

**Budget Ad Hoc Committee Meeting
Michigan Department of Education
608 W. Allegan Street
Lansing, MI 48909
Conference Room Upper Level Parking (UP) 4
November 24, 2008
1:00-4:00 p.m.**

Minutes

Participants: Dan Brant, Lindy Buch, Barbara Corbin, Sheri Falvay (via telephone), Joan Firestone, Laura Jensen Hunt, Mark Larson, Lena Montgomery, Emilie Mullins, Nancy Peeler, Dawn Ritter, Gary Schafer, Barb Schinderle, Vanessa Winborne

Welcome/Introductions:

Everyone was welcomed and introduced. The minutes and agenda were accepted.

The meeting objective is to review additional funding formula possibilities and make a recommendation about which option to suggest to the Michigan Interagency Coordinating Council (MICC).

Materials:

Gary Schafer provided various funding formula scenarios.

Discussion of Funding Formula Scenarios:

The group discussed guiding principles that would help them in their decision making process. Members agreed that any child with a disability or delay, regardless of where he or she lives in the state of Michigan, should have the same access to early intervention services.

Gary gave background information about the components in the current funding formula and explained how calculations are done.

The scenarios prepared were reviewed, which included changing the block grant amount, changing the target of children served, changing the estimate of service need, removing the target, removing the estimate of need, and looking at the average cost of an Individualized Family Service Plan (IFSP).

The block grant was discussed. Those in favor of a block grant, or base amount, say that having it ensures there is a person at the intermediate school district (ISD) to enter data, write the application, work with the Michigan Department of Education (MDE) for monitoring and the Annual Progress Report (APR), handle complaints, and do child find.

Pros and Cons of the Scenarios:

The first scenario reviewed is the current funding formula.

The second scenario changes the target to 2.4 percent. The cost per IFSP did not change much when the percent changed from 2.2 percent to 2.4 percent. This variable would not have a large impact on the formula.

The third scenario used the 2.4 percent target and weighed the Estimate of Service Need based on the size of the ISD. There was a large range in cost of an IFSP using this scenario.

The next scenario reviewed was scenario seven on the spreadsheet. It had the smallest gap between ISDs, with the difference being around \$700. This scenario was worked with a bit, changing the block grant amount and adding more children to the system.

A safety net or lowest base amount was brought up, which led to the idea of the average cost of an IFSP, which is \$562.99. The committee was in agreement that a fair solution would be to give the same amount of money to each ISD per IFSP. When this was worked on an Excel spreadsheet, some ISDs would only receive \$20,000. Members felt that this was not enough to provide early intervention services and discussed bringing the lowest amount an ISD would receive up to \$30,000. Members liked this formula because it would mean that a family could move to any county in Michigan and their child would have the same access to services regardless of where they live. It also provides an incentive to identify and serve more children. On the flip side, this could lead to the issue of over-identification. This will be addressed through MDE monitoring and the new eligibility requirements that will soon go to the Office of Special Education Programs (OSEP) for approval, which require a 20 percent delay in one or more areas of development. ISDs would be encouraged to work more closely with Michigan Special Education and the Great Start Collaboratives. ISDs would still have a target, based on the APR, which currently is 2.4 percent but will increase each year. The target is set by the state, and increases each year in accordance with guidance from OSEP as part of the SPP/APR process.

Recommendation of Funding Formula:

A motion was made by Joan Firestone and supported by Dan Brant to make two recommendations to the MICC: (1) Every IFSP is worth the same amount (currently \$562.99), and this number is multiplied by the number of IFSPs per ISD, and (2) no ISD would receive less than \$30,000 to carry out early intervention activities regardless of the number of children served.

Discussion:

A clarification point was made that when an ISD identifies enough children so that their allocation is above \$30,000, they do not receive an additional \$30,000; it is based on the number of IFSPs.

A suggestion was made to increase the pot, currently \$9,868,500, from which the ISDs receive funding. This was not part of the Ad Hoc committee's charge, nor was it accepted as part of the above motion. It was indicated that it could be an MICC discussion.

Motion carried.

Next Steps:

This recommendation will be made to the MICC at the February 6, 2009 meeting. Laura Jensen Hunt and Emilie Mullins will present this to the Council.

If the MICC approves this, it will go to MDE for consideration.

If MDE accepts the recommendation, it will go out for public comment statewide. During the public comment period, staff will travel around the state and receive comments from the field. Comments will be reviewed, discussed, and a decision, including a rationale, will be made about the comments. The final recommendation would then go to OSEP for approval.

If all goes smoothly, the new funding formula could be in place for the 2009-2010 fiscal year.

Gary will put together a spread sheet for the MICC meeting, summarizing the recommendation and showing the amounts each ISD would receive. A list of Budget Ad Hoc committee members will also be shared with the MICC. Members from this committee were invited to attend the MICC meeting in February to support the recommendation.

A motion was made to adjourn.

Motion carried.