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Early On® Michigan Funding Creates Inequity in Services and Limits Cost Savings

Early On, Michigan's program for the federal Individuals with Disabilities Education Act – Infants and Toddlers with Disabilities Program (IDEA Part C), provides early intervention services to families with children birth to age three who have a developmental delay or a diagnosed health condition that could lead to such delay. *Early On* specializes in evaluating and serving children that are not developing at the same rate as other children in many areas including physical, cognitive, communication, adaptive, and social-emotional development.

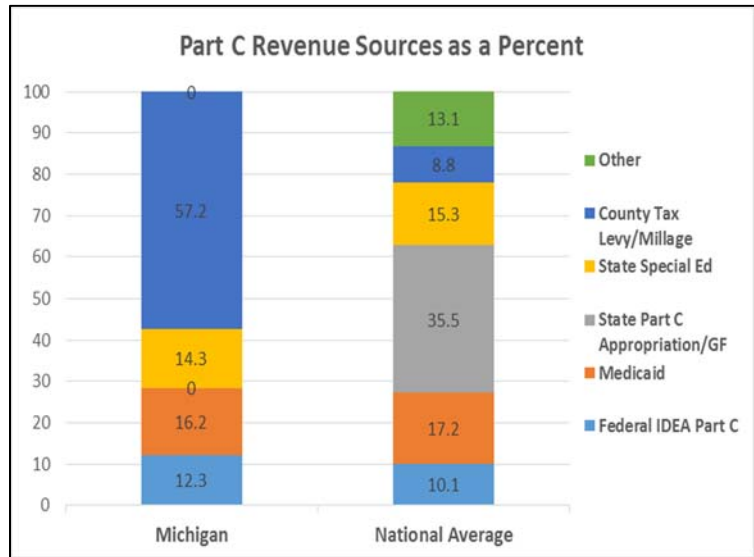
Research is beginning to shed light on the short-and long-term influences on the developmental outcomes of children with established disabilities with a number of longitudinal studies that support the lasting benefits of early intervention, particularly for children with milder disabilities, like those served by *Early On*.ⁱ The potential long term savings inherent in *Early On* can be estimated by looking at savings to the state for the avoidance of special education, making the case that providing early intervention will result in children no longer needing special education or needing fewer services with less frequency or intensity once in school.

The goal of *Early On* is to enhance the development of infants and toddlers with disabilities while minimizing the need for special education services as children reach school age. Unfortunately, many infants and toddlers are not receiving *Early On* services, despite the potential for diminished need for more costly, long-term services later on. Two-thirds of children served by Michigan's early childhood special education system or preschool special education aged three to five do not receive prior *Early On* services. And of these children, the vast majority (87%) are eligible for preschool special education due to either a speech impairment or early childhood development delay – eligibility categories that are age-sensitive and would be responsive to early intervention services prior to age three.

With these facts in mind, Michigan sees significant savings each year for the estimated 37% of the infants or toddlers provided *Early On* services that did not go on to require special education services, and those savings would increase with more *Early On* capacity.

The lack of *Early On* services for all infants and toddlers who could have benefitted from them is due entirely to a lack of adequate, consistent and statewide funding for both outreach to families and program services. Michigan receives \$12.4 million in federal IDEA Part C funds to serve approximately 19,000 children each year. Of those children, about 40% are also eligible for Michigan mandatory special education (MMSE) due to the level or type of developmental delays while the majority are only eligible for *Early On* services only. Federal Part C funding supports states with identifying eligible children and service coordination, and is not designed to be the first or only funds for service delivery. When IDEA Part C was enacted, it was intended that states would provide funding to support service delivery; however unlike many states, Michigan never invested in Part C *Early On*. With state special education funding for the 40% of MMSE eligible children and a small allocation of federal IDEA Part C funds, local and intermediate school districts are left to supplement this funding utilizing local millage dollars, which are not consistently available across the state. Some local and intermediate school districts utilize local funds to match Medicaid School Based Services dollars; however Medicaid is often not maximized and is not an option for many ISDs where services for *Early On* only children are solely supported by Michigan's federal Part C funding.

When comparing Michigan revenue sources for *Early On* compared to a 2014 national Infant and Toddler Coordinators Association survey of states, significant discrepancies exist. Nationally, the biggest source of funds for Part C comes from direct state appropriation. This is compared to Michigan with no direct state appropriation. Consistent with national spending of around 15% comes from state special education in Michigan to fund the 40% of MMSE infants and toddlers. Michigan’s significant cost burden of *Early On* services falls on local counties with 57% of revenues coming from local special education millage contributions.



Local millages vary widely by county and the extent to which the funding that they raise are directed towards *Early On*. As a result, in some communities, young children from birth to age three are likely receiving inadequate early intervention services. With the cost burden of providing *Early On* services falling on the Intermediate School Districts (ISD), part of the challenge with accessing earlier intervention services is due to the under-resourced nature of many local ISDs. Of the children who received early childhood special education but not *Early On*, nearly half (48%) are low-income children.ⁱⁱ ISDs who serve greater proportions of low income families tend to have fewer resources themselves, creating large disparities between ISDs in *Early On* outreach and services and eventual savings through avoiding later costs.

Sources: National Average from ITCA Finance Study, 2014
Michigan 2014 Total *Early On*® Spending With Calculations Based on the *Early On*® Early Intervention Fiscal Study, 2007

Michigan needs to strengthen the *Early On* system to eliminate disparities seen in early intervention services across the state; and several important efforts are already underway to strengthen the system and increase resources, which would help to eliminate those inequities. First, the [Michigan Association of Administrators of Special Education \(MAASE\) approved a report](#) with recommendations highlighting the need to create a single service delivery model that would create one definition of eligibility for infants and toddlers for both *Early On* and MMSE, eliminating the current two-tiered system. Additionally, the Michigan Interagency Coordinating Council – the Governor-appointed advisory committee to the Michigan Department of Education on Part C – recently approved [a fiscal report](#) that includes a set of recommendations that would strengthen the *Early On* system and help reduce the need for special education in preschool.

Too many families in Michigan continue to struggle with their young children’s developmental delays that could be mitigated with adequate early intervention services through *Early On*. Michigan must make system reforms and investments to ensure that all eligible children – regardless of where they live – can receive the services they need for optimal development. Shifting the cost burden of *Early On* away from local ISDs to the state will result in greater equity regardless of geography, ultimately saving taxpayer dollars through reduced need for special education.

ⁱ Downloaded from <http://pedinreview.aapublications.org/content/35/1/e1>

ⁱⁱ Michigan Department of Education, Office of Special Education, Fall 2016