

## **Early On® State School Aid Act Section 54d Grant Important Information**

### **I-1. Public Act 103 of 2023 – Early On State School Aid Act Section 54d**

This section appropriates \$22,313,000 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) 2024 *Early On* State School Aid Act (SSAA) Section 54d application. These funds are allocated and administered by MDE as the state lead agency for *Early On*.

Visit <https://www.michigan.gov/earlyon> for all application-related documents.

### **I-2. Purpose**

Section 54d funds are allocated to:

- Provide *Early On* services 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 Part C of the Individuals with Disabilities Education Act (IDEA) State Plan, as approved by the Michigan Department of Education (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 to three, 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.
- *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 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* SSAA Section 54d application is the 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 may 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.

## **II-2. Application Process**

### **A. Next Generation Grant, Application and Cash Management System (NexSys)**

The FY 2024 *Early On* SSAA Section 54d application will be submitted through NexSys.

### **B. Application Information**

This application consists of:

- Cover Page – Most of this page is prepopulated. Main and secondary grant application contacts must be assigned on this page.
- 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 budget items are added. Indirect costs are not allowed. Contact information for the Business Office Representative and the Project Contact Person is entered on this page. Be sure to update contacts if they change during the year.

2. Budget Detail – The budget detail link displays an exportable summary of budget items.
  3. Budget Items – This is the page where budget items are entered.
  4. Capital Outlay – Complete this page when the expenditure for any one item will be \$5,000 or greater. A [Michigan Part C Prior Approval Request](https://www.michigan.gov/earlyon) form (posted at <https://www.michigan.gov/earlyon>) must be completed and submitted to your assigned consultant for approval of the capital outlay expenditure before charging the grant. If the expenditure is approved, the signed form must be uploaded as an attachment to the 54d application.
- Attachments – Additional documents may be uploaded. At a minimum, the Focus Area Selection and Data spreadsheets **must be uploaded in Excel format.**

C. **Expenditure Period**

The *Early On* SSAA Section 54d application is approved for one year (October 1, 2023 – September 30, 2024). ISDs must budget, and are encouraged to spend, all funds during the fiscal year in which the funds are received. FY 2024 carryover funds must be expended before June 30, 2025.

D. **Grant Payment Schedule**

Payments to ISDs will be made through the State Aid Management System (SAMS). SAMS payments will begin **after** all FY 2023 Section 54d funds have been reported as expended in the final expenditure report or the carryover final expenditure report, if applicable.

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 FY24 SSAA Section 54d Allowable Cost Guide posted at <https://www.michigan.gov/earlyon> 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:

- New, deleted, or substantially revised Focus Area Selection form or selection/description of strategies.
- The budget when:
  1. The expenditures for any function code grouping 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 is submitted in NexSys on or before the due date. If the application is submitted after the due date, amendments may only be retroactive to the original date of application submission. 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 NexSys.

**G. FY 2024 Final Expenditure Report – due November 29, 2024**

The NexSys Final Expenditure Report (FER) must be completed reporting actual expenditures through the end of the grant year (September 30, 2024). If the FER reflects unexpended FY 2024 funds as of September 30, 2024, those remaining funds will be added to the FY 2025 application budget and will be reflected as “carryover.” The FY 2025 budget will combine the FY 2025 allocation and the FY 2024 carryover funds to reflect an available funds total. A budget amendment will be required to plan for the expenditure of carryover funds.

The most recently approved FY 2024 budget will pull automatically into the NexSys FER. Final budgets should match the FER within a 10 percent variance for each function code grouping. If a budget amendment is needed to align the budget with actual expenditures, complete the budget amendment **before** initiating the FER.

**H. FY 2024 Carryover Expenditure Report – due July 15, 2025**

Carryover funds from FY 2024 must be expended before June 30, 2025. This June 30 date is included in the SSAA Section 54d legislation and therefore cannot be extended. **Any unexpended FY 2024 funds must be returned to MDE no later than September 30, 2025.** To ensure meeting this legislative deadline for the return of unexpended funds to the state, a carryover expenditure report is due July 15, 2025. An adjustment will be made in SAMS in August 2025 (the final SAMS payment during the fiscal year) to recapture any unexpended funds reflected in the carryover expenditure report.

**I. Fiscal Review**

A fiscal review is an activity that consists of reviewing fiscal and programmatic records for SSA Section 54d. This review includes analysis of contracts with other agencies. It is incumbent upon the ISD to document and monitor all funds to contracted agencies.

**Public Act 103 of 2023, State School Aid Act Section 54d:**

Sec. 54d. (1) From the state school aid fund money appropriated in section 11, there is allocated an amount not to exceed \$22,313,000.00 for 2023-2024 to intermediate districts for the purpose of providing state early on services 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 must apply in a form and manner determined by the department.

(3) The grant funding allocated under this section must 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, Public Law 108-446. 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 program 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.

(7) Grant funds awarded and allocated to an intermediate district under this section must be expended by the grant recipient before June 30 of the fiscal year immediately following the fiscal year in which the funds were received.

Reference: [2023-PA-0103.pdf](#)