Engaging Part C State Interagency Coordinating Councils in Fiscal Discussions

CIFR Practice Guides help state staff understand how to implement the fiscal reporting requirements of the Individuals with Disabilities Education Act (IDEA). These guides are not an official interpretation of IDEA by the Office of Special Education Programs (OSEP) or the U.S. Department of Education.

Purpose

State Interagency Coordinating Councils (ICCs) advise state lead agencies (LAs) on IDEA Part C budgetary matters as detailed in 34 CFR §303.604. See CIFR’s Quick Reference Guide on the Fiscal Responsibilities of Part C State Interagency Coordinating Councils for an overview of ICC roles. The strategies in this practice guide help Part C coordinators and other fiscal staff engage and support the ICC in meaningful ways on fiscal issues.

Considerations for Engaging Your ICC in Fiscal Discussions

Each year, the state LA completes Section III on the uses of Part C funds in its IDEA Part C grant application. As the state LA develops this section, the ICC can provide input on where those funds may best be allocated. When there are limited dollars, the ICC can also help determine how to use the available funds to preserve the integrity of services for the program’s infants and toddlers with disabilities and their families and to ensure meaningful and productive use of funds. The following sections identify ways for the state LA to facilitate engagement with the ICC so it can better support these fiscal decisions.

Suggested Uses

- Share with your staff and ICC members to educate them on the ICC’s role in supporting fiscal decisions.
- Examine your state’s ICC activities and processes to determine if there are additional opportunities to engage your ICC.
- Use the data analysis questions provided in the guide to better understand your state’s Part C fiscal system and service provision.
Build Fiscal Knowledge

To carry out duties related to advising and assisting the state LA on fiscal decisions, ICC members should have a general understanding of Part C fiscal requirements and how the Part C system in the state is funded. The state Part C coordinator and fiscal staff may provide an initial orientation for new ICC members, but educating the members on all aspects of the fiscal system and issues in the state is an ongoing process.

In particular, the state LA should inform ICC members of all possible funding sources that may be available to fund Part C services. A Part C coordinator should be knowledgeable of the funding sources used in their state to be able to fully explain the state’s Part C funding system to their ICC.

Table 1 shows examples of state and federal funding that may be available for the provision of services to infants and toddlers with disabilities and their families. These examples are not exhaustive, and each state LA should determine what pertains to their state’s particular situation.

Table 1. Examples of Funding for Part C Services

<table>
<thead>
<tr>
<th>State funding</th>
<th>Federal funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Discretionary general funds allocated to the state LA</td>
<td>• IDEA Part C funds</td>
</tr>
<tr>
<td>• State funds earmarked specifically for the early intervention/Part C program (i.e., categorical funding)</td>
<td>• Medicaid, State Children’s Health Insurance Program (SCHIP), Tricare</td>
</tr>
<tr>
<td>• Discretionary education funding used to provide services to infants and toddlers with disabilities and their families</td>
<td>• Block grants, including TANF, Child Care and Development Fund (CCDF), and Social Services Block Grant (SSBG)</td>
</tr>
<tr>
<td>• State Medicaid match</td>
<td>• Child Welfare</td>
</tr>
<tr>
<td>• State Child Welfare</td>
<td>• Maternal, Infant, and Early Childhood Home Visiting (MIECHV)</td>
</tr>
<tr>
<td>• State Temporary Assistance for Needy Families (TANF)</td>
<td>• Early Head Start and Head Start</td>
</tr>
<tr>
<td>• Special taxes or settlement funds (tobacco, marijuana, opioid, etc.)</td>
<td>• McKinney-Vento Education for Homeless Children and Youth (EHCY) Program and Title I Improving Basic Programs Operated by State and Local Educational Agencies, both part of the Every Child Succeeds Act (ESSA)</td>
</tr>
<tr>
<td></td>
<td>• IDEA Part B funds set aside for administration of the Part C program1</td>
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</table>

1 Under certain circumstances, state educational agencies (SEAs) may set aside IDEA Part B funds for administration of the Part C program and support early intervention services. See 34 CFR 300.704 and 34 CFR 300.813-814.
Establish an ICC Fiscal Subcommittee

Due to the complexity of Part C funding, some states have found it beneficial to have an ICC subcommittee devoted specifically to reviewing fiscal matters. The members of such a subcommittee can delve more deeply into understanding how the Part C system in the state is financed and may determine whether all available funding sources are being utilized to their fullest. This subcommittee may then propose actions to the full ICC and state LA on possible ways to utilize the available funding more fully. In addition, the ICC fiscal subcommittee can make recommendations on how the ICC may spend the funds designated for council activities.

Fund ICC Activities

The state LA, in consultation with the ICC, should examine the amount of Part C funds set aside for ICC activities to maximize the supports available to the ICC and to ensure that the amount is allowable and adequate for ICC needs. Examples of allowable expenses for the ICC include reasonable and necessary expenses for attending council meetings and performing council duties, such as for child care and travel, and compensation to a member of the council if the member is not employed or must forfeit wages from other employment when performing official ICC business. Allowable meeting expenses include facility usage, professional services such as meeting facilitation, and food for working sessions. The Office of Management and Budget’s (OMB’s) Uniform Guidance has further information on allowable uses of funds (2 CFR §§200.432 and 200.475).

Opportunities to Engage Your ICC in Fiscal Discussions

There are opportunities for state LA staff to discuss the Part C budget with the ICC members throughout the year. Below are some examples of how state staff may engage their ICC members in discussions about fiscal matters.

Discussing Grant Budget

When Section III for the upcoming year’s Part C grant application has been drafted, the state LA may provide a copy of the draft Section III to the ICC with the detailed categories prior to the public participation period. Understanding how IDEA funds are spent to support the early intervention system will enable the ICC to help the state LA make informed budget decisions and prepare for changes in funding levels from all sources. Input from ICC members may help the state identify and resolve potential concerns and anticipate the impact of proposed changes. When involving the ICC in fiscal discussions, it is important to consider how the information is presented and what input is most helpful to decision-making. Below are questions that the state LA may consider in how to present information or use with the ICC to prompt discussion on the budget.
Funding and Spending
» How does Section III of the grant application fit into the overall budget for the early intervention system?
» Is there sufficient funding to keep up with anticipated expenses?
» Is the state LA proposing to make changes to how the funds are spent (e.g., is more needed for a new data system or for more professional development)?

Data
» How are proposed changes presented, and what input is desired from the ICC? Possible questions to direct to ICC members include the following:
  • What impact will these changes potentially have on families and children?
  • Will the proposed changes impact other state agencies, and, if so, in what way(s)?
  • How will the proposed changes impact providers?
» While the entirety of Section III of the Part C grant application must be available for public comment for 60 days, how much detail should be included about the data used to develop this section?

Changes to Policies and Procedures
» Are there proposed changes to policies and procedures that will impact how Part C funds are used?

To support these discussions for the upcoming fiscal year, it might be useful for the state LA to prepare a data visualization that highlights the differences between the previous year's expenditures and year-to-date expenditures, as well as funding trends. Such an examination could illustrate
» areas that are expected to be underspent or overspent in relation to the amounts submitted in the prior grant application and
» whether the state received a smaller or larger allocation than in previous years and how those differences inform the upcoming fiscal year's budget.

Accessing Funding Sources
To ensure that each funding source is being fully utilized, the state LA may pose questions to the ICC to generate discussion on factors that may be influencing how well a given funding source is being accessed.

One example could be the use of funds from Medicaid, which is a common funding source for early intervention services. Under the payor of last resort requirement (34 CFR §303.510), Medicaid funds must be used prior to using any federal Part C funds. There may be situations in which Medicaid may not be fully utilized. Discussions with the ICC members may help to highlight potential barriers that need to be addressed to access Medicaid funding more fully and ensure that there are adequate resources to support the whole Part C system in the state.

These questions about using Medicaid funds to support Part C services may be helpful in an ICC discussion:
» What percentage of children in the Part C program have Medicaid as a funding source?
» What percentage of children's direct services in the Part C program are billed to Medicaid?
» What are potential impacts when Medicaid is not maximized (e.g., impact on the number of service hours or outcomes)?
Does the percentage of direct services billed to Medicaid align with the percentage of children who have Medicaid listed as a funding source?

If there is a difference, what may be the cause(s)? Some possibilities may include:

- families with private insurance in addition to Medicaid,
- services that are not covered by Medicaid, or
- providers who are not enrolled in or able to bill Medicaid.

Streamlining Services and Anticipating Need

The ICC, which includes many key funding partners, in collaboration with the state LA could examine additional funding sources and how those sources might be braided with early intervention dollars for seamless and streamlined services while avoiding duplication of services. Examples of some of these funding sources include TANF, PDG, or Early Head Start/Head Start funds.

The following analyses may inform these discussions:

- tracking the number of children in the Part C state program over time to identify changes in demand and needs
- determining the average number and type of services on Individualized Family Service Plans (IFSPs) to assist with forecasting future expenditures
- identifying funding sources to determine the amount of nonfederal funds used for the state Part C program and identifying the amount of federal funds needed to fully fund the program
- determining the average rate or cost paid for different disciplines and services to allocate the correct amounts in Section III of the annual grant application

These analyses can support ICC members’ understanding of funding needs for upcoming years and may support their ability to assist the state LA in planning for fiscal needs into the future. The data for such analyses can be displayed in several ways to encourage meaningful dialogue. The Center for IDEA Data Systems (DaSy) has a fiscal data use toolkit, called Understanding and Using Fiscal Data: A Guide for Part C Staff (see Resources), which includes examples of how fiscal data can be displayed.

2 Braiding is when funds from multiple sources support a program and each dollar can be tracked by funding source.
Resources

» IDEA Regulations Subpart G — State Interagency Coordinating Council
  https://sites.ed.gov/idea/regs/c/g

» OSERS Grantee Letter and FAQ on Prior Approval (October 29, 2019)

» Quick Reference Guide on the Fiscal Responsibilities of Part C State Interagency Coordinating Councils
  https://cifr.wested.org/resource/qrg-icc/

» Quick Reference Guide on the Use of IDEA Part C Funds

» Understanding and Using Fiscal Data: A Guide for Part C Staff
  http://olms.cte.jhu.edu/olms2/DaSyFinance

For additional resources, please visit CIFR at http://cifr.wested.org or contact us at cifr_info@wested.org.