



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING



JENNIFER M. GRANHOLM
GOVERNOR

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

September 27, 2010

MEMORANDUM

TO: State Board of Education

FROM: Michael P. Flanagan, Chairman 

SUBJECT: Approval of Formula for Distribution of Federal Funds Awarded to Michigan Through Part C of the Individuals with Disabilities Education Act

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. Designated by the Governor as the state lead agency for Part C of IDEA, the Department of Education collaborates with the Departments of Community Health and Human Services to support infants and toddlers with disabilities and their families. On October 1, 1993, Michigan fully implemented Part C of IDEA as *Early On Michigan*.

The Michigan Interagency Coordinating Council has recommended a new funding formula that provides a more equitable distribution of federal funds to support the coordination and delivery of early intervention services for eligible children and their families. Michigan received \$9,751,070 for the 2010-2011 fiscal year, which was awarded to intermediate school districts for the implementation of the infant and toddler early intervention system using the current formula. The new formula will provide the 57 intermediate school districts an award based on a two-part formula: (1) a revised, graduated administrative base determined by size, and (2) an estimate of service need. Specific elements considered for the formula grants are outlined in the attached.

It is recommended that the State Board of Education approve the Formula for Distribution of Federal Funds Awarded to Michigan Through Part C of the Individuals with Disabilities Education Act, as described in the Superintendent's memorandum dated September 27, 2010.

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MICHIGAN
STATE BOARD OF EDUCATION

Approval of Formula for Distribution of Federal Funds Awarded to Michigan Through
Part C of the Individuals with Disabilities Education Act

The State Board of Education has adopted as its goal "Significant and meaningful improvement in the academic achievement of all students/children with major emphasis on the persistently lowest achieving schools and students."

To the extent possible, all grant criteria and grant awards will serve to further attain the above goal, and the Board's Vision and Principles of Universal Education.

PRIORITIES, POLICIES, AND PROGRAMS THAT THESE CRITERIA SUPPORT

The formula allocation grants to intermediate school districts (ISDs) under Part C of the Individuals with Disabilities Education Act (IDEA) support the Board's expectation of achievement for all children by providing the early intervention support to achieve improved outcomes for children and families. All activities of the *Early On* system address the tenets of universal education and promote early childhood literacy and school/community relationships.

BACKGROUND/PURPOSE OF GRANT

Competitive Formula New Continuation

The formula allocation grants to ISDs facilitate a statewide, comprehensive, coordinated, multidisciplinary, family centered, interagency system of early intervention services to eligible infants and toddlers and their families. Each grantee will expand and improve existing early intervention services being provided to eligible infants and toddlers and their families through coordination of existing referral and service delivery systems. As a last resort, each grantee will use federal Part C funds for direct early intervention services to eligible infants and toddlers and their families when no resources other than these federal funds are available.

CRITERIA

Date criteria were last approved: May 13, 2008.

Defined in Law Defined in Department's Approved Grant Application to the Funder Proposed by Staff

The formula for this grant consists of a two-tier process:

- The formula provides each of the 57 ISDs with an infrastructure block based on size ranging from \$50,000 to \$150,000.
- An estimate of service need is based on an increasing targeted percentage to be served of the birth through two-year-old population. The number of children to be served is divided into the fund balance after the subtraction of the total block amount to reach a per child allocation.
- The new allocation awarded to each ISD is a total of the two calculations above, taking into consideration the annual state award.

ELIGIBLE APPLICANTS/TARGET POPULATION TO BE SERVED BY GRANT

Eligible applicants are intermediate school districts.

Those eligible for services through this system will include infants and toddlers, age birth to three, who need early intervention services because they are experiencing a developmental delay, as measured by appropriate diagnostic instruments and procedures in one or more of the following areas: cognitive development, physical development, communication development, social or emotional development, or adaptive development; or have a diagnosed physical or mental condition that has a high probability of resulting in a developmental delay.

TOTAL FUNDS AVAILABLE

Dependent on Congressional appropriation, the federal funds allocated to Michigan under IDEA vary each year. In the 2010-2011 fiscal year, \$9,751,070 was made available to intermediate school districts.

LAW

Part C of the Individuals with Disabilities Education Improvement Act of 2004 which also requires adherence to the Education General Administrative Rules, specifically 34 CFR 76.720, 80.40, 303.501, 20 U.S.C. 1441 (e)(1)(D), and 34 CFR 303.654. Embedded in these requirements is the expectation that revised policies or procedures be subjected to the public participation requirements in 34 CFR §§ 303.110 through 303.113. These requirements were met by the Office of Early Childhood Education and Family Services February 1 through April 2 of 2010. A summary of the results of public participation is provided in Attachment A, along with additional information regarding the impact of the formula revision. The Governor-appointed Michigan Interagency Coordinating Council reviewed and endorsed the formula at its meeting on January 8, 2010.

OFFICE ADMINISTERING GRANT/PROGRAM CONTACT

Office of Early Childhood Education and Family Services		
Director:	Lindy Buch, Ph.D.	517-241-3592
Program Contacts:	Reneé DeMars-Johnson, Supervisor	517-241-0162
	Vanessa Winborne, Coordinator	517-355-4865

Michigan Proposed Intermediate School District Funding Formula for *Early On*[®]
Informational Results of Public Participation [34 CFR §§303.110 through 303.113]

Data Regarding the Funding Formula:

- Intermediate school districts (ISDs) receive 80% of the state award from the U.S. Department of Education, Office of Special Education Programs
- The federal target estimates that a minimum of 11,014 children (2.2%) are eligible and should be served

The ISD award for Fiscal Year 2010-2011 is **\$9,751,070**.

Of the 11,014 children to be served, **41%** (4,478) live in Wayne, Oakland, and Macomb counties. (**41%** of the ISD award equals **\$3,997,938**)

- Wayne, Oakland, and Macomb under the current formula received **\$2,053,556** (which equals approximately **21%** of the ISD award)
- Wayne, Oakland, and Macomb under the proposed new formula will receive:
 - a) \$150,000 each = \$450,000
 - b) \$506.12 per child (4,478 x \$506.12) = \$2,266,405Thus Wayne, Oakland, and Macomb will receive (a + b) a total of **\$2,716,405** (which equals approximately **28%** of the ISD award)

This example illustrates that although the new formula does not reach total fiscal equity, it moves the state in the right direction while preserving some funds to recognize greater costs in rural areas due to required travel time.

Results of Participation

A total of **345 comments** were received regarding the proposed new funding formula for local *Early On* programs. There were a total of **188 comments in favor (54%)** and **157 comments opposed (46%)** to the proposed policy change.

Comments in favor:

- Large urban areas have been underfunded for many years
- The funds should follow the children
- There should be a fair percentage of the funds allocated where the children reside

Comments opposed:

- The proposed formula will cut funding to some programs too drastically
- It does not reward performance; it rewards underperformance
- The geographic challenges in rural Michigan need to be considered