



Legislative Fiscal Bureau

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August 4, 2009

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Governor's Section 13.10 Requests for the Use of Federal Economic Stimulus Funding for Early Intervention Services for Infants and Toddlers with Disabilities -- Agenda Item I

REQUEST

The Governor requests that the Joint Committee on Finance approve the allocation and expenditure of \$3,813,800 in 2009-10 and \$3,185,400 in 2010-11, from moneys received under the federal American Recovery and Reinvestment Act (ARRA) of 2009, to support early intervention services for infants and toddlers with disabilities (the "Birth-to-Three" program).

BACKGROUND

The state's Birth-to-Three program is a federal program authorized under Part C of the Individuals with Disabilities Education Act (IDEA). Under the program, Wisconsin supplements federal grant funds with state money to develop and implement a statewide, comprehensive program of early intervention services for infants and toddlers with disabilities, and their families. Counties also provide a significant amount of funding for the program.

Federal legislation establishes the following goals of the Birth-to-Three program: (a) enhance the development of infants and toddlers with developmental delays or disabilities and minimize the potential for further developmental delay; (b) reduce educational costs by minimizing the need for special education and related services; (c) minimize the likelihood of institutionalization of individuals with disabilities and maximize the potential for independent living in society; (d) enhance the capacity of families to meet the needs of infants and toddlers with disabilities; and (e) enhance the capacity of state and local agencies and providers to identify, evaluate, and meet the needs of underrepresented populations.

Counties are responsible for administering the program based on state and federal guidelines. Their specific responsibilities include:

- Establishing a comprehensive system to identify, locate, and evaluate children who may be eligible for the Birth-to-Three program;
- Designating a service coordinator for every child referred to the program for evaluation;
- Ensuring that families receive core services, such as evaluation, service coordination, and the development of an individual family service plan (IFSP); and
- Determining parental liability for services received in accordance with the IFSP.

An early intervention team evaluates children referred to the program to determine eligibility for services. These early intervention teams are comprised of a service coordinator and at least two professionals from different disciplines of suspected areas of need. A child is eligible if he or she is under three years of age and has a significant developmental delay or a physician-diagnosed physical or mental condition with a high probability of resulting in a developmental delay.

Once eligibility is determined, the early intervention team conducts an assessment to identify the needs of the child and his or her family. This assessment is used to develop the individual IFSP. The IFSP must include a statement of the outcomes expected to be achieved for the child and family, how those outcomes will be achieved, a timeline for the provision of services, the manner in which services will be provided, and the source of payment for the services.

The most frequently used services in the Birth-to-Three program (other than service coordination, a mandatory service for all participants) include communication services, special instruction, occupational therapy, physical therapy, and family education. In addition to these services, a wide range of services may also be provided, including assistive technology services and devices, audiology services, and certain health care services.

In calendar year 2008, total funding available to counties for the program equaled \$31,186,000 from all funding sources (state, federal, local, private insurance, and parental cost share). This funding was expended on direct early intervention services (\$19,899,600), service coordination (\$7,571,600), administrative costs (\$3,312,900), outreach (\$185,400) and other costs (\$216,500).

ANALYSIS

The federal stimulus bill allocated \$500 million to states to support programs authorized under Part C of the Individuals with Disabilities Act. These funds are distributed by the Office of Special Education Programs in the U.S. Department of Education. These funds may only be used to

supplement the level of funding expended for the program, and may not replace current program funding.

The administration requests approval to allocate and expend \$6,999,200 in federal ARRA funds. The state has already received half of that amount, with the other half distributed after federal approval is received for a state reporting plan (expected to be received in September, 2009).

The Department anticipates using the one-time stimulus funds for four broad types of activities: (a) promotion of evidence-based practices ("legacy building"); (b) cross-agency and cross-program collaboration; (c) improvement of information technology infrastructure; and (d) increase in the amount of funding provided to local Birth-to-Three agencies. DHS is currently developing and determining the specific activities to be conducted under each of these categories. The dollar amounts provided below represent estimates of the allocation for each category.

Promotion of Evidence-Based Practices (\$2,049,200)

The Department would conduct activities to strengthen the delivery of services in the birth-to-three program through evidence-based practices. Examples of these projects could include the implementation of parental training and professional development initiatives, awards to counties for peer-to-peer mentoring and evidence-based practice implementation, promotion of regional collaboration, improvement and translation of written materials, improved referral processes, and increased support for infant mental health activities.

Cross-Agency and Cross-Program Collaboration (\$450,000)

The administration plans to undertake activities to allow collaboration or coordination with other agencies or programs. These activities may include outreach to infants who are deaf or hard of hearing through regional support systems or technology vendors, or the development a "one-stop" entry point to state programs for young children in collaboration with the Department of Children and Families.

Information Technology Improvements (\$1,500,000)

Improvements that the Department may make using these funds include the following: (a) improvements to web-based referral tracking, to allow communication with county data systems; (b) creation of two project positions to implement data systems, and to improve integration of state and local systems; and (c) development of a data system to manage the birth-to-three medical assistance (MA) waiver, as approved in the 2009-11 biennial budget.

Increased Allocations to Counties (\$3,000,000)

The Department also plans to implement a one-time increase of two years for counties to increase service capacity over the 2009-11 biennium. These increases would be subject to certain

ARRA expenditure requirements. The Department has not provided the allocations to be made to each county, but indicates that the ARRA allocation would be similar to the proportions of the non-ARRA Birth-to-Three allocations. The administration also indicates that it is working with counties to develop expenditure plans for the ARRA moneys that would not violate the non-supplanting language in the bill, and would not affect maintenance of effort requirements in the future. Possible projects could include improvements to equipment loaned to participating families, or preparation to implement Birth-to-Three program changes related to the MA program included in the 2009-11 biennial budget (the MA waiver, reporting of MA allowable costs, and allowing MA reimbursement for services provided by special educators).

ALTERNATIVES

1. Approve the Governor's request to increase expenditure authority in the Department of Health Services by \$6,999,200 (\$3,813,800 in 2009-10 and \$3,185,400 in 2010-11) in federal ARRA funds, to support the Birth-to-Three program.
2. Approve the expenditure of \$3,999,200 in federal ARRA funds to support the following activities in the Birth-to-Three program: (a) the promotion of evidence-based practices ("legacy building"); (b) cross-agency and cross-program collaboration; and (c) information technology improvements. Direct the administration to resubmit the request for the allocation and expenditure of the remaining \$3,000,000 when the final county allocations have been determined.
3. Deny the request.

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