



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

MAR 12 2012

Honorable Albert A. Delia
Acting Secretary
North Carolina Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

Dear Secretary Delia:

This letter is to inform you of the results of the Office of Special Education Programs' (OSEP's) Continuous Improvement Visit (CIV) to the North Carolina Department of Health and Human Services (NCDHHS) during the week of November 14, 2011. As indicated in our letter to the State dated March 29, 2011, the visit consisted of two components: (1) the verification of State systems for implementing key requirements of Part C of the Individuals with Disabilities Education Act (IDEA); and (2) a collaborative focus on improving results.¹ The CIV is designed to ensure compliance and improve performance with Part C of the IDEA, consistent with sections 616 and 642 of the IDEA.

The purpose of the verification component of the visit is to review the State's systems for general supervision and fiscal management. OSEP developed critical elements that were used to guide its evaluation of North Carolina's general supervision (including data) and fiscal systems. The Enclosure to this letter describes the scope of OSEP's review of the State's systems and briefly outlines relevant statutory and regulatory requirements for each critical element.

OSEP is currently in the process of conducting a comprehensive review of States' systems for implementing the fiscal requirements of the IDEA and related statutes and regulations, through the CIVs and other mechanisms, including the desk audits that OSEP's Recovery Act Facilitators are conducting with all States. In order to provide each State with a comprehensive, integrated response based on its review of States' fiscal systems, OSEP will be sending the State a separate letter addressing any fiscal issues, and has not included a fiscal section in the Enclosure.

During the verification component of the visit, OSEP found noncompliance, and has required corrective action, in the following areas: (1) the State complaint procedures in 34 CFR §§303.510 through 303.512;² and (2) the mediation requirements in 34 CFR §303.419 (as modified by IDEA sections 615(e) and 639(a)(8)).

As stated in the Enclosure to this letter, North Carolina must review and determine if it will update its interagency agreement and any other written method, to ensure financial responsibility for IDEA Part C services provided, or paid for, by other State-level agencies. If the State elects

¹ During the week of November 14, 2011, OSEP also conducted its Part B CIV to the North Carolina Department of Public Instruction.

² The IDEA Part C regulations cited in this letter are to the regulations with which States must comply during FFY 2011 and which were in effect prior to the publication of the new IDEA Part C regulations published in 76 Federal Register 60140 on September 28, 2011, unless otherwise noted.

to update its method, the State must submit such method with its FFY 2012 IDEA Part C grant application; otherwise, the State must indicate “No” and provide a date in the appropriate responses to Section II.A.3 of the FFY 2012 IDEA Part C grant application.

Generally, the Enclosure to this letter does not include descriptions of the State’s systems because this information is available on the State’s Web site in North Carolina’s State Performance Plan. OSEP’s analysis of each critical element and any required actions, if noncompliance was identified during the visit, are provided in the Enclosure to this letter.

During the CIV, North Carolina also focused on improving early intervention results and functional outcomes for infants and toddlers with disabilities. Prior to the visit, North Carolina participated in a process with OSEP to focus its efforts on State Performance Plan/Annual Performance Report Indicator 4A, the percent of families participating in Part C who report that early intervention services have helped the family know their rights. With OSEP’s participation, NCDHHS and stakeholders engaged in a facilitated process to examine the data, as well as current and past efforts to improve results in the Family Outcomes area, and formulate strategies that North Carolina will employ to improve results for children with disabilities in its selected area. The stakeholders included participants from the Early Intervention Central Office, Children’s Developmental Services Agency staff, parents, the State Interagency Coordinating Council (SICC), the Exceptional Children’s Assistance Center, the Autism Society of North Carolina, the Early Childhood Outcomes Center, the National Early Childhood Technical Assistance Center, the Mid-South Regional Resource Center, and the Data Accountability Center. North Carolina is developing a plan that includes specific benchmarks for improvement, as well as, timelines, resources, and measurements for NCDHHS to improve results. NCDHHS will publish this plan with updates on the State lead agency’s Web site at <http://www.beearly.nc.gov/>.

OSEP appreciates the cooperation and assistance provided by your State staff and others, including staff from the North Carolina Parent Training and Information Center, the SICC, and parents of infants and toddlers with disabilities in providing feedback and input on the State’s systems for providing early intervention services to infants and toddlers with disabilities. We look forward to collaborating with all stakeholders and actively working with the State to improve results for infants and toddlers with disabilities and their families. If you have any questions or wish to request technical assistance, please do not hesitate to call your OSEP State Contact, Danny Rice, at 202-245-7888.

Sincerely,



Melody Musgrove, Ed.D.
Director
Office of Special Education Programs

Enclosure

cc: Sherry Franklin
Part C Coordinator