

Funding Formula Presentation
Michigan Interagency Coordinating Council (MICC)
January 8, 2010

How Federal Funds are Spent

Michigan receives approximately \$12 million in federal funds to operate Part C (*Early On*[®]) in Michigan. Eighty percent of the award goes to intermediate school districts (ISDs) and 20 percent is spent on the following components:

- Child Find/Referral
- Public Awareness
- Central Directory
- Comprehensive System of Personnel Development

Administration activities include:

- MDE *Early On* Consultants
- MICC meetings

General Supervision activities include:

- SPP/APR – WSU (child and family outcomes)
- Monitoring
- Determinations
- Public Reporting
- Complaints/Hearings and Administration
- Fiscal Monitoring

In-kind contributions from the Office of Special Education and Early Intervention Services include the data system (EETRK/MICIS), the monitoring system (CIMS), the MICC liaison position, dispute resolutions, and complaints and hearings.

Discretionary Funds include:

Parent Grants

- Michigan Alliance for Families
- Parent Leadership in State Government

Interagency Grants

- Department of Community Health
- Department of Human Services
- Inter-Tribal Council of Michigan

Although the Inter-Tribal Council is listed under discretionary funds, federal regulations require Part C to work with underserved populations, which includes the Inter-Tribal Council.

Current Funding Formula

IDEA (Part C) funds cover the costs of developing and implementing a collaborative interagency delivery system of programs and services for infants and toddlers, ages birth through two, and are based on a three-part formula including:

- 1) \$50,000 to all ISDs;

- 2) A percentage amount based on projected need in the birth to three population; and
- 3) An amount reflecting those served based on the average 12-month period count taken on the previous June 1 and December 1.

Overview of the Budget Ad Hoc Committee

The Budget Ad Hoc Committee was charged with reviewing the current funding formula for ISDs and if deemed necessary, proposing a new formula. The committee consisted of stakeholders from across the state, MICC members, and interagency staff. They reviewed local data from MEGS about the amount spent on administrative salaries versus direct services. Over the past four years, the percentage spent on administration has decreased.

Members spent time reviewing and discussing other possible funding formula scenarios. The scenarios reviewed included altering the block grant amount, altering the target of children served, altering the estimate of service need, eliminating the target, eliminating the estimate of need, as well as looking at the average cost of an Individualized Family Service Plan (IFSP).

The committee was in agreement that there needs to be equity for children throughout the state.

The following recommendation from the committee was:

Every IFSP is worth the same amount (currently \$562.99), and this number is multiplied by the number of IFSPs generated per ISD; and no ISD would receive less than \$30,000 to carry out early intervention activities regardless of the number of children served.

After months of discussion and comments from the field, the proposed formula was not approved by the MICC in May 2009. At the same meeting, the MICC formed and charged a Reimagine Ad Hoc Committee to identify opportunities for improved, sustainable efficiency while still providing the needed services to children and families. The Reimagine Ad Hoc Committee recommended the development of Request for Proposals (RFPs) that were released in December 2009. The topics of the RFPs are: Family Navigator and Innovative ISD. The development of an electronic IFSP is also occurring, but through a different process. These items may help to ease the financial burden on local service areas. After the pilot phase ends, June 30, 2011, the models will be available for implementation statewide.

It was determined that the Reimagine Ad Hoc committee would not tackle the funding formula, but rather MDE staff would review all information available and propose a new formula at the January 2010 MICC meeting.