

Early On[®] Michigan

Michigan School Business Officials –
Intermediate School District Committee
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The MDE *Early On* Team

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Plan for the Day

- *Early On* Overview
- Funding Sources and Allocations
- Fiscal Requirements
 - IDEA Part C Regulations
 - State School Aid Act Section 54d
- Level of Effort Reporting/Non-Supplanting Requirements
- Medicaid Billing
- Q & A

What is *Early On*?

An Overview

Early On System

- A statewide system of early intervention services mandated by federal legislation (Part C of IDEA).
- Designed to help families find the social, health and educational services that will promote the development of their infants and toddlers with special needs.
- Based on partnerships between families and service providers and on collaboration among community agencies, organizations and private practitioners.
- Emphasizes early identification and early services.

Individuals with Disabilities Education Act (IDEA)

The **Individuals with Disabilities Education Act (IDEA)** is a United States federal law that governs how states and public agencies provide early intervention, special education, and related services to children with disabilities.

Individuals with Disabilities Education Act

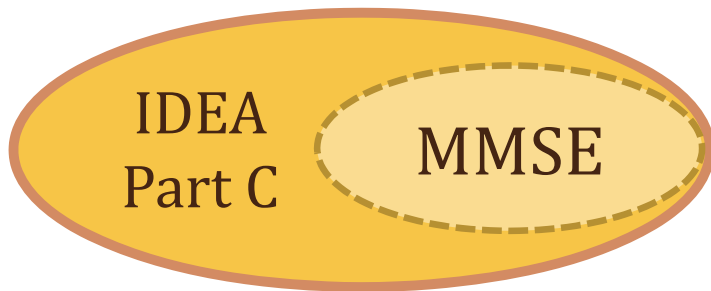
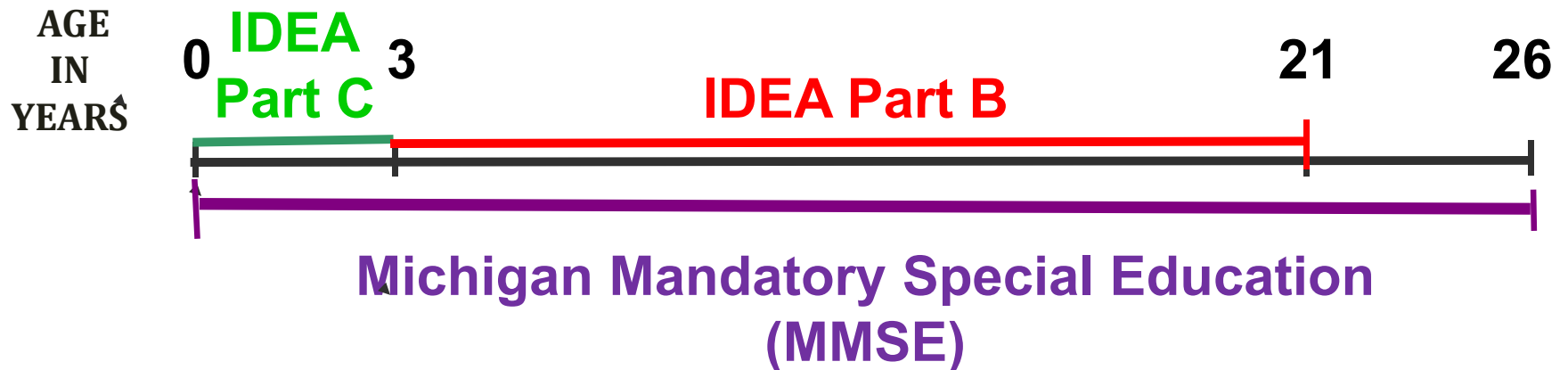
IDEA

- Original law in 1975
- Part C = birth to 3 years
 - Federal expectations for services for infants and toddlers with disabilities initially Part H, became Part C in 1993 reauthorization
- Part B = 3 to 21 years

Michigan Mandatory Special Education (MMSE) – 1971

- Birth – age 26

Michigan Mandatory Special Education in relation to IDEA



Eligibility for *Early On* Services

- Any infant or toddler with an established condition (i.e., a physical or mental condition likely to lead to a delay)
- Developmental Delay
 - Under 2 months of age: any delay
 - 2 to 36 months of age: 20% in one or more areas

Services Provided by *Early On*

- Assistive Technology Services
- Audiology Services
- Family Training, Counseling & Home Visits
- Nursing Services
- Medical Services *(diagnostic or evaluation purposes)*
- Nutrition Services
- Occupational Therapy
- Signed/Cued Language Services
- Speech Therapy
- Physical Therapy
- Special Instruction
- Social Work
- Psychological Services
- Health Services
- Service Coordination
- Transportation
- Vision Services

Funding Sources and Allocations

Federal IDEA Part C Funds

- \$10,209,805 for FFY 2018-19
- Distributed by formula
 - Base amount – 35% (population and power factor)
 - Population-based – 65%
- Legislative language includes several fiscal requirements
 - Payor of Last Resort
 - Non-supplanting/Level of Effort

State School Aid Act (SSAA) Section 54d

- \$5,000,000 for State Fiscal Year 2018-19
- Legislative language included several fiscal requirements
 - Distributed by same formula as federal funds
 - Non-supplanting
 - Medicaid Billing

Other Fund Sources

- Special Education Cost Reimbursements
 - For expenditures related to providing special education services for children eligible for both *Early On* and MMSE
- Local Funds
- Collaborations/Agreements with Partners

Level of Effort Reporting & Non-Supplanting

Regulatory Mandate:

§ 303.225 Prohibition against supplanting (§ 303.124 in the 1998 regulations)

(a) Each application must provide satisfactory assurance that the Federal funds made available under section 643 of the Act to the State:

(2) Will be used so as to supplement the level of State and local funds expended for infants and toddlers with disabilities and their families and in no case to supplant those State and local funds.

Regulatory Mandate: Test

(b) To meet the requirement in paragraph (a) of this section, **the total amount of State and local funds budgeted for expenditures in the current fiscal year** for early intervention services for children eligible under this part and their families must be **at least equal** to the **total amount of State and local funds actually expended** for early intervention services for these children and their families in the **most recent preceding fiscal year for which the information is available.**

Regulatory Mandate: Allowances

Allowance may be made for—

- (1) A decrease in the number of infants and toddlers who are eligible to receive early intervention services under this part; and
- (2) Unusually large amounts of funds expended for such long-term purpose as the acquisition of equipment and the construction of facilities.

SSAA Section 54d Non-Supplanting Requirement

- The grant funding allocated under this section shall be used to increase *Early On*[®] services and resources available to children that demonstrate developmental delays to help prepare them for success as they enter school.
- Grant funds must not be used to supplant existing services that are currently being provided.
- Funds received under this section must not supplant existing funds or resources allocated for *Early On* early intervention services.

Level of Effort Reporting & Test

Step 1 Actual Expenditures

- Reported in the Financial Information Database (FID)
- Annually in November
- Aggregated Statewide Total

Step 2 Budgeted Non-federal Funds

- Reported in MEGS+ Application
- Annually due July 1st
- Aggregated Statewide Total

Step 3 Comparison of Statewide Totals

- Comparison of Aggregated Statewide Total Budgeted to Most Recent Aggregated Statewide Actual Expenditures

Collection of Actual Expenditures

- Pulled from information entered in the Financial Information Database (FID)
- Expenditures must be coded to the grant and program
- Refer to Michigan Public School Accounting Manual
 - See change notice #20 dated January 2013
- Report all expenditures that support the *Early On* system

Collection of Actual **Expenditures:** Program Codes

- For special education services provided for children birth to three under MARSE rule 340.1862, you may use **program codes 271 or 272**.
- All other expenditures related to providing *Early On* services, regardless of funding source, should be coded with **program code 080**: Early Intervention – birth to three.

Collection of Actual **Expenditures:** Grant Codes

- Expenditures paid with federal IDEA Part C funds should be coded to **grant code 757: IDEA Part C Infant and Toddler – Formula Grant.**
- Expenditures paid with SSAA Section 54d funds should be coded to **grant code 326.**
- Expenditures paid with other **state or local funds** would be coded to **grant codes 1xx, 2xx, 3xx, 000, or 9xx, as appropriate.**

How does MDE use this information?

- Identify *Early On* related expenditures from **non-federal public fund sources**.
- Calculate total expenditures by ISD.
- Aggregate ISD expenditures to a **statewide total**.
- Compare statewide expenditure total to statewide budgeting total.

Collection of **Budgeting** Information

- MEGS+ Application – completed annually by local service areas
- Provide total amount budgeted from state and local sources for the upcoming fiscal year
- Do not include SSAA Section 54d funds in this total
- MDE **aggregates** this to a statewide total.

Justifications for Reduction in Effort for *Early On*

- Within the MEGS+ application is an opportunity to provide a justification for any reductions in expenditures for *Early On*.
- The federal regulations include two allowances:
 - The number of infants and toddlers who are eligible to receive early intervention services under this part decreases.
 - Unusually large amounts of funds are expended for such long-term purpose as the acquisition of equipment or the construction of facilities during one year, and no longer need to be expended in following years.

Medicaid Billing

SSAA Section 54d Requirement Regarding Medicaid Billing

- An intermediate district receiving funds under this section shall maximize the capture of Medicaid funds to support *Early On* early intervention services to the extent possible.

Addressing this Requirement

- A Medicaid Workgroup of the Michigan Interagency Coordinating Council Fiscal Ad Hoc Committee is working to address this requirement.
- Providers of services to *Early On Only* children who also meet Medicaid requirements may be included on the Staff Pool List.
- Additional guidance regarding Medicaid and IDEA Part C will be developed and be made available in 2019.

Resources

- www.Michigan.gov/earlyon
 - State School Aid Act Section 54d Non-Supplanting Requirement Q&A
 - Maintenance of Effort Process
 - Maintenance of Effort Q&A
 - *Early On* Consultants and EOT&TA Specialists Assignments

Questions



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