



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

THOMAS D. WATKINS, JR.
SUPERINTENDENT OF
PUBLIC INSTRUCTION

June 11, 2003

MEMORANDUM

TO: State Board of Education

FROM: Thomas D. Watkins, Jr., Chairperson 

SUBJECT: Approval of Criteria for Qualitative Compliance Information Grant
Under Part C of the Individuals with Disabilities Education Act (IDEA)

Part C of the Individuals with Disabilities Education Act (IDEA), in Michigan commonly referred to as *Early On*®, provides assistance to states for the development of an interagency system of early intervention services to children from birth to three years of age with disabilities or developmental delays and their families.

Per federal statute and regulations (34CFR §§76.720, 80.40, and 303.501), status of program performance is an annual requirement for the grant award. Part C of the IDEA Annual Performance Report requires qualitative data on the actual accomplishment of the infant and toddler early intervention system during the reporting period compared to federally established objectives. The statute (20 U.S.C. 1441 (e)(1)(D)) and Part C regulations (34CFR §303.654) require that the State Interagency Coordinating Council submit an annual report to the Governor and the United States Secretary of Education on the status of early intervention programs. This grant provides data on performance indicators of intermediate school districts in the implementation of Part C/*Early On*. Meeting these system requirements also supports State Board of Education priorities for early childhood services and supporting family involvement.

Upon the recommendation of the State Interagency Coordinating Council, funds for this project have been included in the FY 2003-2004 federal allocation to Michigan under Part C of IDEA. A total of \$2,089,459 has been designated for competitive grants. Of this amount, \$363,000 is available to be awarded for Qualitative Compliance Information. First year funds must be obligated by September 30, 2004.

It is recommended that the State Board of Education approve criteria for the Qualitative Compliance Information Grant under Part C of the Individuals with Disabilities Education Act (IDEA) as identified in the Superintendent's Memorandum dated June 11, 2003.

Attachments

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**MICHIGAN
STATE BOARD OF EDUCATION**

Criteria for a Grant for Qualitative Compliance Information Under Part C of IDEA (Early Intervention Services for Infants and Toddlers with Disabilities and Their Families)

The State Board of Education (SBE) has adopted as its Strategic Goal “Attain substantial and meaningful improvement in academic achievement for all students, with primary emphasis on chronically underperforming schools.” In addition, the SBE has adopted the following five Strategic Initiatives to implement the goal:

- Ensuring Excellent Educators
- Elevating Educational Leadership
- Embracing the Information Age
- Ensuring Early Childhood Literacy
- Integrating Communities and Schools

To the extent possible, all grant criteria and grant awards will include priority consideration of the Strategic Goal and the Strategic Initiatives.

BACKGROUND/PURPOSE OF GRANT

Competitive Formula New Continuation (*check all that apply*)

The Qualitative Compliance Information Grant annually will collect and analyze information and performance data necessary for early intervention services for infants and toddlers with disabilities and their families. Data collected and analyzed by this grantee will provide direction and improvement targets for the early intervention system (known in Michigan as *Early On*®).

LEGISLATION

The governing legislation is Part C of the Individuals with Disabilities Education Act and the Education General Administrative Rules, specifically 34CFR§§76.720 (Attachment A), 80.40 (Attachment B), 303.501 (Attachment C), 20 U.S.C. 1441 (e)(1)(D) (Attachment D), and 34CFR§303.654 (Attachment E); and the Michigan Department of Education, Office of Special Education and Early Intervention Services’ State Plan for Part C, Part Two, IV 1 (a) (Attachment F). (See attachments for the legislative language.)

RATIONALE FOR CRITERIA

A grant is proposed to gather qualitative data for the federally required Part C of the Individuals with Disabilities Education Act Annual Performance Report and continuous improvement monitoring. This grant supports improvement strategies identified through federal monitoring and provides support for early identification and intervention to assist families of infants and toddlers with developmental delays and with disabilities.

Criteria for a Grant for Qualitative Compliance Information Under Part C of IDEA

CRITERIA

Defined in Legislation Defined in Department's Grant Proposed by Staff

An applicant must:

- Demonstrate capacity to assess the impact of Part C/*Early On* for families through the use of family-centered surveys,
- Demonstrate capacity to assess the level of implementation of *Early On* local service areas,
- Demonstrate the ability to support the Michigan Department of Education in the continuous improvement and focused monitoring process, and
- Demonstrate extensive experience with Part C of IDEA legislation.

ELIGIBLE APPLICANTS

Eligible applicants include local and intermediate school districts, human service agencies, public or private organizations and agencies, advocacy organizations, institutions of higher learning, and others with appropriate expertise and experience.

TARGET POPULATION TO BE SERVED BY GRANT

Children with disabilities and their families; providers of early intervention services, and special education services comprise the target population.

TOTAL FUNDS AVAILABLE

Up to \$363,000 are available in federal funds under IDEA.

OFFICE ADMINISTERING GRANT/PROGRAM CONTACT

Office of Special Education and Early Intervention Services
Jacquelyn J. Thompson, Ph.D., Director
Vanessa Winborne, Acting Coordinator, *Early On*

- (a) The Federal statutes and regulations that apply to the program and are in effect for the carryover period; and
- (b) Any State plan, or application for a subgrant, that the State or subgrantee is required to submit for the carryover period.

Note: This section is based on a provision in the General Education Provisions Act (GEPA). Section 427 of the Department of Education Organization Act (DEOA), 20 U.S.C. 3487, provides that except to the extent inconsistent with the DEOA, the GEPA "shall apply to functions transferred by this Act to the extent applicable on the day preceding the effective date of this Act." Although standardized nomenclature is used in this section to reflect the creation of the Department of Education, there is no intent to extend the coverage of the GEPA beyond that authorized under Section 427 or other applicable law.

(Authority: 20 U.S.C. 1225(b))

[45 FR 22517, Apr. 3, 1980. Redesignated at 45 FR 77368, Nov. 21, 1980, and amended at 45 FR 86296, Dec. 30, 1980; 60 FR 41295, Aug. 11, 1995]

76.711 Requesting funds by CFDA number.

If a program is listed in the Catalog of Federal Domestic Assistance (CFDA), a State, when requesting funds under the program, shall identify that program by the CFDA number.

(Authority: 20 U.S.C. 1221e-3, 6511(a), 3474, 31 U.S.C. 6503)

[60 FR 41296, Aug. 11, 1995]

REPORTS

76.720 Financial and performance reports by a State.

(a) This section applies to a State's reports required under 34 CFR 80.41 (Financial reporting) and 34 CFR 80.40 (Monitoring and reporting of program performance).

(b) A State shall submit these reports annually, unless the Secretary allows less frequent reporting.

(c) However, the Secretary may, under 34 CFR 80.12 (Special grant or subgrant conditions for "high-risk" grantees) or 34 CFR 80.20 (Standards for financial management systems) require a State to report more frequently than annually.

(Authority: 20 U.S.C. 1221e-3, 3474, and 6511(a))

[53 FR 49143, Dec. 6, 1988; 54 FR 21776, May 19, 1989; 55 FR 14817, April 18, 1990; 57 FR 30342, July 8, 1992; 58 FR 36870, July 9, 1993; 60 FR 46494, Sept. 6, 1995]

76.722 A subgrantee makes reports required by the State.

A State may require a subgrantee to furnish reports that the State needs to carry out its responsibilities under the program.

(Authority: 20 U.S.C. 1221e-3, 3474, and 6511(a))

[54 FR 21776, May 19, 1989; 55 FR 14817, April 18, 1990; 60 FR 46494, Sept. 6, 1995]

RECORDS

76.730 Records related to grant funds.

A State and a subgrantee shall keep records that fully show:

- (a) The amount of funds under the grant or subgrant;
- (b) How the State or subgrantee uses the funds;
- (c) The total cost of the project;
- (d) The share of that cost provided from other sources; and
- (e) Other records to facilitate an effective audit.

(Approved by the Office of Management and Budget under control number 1880-0513)

(Authority: 20 U.S.C. 1232f)

[53 FR 49143, Dec. 6, 1988; 55 FR 14817, April 18, 1990]

76.731 Records related to compliance.

A State and a subgrantee shall keep records to show its compliance with program requirements.

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the same standards of timing and amount that apply to cash advances by Federal agencies.

(b) *All other grantees.* All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

(1) Ensure that every subgrant includes a provision for compliance with this part;

(2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and

(3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

(c) *Exceptions.* By their own terms, certain provisions of this part do not apply to the award and administration of subgrants:

(1) Section 80.10;

(2) Section 80.11;

(3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR part 205, cited in § 80.21; and

(4) Section 80.50.

(Authority: 20 U.S.C. 3474; OMB Circular A-102)

REPORTS, RECORDS RETENTION, AND
ENFORCEMENT

§ 80.40 Monitoring and reporting program performance.

(a) *Monitoring by grantees.* Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) *Nonconstruction performance reports.* The Federal agency may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance

report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report.

(1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.

(2) Performance reports will contain, for each grant, brief information on the following:

(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.

(ii) The reasons for slippage if established objectives were not met.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) *Construction performance reports.* For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

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(d) *Significant developments.* Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) Federal agencies may make site visits as warranted by program needs.

(f) *Waivers, extensions.* (1) Federal agencies may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

(Approved by the Office of Management and Budget under control number 1880-0517)

(Authority: 20 U.S.C. 3474; OMB Circular A-102)

[53 FR 8071 and 8087, Mar. 11, 1988, as amended at 53 FR 49143, Dec. 6, 1988]

§ 80.41 Financial reporting.

(a) *General.* (1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:

(i) Submitting financial reports to Federal agencies, or

(ii) Requesting advances or reimbursements when letters of credit are not used.

(2) Grantees need not apply the forms prescribed in this section in dealing with their subgrantees. However,

grantees shall not impose more burdensome requirements on subgrantees.

(3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decisionmaking purposes.

(4) Grantees will not be required to submit more than the original and two copies of forms required under this part.

(5) Federal agencies may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. Federal agencies may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms.

(6) Federal agencies may waive any report required by this section if not needed.

(7) Federal agencies may extend the due date of any financial report upon receiving a justified request from a grantee.

(b) *Financial Status Report*—(1) *Form.* Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all non-construction grants and for construction grants when required in accordance with § 80.41(e)(2)(iii).

(2) *Accounting basis.* Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) *Frequency.* The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the

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any evidence at the proceeding that has not been disclosed to the parent at least five days before the proceeding;

(4) Obtain a written or electronic verbatim transcription of the proceeding; and

(5) Obtain written findings of fact and decisions. (Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1480)

Sec. 303.423 Convenience of proceedings; timelines.

(a) Any proceeding for implementing the complaint resolution process in this subpart must be carried out at a time and place that is reasonably convenient to the parents.

(b) Each lead agency shall ensure that, not later than 30 days after the receipt of a parent's complaint, the impartial proceeding required under this subpart is completed and a written decision mailed to each of the parties.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1480(1))

Note: Under part B of the Act, States are allowed 45 days to conduct an impartial due process hearing (i.e., within 45 days after the receipt of a request for a hearing, a decision is reached and a copy of the decision is mailed to each of the parties). (See 34 CFR 300.512.) Thus, if a State, in meeting the requirements of Sec. 303.420, elects to adopt the due process procedures under part B, that State would also have 45 days for hearings. However, any State in that situation is encouraged (but not required) to accelerate the timeline for the due process hearing for children who are eligible under this part—from 45 days to the 30-day timeline in this section. Because the needs of children in the birth-through-two-age range change so rapidly, quick resolution of complaints is important.

Sec. 303.424 Civil action.

Any party aggrieved by the findings and decision regarding an administrative complaint has the right to bring a civil action in State or Federal court under section

680(1) of the Act.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1480(1))

Sec. 303.425 Status of a child during proceedings.

(a) During the pendency of any proceeding involving a complaint under this subpart, unless the public agency and parents of a child otherwise agree, the child must continue to receive the appropriate early intervention services currently being provided.

(b) If the complaint involves an application for initial services under this part, the child must receive those services that are not in dispute.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1480(7))

Confidentiality**Sec. 303.460 Confidentiality of information.**

(a) Each State shall adopt or develop policies and procedures that the State will follow in order to ensure the protection of any personally identifiable information collected, used, or maintained under this part, including the right of parents to written notice of and written consent to the exchange of this information among agencies consistent with Federal and State law.

(b) These policies and procedures must meet the requirements in 34 CFR 300.560 through 300.576, with the modifications specified in Sec. 303.5(b).

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1480(2), 1483)

Note: With the modifications referred to in paragraph (b) of this section, the confidentiality requirements in the regulations implementing part B of the Act (34 CFR 300.560 through 300.576) are to be used by public agencies to meet the confidentiality requirements

under part H of the Act and this section (Sec. 303.460).

The part B provisions incorporate by reference the regulations in 34 CFR part 99 (Family Educational Rights and Privacy); therefore, those regulations also apply to this part.

SUBPART F—STATE ADMINISTRATION**General****Sec. 303.500 Lead agency establishment or designation.**

Each system must include a single line of responsibility in a lead agency that—

(a) Is established or designated by the Governor; and

(b) Is responsible for the administration of the system, in accordance with the requirements of this part.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1476(b)(9))

Sec. 303.501 Supervision and monitoring of programs.

(a) General. Each lead agency is responsible for—

(1) The general administration and supervision of programs and activities receiving assistance under this part; and

(2) The monitoring of programs and activities used by the State to carry out this part, whether or not these programs or activities are receiving assistance under this part, to ensure that the State complies with this part.

(b) Methods of administering programs. In meeting the requirement in paragraph (a) of this section, the lead agency shall adopt and use proper methods of administering each program, including—

(1) Monitoring agencies, institutions, and organizations used by the State to carry out this part;

(2) Enforcing any obligations imposed on those agencies under part H of the Act and these regulations;

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(3) Providing technical assistance, if necessary, to those agencies, institutions, and organizations; and

(4) Correcting deficiencies that are identified through monitoring.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1476(b)(9)(A))

Lead Agency Procedures for Resolving Complaints

Sec. 303.510 Adopting complaint procedures.

Each lead agency shall adopt written procedures for—

(a) Resolving any complaint that any public agency is violating a requirement of part H of the Act or this part by—

(1) Providing for the filing of a complaint with the lead agency; and

(2) At the lead agency's discretion, providing for the filing of a complaint with a public agency and the right to have the lead agency review the public agency's decision on the complaint; and

(b) Informing parents and other interested individuals about the procedures in Secs. 303.510 through 303.512.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1476(b)(9))

Note: Because of the interagency nature of part H of the Act, complaints received under these regulations could concern violations by (1) any public agency in the State that receives funds under this part (e.g., the lead agency and the Council), (2) other public agencies that are involved in the State's early intervention program, or (3) private service providers that receive part H funds on a contract basis from a public agency to carry out a given function or provide a given service required under this part. These complaint procedures are in addition to any other rights under State or Federal law. The lead agency must provide for the filing of a complaint with the lead agency and, at the lead agency's discretion, with a public agency subject to a right of appeal to the lead agency.

Sec. 303.511 An organization or individual may file a complaint.

An individual or organization may file a written signed complaint under Sec. 303.510. The complaint must include—

(a) A statement that the State has violated a requirement of part H of the Act or the regulations in this part; and

(b) The facts on which the complaint is based.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1476(b)(9))

Sec. 303.512 Minimum State complaint procedures.

Each lead agency shall include the following in its complaint procedures:

(a) A time limit of 60 calendar days after a complaint is filed under Sec. 303.510(a) to—

(1) Carry out an independent on-site investigation, if the lead agency determines that such an investigation is necessary;

(2) Give the complainant the opportunity to submit additional information, either orally or in writing, about the allegations in the complaint;

(3) Review all relevant information and make an independent determination as to whether the public agency is violating a requirement of part H of the Act or of this part; and

(4) Issue a written decision to the complainant that addresses each allegation in the complaint and contains—

(i) Findings of fact and conclusions; and

(ii) The reasons for the lead agency's final decision.

(b) An extension of the time limit under paragraph (a) of this section only if exceptional circumstances exist with respect to a particular complaint.

(c) Procedures for effective implementation of the lead agency's final decision, if needed, including technical assistance activities,

negotiations, and corrective actions to achieve compliance.

(d) The right of the complainant or the public agency to request the Secretary to review the lead agency's final decision.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1476(b)(9))

Policies and Procedures Related to Financial Matters

Sec. 303.520 Policies related to payment for services.

(a) General. Each lead agency is responsible for establishing State policies related to how services to children eligible under this part and their families will be paid for under the State's early intervention program. The policies must—

(1) Meet the requirements in paragraph (b) of this section; and

(2) Be reflected in the interagency agreements required in Sec. 303.523.

(b) Specific funding policies. A State's policies must—

(1) Specify which functions and services will be provided at no cost to all parents;

(2) Specify which functions or services, if any, will be subject to a system of payments, and include—

(i) Information about the payment system and schedule of sliding fees that will be used; and

(ii) The basis and amount of payments; and

(3) Include an assurance that—

(i) Fees will not be charged for the services that a child is otherwise entitled to receive at no cost to parents; and

(ii) The inability of the parents of an eligible child to pay for services will not result in the denial of services to the child or the child's family; and

(4) Set out any fees that will be charged for early intervention services and the basis for those fees.

(c) Procedures to ensure the timely provision of services. No

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or change or refuses to initiate or change the identification, evaluation, or placement of the infant or toddler with a disability, or the provision of appropriate early intervention services to the infant or toddler.

(7) Procedures designed to ensure that the notice required by paragraph (6) fully informs the parents, in the parents' native language, unless it clearly is not feasible to do so, of all procedures available pursuant to this section.

(8) The right of parents to use mediation in accordance with section 1415(e), except that -

(A) any reference in the section to a State educational agency shall be considered to be a reference to a State's lead agency established or designated under section 1435(a)(10);

(B) any reference in the section to a local educational agency shall be considered to be a reference to a local service provider or the State's lead agency under this part, as the case may be; and

(C) any reference in the section to the provision of free appropriate public education to children with disabilities shall be considered to be a reference to the provision of appropriate early intervention services to infants and toddlers with disabilities.

(b) **SERVICES DURING PENDENCY OF PROCEEDINGS-** During the pendency of any proceeding or action involving a complaint by the parents of an infant or toddler with a disability, unless the State agency and the parents otherwise agree, the infant or toddler shall continue to receive the appropriate early intervention services currently being provided or, if applying for initial services, shall receive the services not in dispute.

SEC. 1440. PAYOR OF LAST RESORT

(a) **NONSUBSTITUTION-** Funds provided under section 1443 may not be used to satisfy a financial commitment for services that would have been paid for from another public or private source, including any medical program administered by the Secretary of Defense, but for the enactment of this part, except that whenever considered necessary to prevent a

delay in the receipt of appropriate early intervention services by an infant, toddler, or family in a timely fashion, funds provided under section 1443 may be used to pay the provider of services pending reimbursement from the agency that has ultimate responsibility for the payment.

(b) **REDUCTION OF OTHER BENEFITS-** Nothing in this part shall be construed to permit the State to reduce medical or other assistance available or to alter eligibility under title V of the Social Security Act (relating to maternal and child health) or title XIX of the Social Security Act (relating to Medicaid for infants or toddlers with disabilities) within the State.

SEC. 1441. STATE INTER-AGENCY COORDINATING COUNCIL

(a) **ESTABLISHMENT-**

(1) **IN GENERAL-** A State that desires to receive financial assistance under this part shall establish a State interagency coordinating council.

(2) **APPOINTMENT-** The council shall be appointed by the Governor. In making appointments to the council, the Governor shall ensure that the membership of the council reasonably represents the population of the State.

(3) **CHAIRPERSON-** The Governor shall designate a member of the council to serve as the chairperson of the council, or shall require the council to so designate such a member. Any member of the council who is a representative of the lead agency designated under section 1435(a)(10) may not serve as the chairperson of the council.

(b) **COMPOSITION-**

(1) **IN GENERAL-** The council shall be composed as follows:

(A) **PARENTS-** At least 20 percent of the members shall be parents of infants or toddlers with disabilities or children with disabilities aged 12 or younger, with knowledge of, or experience with, programs for infants and toddlers with disabilities. At least one such member shall be a parent of an infant or toddler with a disability or a child with a disability aged 6 or younger.

(B) **SERVICE PROVIDERS-** At least 20 percent of the members shall be public or private providers of early intervention services.

(C) **STATE LEGISLATURE-** At least one member shall be from the State legislature.

(D) **PERSONNEL PREPARATION-** At least one member shall be involved in personnel preparation.

(E) **AGENCY FOR EARLY INTERVENTION SERVICES-** At least one member shall be from each of the State agencies involved in the provision of, or payment for, early intervention services to infants and toddlers with disabilities and their families and shall have sufficient authority to engage in policy planning and implementation on behalf of such agencies.

(F) **AGENCY FOR PRESCHOOL SERVICES-** At least one member shall be from the State educational agency responsible for preschool services to children with disabilities and shall have sufficient authority to engage in policy planning and implementation on behalf of such agency.

(G) **AGENCY FOR HEALTH INSURANCE-** At least one member shall be from the agency responsible for the State governance of health insurance.

(H) **HEAD START AGENCY-** At least one representative from a Head Start agency or program in the State.

(I) **CHILD CARE AGENCY-** At least one representative from a State agency responsible for child care.

(2) **OTHER MEMBERS-** The council may include other members selected by the Governor, including a representative from the Bureau of Indian Affairs, or where there is no BIA-operated or BIA-funded school, from the Indian Health Service or the tribe or tribal council.

(c) **MEETINGS-** The council shall meet at least quarterly and in such places as it deems necessary. The meetings shall be publicly announced, and, to the extent appropriate, open and accessible to the general public.

(d) **MANAGEMENT AUTHORITY-** Subject to the approval of the Governor, the council may prepare and approve a budget using funds

under this part to conduct hearings and forums, to reimburse members of the council for reasonable and necessary expenses for attending council meetings and performing council duties (including child care for parent representatives), to pay compensation to a member of the council if the member is not employed or must forfeit wages from other employment when performing official council business, to hire staff, and to obtain the services of such professional, technical, and clerical personnel as may be necessary to carry out its functions under this part.

(e) **FUNCTIONS OF COUNCIL-**

(1) **DUTIES-** The council shall —

(A) advise and assist the lead agency designated or established under section 1435(a)(10) in the performance of the responsibilities set forth in such section, particularly the identification of the sources of fiscal and other support for services for early intervention programs, assignment of financial responsibility to the appropriate agency, and the promotion of the interagency agreements;

(B) advise and assist the lead agency in the preparation of applications and amendments thereto;

(C) advise and assist the State educational agency regarding the transition of toddlers with disabilities to preschool and other appropriate services; and

(D) prepare and submit an annual report to the Governor and to the Secretary on the status of early intervention programs for infants and toddlers with disabilities and their families operated within the State.

(2) **AUTHORIZED ACTIVITY-** The council may advise and assist the lead agency and the State educational agency regarding the provision of appropriate services for children from birth through age 5. The council may advise appropriate agencies in the State with respect to the integration of services for infants and toddlers with disabilities and at-risk infants and toddlers and their families, regardless of whether at-risk infants and toddlers are eligible for early intervention services in the State.

(f) **CONFLICT OF INTEREST-** No member of the council shall cast a vote on any matter that would provide

direct financial benefit to that member or otherwise give the appearance of a conflict of interest under State law.

SEC. 1442. FEDERAL ADMINISTRATION.

Sections 1416, 1417, and 1418 shall, to the extent not inconsistent with this part, apply to the program authorized by this part, except that —

(1) any reference in such sections to a State educational agency shall be considered to be a reference to a State's lead agency established or designated under section 1435(a)(10);

(2) any reference in such sections to a local educational agency, educational service agency, or a State agency shall be considered to be a reference to an early intervention service provider under this part; and

(3) any reference to the education of children with disabilities or the education of all children with disabilities shall be considered to be a reference to the provision of appropriate early intervention services to infants and toddlers with disabilities.

SEC. 1443. ALLOCATION OF FUNDS.

(a) **RESERVATION OF FUNDS FOR OUTLYING AREAS-**

(1) **IN GENERAL-** From the sums appropriated to carry out this part for any fiscal year, the Secretary may reserve up to one percent for payments to Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands in accordance with their respective needs.

(2) **CONSOLIDATION OF FUNDS-** The provisions of Public Law 95-134, permitting the consolidation of grants to the outlying areas, shall not apply to funds those areas receive under this part.

(b) **PAYMENTS TO INDIANS-**

(1) **IN GENERAL-** The Secretary shall, subject to this subsection, make payments to the Secretary of the Interior to be distributed to tribes, tribal organizations (as defined under section 4 of the Indian Self-Determination and Education Assistance Act), or consortia of the above entities for the coordination of assistance in the provision of early intervention

services by the States to infants and toddlers with disabilities and their families on reservations served by elementary and secondary schools for Indian children operated or funded by the Department of the Interior. The amount of such payment for any fiscal year shall be 1.25 percent of the aggregate of the amount available to all States under this part for such fiscal year.

(2) **ALLOCATION-** For each fiscal year, the Secretary of the Interior shall distribute the entire payment received under paragraph (1) by providing to each tribe, tribal organization, or consortium an amount based on the number of infants and toddlers residing on the reservation, as determined annually, divided by the total of such children served by all tribes, tribal organizations, or consortia.

(3) **INFORMATION-** To receive a payment under this subsection, the tribe, tribal organization, or consortium shall submit such information to the Secretary of the Interior as is needed to determine the amounts to be distributed under paragraph (2).

(4) **USE OF FUNDS-** The funds received by a tribe, tribal organization, or consortium shall be used to assist States in child find, screening, and other procedures for the early identification of Indian children under 3 years of age and for parent training. Such funds may also be used to provide early intervention services in accordance with this part. Such activities may be carried out directly or through contracts or cooperative agreements with the BIA, local educational agencies, and other public or private nonprofit organizations. The tribe, tribal organization, or consortium is encouraged to involve Indian parents in the development and implementation of these activities. The above entities shall, as appropriate, make referrals to local, State, or Federal entities for the provision of services or further diagnosis.

(5) **REPORTS-** To be eligible to receive a grant under paragraph (2), a tribe, tribal organization, or consortium shall make a biennial report to the Secretary of the Interior of activities undertaken under this subsection, including the number of contracts and cooperative agreements

Regulations for Part C of IDEA Prior to April 14, 1998

(Authority: 20 U.S.C. 1482(b))

Sec. 303.602 Use of funds by the Council.

(a) General. Subject to the approval by the Governor, the Council may use funds under this part—

(1) To conduct hearings and forums;

(2) To reimburse members of the Council for reasonable and necessary expenses for attending Council meetings and performing Council duties (including child care for parent representatives);

(3) To pay compensation to a member of the Council if the member is not employed or must forfeit wages from other employment when performing official Council business;

(4) To hire staff; and

(5) To obtain the services of professional, technical, and clerical personnel, as may be necessary to carry out the performance of its functions under this part.

(b) Compensation and expenses of Council members. Except as provided in paragraph (a) of this section, Council members shall serve without compensation from funds available under this part.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1479, 1482 (c) and (d))

Sec. 303.603 Meetings.

(a) The Council shall meet at least quarterly and in such places as it deems necessary.

(b) The meetings must—

(1) Be publicly announced sufficiently in advance of the dates they are to be held to ensure that all interested parties have an opportunity to attend; and

(2) To the extent appropriate, be open and accessible to the general public.

(c) Interpreters for persons who are deaf and other necessary services must be provided at

Council meetings, both for Council members and participants.

The Council may use funds under this part to pay for those services.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482 (c) and (d))

Sec. 303.604 Conflict of interest.

No member of the Council may cast a vote on any matter that would provide direct financial benefit to that member or otherwise give the appearance of a conflict of interest.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482(f))

Functions of the Council

Sec. 303.650 General.

(a) Each Council shall—

(1) Advise and assist the lead agency in the development and implementation of the policies that constitute the statewide system;

(2) Assist the lead agency in achieving the full participation, coordination, and cooperation of all appropriate public agencies in the State;

(3) Assist the lead agency in the effective implementation of the statewide system, by establishing a process that includes—

(i) Seeking information from service providers, service coordinators, parents, and others about any Federal, State, or local policies that impede timely service delivery; and

(ii) Taking steps to ensure that any policy problems identified under paragraph (a)(3)(i) of this section are resolved; and

(4) To the extent appropriate, assist the lead agency in the resolution of disputes.

(b) Each Council may advise and assist the lead agency and the State educational agency regarding the provision of appropriate services for children aged birth to five, inclusive.

(Approved by the Office of Management and Budget under control number

1820-0550)

(Authority: 20 U.S.C. 1482(e)(1)(A) and (e)(2))

Sec. 303.651 Advising and assisting the lead agency in its administrative duties.

Each Council shall advise and assist the lead agency in the—

(a) Identification of sources of fiscal and other support for services for early intervention programs under this part;

(b) Assignment of financial responsibility to the appropriate agency; and

(c) Promotion of the interagency agreements under Sec. 303.523.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482(e)(1)(A))

Sec. 303.652 Applications.

Each Council shall advise and assist the lead agency in the preparation of applications under this part and amendments to those applications.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482(e)(1)(B))

Sec. 303.653 Transitional services.

Each Council shall advise and assist the State educational agency regarding the transition of toddlers with disabilities to services provided under part B of the Act, to the extent those services are appropriate.

(Approved by the Office of Management and Budget under control number 1820-0578)

(Authority: 20 U.S.C. 1482(e)(1)(C))

Sec. 303.654 Annual report to the Secretary.

(a) Each Council shall—

(1) Prepare an annual report to the Governor and to the Secretary on the status of early intervention programs operated within the State

for children eligible under this part and their families; and

(2) Submit the report to the Secretary by a date that the Secretary establishes.

(b) Each annual report must contain the information required by the Secretary for the year for which the report is made.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482(e)(1)(D))

Existing Councils

Sec. 303.670 Use of existing councils.

If a State established a Council before September 1, 1986, that is comparable to the requirements for a Council in this subpart (e.g., in terms of its composition, meetings, and functions), that Council is considered to be in compliance with these requirements. However, within four years after the date that a State accepts funds under this part, the State shall establish a Council that complies in full with the requirements of this subpart.

(Approved by the Office of Management and Budget under control number 1820-0550)

(Authority: 20 U.S.C. 1482(g))

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Early On® Michigan

other components as needed.

The total administrative functions of the Part H staff are divided as follows: approximately four percent of Federal allocation for Part H in Michigan supports the administration within the lead agency and approximately two percent of federal allocation supports the SICC, including staff, committees, and related SICC activities

Planning, Development, and Implementation Activities

Up to 94% of the FY 1996-97 federal allocation, or \$9,411,579, will be used for planning, development, and implementation activities including those which are state initiated, those which are required by federal regulation, those which include direct services to the eligible population, and those which include assignment of activities to participating agencies. In combination, these activities assist the state in achieving continuous progress toward a vision of community-based, family-centered, and culturally competent early intervention services which are coordinated, easily accessible, and produce optimal outcomes for children and families.

1. State-Initiated Components

A portion of the federal allocation to Michigan will be used to support state initiated activities and projects. Such activities and projects have been developed to operationalize the vision for Part H in Michigan; i.e. the development of community-based, family-driven, timely and individualized services and supports for eligible children and their families. In addition, evaluation of the system, including family satisfaction with the system, the continued development and enhancement of an interagency system for family support, and discretionary activities which emerge from the findings of the evaluation of the system have been recommended by the SICC as part of the cycle of continuous improvement; additional and ongoing recommendations are expected.

a. Evaluation Project (up to \$175,000)

This project provides an evaluation of the interagency delivery system for early intervention services under Part H in Michigan. Components of the design include families as a primary source of information for evaluation with administrators and service providers as additional sources of information. These sources provide data for the measurement of levels of implementation of requirements and standards of the early intervention system in Michigan. In addition, customer satisfaction is measured. The *Early On* data and reporting system is used extensively to provide quantitative data regarding services and service delivery under Part H in Michigan.

Both extensive and intensive design elements of the evaluation project provide data which are applicable both statewide and to individual service areas. These data are then shared with the SICC and LICCs to be used as resources for planning and improving the early intervention system. The SICC works closely with the project to ensure a design which captures the basic tenets of the early intervention services system under Part H and the state plan.

b. Parent Leadership Program (up to \$310,000)

The Parent Leadership Program provides mentoring and training for parents involved on the SICC, on LICCs, and those involved in other advisory roles. In addition, this program includes mentoring and training for families who are seeking assistance in defining and achieving outcomes which enable them to better meet the needs of their children with disabilities and the related needs of their families.

c. Family Information Exchange (up to \$250,000)

The Family Information Exchange provides communication links among families in the state using a variety of technologies. These various communication networks are coordinated with all available resources and existing systems. In addition, the project includes a State *Early On* Family Coordinator to work with the State *Early On* staff in the Departments of Education, Community Health, and the Family Independence Agency.

This project also provides the coordination of opportunities for *Early On* families among the various parent initiatives across the state. This includes support for parents involved in policy and planning activities of the SICC, special *Early On* projects, and related interagency activities which are dedicated