

Washington Part C 2009 Verification Visit Letter Enclosure

Background: Washington's Department of Social and Health Services (DSHS) is the lead agency responsible for administering Part C of the IDEA in the State. The Infant and Toddler Early Intervention Program (ITEIP) is located in DSHS's Aging and Disability Services Administration, Division of Developmental Disabilities. Washington provides early intervention services in six regions through thirty-eight early intervention programs which are referred to by the State as the Local Lead Agencies (LLA). Washington reported in its Part C FFY 2007 Annual Performance Report (APR) that it served 8,930 infants and toddlers with disabilities representing 3.56% of the State's population from birth to age three. DSHS has a State system of payments under Part C of the IDEA and has adopted the Part C due process hearing procedures under 34 CFR §303.420 to resolve individual child disputes under Part C.

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

Components of the State's Monitoring System:

ITEIP is in the process of revising its general supervision system, which should be fully implemented by FFY 2010. In the former system, noncompliance was identified through the following components: (1) ITEIP's data verification visits conducted based on data collected through its web-based Data Management System (data management system); (2) Operations Review and Consultation cyclical comprehensive monitoring conducted by DSHS' Office of Operations Review and Consultation (ORC); and (3) dispute resolution mechanisms. In the current system, noncompliance is identified through: (1) ITEIP's data verification visits conducted based on data collected through its data management system; and (2) dispute resolution mechanisms. In the new system that ITEIP is in the process of implementing, noncompliance will be identified through the following components: (1) ITEIP's review of data on all infants and toddlers with disabilities in each LLA from the data management system; (2) annual self-assessments conducted by the LLAs; (3) focused on-site monitoring visits; and (4) dispute resolution mechanisms.

When and How Findings were Issued under ITEIP's Former General Supervision System:

ITEIP's Data Verification Visits:

The DSHS/ITEIP staff described how the web-based data management system has been used to identify noncompliance under its former general supervision system. ITEIP staff reported that a "random number generator" assigned a number to each child with an active IFSP, and IFSPs were identified for review through a random selection process. The IFSPs were reviewed for compliance with requirements regarding the initial 45-day

IFSP meeting, six month and annual review timelines, transition plans, timely service delivery, and services in the natural environment. The files selected for data collection that reflected possible concerns were reviewed during the on-site data verification visits of the LLAs that were conducted by ITEIP. ITEIP conducted exit interviews with LLA program managers at the conclusion of each on-site visit to inform program managers of any noncompliance and to issue the first written notice of noncompliance requiring the LLA to correct the noncompliance as soon as possible and no later than one year from its identification. ITEIP staff explained to OSEP that this notice outlined the findings of noncompliance and triggered the timeline for timely correction. A letter containing details about the findings of noncompliance was issued several months later. In its FFY 2007 APR, the State did not report on the correction of findings identified through ITEIP's data verification visits. The State, however, indicated to OSEP that it will be reporting in its FFY 2008 APR on the correction of findings identified through ITEIP's data verification visits, and provided data showing that ITEIP identified nine findings during FFY 2007 (specifically between May 2008 and June 2008), and that it corrected those findings in a timely manner.

On-site Monitoring of EIS Providers Conducted by ORC:

ITEIP reported that the State contracted with the DSHS Office of Operations Review and Consultation (ORC) to conduct at least eight annual on-site monitoring visits. This allowed all thirty-eight LLAs to receive a formal program and fiscal audit every five years.

In its FFY 2007 APR, the State reported, under Indicator 9, that 13 of 15 findings of noncompliance identified in FFY 2006 were corrected in a timely manner, and that the remaining findings were subsequently corrected. During OSEP's verification visit, the State indicated that those 15 findings were identified through the on-site monitoring conducted by ORC. OSEP reviewed nine of the State's 15 FFY 2006 ORC monitoring files, including the State's letter of notification of noncompliance. OSEP found that each letter of notification included: 1) a description of each finding of noncompliance; 2) the applicable IDEA citation; 3) data used to make the finding(s); 4) the requirement to develop a corrective action plan (CAP) within 30 days of receiving the letter; and 5) the date by which the LLA must correct the noncompliance, which was within one year of the date of each letter.

The State reported to OSEP that, as part of the revisions to its general supervision system, ORC did not make any findings of noncompliance after FFY 2006.

When and How Findings are being Issued under ITEIP's Current General Supervision System:

ITEIP staff reported that the State is no longer contracting with ORC to conduct on-site monitoring visits. During the transition to its new monitoring system, ITEIP is conducting data verification visits based on data collected through its data management system and using its dispute resolution mechanisms to identify noncompliance.

When and How Findings will be Issued under ITEIP's New General Supervision System

Review of Data from ITEIP's Data Management System:

ITEIP staff explained that the data management system is used to produce Individualized Family Service Plans (IFSPs) and to collect and report IDEA sections 616 and 618 data that Washington must report in the State's Part C APRs. ITEIP further explained that it has revised its procedures for reviewing data to include all infants and toddlers with disabilities in each LLA on State Performance Plan (SPP)/APR indicators and related requirements. ITEIP is also developing a monitoring manual aligned with its new procedures.

ITEIP reported that the ITEIP data management system has become the basis for conducting annual monitoring of programs. ITEIP indicated that, for each LLA, reports from the data management system will be reviewed annually in conjunction with other data sources to identify any noncompliance. ITEIP reported that it would notify LLAs of any noncompliance within 90 days of concluding that noncompliance has occurred.

ITEIP reported that it began reviewing reports from the data management system in FFY 2008 to identify findings of noncompliance.

Self-Assessments:

ITEIP reported that it plans to initiate the use of a self-assessment for all programs in FFY 2010, and that it plans to analyze the data from the self-assessments when identifying any noncompliance as part of the annual monitoring of all LLAs.

Focused Monitoring:

ITEIP reported that focused on-site monitoring will be conducted for at least three to four LLAs per year beginning in FFY 2010. LLAs will be selected for focused monitoring based on each LLA's Determination Level, and a review of which LLAs have the greatest need, including those with longstanding noncompliance.

OSEP Conclusions

Based on the review of documents, analysis of data, and reviews with State and local personnel, OSEP finds that DSHS/ITEIP identified noncompliance in FFY 2007 through the data verification visit component of its former general supervision system. Because ITEIP has not fully implemented its new general supervision system, OSEP cannot determine whether it will be reasonably designed to ensure the identification of noncompliance in a timely manner.

Required Actions/Next Steps

The State must report in the appropriate APRs on the correction of any findings of noncompliance identified through all of the components of its revised general supervision system.

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

Procedures for Correction/Enforcement:

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 not 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.

ITEIP reported that timely correction of noncompliance is defined as, "correction as soon as possible but no later than one year from the date of identification." ITEIP staff reported that they monitor LLAs' progress in correcting noncompliance through the data management system. When the ITEIP Data Management System Compliance Report (Compliance Report) includes compliance data under 100%, correction is not determined until a subsequent Compliance Report is generated reflecting 100% compliance. Using the data system's capabilities to drill down into the data, ITEIP staff verifies when correction occurred and when individual child-specific noncompliance was corrected.

The ITEIP staff reported that they review data over a specific period of time to determine correction, depending on the size of the LLA program. For example, a review of data over a one month period for a larger LLA could include data on 1000 children, whereas ITEIP would look at several months of data in a smaller LLA. ITEIP staff also reported conducting on-site data verification visits to all LLAs with identified noncompliance to verify correction.

If the LLA has not completed the CAP and cannot demonstrate correction of noncompliance, ITEIP will request additional reporting through monthly progress reports, may grant an extension based on the level and complexity of noncompliance and the LLA's progress, and/or provide the LLA a notice of potential enforcement action. ITEIP staff explained that enforcement actions are based on the LLA's previous annual determination, made in accordance with IDEA sections 616 and 642, and progress in correcting the noncompliance. ITEIP staff described enforcement actions such as requiring technical assistance, developing a CAP, imposing special conditions, recovering contract funds and withholding payments to the LLA. However, the State reported that it has not imposed enforcement actions beyond developing a CAP with the LLA.

In its FFY 2007 APR, submitted in February 2009, the State reported, under Indicator 9, that 13 of 15 findings of noncompliance identified in FFY 2006 were corrected in a timely manner, and that the remaining findings were subsequently corrected. During the

verification visit, OSEP reviewed the monitoring files¹ for seven LLAs with findings of noncompliance identified in FFY 2006, including the two findings that were corrected beyond the one-year timeline. Correction of the noncompliance in the two LLAs ranged from thirty days to ten months beyond the one-year timeline. ITEIP staff explained that delays in timely correction were the result of insufficient staff and funds to provide needed technical assistance and conduct verification visits to LLAs. ITEIP also reported that the structure of ITEIP's monitoring and general supervision system further affected its ability to verify correction of all noncompliance within the one-year timeline and to report timely correction data in the APR.

As noted above, the State did not report in its FFY 2007 APR on any findings of noncompliance identified through ITEIP's data verification visits. ITEIP explained that one of the reasons it did not report that data was because the timing of identifying noncompliance and verifying correction was not aligned with the Federal fiscal reporting period. ITEIP has changed its system for verifying correction in a timely manner by: 1) using its data management system to verify correction of noncompliance, where possible; and 2) realigning LLA contracts with ITEIP's fiscal year and the Federal reporting period.

After the verification visit, the State provided data to OSEP showing that ITEIP timely corrected all nine findings of noncompliance identified in FFY 2007. The State indicated that it will be reporting that data in its FFY 2008 APR, under Indicator 9.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP finds that the State has a system reasonably designed to correct noncompliance in a timely manner. However, because ITEIP has not fully implemented its new system for identifying noncompliance (as explained above under Critical Element 1), OSEP cannot determine whether the State's system will be reasonably designed to ensure the correction of noncompliance identified under the new system.

Required Action/Next Steps

The State must report in the appropriate APRs on the correction of any findings of noncompliance identified through all of the components of its revised general supervision system.

Critical Element 3: Dispute Resolution

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

¹ Monitoring files included documentation of the monitoring, technical assistance and data verification visits conducted and the LLA's correction, and CAP closeout letters.

Verification Visit Detail and Analysis

The State must have in place dispute resolution procedures to implement its dispute resolution responsibilities under Part C of the IDEA as set forth in IDEA sections 616(a), 635(a) (13), 639 and 642 and 34 CFR §§303.400, 303.420, and 303.510 through 303.512. ITEIP staff reported that the State has policies and procedures in place to implement dispute resolution functions. The State reported that it monitors to ensure that families receive a “Parents Rights Brochure” at the appropriate times.

State Complaints:

In FFY 2007, ITEIP received three State complaints. Based on interviews with ITEIP staff and review of the complaint log, OSEP concluded that ITEIP started the 60-day complaint resolution timeline on the date that the State received the complaints. OSEP reviewed ITEIP’s complaint log on-site and found that reports with letters of finding were issued for each complaint. OSEP further noted that one complaint was resolved within the 60-day timeline, and one was resolved within an extension of the timeline granted due to exceptional circumstances with respect to that complaint. With regard to the third complaint that the State tracked in its IDEA complaint log, the State allowed an administrative appeal after the final decision was issued even though the State has a single tier system for State complaints.² ITEIP officials explained that this practice is not consistent with the State’s administrative complaint procedures, and that ITEIP will review internal procedures and provide training to staff managing complaints to ensure compliance with policies and procedures.

In addition, the State described the informal process used to resolve complaints. When ITEIP receives a call from a parent with a complaint, staff provide the parent with an explanation of their parental rights under Part C and options for resolving the complaint, including working with the LLA first. ITEIP follows up with the LLA to provide any needed clarification and to make sure that the issues were resolved. ITEIP also reported that if a formal complaint investigation results in a finding of noncompliance against the LLA, the LLA is required to take corrective action and technical assistance is provided to the LLA by ITEIP staff.

Mediation:

ITEIP staff reported that the State has policies and procedures in place to implement the mediation requirements under IDEA. In FFY 2007, ITEIP had no requests for mediation services. ITEIP staff reported that the State contracts with the Sound Options Mediation and Training Group, LLC, an outside agency, to provide statewide Part C mediation services. The State staff reported that the Sound Options staff are trained mediators and serve as the administrative agent for the Office of the Superintendent of Public Instruction in conducting mediation under Part C. ITEIP provides brochures to families on mediation services available under Part C. ITEIP staff reported that the mediation

² After further review, the State determined that this complaint was not based on Part C requirements, and should not have been recorded in the IDEA compliant log.

staff has also served as facilitators in local communities to facilitate communication and prevent issues from escalating.

Due Process Hearings:

The State reported that ITEIP had no requests for due process hearings in FFY 2007. ITEIP reported that the State has policies and procedures in place to implement due process proceedings if an agreement is not reached during mediation. ITEIP staff explained that the LLA Director must receive the due process request in writing. ITEIP further explained that the hearing officers are contracted attorneys who have no other affiliation with the State or LLAs. In order to ensure that the hearing officer is knowledgeable about the provisions for Part C and its implementation in Washington State, ITEIP will provide individual training and technical assistance. When a hearing officer is assigned, ITEIP will provide training and information that is coordinated with the DSHS Attorney General's Office (AGO). ITEIP and AGO are prepared to provide hearing officers with relevant information and references regarding Part C, Family Education Rights & Privacy Act, General Education Provision Act regulations, OSEP policy letters, and case law to support their investigations, evaluations and decisions.

OSEP Conclusions

Based on the review of documents, and interviews with State and local personnel, OSEP concludes that the State has policies and procedures that are reasonably designed to implement the dispute resolution requirements of IDEA. However, the State must ensure that staff responsible for responding to complaints is appropriately trained in implementing ITEIP's policies and procedures. In addition, because the State has not received any requests for due process hearings or mediation, OSEP cannot determine whether the State is implementing these procedures in a manner consistent with the requirements in Part C.

Required Actions/Next Steps

Within 60 days of this letter, ITEIP must submit to OSEP a training schedule for complaint staff on implementing ITEIP's complaint procedures, and a procedure for monitoring the correct implementation of 34 CFR §§303.400, 303.420, and 303.510 through 303.512.

Critical Element 4: Improving Educational Results

Does the State have procedures and practices that are reasonably designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities?

Verification Visit Details and Analysis

In interviews with OSEP staff during the verification visit, ITEIP described a number of practices designed to improve early intervention results and functional outcomes for all infants and toddlers with disabilities in the State. ITEIP staff explained that all components of the State's general supervision system including child find efforts, monitoring, collection of data and training and technical assistance efforts influence the positive outcomes for children and families.

Since OSEP’s last verification visit to the State in March 2004, the State has made revisions to its procedures and practices on early intervention results and functional outcomes and engaged in the following activities: 1) enhanced training for Family Resource Coordinators (FRCs) related to functional outcomes; 2) contracted with Western Washington University for statewide training needs related to individualized services, functional outcomes and family outcomes; 3) developed practice guides related to Indicators 1, 7, and 8; 4) increased the use of family survey data to ensure that families are getting the supports they need to help their children develop and learn; 5) coordinated an annual Infants and Early Childhood Conference with sponsorship for family participation; and (6) adopted the “Enhancing Services in Natural Environments” training activities sponsored by the National Early Childhood and Technical Assistance Center, and distributed training materials to all LLAs to support their local training and technical assistance efforts.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State and local personnel, OSEP concludes 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 required.

Critical Element 5: Implementation of Grant Assurances

Does the State have procedures and practices that are reasonably designed to implement selected grant application requirements, 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:

Local Determinations and Public Reporting:

As part of its responsibilities under IDEA sections 616 and 642, each State must annually report to the public on the performance of all of its Early Intervention (EI) programs against the State’s SPP/APR targets and must make an annual determination for each early intervention service provided. ITEIP staff confirmed that ITEIP conducted local determinations of its LLAs based on the FFY 2007 data. ITEIP explained the process for making LLA determinations which included using a Compliance and Performance Data Scoring Rubric, compliance data ITEIP staff obtained from files reviewed during site visits, and information on whether the LLA timely corrected identified noncompliance. ITEIP staff explained that the State used the LLA’s APR data, ORC monitoring audits (that include the results of fiscal and program reviews), on-site verification visits, and

correction data as factors in making local determinations. ITEIP staff reported using the four determination categories required in section 616 of the IDEA. ITEIP reported that based on data from FY 2007, 23 LLAs met requirements; ten LLAs need assistance, and one LLA needs intervention.

ITEIP staff reported that the annual determinations and SPP/APR monitoring data were shared with the State Interagency Coordinating Council (SICC) and presented at the State's annual Infant and Early Childhood Conference sponsored by ITEIP. ITEIP staff confirmed that the State's determination from OSEP was posted on the ITEIP website for public review along with the LLA's determinations and the SPP/APR compliance and performance data for Indicators 1, 2, 5, 6, 7 and 8.

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.

ITEIP reported that the State has a comprehensive interagency agreement that is designed to meet the Part C requirements of payor of last resort and interagency collaboration. ITEIP staff indicated that the comprehensive agreement includes the following State agencies for early intervention services for infants and toddlers with disabilities and their families: (1) All Divisions of Department of Social and Health Services; (2) Department of Early Learning; (3) Department of Health; (4) Department of Services for the Blind; and (5) Office of the Superintendent of Public Instruction. ITEIP's State Interagency Agreement specifies that DSHS/ITEIP as the lead agency has the responsibility to administer, supervise, and monitor the statewide policies, procedures, program activities, and local agencies and resources to ensure cooperation in the implementation of the statewide system. In addition, the State reported that ITEIP has 36 early intervention contracts with LLAs. The LLAs are contracted for a three-year period to ensure the implementation of early intervention services to children and their families that comply with State guidelines, policies and procedures and the Federal requirements of Part C.

Comprehensive System of Personnel Development (CSPD):

ITEIP explained that its CSPD system provides training at the pre-service and in-service levels, and technical assistance and training initiatives to early intervention services personnel. In the State's pre-service training, the State relies on existing certifications and licensing programs to appropriately train early intervention providers at the higher education level, which includes Community and Technical Colleges that are part of the State's early learning career and training ladder. The in-service training is described as those local and State trainings, workshops, and conferences provided by early intervention providers and ITEIP staff. Statewide training initiatives are developed through ITEIP contracts with: Autism Outreach Project (ESD 189); Washington Sensory Disabilities (Puget Sound ESD); Washington PAVE (Parent Training); and ESD 112 (FRC Training); Sound Options (Mediation Training) and ESD 123 EIS Training/Technical Assistance. In addition, ITEIP staff discussed the SICC's plan to address capacity building strategies and activities that focus on recruitment and retention

and qualified early intervention providers in order to enhance personnel development across the State.

OSEP Conclusions

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

Required Actions/Next Steps

No action is required.

I. Data

Critical Element 1: Collecting and Reporting Valid and Reliable Data

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

Verification Visit Details and Analysis

The State reported that it collects data through its Part C Data Management System that is live, real-time, and web-based, to report valid and reliable data and information to DSHS/ITEIP and the public in a timely manner to meet the requirements of Part C in IDEA sections 616, 618, 635(a)(14) and 642 and 34 CFR §303.540. The ITEIP data system is managed by a data manager who oversees the maintenance and enhancements of the system with the support of programming staff from the DSHS Aging and Disabilities Services Administration. The data manager is administratively supervised by the Part C Coordinator. ITEIP provides training on the Data Management System to all LLAs and data administrative personnel across the State. Training focuses on accurate data entry, work flow, definitions, and using system reports. The State reported that each of ITEIP's 38 LLA programs is provided with a training manual that defines and explains the functionality of the data management system. LLA program staff may access the State website for data management system training, review, and clarification. ITEIP reported that training updates are provided through a monthly newsletter that is posted on the ITEIP website. In addition, ongoing training regarding the requirements and procedures for reporting data is conducted with local programs. The LLA programs are required to submit semi-annual reports verifying that the data entered into the ITEIP data management system are accurate. Data are electronically extracted 15 days after the end of each quarter. ITEIP reviews the quarterly data for quality assurance. ITEIP also disseminates the data to the LLAs for their quality assurance review.

In order to ensure that the State's data system collects and reports valid and reliable data in a timely manner, the State reported that ITEIP's data system utilizes the following:

Dictionary: data terms and definitions adopted by Westat issued in October 2005 and the definitions are listed in the database manual.

Edit Checks: guidance from the Part C Edits Document disseminated by OSEP/DAC (revised in September 2008). All DANS computational and logic edits checks are

adhered to in reporting section 618 data. The data manager disaggregates any identified data anomalies by location (i.e., LLA) to find specific reporting errors prior to submitting section 618 data.

Verification Procedures: data editing procedures to verify accurate and complete data required under section 618. For example, if the date of birth values do not yield a child's age that is less than three years, the user is alerted to an error in the date. Reportable data is validated with drop-down lists and required fields. All LLA programs review their data monthly at a minimum for completeness and accuracy using the automatic data compliance calendar reminders and data reports. These reports allow the program to drill down into each child's record for examination and/or correction of missing or inaccurate data.

Reliability Checks: compliance reports and data quality reports/tools to measure compliance throughout the year. These reports were developed using business rules based on the OSEP 618 data table requirements. The data manager provides training statewide to ensure that consistent data collection and entry procedures are followed by LLA staff. ITEIP staff meets regularly to examine database functioning, data outliers, and any unusual data trends.

Validity Checks: contracts to require each LLA to ensure that data entered into the ITEIP data system is accurate, valid and reliable. System reports are available for LLA staff to assist them in summarizing data and to find any potential errors or discrepancies. DSHS/ITEIP provides training on the Data Management System to all LLAs and data administrative personnel across the State.

Data entry issues and system problems are identified and addressed by the Part C data manager who tracks all email requests for data assistance and monitors the requests for possible support for data maintenance. ITEIP Program Consultants review monthly trend data to focus technical assistance. ITEIP staff analyze data year-to-year to compare trends and to identify areas for improvement.

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 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

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. The State reported that ITEIP ensures that data collected and reported reflect actual practice by using a system of checks and balances at the local and State levels. The data management system assigns a unique identifier to all infants and toddlers, and contains a wide range of individual child and family information. The data management system includes evaluation and eligibility information and produces the IFSP that is developed with the family. LLAs reported that data entered into the system comes from the Family Resource Coordinator (FRC) who is actually developing and implementing IFSPs and, as a result, data pulled from the system is more likely to reflect actual practices. In addition, the State's Program Consultants perform statewide data verification on-site visits which include cross referencing case files against data extracted from the data system to ensure the validity of data.

OSEP Conclusions

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

Required Action/Next Steps

No action is required.

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

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

Verification Visit Details and Analysis

The State reported that data from all components of the State's general supervision system, including its data system, APR process, monitoring, professional development, policy audit, technical assistance, training, and dispute resolution processes are used to determine appropriate improvement activities. The State's technical assistance and training is developed and provided based on the data. When immediate assistance is needed, phone conferencing is scheduled promptly and technical assistance is scheduled and planned for the next quarterly LLA regional meeting. In addition, the State reported that the data system reports and other data are used to evaluate LLA progress in improving compliance and performance. Due to the State's limited resources, ITEIP staff utilizes the data management system to identify LLAs most in need when allocating technical assistance across the State. ITEIP staff reported that new initiatives and technical assistance efforts such as Practice Guides, topical conference calls, and collaborative trainings/presentations have been or are being developed as a result of

ITEIP data. LLAs are encouraged to use the data management system reports to focus provider technical assistance and local improvement efforts.

OSEP Conclusions

Based on the review of documents, analysis of data and interviews with State personnel, OSEP concludes that ITEIP complies and integrates data across systems and uses data to inform and focus its improvement activities.

Required Action/Next Steps

No action is required.

II. Fiscal

Critical Element 1: Timely Obligation and Liquidation of Funds

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

Verification Visit Details and Analysis

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 DSHS/ ITEIP staff presented OSEP staff with the procedures ITEIP uses for timely obligating and liquidating Federal Part C funds in a timely manner. ITEIP staff explained that following Part C award notification, the fiscal manager prepares a unique account code for Part C funds that identifies the contract, grant award and appropriation. The ITEIP Fiscal Manager submits the account code information to the DSHS Financial Services Administration Office of Accounting Services (OAS) which is responsible for setting up the appropriate account code in the State Financial Accounting System and drawing the Federal award. The State reported that it obligates 86% of its grant award to direct services contracts and 14% for administration. Part C funds are contracted for a 12-month funding period with a 60-day timeline for final billing. The State's LLAs must submit their budgets with the application for a service contract. ITEIP fiscal staff reported that biweekly reports are pulled from the State's financial reporting system to monitor grant expenditures of Part C funds. The State reported that all contractors have a monitoring expenditure report spreadsheet that is submitted monthly. This spreadsheet allows the ITEIP staff to monitor LLA expenditures of Part C funds. The ITEIP Coordinator and fiscal manager meet monthly to review expenditures and to monitor the LLA's line item spending of the grant award. In addition, the State reported that unexpended funds in the LLA contracts are retracted and reallocated and that the monthly review of expenditures ensures that all obligations are liquidated in a timely manner, prior to the end of the 27 month liquidation period.

OSEP confirmed through the U.S. Department of Education's Grant Administration and Payment System that Washington has expended all of its Part C funds between FFY 2007 and FFY 2008.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with State personnel, OSEP concludes that DSHS/ITEIP 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 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

Use of Funds:

DSHS has in place a specific method to calculate the amount of State and local funds actually expended for early intervention services for Part C children and their families in order to comply with the maintenance of effort requirements in Part C.

ITEIP staff described a number of mechanisms used to ensure fiscal accountability in the use of Part C funds. These mechanisms include: 1) Policies and procedures related to financial matters; 2) An Interagency Agreement that specifies each agency's role in providing, coordinating and/or paying for services; 3) Operations Review and Consultation Audits that focus on fiscal controls and accountability; 4) The ITEIP Annual Budget Approval Process that is used to provide guidance on developing a budget consistent with Part C requirements; and 5) ITEIP monitoring of appropriate use of funds by the LLA. ITEIP staff explained that all contracts have fiscal requirements that specify that contract funds must meet the payor of last resort requirement and ensure that funds supplement and not supplant other Federal, State, local and/or private funds.

Payor of Last Resort Requirements:

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 Part C services that would have been paid from another available funding source. The State described a process called "Accessing the Individuals with Disabilities Education Act, Early Intervention Services Funding" that is implemented across the State when determining payor of last resort and access to IDEA Part C funds. The process is supported by the ITEIP, local interagency agreement and the Early Intervention Services Plan for the geographic area, as defined within the ITEIP contracts. The State's process outlines the basic requirements to be met prior to billing as payor of last resort. These requirements provide that: 1) an evaluation under Part C is conducted and eligibility for Part C services is determined; 2) the family is assigned to a registered FRC; 3) the FRC has explored the family's potential for other funding resources (e.g., public schools, private insurance, public insurance, county developmental disabilities, etc.); and 4) the family has an IFSP as defined in Part C. The State has a policy that clarifies that Medicaid, private insurance, and the State allocations must be utilized before Part C funds are accessed to pay for Part C services. Training is provided to LLA programs on the State's payor of last resort policies and procedures.

OSEP has a record of the State's system of payment on file as part of the State's Part C grant application.

Nonsupplanting Requirements/ Indirect Costs:

With respect to the IDEA Part C nonsupplanting/MOE requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b), ITEIP 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. ITEIP staff reported that ITEIP is able to ensure that the State maintains effort under Part C through the expenditures reported by State agencies included in the State's Interagency Agreement. These State agencies include the Department of Health/Children with Special Health Care Needs, Division of Developmental Disabilities, and the Office of the Superintendent of Public Instruction (which provides State Special Education Excess Cost Funds). However, ITEIP staff reported that State Medicaid appropriation funds are not included in the MOE requirements for early intervention services because ITEIP does not have direct access to the amount of State funds used to meet the Medicaid reimbursement match for early intervention services funded through Medicaid.

OSEP Conclusions

Based on the review of documents, analysis of data, and interviews with ITEIP staff, OSEP finds that ITEIP has procedures that are reasonably designed to ensure appropriate use of IDEA Part C funds at the State level with the exception of including in Part C's nonsupplanting/MOE requirements, under IDEA section 637(b)(5)(B) and 34 CFR §303.124(b), the State portion under the Medicaid reimbursement match for early intervention services funded through Medicaid.

Required Actions/Next Steps

With the State's Part C FFY 2010 Application, ITEIP must provide: (1) a separate written assurance that the State has met the IDEA MOE requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b); and (2) a copy of the correspondence in which ITEIP has informed its State audit office of the need to review under the State's Single Audit, conducted under the Single Audit Act, the State's procedures to ensure that the State portion under the Medicaid reimbursement match for early intervention services funded through Medicaid is included in the tracking of expenditures to meet the IDEA Part C MOE requirements in IDEA section 637(b)(5)(B) and 34 CFR §303.124(b).