

Early On[®] State School Aid Section 54d Grant Important Information

I-1. Public Act 58 of 2019 – *Early On* State School Aid Section 54d

This section appropriates \$7.15 million to enhance the federally funded grants to intermediate school districts (ISDs) under Part C of the Individuals with Disabilities Education Act (IDEA), commonly known as *Early On*. The local early intervention programs facilitate a statewide, comprehensive, coordinated, multidisciplinary, family centered, interagency system to eligible infants and toddlers and their families. The appropriated dollars will enable the local programs to enhance services to the participating children and their families.

This document contains information and instructions for completing the Fiscal Year (FY) 2020 *Early On* State School Aid Section 54d application. These funds are allocated and administered by MDE as the state lead agency for *Early On*.

I-2. Purpose

Section 54d funds are allocated to:

- Provide state *Early On* services pilot programs for children from birth to three years of age with a developmental delay or a disability, or both, and their families, as described in the *Early On* Michigan State Plan, as approved by MDE.
- Increase *Early On* services and resources available to children that demonstrate developmental delays to help prepare them for success as they enter school. State *Early On* services include evaluating and providing early intervention services for eligible infants and toddlers and their families to address developmental delays, including those affecting physical, cognitive, communication, adaptive, social, or emotional development.

I-3. Eligible Participants

Those eligible for services through this system will include infants and toddlers, birth through age two, who need early intervention services because they [20 U.S.C. 1432 (5)(A)]:

- A. Are experiencing a 20 percent or greater developmental delay (or any delay for a child up to two months old (adjusted age)), 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, adaptive development; or,
- B. Have a diagnosed physical or mental condition that has a high probability of resulting in a developmental delay identified within the Michigan Established Condition list.

I-4. General Criteria and Additional Information

In compliance with Section 54d requirements, the following criteria must be met by all recipients:

- ISDs must make application to MDE for Section 54d funds.
- Funding is distributed to ISDs according to the MDE's *Early On* funding formula utilized to distribute Michigan's federal award under Part C of IDEA.

- Funding is used to increase *Early On* services and resources available to infants and toddlers that demonstrate a developmental delay or disability to help prepare them for success as they enter school, and their families.
- State *Early On* services include evaluating and providing early intervention services for eligible infants and toddlers and their families to address developmental delays, including those affecting physical, cognitive, communication, adaptive, social, or emotional development.
- Section 54d funds received by an ISD must not supplant existing funds or resources allocated for *Early On*. Section 54d funds must not be used to supplant existing services provided prior to the appropriation of Section 54d funding.
- ISDs shall maximize the capture of Medicaid funds to support *Early On* early intervention services to the extent possible.
- ISDs are required to report data and other information to MDE in a form, manner, and frequency as determined by MDE.

II-1. Application Mechanics

The *Early On* State School Aid Section 54d application is regarded as a contract between the state and the ISD to coordinate *Early On* for infants and toddlers and their families. The state regards the ISD as the fiscal agent and the application represents the ISD's agreement to fulfill the terms of the contract.

ISDs often contract with other agencies for an agreed upon amount for goods and/or services rendered. All contracts must follow the rules/regulations of the Uniform Guidance, 2 CFR 200.318, General procurement standards.

Indirect costs are not allowed.

II-2. Application Process

A. Michigan Electronic Grants System Plus (MEGS+)

The FY 2020 *Early On* State School Aid Section 54d applications will be submitted through MEGS+. MEGS+ is an internet-based grant application system that provides an environment for online completion, submission, and approval, funding disbursement, management, and administration of grants.

B. Application Information

This application consists of:

- Cover Page – Information on this page is automatically generated by MEGS+ using information from current people assigned (Add/Edit People page) to the MEGS+ application.
- Assurances and Certifications – Submission of the application requires a confirmation as an agreement to the Statement of Assurances.
- Important Information – General information about the application.
- Budget pages, including:
 1. Budget Summary – The summary automatically generates as the budget detail is completed. Indirect costs are not allowed. Contact information

- for the Business Office Representative and the Project Contact Person is also entered on this page. Be sure contacts are updated if they change.
2. Budget Detail – This is where expenses of the grant are entered.
 3. Composite Budget – This page automatically generates, wrapping the detail into a summary by function code.
 4. Capital Outlay – Complete this page when the expenditure for any one item will be \$5,000 or greater.
- Attachments – Additional documents may be uploaded. At a minimum, the Focus Area Selection spreadsheet and the Data spreadsheet must be uploaded.

C. **Expenditure Period**

The *Early On* State School Aid Section 54d application is approved for one year (October 1, 2019 – September 30, 2020). **ISDs must budget, and are encouraged to spend, all funds during the fiscal year in which the funds are received.** If the full allocation is not expended by September 30, 2020, remaining funds must be budgeted in a Carryover Budget and expended before September 30, 2021. **Unexpended funds must be returned to MDE by September 30, 2021.**

D. **Grant Payment Schedule**

Payments to grantees will be made through the State Aid Management System (SAMS). FY 2020 payments will begin after FY 2019 funds have been fully expended and a FY 2019 FER has been certified in the Cash Management System.

E. **Allowable Cost Guide**

This is a guide to assist with establishing a fiscal account for the revenue and expenditures, and to align these items with the General Accounting Standards, which are used by MDE. Please refer to the Allowable Cost Guide posted in MEGS+ for an explanation of account codes and allowable costs.

F. **Amendments**

An amendment is a report of programmatic or financial change. Amendments or revisions to the contract application may affect the budget or other parts of the application.

Submit an amendment for:

- a. New, deleted, or substantially revised Focus Area Selection Form or selection/description of strategies.
- b. The budget when: 1) the expenditures for any function code will be greater than a 10 percent variance above the previously approved amount; 2) funds are being assigned to a line item not previously approved; 3) adding staff/changing FTEs; 4) adding expenditures within a function code not previously included; 5) moving an amount greater than 10 percent between approved function codes; or 6) line item amounts are changed that substantially affect the implementation of the designated strategies and focus area(s).

An amendment approval may be retroactive up to October 1 of each current fiscal year provided the application was submitted in MEGS+ prior to the requested beginning date. It is necessary to put into writing in the amendment description any request for retroactive approval. Otherwise, an amendment approval is effective the date the amendment was submitted in MEGS+.

G. FY 2020 Final Expenditure Report/Carryover Budget (FER/COB) – due November 1, 2020

The FER/COB is initiated/accessed by clicking on the Examine Related Items link within the FY 2020 *Early On* State School Aid Section 54d Grant application in MEGS+. This FER/COB includes Final Expenditure Report (FER) and Carryover Budget (COB) forms. The FER must be completed reporting actual expenditures through the end of the grant year (September 30, 2020). If the FER reflects unexpended FY 2020 funds as of September 30, 2020, those remaining funds must be budgeted using the COB. The FY 2020 carryover funds must be expended before September 30, 2021.

Please note the most recently approved FY 2020 budget will pull automatically into the MEGS+ FER. Final budgets should match the FER within a 10 percent variance for each function code. If a budget amendment is needed to align the budget with actual expenditures, complete the budget amendment before initiating the FER/COB.

H. FY 2020 Carryover Final Expenditure Report – due July 15, 2021

Carryover funds from FY 2020 must be expended before September 30, 2021. **Any unexpended FY 2020 funds must be returned to MDE no later than September 30, 2021.** To ensure meeting this legislative deadline for the return of unexpended funds to the State, the expenditure period end date for carryover funds will be set at June 30, 2021, with the Carryover FER due July 15, 2021. An adjustment will be made in SAMS in August 2021 (the final SAMS payment during the fiscal year) to recapture any unexpended funds reflected in the Carryover FER.

I. Fiscal Review

A fiscal review is an activity that consists of reviewing fiscal and programmatic records for State School Aid Section 54d. This review includes analysis of contracts with other agencies. It is incumbent upon the fiscal agent (i.e., ISD) to document and monitor all funds to contracted agencies.

Public Act 58 of 2019, State School Aid Act Section 54d:

Sec. 54d. (1) From the appropriations in section 11, there is allocated an amount not to exceed \$7,150,000.00 for 2019-2020 to intermediate districts for the purpose of providing state early on services pilot programs for children from birth to 3 years of age with a developmental delay or a disability, or both, and their families, as described in the early on Michigan state plan, as approved by the department.

(2) To be eligible to receive grant funding under this section, each intermediate district shall apply in a form and manner determined by the department.

(3) 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. State early on services include evaluating and providing early intervention services for eligible infants and toddlers and their families to address developmental delays, including those affecting physical, cognitive, communication, adaptive, social, or emotional development. Grant funds must not be used to supplant existing services that are currently being provided.

(4) The department shall distribute the funds allocated under subsection (1) to intermediate districts according to the department's early on funding formula utilized to distribute the federal award to Michigan under part C of the individuals with disabilities education act. Funds received under this section must not supplant existing funds or resources allocated for early on early intervention services. 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.

(5) Each intermediate district that receives funds under this section shall report data and other information to the department in a form, manner, and frequency prescribed by the department to allow for monitoring and evaluation of the pilot projects and to ensure that the children described in subsection (1) received appropriate levels and types of services delivered by qualified personnel, based on the individual needs of the children and their families.

(6) Notwithstanding section 17b, the department shall make payments under this section on a schedule determined by the department.