



Legislative Fiscal Bureau

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January 14, 2010

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Governor's Section 13.10 Request for the Use of Additional Federal Stimulus Funding for Early Intervention Services for Infants and Toddlers with Disabilities (the "Birth-to-Three" Program) -- Agenda Item VII

REQUEST

The Governor requests that the Joint Committee on Finance approve the allocation and expenditure of \$474,732 in 2009-10 and \$548,487 in 2010-11, from moneys received under the federal American Recovery and Reinvestment Act of 2009 (ARRA), to support early intervention services for infants and toddlers with disabilities (the "Birth-to-Three" program).

On August 4, 2009, the Committee approved the allocation and 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. On August 27, 2009, the Committee approved the allocation and expenditure of \$3,000,000 in federal Birth-to-Three funds to be distributed directly to counties as a one-time increase to Birth-to-Three contracts.

On September 3, 2009, the administration received notice from the Office of Special Education Programs in the U.S. Department of Education that Wisconsin's total allocation had been increased by \$1,023,220, to a total of \$8,022,420 over the biennium. This additional funding is the subject of the administration's current request.

BACKGROUND

The state's Birth-to-Three program is authorized under Part C of the federal 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. 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 financial 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, which is used to develop the 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 mandatory service coordination) 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 (the most recent year with finalized expenditure data), 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 administration requests that the additional funding be used for two main purposes: (a) an increase in grants to counties for professional development and implementation of evidence-based practices (\$221,245); and (b) additional funding to improve data and fiscal systems on the state level (\$801,975).

On August 4, 2009, the Committee approved the allocation and expenditure of \$3,999,200 in federal ARRA funds to support activities in the Birth-to-Three program. The plan submitted by the administration for the use of those funds included an estimated \$2,000,000 for the promotion and dissemination of evidence based practices. As part of this effort, DHS initially planned to distribute \$778,755 to counties for mini-grants to fund evidence-based practice implementation and peer-to-peer mentoring between counties.

Mini-Grants. The current request would provide an additional \$221,245 for these mini-grants, increasing the total amount provided for these grants to \$1,000,000 over the 2009-11 biennium. The types of activities that will be funded for under these grants include peer-to-peer mentoring, promotion of regional collaboration, improvement and translation of written materials, improved referral processes, and increased support for infant mental health activities.

The attachment to this memorandum provides a tentative allocation plan for the initial \$778,755 in mini-grant funds, based on letters of intent received from counties. Although the attachment list counties separately, DHS expects to distribute most of the funding to consortiums of two to five counties. If the Committee approves the administration's request for the expenditure of the additional ARRA funds, these grants may be expanded to additional counties that did not initially express interest, or the tentative allocations to the listed counties may be increased.

Information Technology (IT) Improvements. The plan submitted by the administration for the use of the initial Birth-to-Three ARRA allocation, and approved by the Committee on August 4, 2009, also included an estimated \$1,500,000 for information technology improvements. Improvements that the administration proposed to implement with this funding 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.

The current request would provide an additional \$801,975 for improvements to program information technology infrastructure. Of these funds, \$200,000 would be used to support the project manager position for a term of employment from January, 2010, to December 2011, and \$601,975 would be used for additional IT development projects. The Department specified a list of possible projects that would be supported with the original \$1,500,000 and the additional \$601,975 in the current request to include the following: (a) funding an IT project coordinator; (b) technical consulting; (c) development of a base Birth-to-Three data warehouse, and retirement of previous data systems; (d) enhancements to data warehouse, and data processing and reporting; (e) interoperability with other state data systems; and (f) establishment of a third party administration of program service claims. DHS would have to choose which of these changes to fully implement, as the total projected cost of implementing these initiatives (approximately \$2.3 million to \$3.3 million) exceeds the amount of ARRA funding provided.

ALTERNATIVES

1. Approve the Governor's request to increase expenditure authority in the Department of Health Services by \$1,023,220 (\$474,732 in 2009-10 and \$548,487 in 2010-11) in federal ARRA funds, to support the Birth-to-Three program.

2. Deny the request.

Prepared: Sam Austin
Attachment

ATTACHMENT

Tentative Allocation of ARRA Birth-to-Three Mini-Grants

<u>County</u>	<u>Grant Amount</u>	<u>County</u>	<u>Grant Amount</u>
Adams	\$12,000	Menominee	\$12,000
Ashland	12,000	Milwaukee	30,000
Barron	4,000	Monroe	12,000
Bayfield	12,000	Oconto	12,000
Brown	12,000	Oneida	12,000
Buffalo	12,000	Outagamie	12,000
Burnett	12,000	Ozaukee	12,000
Calumet	12,000	Pepin	12,000
Chippewa	12,000	Pierce	12,000
Clark	12,000	Polk	12,000
Columbia	12,000	Portage	12,000
Dane	15,000	Price	12,000
Douglas	12,000	Racine	14,000
Dunn	12,000	Rock	12,000
Eau Claire	12,000	Rusk	12,000
Florence	12,000	Sauk	12,000
Fond Du Lac	12,000	Sawyer	12,000
Forest	12,000	Shawano	12,000
Green	12,000	Sheboygan	12,000
Green Lake	12,000	St. Croix	12,000
Iron	12,000	Taylor	12,000
Jackson	12,000	Trempealeau	12,000
Jefferson	14,000	Vernon	12,000
Juneau	12,000	Vilas	12,000
Kenosha	14,000	Walworth	14,000
Kewaunee	12,000	Washburn	12,000
La Crosse	12,000	Waukesha	18,000
Langlade	12,000	Waupaca	12,000
Lincoln	12,000	Waushara	12,000
Marathon	12,000	Winnebago	12,000
Marinette	12,000	Wood	<u>12,000</u>
Marquette	12,000	Total	\$783,000