

**Budget Ad Hoc Committee recommendation:**

Mark Larson gave a brief history of the Budget Ad Hoc Committee and their charge, which was to look at a more equitable way to distribute federal funds to the ISDs.

The committee worked hard and reviewed data available. However, since the committee's recommendation, the economy has gotten worse, especially in Michigan, and many of the smaller ISDs have expressed concern that the proposed funding formula would severely hurt their districts. The proposed funding formula took into account the discrepancy spent per Individualized Family Service Plan (IFSP) by district. The proposed funding formula reads:

**(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.**

**Mac Miller made a motion to bring back the motion from the February MICC meeting, which tabled the discussion. Keith Alexander motioned, seconded by Mark Reigle, to accept the recommendation for discussion purposes.**

*Discussion:*

The MICC advises MDE, and recommendations move forward as advice. The current funding formula and proposed funding formula were compared per ISD. The Ad Hoc brought to light the issue large ISDs are having of finding and serving an appropriate number of children. The proposed formula was favorable for large urban areas, but didn't give small ISDs a strategy for survival. Perhaps the solution is a leaner, more efficient system.

The intent of federal Part C money was not to provide services; however, in many districts it's being used for that because there aren't other funds.

The focus of the Ad Hoc looked at the inequity, but not on the cause of the inequity. The work of the committee brought forward some important issues in how the funds are distributed. This may be part of the work of the Re-Imagining Committee; however, members cautioned that this should not be put off for too long. In order to have a new funding formula in place for 2011, a recommendation must be made by December 2009. This allows time for public hearings and time to include it in Michigan's application to the federal government.

Whether this formula passes or not, the MICC notes that a change needs to occur and be in place by 2011, when the ARRA funds are gone.

The Council reviewed the motion from the February meeting, which reads:

**A motion was made by Mac Miller and supported by Johanna Ostwald to accept the recommendation for the purpose of discussion.**

**The MICC voted on the funding formula recommendation, with a vote of 1 in favor, 17 opposed.**  
**The motion did not pass.**

*Next steps:*

**Johanna Ostwald made a motion that a funding formula recommendation be made by the MICC to MDE by December 2009 so that a new funding formula could be in place for 2011. Mac Miller supported.**

*Discussion:*

The process will be discussed at the September MICC meeting. It may be a task the Re-Imagining Committee works on, or a separate group. Some of the issues that will be discussed are:

- Understanding the difference between administration and service dollars. Should service dollars be equal across the state?
- Can a core infrastructure be developed?
- Should there be a base grant? If so, on what scale?

**The Council voted 16 in favor, 2 opposed.**  
**Motion passed.**