

Missouri Part C 2009 Verification Visit Letter Enclosure

The Missouri Department of Elementary and Secondary Education (DESE) is the lead State agency for Missouri's early intervention program First Steps. The First Steps program is operated through contractual agreements through the Central Finance Office (CFO) in ten regions. These ten regional offices are known as System Points of Entry (SPOEs). The current SPOE contract was put into place July 1, 2009. The SPOEs provide service coordination, evaluation eligibility, individualized family service plan (IFSP) development and all local administrative activities for the program. Independent service providers enroll with the CFO and in coordination with the service coordinators, conduct evaluations and assessments, participate in the IFSP process, and provide early intervention services consistent with the IFSP.

DESE reported in its Part C Federal Fiscal Year (FFY) 2007 Annual Performance Report (APR) that it served 3,450 infants and toddlers with disabilities representing 1.45% of the State's population from birth to age three. DESE has adopted the Part C due process hearing procedures under 34 CFR §303.420 to resolve individual child disputes under Part C. DESE has a State system of payments under Part C of the IDEA and does not charge indirect costs to its Part C grant.

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

DESE's First Steps Program general supervision components are comprised of policies and procedures including: (1) Missouri's standards and indicators; (2) the WebSPOE data management system; (3) State accounting system (SAM II); (4) on-site file review; (5) interviews that are conducted with service coordinators; (6) a due process system; (7) Corrective Action Plans; (8) Improvement, Monitoring, Accountability and Compliance System (IMACS); (9) technical assistance; (10) Quality Indicator Rating Scale (QIRS); and (11) self assessments.

In OSEP's prior verification letter to Missouri, dated May 7, 2004, OSEP found that the State was not monitoring all service coordinators or all agencies involved in the provision of early intervention services (EIS) and that the agency did not make any findings based on individual cases of noncompliance. During OSEP's previous verification visit, the Department of Mental Health was responsible for monitoring half of the providers, and there were independent service providers, mental health and SPOE coordinators. Since that time, DESE has made several revisions to its general supervision system. DESE staff reported that the Department of Health is no longer involved in providing services or monitoring, and that DESE is the only State agency providing EIS. DESE staff also reported that all employees now work directly for DESE. DESE also incorporated the use of an electronic monitoring system called IMACS.

The State also redesigned their SPOEs, reducing the number from 24 to 10 and added a WebSPOE electronic data collection system, now able to collect real time data for the entire year for state performance plan (SPP)/APR indicators as well as for the 618 data collection. The State staff reported that these changes have enabled the State to have a more efficient general supervision system that promotes teaming, consistent documentation and information to families, and in general, an increase in accountability. DESE described how the following three components of its general supervision system are used to identify noncompliance: (1) Integrated Monitoring Activities; (2) Data Results; and (3) Effective Dispute Resolution. In the fall of 2008 (FFY 2008), the State began conducting cyclical monitoring of the ten new SPOE regions on a two-year cycle (5 SPOEs monitored each year).¹ State staff reported that the preparation for the monitoring involves reviewing information contained in the WebSPOE data system such as data reports of information contained from key indicators, timelines, regional data, desk audits, individual file reviews and complaints. The State notifies the SPOE verbally that it will be conducting monitoring, and then the SPOE provides a list of all children currently served in the region. The State then selects about 30 files for review from the total list of children for each SPOE region. Of these 30 files, 15 are of children with active IFSPs and 15 are files of children exiting the program. The State provides written notification to the SPOE of the 30 selected files along with a list of participants needed for the on-site monitoring review, which takes place in the summer. Data on required timelines is also monitored using the WebSPOE data system.

The State uses IMACS to record any noncompliance identified through monitoring. The State defines noncompliance as a failure to meet the requirements of the Individuals with Disabilities Education Act (IDEA).

Through monitoring and/or data reviews, the State staff reported that they make a finding of systemic noncompliance if less than 80% of the files are found to be in compliance with regard to an indicator. When a result of 80% or higher is found it is considered substantial compliance, but the State makes a finding of individual noncompliance. State staff assured that every instance of individual noncompliance is corrected, except when the child is no longer in the program or correction is not warranted due to the nature of the noncompliance.² The State must ensure that all noncompliance, whether systemic or individual, is corrected consistent with OSEP Memorandum 09-02, dated October 17, 2008 (OSEP Memo 09-02). OSEP will address correction of noncompliance under Critical Element 2 below.

If noncompliance is found through a child complaint, a finding is made and corrective action is required. Since State monitoring staff is able to enter information directly into the IMACS system on site, the SPOEs have the opportunity to demonstrate correction of noncompliance before the formal notification of findings of noncompliance is issued.

¹ The State reported that during FFY 2007 it conducted monitoring of SPOEs, as they were previously organized. The State indicated that it made findings of noncompliance based on that monitoring and will be reporting data on those findings in its FFY 2008 APR, due February 1, 2010. OSEP will respond separately to the State's data and information in its FFY 2008 APR.

² For example, when a notice of action was not provided timely but was issued and the State did not require additional corrective action.

There are two State monitors who conduct on-site and electronic file reviews. To ensure inter-rater reliability, both staff must agree on the finding before it is made. The SPOE regions are notified of any findings of noncompliance, whether systemic or individual, within six weeks of identification through a report that is generated in the IMACS system. During the verification visit, OSEP staff reviewed a sample report and verified that it notified the SPOE of the findings and required corrective action. The reports identify the timeline by which the noncompliance must be corrected, which is in no case later than one year of the date of written notification.

OSEP Conclusions

Based on the review of documents, analysis of data and interviews with the State and local personnel, OSEP concludes that DESE 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 DESE procedures are fully effective in ensuring the correction of identified noncompliance in a timely manner.

Required Actions/Next Steps

No action is required.

Critical Element 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 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 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.

During the visit, DESE staff defined timely correction as follows: (1) For systemic noncompliance, a Corrective Action Plan (CAP) is required to be submitted within 30 days of written notification of the finding and the noncompliance must be corrected within one year of the date of written notification; (2) For child-specific noncompliance, the noncompliance must be corrected as soon as possible but no later than the date included in the individual CAP and in no case more than one year from the date of written notification; and (3) For noncompliance identified through the State's dispute resolution processes, noncompliance must be corrected within 45 days of the decision.

The State staff indicated that in cases where the child's level of service has or will be affected, the correction must be completed within 30 days. State staff reported that if the

child's level of service will not be affected, all correction must be completed no later than the child's next IFSP meeting.

The State monitors the progress of the local EIS program's correction of noncompliance by using the following four methods: (1) IMACS -- data are managed and monitored in this system and file review data are entered which generate letters and reports, CAPs and required timelines for correction; (2) CAPs are used to obtain and document the plan for correction of systemic noncompliance and tracked through IMACS; (3) Technical Assistance is used to assist the regional SPOEs with correction as well as SPOE self-assessment activities; and (4) Sanctions may be imposed on the SPOE contractor if the SPOE does not perform according to contract.

The State reported that DESE requires the SPOE to correct all instances of individual noncompliance and submit the documentation verifying correction. The State staff reported that they verify correction of individual noncompliance by reviewing the child's electronic file. In addition, the State reported that it verifies the correction of systemic and individual noncompliance by conducting a review of a random selection of files to verify that at least 80% compliance has been achieved. During the verification visit, the State monitoring staff reported that to determine correction of noncompliance, they electronically review five files submitted by the SPOE. State staff reported to OSEP that if four out of five files are in compliance, the State concludes that the noncompliance has been corrected; however it requires that the SPOE correct the one file containing noncompliance.

In conversations with OSEP after the verification visit, DESE clarified that staff had understood that noncompliance could be considered corrected if 80% (four of five) of the follow-up files reviewed demonstrated compliance. DESE reexamined its practice and reported to OSEP that in four of five regions for which follow-up file reviews were conducted, 100% of the follow-up files demonstrated compliance. However, for one of the regions, DESE closed the CAP although only four of five files showed compliance. DESE has subsequently reviewed an additional five files for that region and determined that all five demonstrated compliance. DESE indicated that it has revised its procedures to require follow-up file reviews to show compliance before verifying that noncompliance is corrected.

Once the State has completed its review of supporting documentation and determines that correction has been completed, a report is generated in the IMACS system and a letter is sent to the SPOE verifying that the noncompliance has been corrected. If DESE is not satisfied or does not agree that the SPOE has fully corrected the noncompliance, or the SPOE cannot correct in a timely manner, the State uses enforcement actions and sanctions such as targeted technical assistance, training, and/or breach of contract. Since all SPOEs are under contract with the State, each contract specifies requirements for correction and the potential enforcement for failure to comply. State staff reported to OSEP that, where the noncompliance resulted in a failure or delay in the provision of services to the child and family, the State would determine whether the provision of compensatory services is appropriate.

OSEP Conclusions

Based on the review of documents, analysis of data and interviews with the State and local personnel, OSEP believes that the Department of Elementary and Secondary Education has a general supervision system that is reasonably designed to correct noncompliance in a timely manner.

Required Actions/Next Step

No action is required.

Critical Element 3: Dispute Resolution

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

Verification Visit Details and Analysis

The State must have procedures in place to implement its dispute resolution responsibilities under Part C of the IDEA as set forth in IDEA 616(a), 635(a)(13), 639 and 642 and 34 CFR §303.400, §§303.420 and 303.510 through 303.512. DESE uses Part C procedures under IDEA for filing due process hearings. Complaints are handled by the State's Part C compliance staff. DESE staff reported that parents are provided a copy of the Parental Rights Statement at the initial intake meeting, with each written Notice of Action, and at every IFSP meeting. DESE provides parent rights documents in over five different languages. The State reported that these parent rights documents are posted on the State's website. The State reported in its FFY 2007 APR for Part C of IDEA that in 2007-2008, six complaints were filed and resolved within the 60-day timeline; and two due process hearing requests were made, with one resolved without a hearing and the other fully adjudicated within the 30-day timeline. During the verification visit, OSEP was able to review the State Complaint Procedures for Infants and Toddlers as well as the State Complaint System guidelines outlined in the First Steps Practice Manual. To train its staff on due process procedures, DESE has developed a PowerPoint presentation, and in the past year DESE conducted two trainings to its SPOEs on due process, including training on proper completion of due process forms posted on DESE's website. Information on parent rights was also published in the August 2009 edition of DESE's quarterly newsletter.

Missouri's dispute resolution process includes the following three components:

State Complaints:

Since not all persons contacting DESE are filing a complaint, staff is taught to distinguish between a request for information and a potential complaint. Complaints are documented by electronic mail or phone log. However, if a formal complaint is filed, the complaint must include the following information: (1) a statement of the facts describing the alleged violation of the IDEA Part C or Federal statutes and regulations applying to programs operated pursuant to the IDEA Part C; (2) the statutory or regulatory citation that is the basis for the complaint; and (3) the name, address and phone number of the complainant. The complaint is then reviewed by the Assistant Director of Compliance and Part C lead agency staff. Then the necessary staff is assigned to determine the parameters of the investigation and enter all information into the complaint tracking data base. A

complaint cannot be filed in reference to an alleged violation that occurred more than one year prior to the date that the complaint was received unless the period is longer because of reasonable circumstances such as the violation is continuing, or the complainant is requesting reimbursement or corrective action which includes compensatory services, for a violation that occurred not more than three years prior to the date of receipt of the complaint. Child complaints are investigated and a written final decision is provided to the complainant within 60 days. To ensure timely resolution of complaints, within 10 days of receiving the complaint, the State sends the complainant an acknowledgement letter which informs the complainant of the opportunity to provide additional documentation or information. The investigations are then assigned to a compliance supervisor, and weekly reports are generated from the child complaint database, which ensures that all staff is informed of the impending timelines. State staff reported that this system for tracking internal timelines assists in meeting the 60-day timeline for issuing the final decision.

Each allegation is investigated individually and addressed with separate findings and decisions. Before a final decision is made, the DESE legal counsel and the Assistant Commissioner review each complaint to ensure the final decision is supported by the findings of fact. Where a violation is identified, the final decision letter will include the required corrective actions and timelines for completion. State staff reported that they can use the child complaint database to determine whether the required corrective action has been completed. It is the responsibility of the Part C Assistant Director to ensure corrective action is completed. OSEP was able to view the Child Complaint model form provided by DESE to parents as well as documentation of complaint procedures supporting this information.

Due Process Hearings:

If an agreement cannot be reached by the IFSP team or First Steps system, a parent may request a due process hearing. This request must be submitted in writing to DESE. State staff reported that, within 30 calendar days of receiving the parent's request for due process, a hearing will be conducted by an impartial hearing officer who reviews the parent's concerns, listens to the involved parties and issues a written decision of facts and findings. Parents have the option to have legal counsel represent them at the due process hearing. If DESE or the parent disagrees with the hearing officer's final decision, either party may appeal the decision to a State or Federal court. State staff reported that during the hearing process, the child will continue to receive early intervention services that he/she was previously receiving or, if the due process involves initial services, the child will receive any services that are not being disputed. Due process hearing information is disclosed to the public and is located on DESE's website. The SICC is provided with a hard copy of the decision as well as a link to the website where the related information is also posted. At the time of OSEP's verification visit, there was one hearing officer for Part C due process and DESE was developing a web-based training for new hearing officers which should be available in the near future.

DESE maintains a list of individuals who serve as hearing officers including a statement of their qualifications. Hearing officers may not have personal or professional interest in the matters that are set forth before them which would cause a conflict of interest or impact the objectivity in the hearing. Hearing officers have an affirmative obligation to

withdraw from any matter where a conflict is identified. State regulations and a contract with the hearing officer require that the written due process decision be issued within 30 days.

Mediation:

Parents are given the opportunity to resolve their concerns through mediation prior to initiating a due process hearing in response to a child complaint. Mediation is voluntary on the part of the parties, and both parties must agree upon an impartial mediator who is qualified and trained in mediation and special education laws and regulations. DESE maintains a list of qualified individuals who serve as mediators. This list is available to parents. In order for mediators to meet DESE standards and be available for mediations, they must demonstrate that they have had at least 16 hours of training provided by DESE or elsewhere. Verification of training, such as a certificate of completion, must be provided, as well as a demonstration of knowledge of IDEA. Knowledge of IDEA can be demonstrated in a variety of ways including through a letter, resume, background information, and evidence of completed trainings and webinars. If mediation is agreed upon, the mediation session must be held within 15 days of the request for mediation. In the event that mediation is used to resolve issues brought forward in a State complaint, the complaint may be extended up to 30 additional days but must be completed within 30 days of the decision to mediate. Mediation requests are tracked in the child complaint database. The State reported in the FFY 2007 APR that there were no requests for mediation.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with the State personnel, OSEP believes the State has policies and practices that are reasonably designed to implement the dispute resolution requirements of IDEA.

Required Actions/Next Steps

No action is 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

In interviews with OSEP staff during the verification visit, the State reported that all components of the State's general supervision system, including public awareness and child find efforts, monitoring, data collection, and training and technical assistance efforts, are designed to ensure improved results for infants and toddlers with disabilities and their families. For example, the State is collecting data on early childhood outcomes that is included in their State Performance Plan and required by the U.S. Department of Education to gather performance data for young children receiving services through the Part B and C programs of the IDEA. In fall 2006, SPOEs began assessing all children entering and exiting First Steps and Early Childhood Special Education Programs. Statewide training for the collection of early childhood outcome data was held in fall

2006, and follow-up trainings are conducted on an as-needed basis. All data collection materials are posted on the DESE website.

DESE also uses a Quality Indicator Rating Scale (QIRS), which was developed through a collaborative process involving stakeholders from across the State and national experts. It is designed to be a capacity building tool, used by trained reviewers to rate randomly selected IFSPs from the different SPOE regions on a scale of 1-5, with 5 indicating best practices. Regional trainings are held on an annual basis and include an emphasis on individualized services in the natural environments. Training information for the QIRS is available on-line through DESE. Area Directors typically review two IFSPs per service coordinator. One Area Director from the region and one from another region work together and arrive at their IFSP ratings independently. If they provide different scores in the same categories, they must discuss the issues and come to a rating consensus. Raters are trained intensively and practice for one year before independently evaluating IFSPs using the QIRS. Individual feedback is provided to the service coordinator to discuss results and trends that came out of the data review, and regional issues are discussed with the entire SPOE. Score sheets are available in the IMACS system and SPOEs can view the results. If a score of 69% or higher is received, DESE determines that contractual performance standards are being met. The goal of QIRS is to increase the quality of IFSPs and DESE has determined that IFSP quality has improved during the past four years since implementation of the QIRS.

Along with early childhood outcome collection data and QIRS, DESE uses Routines Based Interviews (RBI) to improve functional outcomes. RBIs are semi-structured interviews between a professional and family member that provide information about a child's development, the family's day-to-day life and how the family feels about their daily activities. DESE worked with specialists in this area during 2007-2008 to present the RBI to SPOE service coordinators and service providers. Five Area Directors are currently in the process of becoming RBI-certified. Part of this training also includes writing functional outcomes for children and families. RBI is an emerging practice in Missouri at this time and the goal of the practice is to work towards a teaming model that will result in families building primary relationships with one provider.

Natural Environments:

DESE works closely with families and service providers to promote understanding of the concept of natural environments. As part of the process, DESE requires that all service providers complete module trainings. All modules are offered on-line with no fee. There are five modules consisting of: (1) Orientation, (2) Evaluation and Assessment, (3) IFSP Outcomes in Natural Environments, (4) Transition and (5) Service Coordination. Module trainings assist in ensuring the individualization of services in the natural environment. In addition, WebSPOE contains the on-line IFSP and requires a justification for the service setting prior to the completion of the authorization for services. Monitoring procedures also include the review of individualized services, and identification of noncompliance with required correction and future compliance with requirements. DESE publishes a parent connections newsletter, available on-line and distributed on a quarterly basis that has addressed natural environments and individualized services for families.

DESE reported to OSEP that providing services in natural environments has been difficult for some regions due to demographics. There is more of a struggle in rural versus urban areas, and the challenge of service providers and the IFSP team is to design methods for incorporating services into the child's home and family life currently available at special purpose centers. All service coordinators and service providers are taught that an IFSP is based on the child's needs and not on the availability of services. For example, even where there are shortages of service providers, the child's IFSP should reflect actual service needs and not availability.

Family Initiatives:

DESE places great emphasis on the families' involvement in all aspects of the First Steps Program. The DESE website includes a link labeled "for parents" which contains multiple resources, including information on advocacy services. DESE also encourages service coordinators to work with the family by preparing for evaluations, assessments and IFSP development with interviews to determine the family's need. Service coordinators use information collected through this process to develop a list of the child and family concerns, priorities and resources. Parent newsletters are also published by DESE and mailed quarterly to all parents with a child enrolled in the First Steps program. The newsletters include communication and advocacy information. The Missouri Parents Act (MPACT), a program implemented by the Missouri Parent Training and Information Center (PTI), also makes available a variety of parent trainings on advocacy and education. In February 2009, DESE assisted MPACT with the distribution of Part C to Part B transition flyers to parents.

OSEP Conclusions

Based on the review of documents and interviews with State and local personnel, OSEP finds that the State has policies and practices that are reasonably designed to improve early intervention results and functional outcomes for 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, the State reported on the implementation of Part C grant application assurances related to monitoring and enforcement (local determinations and public reporting), the SICC, interagency agreements, and the State system for professional development. The State described the following components designed to implement selected grant application requirements:

Public Reporting and Local Determinations:

DESE makes local determinations after OSEP issues the State's determination in June of each year. Local determinations are based upon the average of the SPOE scores in eight compliance and performance categories based on SPP Indicators. The eight categories include: audit findings, timely correction of noncompliance, transition steps and services, LEA notification, transition meeting (held by 2.5 years), timely EIS, timely and accurate data submission and 45-day timelines. Data for making local determinations are collected by the State on May 15th for each SPOE agency and local determinations are made no later than June 30th. After determinations are made, letters notifying the local programs of their determination are sent. The State reported that DESE publicly reports their local and Federal determinations on their website and ensures that it is accurate and up to date. DESE has enforcement actions in place that address each level of determination. For the past two years all SPOE regions have met requirements.

Interagency Coordination:

Under IDEA sections 637(a)(2) and 640(b), each State agency must include a certification in its Part C application that its methods to ensure service provision and fiscal responsibility for services are current. The State reported that all Part C services are provided by DESE, through contractual agreements with the SPOEs and independent providers who are enrolled with the Central Finance Office. The State also reported that it has policies to ensure that IDEA Part C funds are used as a payor of last resort, and to ensure the timely provision of services and ongoing service provision for IFSP services. These policies include a system of payments policy that is on file with OSEP and defines when public benefits and private insurance may be used to pay for Part C services. DESE also reported that it has been given "financial and program responsibility" by the State legislature for its early intervention program which eliminates delays in service for an eligible child during agency disputes.

At this time, DESE has reported to OSEP that their SICC has two vacant positions. Filling SICC positions has been an issue for about two years. DESE has made significant efforts to identify and nominate appropriate SICC members and is hopeful that vacancies will be filled. DESE has been working with the new commissioner and the governor's office on this issue. Section II.B.16 of the State's FFY 2009 grant application included an assurance that the State's SICC would meet the requirements of 20 U.S.C. 1441 by June 30, 2010. OSEP will continue to review this issue through the State's Part C grant application process.

Comprehensive System of Professional Development (CSPD):

DESE has many ways to determine professional development needs and is able to do this through a comprehensive system that includes meetings, data reviews, and contracts with SPOEs, collaboration with Washington University and the University of Missouri and various training mechanisms. Training needs are identified in quarterly SPOE director and SICC meetings, bi-monthly special education director meetings and area director meetings that are held six to eight times a year. At these meetings, program and compliance documents are disseminated and trainings occur. There are five area directors who work to address programmatic issues and concerns in the SPOE regions and with Part C State staff to develop materials, provide regional trainings and develop

technical assistance for SPOEs. DESE also requires that service coordinators participate in a two-day training and complete an on-line training module for professional development. Licenses and certification must be submitted to the CFO and are reviewed every six months. If training modules are not completed, service coordinators and providers are removed from the active list of available providers. The State sponsors an annual training for service coordinators and service providers.

OSEP Conclusions

Based on the review of documents and interviews with the 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.

Required Actions/Next Steps

No action 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

DESE has a comprehensive Part C data system that consists of several components including WebSPOE and IMACS. The CFO serves as the State system that collects and compiles data from all SPOEs. In addition, DESE uses this database to manage provider billing. Providers can access the billing system on-line at the SPOE level to bill DESE for service provision and other early intervention activities.

WebSPOE replaced the previous data system that OSEP reviewed during its last verification visit. WebSPOE was designed to collect “real time” data at the local level and to report data and information to meet the data reporting requirements of Part C in IDEA sections 616, 618, 635(a)(14) and 642 and 34 CFR §303.540. A data manual is provided to all users and is available on-line. In addition, there is on-line help and a twenty-four hour help line available for users. WebSPOE collects child-level data that include detailed information from referral and eligibility through the IFSP process.

When a data entry error is made, the CFO must be contacted to correct the data error. Local level program staff expressed concerns to State staff about the difficulty in correcting data errors and these concerns have prompted DESE to consider making the correction of data in the WebSPOE easier for service coordinators and providers. The WebSPOE database system has many edit checks that identify incorrect data. Edit checks are run at each point throughout the data entry process. The system has built in edit checks for referral information, intake, eligibility and IFSP timelines. The edit checks prevent data errors by not allowing data entry personnel to proceed to the next step without completion of the previous step. For example, if the birthday of a child does not conform to the age requirements of the program (e.g., if the child is over three years of age) the system will not allow more information to be entered until the error is corrected. DESE reported that the CFO maintains all reports of data correction on file.

DESE staff also review data to ensure validity and reliability and to identify trends and data anomalies from reports generated by the WebSPOE. These reports highlight data anomalies and trends that are discussed at the State level and shared by the First Steps Coordinator with area directors every six weeks. During on-site monitoring by DESE, two Part C compliance staff review each set of data in order to establish inter-rater reliability to correctly report data findings. At the local level, data are verified through SPOE staff cross-referencing information from interviews with parents (such as the date for initiation of services as compared to the billing date), health and medical records, screening and evaluation reports.

From the WebSPOE, DESE generates data for SPP/APR Indicators 1, 2, 5, 7, and 8C and data for section 618 on child count, setting and exiting information. DESE generates data for Indicators 8A and 8B from file reviews. DESE submitted the FFY 2007 APR and 618 data in a timely manner. Data for Indicator 3 are collected using a spreadsheet populated by the SPOEs and entry and exit ratings are matched and compiled to produce outcome data. Indicator 4 data are collected through a family survey. DESE reports a 26.8% return rate for the survey and that the returned surveys reflect an accurate representation of the State's population with every region represented in the response data. For Indicator 8C, the WebSPOE system is currently not designed to collect exiting data for cases exceeding timeline requirements. However, this information is collected by SPOEs. DESE plans to build this data collection capacity into its WebSPOE system for future data collection with the ability to account for reason(s) for delay. Indicator C9 data are tracked in the IMACS system and due process hearing and State complaint data are maintained in the child complaint database. SPOE data reports are issued on a monthly basis and available on the DESE website for public viewing.

OSEP Conclusions

Based on the review of documents, analysis of data, demonstration of the system capabilities and interviews with State 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 under IDEA sections 616, 618 and 642 in a timely manner.

Required Actions/Next Steps

No further 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

DESE ensures that data it collects and reports reflect actual practice by using an on-line IFSP, monitoring visits, staff training, data base report reviews and data edit checks. Data are entered by service coordinators and service providers at the local level and the WebSPOE has built-in edit checks to ensure that valid data are entered in real time and to prevent delays in data entry. After an IFSP is finalized, the providers can begin to access information and enter progress notes. Service coordinators can view all of the progress notes and parents can request progress notes at anytime. During on-site monitoring visits

the information contained in a child's hard copy record and electronic record is compared by the State staff for consistency. DESE emphasizes consistency to its service coordinators and providers and ensures that all users of the WebSPOE are trained.

The State reported that guidance documents are provided to service coordinators and providers to ensure they understand the definitions used to correctly enter data, such as primary settings and 45-day timeline and reasons for delay. The State also reported that all definitions of data elements are located on the First Steps website. WebSPOE includes a webpage, custom-designed for SPOE directors, which contains pertinent information on valid and reliable data. SPOE directors can view a list of the children in their region only, all scheduled meetings, contact notes that require follow-up and approaching due dates for individual children, as well as insurance and cost participation plans for families. Service coordinators and related service providers can only view the information for their assigned children.

The State reported that WebSPOE has built-in reminders to alert staff at the local and State levels of timely IFSPs, six-month reviews, and annual reviews. Ongoing training and supporting documents are provided throughout the regions to ensure compliance with data collection requirements. DESE shared documents with OSEP related to timely services and primary settings that support their ongoing TA efforts and guidance. DESE staff reported on how they collect the data for the APR and apply the measurements for each indicator. OSEP found that APR indicator data are collected in accordance with indicator measurement requirements and in a timely and accurate manner.

OSEP Conclusions

Based on the review of documents, analysis and data and interviews with the State and early intervention program personnel, OSEP has determined 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 further action is required.

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

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

Verification Visit Details and Analysis

DESE Part C staff routinely review monitoring information, data reports, self-assessments (QIRS), and general program feedback to determine technical assistance that is needed statewide, as well as at each program level. DESE also uses the data to identify any guidance and training that is needed and to address policies and procedures for the State's Part C system.

On a quarterly basis, the Part C staff work closely to monitor any trends in the data such as extreme increases or slippage. During the OSEP verification visit, DESE reported that there were problems with processing referrals. This was identified in the review of

October 2008 inactivation reasons for children without an IFSP which indicated some confusion between referrals and inquiries. Guidance was developed and disseminated at the SPOE directors meeting in April 2009, and DESE reports a subsequent increase in referrals.

New SPOE contracts implemented July 1, 2009 specify that the SPOE must be in full compliance with compliance indicators (timelines, transition, and correction of noncompliance). Data reports are reviewed to determine if contract performance standards have been met by the SPOE. If a SPOE does not meet the contract standards, the State reported that sanctions would be applied. By routinely reviewing monitoring information, data reports, and SPOE progress reports and implementing training, DESE sustains compliance and ensures improved performance.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and early intervention program personnel, OSEP finds that the State compiles and integrates data across its systems and uses the 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 lead agency staff described the procedures DESE uses for timely obligation and liquidation of Federal IDEA Part C funds. The CFO and DESE finance staff are responsible for fiscal oversight of the First Steps Part C grant. DESE reported that it has not had any issues with their system of payments in obligating and liquidating their funds in a timely manner. They utilize “first in first out” (FIFO) procedures, meaning that they spend down older grant funds before accessing subsequent years’ funds. To ensure that all funds are obligated appropriately, DESE develops a budget that indicates the specific purpose for which funds are to be allocated, for example: SICC, services, trainings and evaluations. The budget for the Part C program is based on historical costs and created with a group of DESE finance experts and First Steps staff. Funds are obligated at the beginning of the State fiscal year (July 1) and local and district allocations are based on previous year budgets, taking inflation into account.

A funds management supervisor monitors each of DESE’s grants including the Part C grant. This grant management is performed using a State accounting management system (SAM II). Monthly grant reports are generated and reviewed to ensure timely liquidation of funds. Grant activity is viewed in the SAM II system and draw downs and balances can be viewed at any time. According to the GAPS report, DESE has liquidated Part C

IDEA funds in a timely manner. DESE also reported to OSEP that funds are obligated within appropriate timelines.

Service providers submit claims electronically to the CFO. DESE uses a “pay and chase” system meaning that the State pays for all Part C costs and then “chases” the reimbursement through the insurance mandate for families who have given Part C an insurance consent to access their private insurance. Therefore, the CFO pays providers from the money allocated by DESE, and DESE contacts all other sources of payment such as Medicaid and private insurance for reimbursement. All direct service providers participating in the Part C system are required to sign an agreement which outlines the service expectations for the lead agency. This information, including certifications, is kept on file with the CFO. A fiscal service manual that lists the Part C fiscal process is available for service providers. This fiscal document includes the practices and procedures utilized throughout the fiscal year by month to remain in compliance with fiscal requirements. The CFO office also maintains a list of all enrolled providers and ongoing training related to fiscal requirements.

OSEP Conclusions

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

Required Actions/Next Steps

No further action is required.

Critical Element 2: Appropriate Distribution of IDEA Funds

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

Verification Visit Details and Analysis

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, Office of Management and Budget (OMB) Circular A-87, and other applicable Federal requirements. Lead agency staff reported that First Steps expenditures are paid from a variety of State and Federal funding sources. For example, expenditures include direct services, CFO, SICC and SPOE contractors. DESE does not charge Part C for indirect costs. Part C funds are designated and used solely for direct services and to expand and improve services. DESE’s policies outline four general categories for Part C expenditures: (1) State Administration; (2) Maintenance and Implementation of Activities; (3) Direct Services; and (4) Activities by other agencies. Approximately 95% of Part C funds are used for direct services. Missouri does not use Part C funds for “staff positions.” Less than 5% of Part C funds are used for administrative costs such as SICC expenses, training, Regional Interagency Coordinating Council (RICC) travel and assessment supplies. DESE has an Allowable Part C Expenditures Policy which outlines the allowable purposes for the funds.

DESE uses a coding system for each fund that is designated by grant year to segregate Federal and State funds. Funds are not drawn until expenditures are uploaded into the accounting system and linked with project codes. This prevents commingling of Federal and State funds. On site, OSEP was able to verify the use of spreadsheets with grant information containing coding and grant year. Federal funds are maintained within the State accounting system by grant year to allow for accuracy in maintaining the separation of funds.

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), DESE 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 Division Coordinator of Administration, responsible for division budgets, reviews program requirements with the program staff throughout the program year and during the Department budget preparation cycle using actual, historical and estimated projected program trends to anticipate the next cycle funding to the best extent possible. Budgets and appropriation requests are constructed on this information each fiscal year. A Part C MOE tracking sheet is prepared annually. During the on-site visit, DESE shared this tracking sheet with OSEP, demonstrating the Part C MOE and budget projections.

Payor of Last Resort/System of Payments:

The payor of last resort requirement under IDEA section 640 requires that the State must ensure that Part C funds are not used to pay for Part C services that would have been paid from other available funding sources. The Assigned Funds Management Supervisor is responsible for monitoring grant expenditures and drawing down funds for the Part C contractor responsible for paying service providers. In order to ensure Part C is the payor of last resort, funds are drawn down in the following order: (1) Medicaid; (2) Family Cost Participation Fees; (3) Insurance Proceeds; (4) State Funds; and (5) Federal Funds.

Missouri has adopted and has on file with OSEP a system of payments under Part C of the IDEA which includes payor of last resort provisions and describes when insurance and family fees may be used to pay for Part C services. This information is contained in Missouri's Senate Bill 500 which was shared with OSEP and is available on-line. In this legislation the State adopted a system of payments which allowed for a family cost participation plan using a sliding fee schedule based on family income. This system of payments also included a private insurance mandate that reimburses the State program for four EIS: (1) Occupational Therapy; (2) Physical Therapy; (3) Speech and Language Therapy; and (4) Assistive Technology. A provision for family cost participation was also amended into the Missouri State plan for Part C of IDEA. Family cost participation sliding fees are established by State statute and are between \$5 and \$100 per month based on the families' ability to pay and number of members in a household. Families are exempted from paying a monthly participation fee if they are eligible for Medicaid, are receiving Social Security Insurance, are receiving food stamps, or are a foster family. A

family hardship provision also exists to allow services to continue in the case of a loss of a home, the loss of a job, and/or extraordinary medical costs.

However, provisions for service interruption are also included in the State policies for non-payment of appropriate monthly fees. In this case, DESE sends letters to the family informing them that an action is pending and that First Steps service to the family will be suspended if the amount due is not paid. Notice of service suspension is mailed to the family at 30, 60 and 75 days. On the 90th day after non-payment of the calculated amount of monthly fees, the financially responsible person will be notified by mail that early intervention services, with the exception of core services such as those services provided at no cost (including service coordination), will be suspended. DESE staff reported that a family may not receive services in another region or SPOE area unless the reinstatement criteria are met. Reinstatement criteria include full payment of all fees and the completion of a current family cost participation agreement if no more than three months have passed since the date of suspension of services.

The suspension of services in DESE's legislation constitutes a proposal to change the provision of early intervention services. According to 34 CFR §303.403(a), written prior notice must be given to the parents of a child eligible under Part C a reasonable time before a public agency or service provider proposes, or refuses, to initiate or change the identification, evaluation, or placement of the child, or the provision of appropriate early intervention services to the child and the child's family. Therefore, parents must be provided with prior written notice, including information about procedural safeguards, upon the notification that EIS will be suspended, as required by 34 CFR §303.403. DESE staff told OSEP that a prior written notice and the procedural safeguards are not provided to the family when they are apprised of the suspension of services for their child. In addition, it is unclear whether DESE informs parents of the State's procedures for reviewing their ability to pay in the event of changed circumstances. OSEP also notes that one of the core services that must remain in place during this period of suspension is service coordination. The service coordinator must continue to meet with the family to assist and enable an eligible child and the child's family to receive the rights, procedural safeguards, and services that are authorized to be provided under the State's early intervention program, as required by 34 CFR §303.23.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP concludes that DESE has procedures that are reasonably designed to ensure the appropriate use of IDEA Part C funds at the State level. However, with regard to the suspension of services for non-payment of fees, parents must be provided with prior written notice, including information about procedural safeguards and the State's procedures for reviewing the parents' ability to pay in the event of changed circumstances, upon the notification that EIS will be suspended, as required by 34 CFR §303.403.

Required Actions/Next Steps

Within 60 days of the date of this letter, DESE must provide to OSEP an assurance that it will give prior written notice, including information about procedural safeguards and the State's procedures for reviewing the parents' ability to pay in the event of changed circumstances, to parents, as required under 34 CFR §303.403, when a suspension of EIS occurs due to non-payment of fees.