and members of the Expanding Inclusive Early Intervention Opportunities Committee (EIEIO) implement the survey. EIEIO is a subcommittee of both ICC and the Delaware Early Childhood Council. This group includes representatives from Part C, Part B/619, early intervention providers, Head Start/Early Head Start and early childhood providers. Based on the results of the survey, EIEIO collaborates to offer training and consultative services to childcare providers in order to promote inclusive settings. EIEIO has developed a display and several workshops focusing on inclusion in early childhood settings that were offered as a strand during statewide conferences in all three counties.

OSEP Conclusions

Based on the review of documents and interviews with State and local personnel, OSEP believes the State has policies and practices that are reasonably designed to implement selected grant application requirements, i.e., public reporting and local determinations, CSPD, and interagency agreements, contracts or other arrangements.

OSEP, cannot, however, without collecting data at the local level, determine whether the lead agency's procedures are fully effective in implementing the selected grant application requirements.

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[1] OSEP will review the interagency agreement between DHSS, DOE, and DSCYF and respond under separate cover, if necessary.

Required Actions/Next Steps

No action is required.

II. Data System

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 State's data management team gave a thorough and comprehensive presentation on ISIS, the State's Integrated Services Information System, a central database for Part C, that counts and tracks all children to ensure the reporting of valid and reliable data for Delaware's Part C program. The State reported that it collects IDEA section 618 data, and data for its APRs, through child chart review and data analysis of the ISIS system.

State staff reported that ISIS has data edits that ensure the reporting of accurate and valid data. During the ISIS presentation, the senior supports specialist demonstrated some of ISIS's features including data entry, time snapshot of data and the security system. The State staff demonstrated how ISIS's security system ensures an accurate count of all Part C eligible children consistent with 618 data reporting requirements. For example, when computing the data for the December 1 child count, the ISIS security system counts all Part C children with active IFSPs.

To ensure a common understanding of all of the data elements collected, the State reported that it provides training for all data system users and maintains documentation of important definitions, as well as a data entry manual within each regional office. Staff has access to group and one-on-one training, which has led to improved identification and resolution of potential data issues. For all new staff, a seasoned data entry person will provide one-on-one training on data entry. To ensure accuracy, the senior data analysts will run frequent data progress reports verifying that new staff is inputting data accurately. The State told OSEP, and the local staff confirmed that they have used this training process for many years and it works effectively.

The State staff told OSEP that data is inputted into ISIS at the local program level by data entry vendors who are experienced and have been in their positions for many years. Management analysts, who conduct data analysis regularly, supervise the data entry staff ensuring the accuracy, validity and reliability of the data. ISIS is also designed so that service coordinators have the ability to enter their own data to meet timelines requirements. Another feature of ISIS is the staff's ability to readily identify anomalies and take immediate action to resolve them, often within the same day. For example, if data are missing, the local programs often detect it first and notify the State. However, if the State discovers the anomaly, they will immediately contact the management analyst and service coordinator who will correct the issue. To ensure the reporting of accurate data, the data manager will rerun the report within two days to verify correction.

To verify all anomalies, the State staff told OSEP that the local staff are required to submit an email outlining the steps they have taken verifying correction of the identified anomaly. The State staff added that audits and data reviews are completed weekly, bi-weekly and monthly to issue a monthly progress report that captures and reflects the number of active IFSPs, content and statistics. Management analysts run the report and provide a copy to the service coordinators

who verify the information. The monthly report, which can be sorted by service coordinator and region, is also shared with the budget unit who look at the fiscal expenditures over time. The SICC and the State's Legislative Committee for funding joint programs also receive a copy of the report on a quarterly basis for planning purposes.

During the verification visit, an issue arose regarding the data the State collected for APR Indicator 8B, the percent of children exiting Part C and potentially eligible for Part B where notification to the local educational agency (LEA) occurred, as required by IDEA section 637(a)(9)(A))ii)(I) and 34 CFR §303.148(b)(1). OSEP learned that one of the EIS programs in the State was only providing LEAs with the students' names, and not the parents' names and contact information. Following the visit, the State indicated that it is requiring the EIS program to include parents' names and contact information when providing LEA notification. OSEP will respond separately to the State's data submitted under Indicator 8B in its FFY 2008 APR.

OSEP Conclusions

Based on the review of documents, analysis of data, demonstration of the system and interviews with State and local personnel, OSEP concludes that 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, except that its data for Indicator 8B has not reflected those instances where all of the required information has been provided to the LEA. In addition, OSEP cannot, 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 at this time. OSEP will respond separately to the State's data submitted under Indicator 8B in its FFY 2008 APR.

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

Each lead agency must have procedures that are reasonably designed to verify that the data collected and reported reflect actual practice and performance to meet requirements of Part C in IDEA sections 616, 618, 635(a)(14) and 642 and 34 CFR §303.540. DHSS ensures that the data it collects and reports reflect actual practice by using a system of checks and balances at the regional and State levels.

To aid in the verification process and to ensure an unduplicated count, the State staff told OSEP that its verification process is multi-layered. Data is collected at the local program level by service coordinators who forward the completed form to data entry clerks for processing. Physicians are also able to fax referral forms into the Part C central intake office. Prior to putting the form into the system, data entry clerks verify the information on the forms with the service coordinator or referring physicians.

The State staff told OSEP that service coordinators constantly check for reliability and validity and that each region runs bi-weekly progress reports. In addition, to aid in the verification process and to ensure an unduplicated count, the State has a Master Client Index (MCI), a database used by all DHSS agencies that establishes a singular personally identifiable number for each child. State staff reported that demographic data is first checked against the statewide MCI to see if the client is in the statewide database. This procedure is in place to verify the information against the vital statistics database prior to creating a client ID in the statewide database. The State staff reported that additional verification of information is completed at the time of the child's initial Multi-Disciplinary Assessment (MDA) visit. Prior to the data manager's review, management analysts and program managers at the program level review the data for accuracy, validity and correction. To resolve systemic data issues once identified, State staff told OSEP that they review the child's chart, confirming and aligning the data between the chart and the ISIS database system. When data anomalies are a result of regional program procedures, team leaders and clinic managers address and correct them at the local program level and are required to document correction through staff discussions, regional program emails and review of program procedure and revisions. The State staff told OSEP that this extensive process of verification ensures that data submitted to the lead agency by the local programs are valid and reliable.

The State reported to OSEP that the Birth to Three policies and procedures manual, as well as the data manual policies and procedures for data collection, accuracy and validity are readily available within the Northern and Southern local programs. The manuals inform staff of specific policies and procedures including timelines, data entry, correction and verification. Staff training occurs at the local program level with new staff trained by senior staff. Group training is also available. Ongoing communication between the local programs and the lead agency staff ensures that the data collected reflects actual practice and performance.

Both the Part C Coordinator and the data manager attended the annual data manager's conference sponsored by OSEP and the Data Accountability Center (DAC), with the data manager co-leading a session on 'Using Data to Make Good Fiscal Decisions.'

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP concludes that the State has procedures that are reasonably designed to verify that the data collected and reported reflect 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?

The State reported that data from all components of its general supervision system, including ISIS, APR process, on-site chart audits, monitoring, SICC, technical assistance, training, dispute resolution processes and informal self-assessments are used to determine noncompliance and develop and track the effectiveness of appropriate improvement activities and new initiatives.

To ensure improved results, the State demonstrated to OSEP that they have developed a tracking system designed to identify noncompliance and track results.

The State told OSEP that local programs use information from multiple reports including the caseload and monthly progress reports to monitor their own progress towards compliance and performance standards. The State reported that information from these reports is used to identify trends for developing statewide training. The State added that input from providers is solicited to see what technical assistance is needed or requested. Staff meetings and annual surveys at early childhood conferences statewide are also additional processes to identify training needs.

As a part of the verification visit, OSEP specifically inquired into the State's procedures and data collection methodology for SPP/APR Indicators 1, 7 and 8A-8C. The State staff told OSEP that data for Indicator 1 is collected during on-site monitoring through the review of IFSPs within the ISIS database system. The monitoring team reviews IFSPs for the referral and start dates for each service and reviews each IFSP to determine which IFSPs are within the timeline and which are not, as well as the reasons for delays.

For Indicator 7, the State staff reported that the ISIS Part C database system is used to collect data for Indicator 7 in concert with on-site monitoring activities. To determine if services are held within the 45-day timeline, the monitoring team reviews the referral date and the date of the initial IFSP meeting. In FFY 2008 and in its investigation of the 45-day timeline, the State discovered that the multi-disciplinary assessment was not being conducted on a timely basis due to lack of capacity for Spanish-speaking staff. Due to the State's hiring freeze and a lack of funding, the State was unable to hire Spanish-speaking personnel to facilitate the multi-disciplinary assessments in Spanish, which resulted in a delay in timely services. However, the Part C Coordinator told OSEP that the ARRA funds have led to the hiring of two Spanish-speaking personnel to facilitate IFSPs and MDAs to resolve the personnel capacity issue.

Currently under a hiring freeze, the State is also using ARRA funds for additional professional development opportunities. The Part C Coordinator told OSEP that over the next two years, the ARRA funds would provide the State with an unprecedented opportunity to provide additional training with a focus on improving timely services. The goal is to have a well-trained staff, equipped with increased skills and knowledge to sustain compliance performance, beyond ARRA and State budget restrictions.

For Indicator 8A, the staff reported that it collects and reports data through the monitoring of IFSPs to include quality transition planning, transition steps, and transition services for all children exiting the Part C system. The State staff reported that it collects and reports data for Indicator 8B through ISIS, which has a field to identify the Local Education Agency. The Department of Education/Child Development Watch liaison shares ISIS notification reports with the local school districts, which receive these reports three times a year, in January, May, and September, and utilize them for planning purposes. See Data Critical Element 1 above regarding the Indicator 8B issue.

For Indicator 8C, the State staff reported that it collects data through focused monitoring of transition from its Northern and Southern regional programs. In 2008, the State's data for Indicator 8C indicated that 93% of children received timely transition conferences. The State staff reported that current State procedures recommend that transition conferences be scheduled six to nine months before the child turns three so that staff has time to convene the conference and follow up on steps to complete as part of transition.

OSEP Conclusions

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

Required Actions/Next Steps

No Action is required.

III. Fiscal System

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

Each lead agency must ensure that IDEA Part C funds are timely obligated and liquidated in accordance with the requirements in the Education Department General Administrative Regulations (EDGAR). During the verification visit, the State's fiscal team, comprised of the fiscal Administrative Officer, Accountant, Billing Manager and the Part C Coordinator, discussed with OSEP the procedures the Part C program uses for timely obligation and liquidation of IDEA Part C funds. The Fiscal Administrative Officer reported that Part C funds are obligated via State purchase orders as they are drawn up and as contracts are facilitated. The State reported that a service budget is created to track Part C expenditures on a monthly basis. In addition, the Northern and Southern local programs have their own unique appropriations codes to ensure separate and distinct tracking. To help support and ensure the timely obligation and liquidation of IDEA funds, the State has financial reports in place to track all Part C expenditures. For example, the monthly expenditure report captures all Part C expenditures and the monthly budgetary activity report breaks down each division's appropriations and activity while the State's fiscal year report provides a cumulative financial overview. The fiscal team told OSEP that the functionality of these reports makes it easier to track all Part C expenditures and has led the State to establish timely obligation and liquidation of Part C funds for the past five years.

OSEP confirmed through the U.S. Department of Education's Grants Administration and Payment System (GAPS) that the State expended all of its FFY 2005, 2006, and 2007 funds for Part C.

OSEP Conclusions

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

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 at the State level?

Verification Visit Details and Analysis

Procedures for Appropriate Use of IDEA Part C Funds at the State Level:

Each lead agency must ensure that IDEA Part C funds are expended at the State level on appropriate uses, consistent with the requirements in IDEA section 638, EDGAR, OMB Circular A-87, and other applicable Federal requirements. The State reported to OSEP that claims are routinely monitored by the Part C office and filed with Electronic Data Systems (EDS), the DHSS fiscal agent (except in special cases where manual invoices are necessary). Expenses are reported to the budget office annually on the Part C direct service expenditures report. To ensure that Federal funds are used only for allowable purposes and consistent with 20 U.S.C. 1435 and 1438, the fiscal administrator told OSEP that each year the State creates three separate funding codes for general, Appropriated Special Funds (ASF) and Federal funds. Upon the receipt of ARRA funds in April, the State created a separate tracking code for ARRA dollars. All Part C funds are tracked by the fiscal team on the monthly budgetary activity report.

Payor of Last Resort/System of Payments:

As part of the payor of last resort requirement under IDEA section 640, the State must ensure that Part C funds are not used to pay for services that would have been paid for from another available funding source. The staff reported that it has accounting mechanisms and policies in place to ensure compliance to payor of last resort. The Part C Coordinator reported to OSEP that whenever a child is eligible for Part C services, the State accesses private insurance first, followed by Medicaid and Part C as the payor of last resort. The State staff told OSEP that it does not deny access of Part C services to any family due to inability to pay. Medicaid recipients are not required to share in the cost of Part C services. The Division of Medicaid and Medical Assistance through its Managed Care contracts outlines what Part C services will be paid through Medicaid.

Delaware has a system of payments on file with OSEP, which specifies the use of public benefits and private insurance.

Nonsupplanting Requirements:

With respect to the IDEA Part C nonsupplanting maintenance of effort (MOE) requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b), Delaware indicated that it has a method to calculate whether the total amount of State and local funds budgeted for early intervention services in one fiscal year is maintained or increased from the total amount of State and local funds actually expended on such services in the most recent preceding fiscal year. The State reported that the fiscal staff is responsible for ensuring the State uses Part C funds to supplement and not supplant State funds. Systems in place to track the State's compliance with the maintenance of effort include two key reports: the monthly budgetary report and the annual expenditure report. The fiscal team reported that they review the monthly budgetary report listing all program expenditures that is compiled into the annual expenditure report. The fiscal team reviews the reports for compliance and compares the amount of State and Federal funds expended for each fiscal year to ensure the Part C program's compliance with MOE. As supporting documents, the fiscal staff provided OSEP with copies of the State's annual

expenditure reports from FFY 2006-2007, 2007-2008 and 2008-2009 documenting the State's MOE.

The State's website supports the completion of a Single Audit Final Report (A-133) for FFY 2007. The Fiscal Administrative Officer provided OSEP with a copy of the State's most recent audit, which did not list any findings against the Part C program in the past three years. The State has a current indirect cost agreement of 4.2% charged to the Part C grant as approved by the Federal cognizant agency.

OSEP Conclusions

Based on the review of documents, analysis of data, feedback from stakeholders and interviews with State personnel, OSEP finds that the State has procedures as described above that appear reasonably designed to ensure appropriate use of IDEA funds at the State level, but has not reviewed source documentation regarding implementation of these procedures.

Required Actions/Next Steps

No action is required.