

## State School Aid Act (SSAA) Section 54d Non-supplanting Requirement Q&A

### Q-1 What does SSAA Section 54d say about non-supplanting?

A-1 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.

### Q-2 Can SSAA Section 54d funds be used to provide services previously provided with local funds or other state funds?

A-2 No, SSAA Section 54d funds cannot be used to provide services previously provided with local funds or other state funds.

### Q-3 Can SSAA Section 54d funds be used to provide services previously provided with federal funds so that we can bill for Medicaid?

A-3 SSAA Section 54d funds may only be used to provide services previously provided with federal funds if the same level of federal funds is used in another way to support the local *Early On* system. Such an exchange can be done to allow for billing Medicaid for services to Part C children. For example, if federal funds were used to fund a physical therapist during the 2017-18 program year, you may use SSAA 54d funds for that physical therapist if you use the same amount of federal funds in another way to enhance the local *Early On* system. This different use of the same level of federal funds would need to be for something not done during the 2017-18 program year. The important thing to keep in mind is that the total funds from all sources expended by the ISD during the 2018-19 program year will need to be increased from the total expended during the 2017-18 program year by at least the amount expended from funds allocated by SSAA Section 54d.

### Q-4 Can SSAA Section 54d funds be used to increase the FTE or number of hours for an *Early On* provider?

A-4 SSAA Section 54d funds can be used to cover the additional cost of increasing the FTE or number of hours for an *Early On* provider.

### Q-5 Can SSAA Section 54d funds be used for the cost of hiring a specific type of provider if during the 2017-18 program year that type of provider was contracted, but the contract has ended?

A-5 Changing whether a specific type of provider is hired or contracted does not qualify the expenditure for use of SSAA Section 54d funds. If, however, the availability (FTE or hours) of the provider is also increased by making this change, a portion of the cost can be covered with SSAA Section 54d funds. SSAA Section 54d funds can be used only for any additional cost of hiring/contracting a specific type of provider that are over-and-above the cost of contracting/hiring that provider the previous year.

Q-6 How will compliance with this non-supplanting requirement be monitored?

A-6 Monitoring for compliance with this non-supplanting requirement will be tied to the Part C Level of Effort monitoring currently being done using the Financial Information Database (FID) and the Michigan Electronic Grants System *Plus* (MEGS+).

Q-7 Will SSAA Section 54d funds be considered part of the level of effort for an ISD for purposes of meeting the federal level of effort requirement?

A-7 No, SSAA Section 54d funds are excluded from the state and local funds that an ISD is expected to maintain in order for the state to meet the federal level of effort requirement. SSAA Section 54d funds are expected to be maintained at the state level (within the state budget) for meeting the federal level of effort requirement. ISDs are expected to continue to maintain all other state and local funds used for supporting the local *Early On* system.

Q-8 How will expenditures from SSAA Section 54d funds be separated from other expenditures when reporting in the FID?

A-8 Expenditures from SSAA Section 54d funds will need to be reported with **grant code 326** along with either **program code 080** or **program code 272** in order to allow MDE to separate these expenditures from other reported expenditures.

Q-9 Can SSAA Section 54d funds be used in place of local funds that an ISD has used in previous years to support the local *Early On* system?

A-9 No, SSAA Section 54d funds cannot be used in place of local funds that an ISD has used in previous years to support the local *Early On* system. ISDs will be expected to continue to maintain use of all other state and local funds previously used for supporting the local *Early On* system. The total funds from all sources expended by the ISD during the 2018-19 program year will need to be increased from the total expended during the 2017-18 program year by at least the amount expended from funds allocated by SSAA Section 54d.