

**Budget Ad Hoc Committee
June 24, 2008
10:00 a.m.-1:00 p.m.
The Arc Michigan
1325 S. Washington Ave.
Lansing, MI 48910**

Minutes

Participants: Lindy Buch, Barbara Corbin, Sheri Falvay, Joan Firestone, Teresa Holtrop, Laura Jensen Hunt, Mark Larson, Mary Mueller, Emilie Mullins, Dawn Ritter, Gary Schafer, Barb Schinderle, Rich Van Tol, Vanessa Winborne

Welcome/Introductions: Introductions were made and everyone was welcomed.

Charge: Mark Larson shared some background information as to one reason the Ad Hoc committee was formed, which was the result from a change in the parent support policy. After a committee reviewed the reasons parent support funds were decreased, a recommendation was made to restore parent support to the higher former rate. In doing so, additional funds will be needed to support parents throughout the 2009 Fiscal year. This committee was charged with looking at the *Early On* spending plan and making recommendations about priorities.

A suggestion was made to contact local Great Start Collaboratives to see if they would be able to support parents.

Material Review: Vanessa walked members through the power point from the MICC meeting titled, "Budgeting for *Early On*." In looking at the areas money is spent, Vanessa said whether it was federally required or not.

Infant and Toddler Formula- required

MDE has historically distributed 80% of federal funds to the ISDs, however the federal allocation has decreased for many years, and this year there will be an additional cut of \$300,000. Member from local ISDs stated that they are given less money each year, are finding more children who are eligible, and have fewer services to offer. It is putting a great strain on their systems.

The ABCD Project was discussed briefly, because once it's implemented it has the potential for increasing the number of children identified, and serving them would be an issue. {The ABCD Project will be asked to present at the September MICC meeting. }

Other states operate their programs on money other than federal dollars, but because Michigan is a birth mandate state, money from Special Education pays for children who are eligible for it, which is about 1/3 of the children. This presents a challenge

because Special Education may not run its local programs in the summer, and *Early On* is a year round program.

Clinton County RESA (Early On Training and Technical Assistance) – CSPD, Child Find, Public Awareness, and Central Directory are required.

A question was raised if contracting out this service was the most efficient way, rather than having MDE handle the training and technical assistance. MDE believes this is the most effective way, since there are only three *Early On* full time staff at MDE. The allocation to EOT&TA over the past 7 years was reviewed, and they have seen a decrease in funds also.

Members discussed evaluating the CSPD grant to see how effective the training and technical assistance has been. EOT&TA provide regular reports which help to complete the Annual Performance Report. The field is now required to utilize technical assistance as part of their improvement plans.

Wayne State University- Family Survey and Child Outcomes are required.

This grant is up for rebidding this year. The Family Survey was optional in the past, but it has become mandatory due to the family outcomes. Child Outcome data is also collected by Wayne State and it is also required. They also help with monitoring and analyzing the data across the 57 ISDs to help determine which are the lower performing programs and who need the most help. They are limited to spending 8% of their allocation on overhead.

The Arc Michigan- not required.

The Michigan Alliance for Families is a combined effort between the Office of Early Childhood Education and Family Services and the Office of Special Education and Early Intervention Services to support families. There are three regions in operation currently, and two more are underway that support families, provide trainings, and connect parents with local and state resources. Funds for reimbursing parents at the state level are also housed at The Arc Michigan.

Department of Human Services- not required.

Funds to DHS have also decreased over the years. Currently funds are used to pay for a portion of Dawn Ritter's salary, but the bulk of it supports the parent partner, Teresa Marvin, who focuses on working with families involved with the agency such as foster care parents.

Department of Community Health- not required.

The funds for DCH support both Public Health and Mental Health. For Public Health, the money supports $\frac{3}{4}$ of a position to promote *Early On* through the system. Brenda Fink provides in kind time on the *Early On* Management Team and to the MICC.

For Mental Health, a consultant has been hired to provide expertise and technical assistance for the DECA/IT and social emotional issues. Lori Irish spends

approximately 25% of her time, in kind, related to *Early On* issues. Sheri Falvay provides in kind time contributions to the *Early On* Management Team, other subcommittees, and the MICC.

Inter Tribal Council- not required.

The goal is to connect Native Americans to the early intervention system. They are currently working with five tribes.

Discussion:

Rearranging the small amount of federal funds won't address the issue of not having enough money for services. The money was never intended to provide services, but rather to set up the infrastructure. Alternative ideas were suggested, such as billing Medicaid for services. Sheri reported that the State Medicaid Agency indicates that they meet regularly with a group of ISD Superintendents and Special Education Directors regarding School Based Services and the group could be a forum to talk about billing Medicaid for Part C only children and to discuss resolution of barriers to that. Sheri will take this forward to the group. Other members feel this has already been discussed, and for Part C only children, Medicaid cannot be billed because there is no local match. Finding a local match is an issue. From the Redesign Fiscal Study, we learned that 55 percent of children statewide are enrolled in Medicaid. Members do not feel this is accurate for their ISDs, and Sheri will contact someone in the Medicaid office to see if data is available on the number of children (birth-3) enrolled in Medicaid per county.

Another suggestion, from Brenda Clack at the past MICC meeting, is to work with the Appropriations Committee on state funding for *Early On*.

Vanessa will gather MEGS data to see how much money is being spent at the local level on administration versus direct services. The trend seems to be that more money is being spent on salaries and less on direct services than in the past.

The Funding Formula will be discussed at the next meeting. A guiding principle is that there should be equity for all children across the state. A suggestion was made to include a representative from a smaller ISD.

Immediate concern:

MDE learned from OSEP that they will receive approximately \$300,000 less for FFY 2009, beginning July 1, 2008. The actual award will be \$12,320,228 which is a 3.5% cut from last year and a 2.5% reduction from the estimate. A conversation will take place with the Office of Special Education to see if they can help offset this amount, so the local ISDs don't have to make additional cuts.

Members asked MDE to consider the basic requirements and not best practice as they are struggling to provide services to children and families.

Recommendations/Next Steps:

- Sheri will contact the currently meeting Medicaid group regarding billing issues discussed.
- Vanessa will gather data from MEGS about the amount spent on administrative salaries versus direct services.
- Sheri will look into obtaining data from Medicaid about the number of children 0-3 served per county.
- At some point work with the appropriations committee to get more money.
- Barb will get the Fiscal Study report for members for next meeting.
- Barb will invite the MICC ECIC representative, Marissa Zamudio to be part of the Budget Committee.
- Vanessa and Lindy will talk with Jacque Thompson about the \$300,000 decrease in funds to see if there are additional funds in Special Education to help *Early On*.
- Barb will set up the next meeting, via Meeting Wizard after the data has been collected.