

**United States Department of Education
Office of Special Education Programs**

**IDEA Part C
Single Line of Responsibility – Fiscal Monitoring Protocol**

Part C of the Individuals with Disabilities Education Act (IDEA)¹ is a State formula grant administered by the U.S. Department of Education (Department), Office of Special Education Programs (OSEP), to eligible State lead agencies (LAs). The grant provides funds to assist States in developing and implementing a statewide, comprehensive, coordinated, multidisciplinary interagency system that provides early intervention (EI) services for infants and toddlers with disabilities and their families. IDEA Part C funds serve as a mechanism for States to enhance their capacity to identify, evaluate and provide quality EI services and/or expand and improve existing EI services. In order for a State to be eligible for IDEA Part C funds, it must provide OSEP with an assurance in section II.B.13 of its IDEA Part C application, that its Statewide comprehensive, coordinated, multidisciplinary interagency system includes a lead agency that is designated by the Governor and has a single line of responsibility for ensuring IDEA Part C requirements are met in the State, as required under 20 U.S.C. 1416, 1435(a)(10), 1442 (and 34 CFR §303.120, 34 CFR §§303.700-707, and Subpart F of the IDEA Part C regulations).

OSEP has an obligation to examine the risk presented by its IDEA Part C applicants,² and uses a system of differentiated monitoring and supports (DMS) to provide oversight of its grantees based on the State's unique strengths, progress, challenges, and needs when addressing those areas of risk. OSEP's DMS monitoring consists of four areas: 1) Results; 2) Compliance; 3) State Systemic Improvement Plan (SSIP); and 4) Fiscal. OSEP's IDEA Part C Fiscal monitoring previously examined implementation by the State lead agency (LA) of the State's System of payments (SoP) as funding sources to pay for the provision of IDEA Part C EI services. Based on the results from those monitoring activities, OSEP determined that there is a need to focus on State LAs and their exercise of single lines of responsibility. This focus is also supported by the varied administrative and fiscal authorities that States use to implement the IDEA Part C EI program, and the importance of State and local level coordination to make EI services available in each State. The single line of responsibility exists to ensure that each State LA has the ability to develop effective systems for general supervision and monitoring; coordination of funding resources; assignment of financial responsibility; development of procedures that ensure timely service provision; resolution of intra-agency and interagency disputes; and entry into interagency agreements that define each agency's financial responsibility for EI services.

OSEP will review State general supervision system to ensure that the LA has the necessary fiscal policies, procedures and authority to verify compliance, issue findings of noncompliance, and take appropriate enforcement actions, where required. OSEP will also provide technical assistance and support to LAs³ related to State administrative, fiscal, and other related systems to identify model practices for implementation of these requirements, and related general supervision activities, including LA systems for fiscal oversight of its early intervention service (EIS) programs and providers. IDEA Part C allows States flexibility in implementing the Part C program in accordance with State law and administrative policies, so long as the EIS program meets Federal statutory and regulatory requirements. As a result of this flexibility, OSEP sees wide variety of approaches in how LAs contract with EIS programs and providers. OSEP notes that many LAs utilize complex systems for contracting or otherwise arranging for EI services, and access multiple payor sources to fund those services. Other State LAs exercise their general supervision authority with an emphasis on local control or have complex rule-making processes for developing and implementing policies and procedures related to the

¹ For the purposes of this protocol, the IDEA Part C program will be referred to as Part C.

² See 2 CFR § 200.205

³ For example, the protocol can be used by LAs as a self-assessment to identify areas for improvement.

oversight of Part C functions and activities. These varied approaches and systems present challenges to State LAs in meeting the requirements for a single line of responsibility and increase the risk of noncompliance with Part C fiscal and other requirements.

Based on the specific characteristics of each State's systems, some sections of the monitoring protocol may not be applicable (for example, because of their organizational structure, some States are not required to have a Method of Ensuring Financial Responsibility). OSEP's monitoring will focus only on those areas relevant to each LA.

During this fiscal monitoring activity, OSEP will examine written policies, procedures and other supporting documentation related to the LA's role in the general supervision, monitoring, funding, interagency coordination and other responsibilities in meeting the requirements under IDEA, particularly under 34 CFR §303.120. Specifically, OSEP will be examining:

- The general administration and supervision of programs and activities administered by agencies, institutions, organizations, and EIS providers receiving assistance under Part C of the Act. (34 CFR §303.120(a)(1)).
- The monitoring of programs and activities used by the State to carry out Part C (whether or not the programs or activities are administered by agencies, institutions, organizations, and EI service providers that are receiving assistance under Part C), consistent with 34 CFR §303.120(a)(2), to ensure the State complies with Part C, including—
 1. Monitoring agencies, institutions, organizations, and EIS providers used by the State to carry out Part C;
 2. Enforcing any obligations imposed on those agencies, institutions, organizations, and EIS providers under Part C statute and regulations;
 3. Providing technical assistance, if necessary, to those agencies, institutions, organizations, and EIS providers;
 4. Correcting any noncompliance identified through monitoring as soon as possible and in no case later than one year after the LA's identification of the noncompliance; and
 5. Conducting the activities in paragraphs 34 CFR §§303.120(a)(2)(i) through (a)(2)(iv), consistent with 34 CFR §§303.700 through 303.707, and any other activities required by the State under those sections.
- The identification and coordination of all available resources for early intervention services within the State, including those from Federal, State, local, and private sources, consistent with Part C use of funds and payor of last resort requirements.⁴ (34 CFR §303.120(b))
- The assignment of financial responsibility in accordance with Part C use of funds and payor of last resort requirements. (34 CFR §303.120(c))
- The development of procedures in accordance with Part C use of funds and payor of last resort requirements to ensure that early intervention services are provided to infants and toddlers with disabilities and their families under Part C in a timely manner, pending the resolution of any disputes among public agencies or EIS providers. (34 CFR §303.120(d))
- The resolution of intra- and interagency disputes in accordance with Part C of use of funds and payor of last resort requirements. (34 CFR §§303.120(e) and 303.511(c))

⁴ Subpart F of the IDEA Part C regulations

- The entry into formal interagency agreements or other written methods of establishing financial responsibility, consistent with Part C use of funds and payor of last resort requirements in 34 CFR §303.511, that define the financial responsibility of each agency for paying for EI services (consistent with State law) and procedures for resolving disputes and that include all additional components necessary to ensure meaningful cooperation and coordination as set forth in Part C. (34 CFR §303.120(f))