



Report to the Washington State Legislature

# Early Support for Infants and Toddlers (ESIT) Detailed Funding Model



Washington State Department of  
**CHILDREN, YOUTH & FAMILIES**



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## Executive Summary

In response to proviso language included in the FY 2021-2022 biennial budget, the Department of Children, Youth & Families (DCYF) is reporting on a funding model to identify the amount and methodology for annual allocations that must be appropriated in the Omnibus Appropriations Act after July 1, 2020, for early intervention services, which DCYF oversees. This funding model was developed in consultation with the Office of the Superintendent of Public Instruction (OSPI), the Office of Financial Management (OFM), the Caseload Forecast Council (CFC), legislative fiscal staff and with advice and assistance from various stakeholder groups and the applicable committees of the State Interagency Coordinating Council (SICC).<sup>1</sup> This report summarizes the background of the program, the proposed funding model and plans for the transition of the state funding from OSPI to DCYF.

The recommendations for the transfer of funding outlined in this document reflect feedback from families, service providers and other stakeholders. The transfer will rectify current misalignment of funding and regulatory authority, create minimal disruptions in the current system and support using the Early Support for Infants and Toddlers (ESIT) caseload forecast for appropriations. This approach reflects best practice and meets federal service delivery requirements under Part C of the federal [Individuals with Disabilities Education Act \(IDEA\)](#).

Necessary statutory changes identified to-date include an amendment to Revised Code of Washington (RCW) 28A.155.065 to relieve school districts from their obligation to provide or contract for early intervention services and transfer the duty to DCYF. Additionally, the school district funding formula as outlined in RCW 28A.150.390 will be referenced and/or replicated in the DCYF chapter of the Omnibus Appropriations Act. These actions are intended to retain the requirement for early intervention services to be available as a matter of state statutory right consistent with federal IDEA regulations.

In addition to finalizing identification of the necessary statutory changes through the Office of the Attorney General, DCYF recommends the following:

1. State appropriations calculations based on actual individual, district-calculated, annual K-12 basic education allocation (BEA) rate for each child’s resident school district multiplied by 1.15. These data are identified on line V on the State Summary of the Special Education Allocation Report 1220.<sup>2</sup> This will promote stability by reflecting the current methodology and support the abilities of early intervention provider agencies to forecast for budget purposes.
2. Funding caseloads based on the ESIT CFC forecasted child count which includes the total number of children with active Individualized Family Service Plans (IFSP), for children enrolled year-round (12-month service delivery cycle), as required by federal law.
3. Eliminating the statutory requirement that school districts provide or contract for ESIT services.

Recommendations in this report maintain the current methodology for calculating funding per ESIT participant and also recommend funding a caseload forecast that averages four percent higher than the forecast that is currently funded. A higher forecast would result in roughly 400 additional children each year as compared to the current forecast, or an additional \$3,675,804 million in the 2020-21 school year. These recommendations support the overarching desired result of ensuring that all eligible infants and toddlers and their families receive high-quality comprehensive services that meet their individual needs and increase their potential for school readiness and participation in home and community life.

<sup>1</sup> Themes from stakeholder convenings were identified and integrated into the development of the funding model.

<sup>2</sup> [OSPI Special Education Allocation Report 1220 State Summary \(Appendix D\)](#).

# Introduction

## Background and Rationale

Part C of IDEA provides regulations and funding for early intervention services for infants and toddlers, birth through age two, who experience developmental delays or diagnosed conditions. Early intervention services include but are not limited to specialized instruction, occupational or physical therapy, speech-language pathology, psychological, health, vision, social work and other services. The goals of Part C of IDEA are:

- Enhance the development of infants and toddlers with disabilities.
- Minimize the potential for developmental delay.
- Reduce future educational costs.
- Enhance the capacity of families to meet the special needs of their infants and toddlers with disabilities.

The former Department of Early Learning (DEL) served as the lead agency for the state's ESIT program since it transferred from the Department of Social and Health Services to DEL in 2010. DCYF became the lead agency for ESIT beginning on July 1, 2018.

The mission of the ESIT program is to build upon family strengths by providing coordination, supports, resources and services to enhance the development of children with developmental delays and disabilities through everyday learning opportunities.

ESIT services support families as they support their children within the context of their most crucial family relationships – this is the key to a child’s success. Professionals from a range of disciplines provide ESIT services, including family resource coordinators, special educators, speech-language pathologists, occupational and physical therapists. Examples of what individualized services might look like include:

- Coaching family members to safely feed a child with hypotonia (poor muscle tone), thus supporting the child’s participation in a typical family meal.
- Teaching basic signs to toddlers and their caregivers to provide a bridge to spoken language, thus supporting the child’s ability to communicate needs and preventing challenging behaviors.
- Assisting a family to access a safe and affordable place to live when their current housing limits their toddler’s ability to play, move freely and develop foundational skills needed to walk.
- Connecting a family to community-based resources such as child care (with staff trained to support children with special needs), community-based playgroups and food banks or other assistance programs.
- Where appropriate, helping families transition to services provided by a school district.

*FY 2018 Early Intervention Service Delivery in Washington State<sup>3</sup>*

- **8,199** infants, toddlers and their families were served at any point in time.
- **17,658** eligible infants, toddlers and their families received services over the course of the year; an increase of 9 percent from the previous year.
- **32 percent** of toddlers exiting early intervention did not qualify for special education at age 3.
- **96 percent** of infants, toddlers and families received services in natural environments.
- **86 percent** of families surveyed reported early intervention helped them effectively communicate their child’s needs.
- **85 percent** of families surveyed reported early intervention helped them to help their child develop and learn.

There are both state and federal regulatory provisions for implementation of early intervention services. Current state law as outlined in [RCW 28A.155.065](#) requires each school district to provide or contract for early intervention services to all eligible children with disabilities from birth to age three. Eligibility for these services must be determined according to the IDEA or other applicable federal and state law, and as specified in the Washington Administrative Code adopted by the state lead agency, DCYF. ESIT is required to offer comprehensive, individualized services statewide to infants and toddlers who meet the state’s eligibility criteria:

- A child must have a 25 percent delay or show a 1.5 standard deviation below his or her age in one or more of the developmental areas.
- A child may also be eligible if he or she has a diagnosed condition such as Down Syndrome that is known to cause a significant delay in development.

State and federal law<sup>4</sup> requires the Governor to appoint an SICC and ensure that families, service providers, state agencies and other stakeholders involved in the provision of, or payment for, early intervention services coordinate and collaborate by providing advice and assistance toward the planning and delivery of such services.

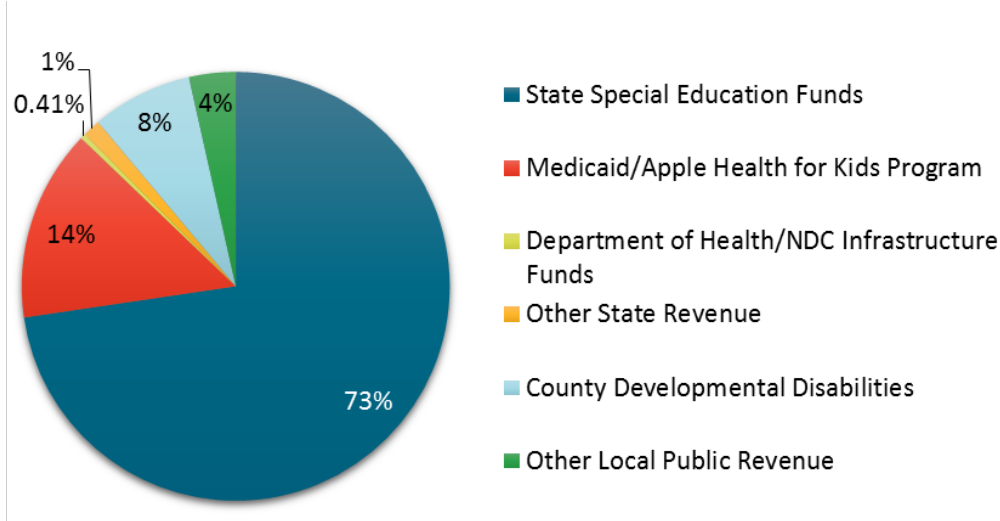
ESIT is supported by various funding sources.<sup>5</sup> In addition to a mix of funding received by ESIT providers from various local and state entities, DCYF receives and distributes \$10 million in federal Part C funding and \$2 million in state funding allocated through the Education Legacy Trust Account. However, 73 percent of the funding for ESIT is currently General Fund-State budgeted through OSPI rather than through DCYF. This source of funding currently flows through school districts using a calculation based on each district’s state BEA rate.

<sup>3</sup> Data from FFY 2017 (July 1, 2017 through June 30, 2018)

<sup>4</sup> [Code of Federal Regulations, Title 34, Part 303, Subpart G](#)

<sup>5</sup> The funding split data are from FY 2017.

Figure 1: ESIT State Public Revenue Sources



**Key Recommendation**

The passage of [Senate Bill \(SB\) 5879](#) in 2016 and [Engrossed Substitute Senate Bill \(ESSB\) 6257](#) in 2017 provided opportunities for ESIT to move forward in developing recommendations for a system redesign. The overarching desired result of this effort is to ensure that all eligible infants, toddlers and their families receive high-quality comprehensive services. These services must meet their individual needs, maximize the child’s development and increase their potential for school readiness and participation in home and community life.

This report proposes redirecting the portion of OSPI funding designated for early intervention services to the state lead agency for Part C of IDEA, which is DCYF. This action expressly requires an amendment to RCW 28A.155.065 to relieve school districts from their obligation to provide or contract for early interventions, and transfer that duty to DCYF. Additionally, the school district funding formula as outlined in RCW 28A.150.390 will be referenced and/or replicated in the DCYF chapter of the Omnibus Appropriations Act. These actions are intended to retain the requirement for early intervention services to be available as a matter of state statutory right, consistent with federal IDEA regulations.

Both agencies agree that this approach addresses a critical need to align state funding with regulatory oversight and that the current route of service delivery funding creates confusion regarding oversight responsibilities. When implemented, this plan will create more statewide consistency and efficiencies to direct more resources to infants and toddlers with special needs and their families and allow for a strong system of technical assistance, training and support statewide.

**Section One: Process for Determining Recommended Model**

A review of ESIT’s federal requirements was conducted to verify Part C of IDEA requirements. Additionally, a roadmap with key intersections was developed to support opportunities for feedback from representative stakeholder groups. This included opportunities for regional voices as well as input from families, advocates and service delivery partners (see Appendix A).

### Stakeholder Engagements

Stakeholder engagements – or stakeholder intersections – were designed to align with the three phases of this proposal development process. As a part of phase one, the first series of regional stakeholder intersections occurred the week of June 24-28, 2019, and included eight regional webinars which were attended by Local Lead Agency staff, early intervention providers and administrative staff. These meetings were followed with additional feedback from the SICC Public Policy and Finance Committees.

Phase two included review and vetting of the first draft proposal by OSPI leadership, OFM and Forecast Council staff. During phase three, the final draft of the proposal was reviewed for final feedback using a similar stakeholder feedback gathering process.

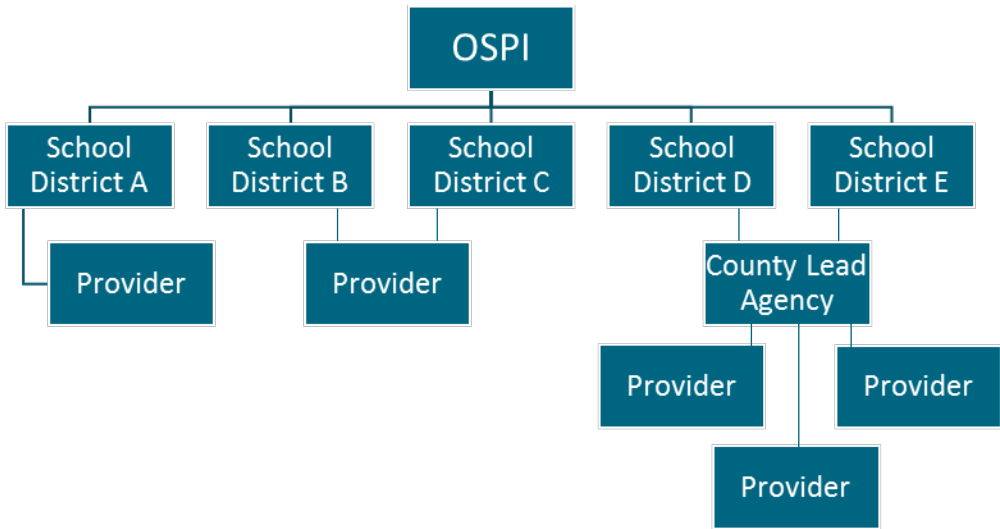
Advice obtained through these stakeholder intersections significantly informed the recommendations outlined in the remaining sections of this proposal.

## Section Two: Recommended Model

### Current Model

The current state funding model provides funds through school districts on the basis of each district’s state BEA rate. Each district has a unique BEA rate calculated as a per-pupil dollar amount based on a portion of the district’s state funding. Under current state law, the funding provided for each ESIT participant is equal to the BEA rate for that child’s resident school district multiplied by 1.15. School districts are statutorily required to provide or contract for services to identify, plan and serve children ages birth to 3-years-old in their communities. In most cases, school districts work with provider agencies (subcontracting) to meet the specialized needs of the child and their family. Provider agencies may work with multiple school districts with differing enrollment and contract expectations. In some communities, a Local Lead Agency coordinates and oversees required services for children including assessments, family resource coordination and delivery of specialized services included in the IFSP.

Figure 2: Current Funding Model Process Flow – Example



### Caseload Considerations

The Caseload Forecast Council (CFC) currently provides two forecasts for the provision of early intervention services. Both forecasts represent children receiving early intervention services as defined by the IDEA Part C program, ESIT.

The first is the forecast of children served through local school district contracts titled “Age 0-2 Infant and Toddler Special Education Program.” The Age 0-2 Infant and Toddler Special Education Program forecast relies on OSPI’s monthly count of children who, in the prior month, were eligible for and received early intervention services as reported by school districts on their respective Special Education Monthly Enrollment Report (P223-H). This is the forecast that is currently funded through OSPI’s budget.

The second is the forecast of children enrolled in early intervention services and reported by the ESIT program. The ESIT caseload is defined as the number of children with active IFSPs as of the last day of the month. The ESIT forecast relies on DCYF’s ESIT monthly count of children eligible for and receiving early intervention services in the prior month based on data extracted from the program’s Data Management System.

Based on quarterly tracking and ongoing data analysis, there is an approximately four percent difference in the annual average forecasted caseload counts (see Appendix B) described above. This is linked to different federal requirements and enrollment criteria. Specifically, the differences are primarily attributed to the following:

1. ESIT is required to provide services throughout the year and counts children over 12 months of services, whereas for the Age 0-2 Infant and Toddler Special Education Program forecast, districts count children only during the school year which leads to a lower child count.
2. ESIT includes Family Resource Coordination (FRC) as a core service and districts often don’t count it as a service.
3. An IFSP is considered active in Part C of IDEA even though it may be overdue. Most districts have not viewed an overdue IFSP as active and therefore do not include lapsed-but-active IFSPs on the monthly enrollment count.

### Recommendations

Aligning funding and regulatory authority by ensuring that state funds designated for ESIT services are allocated to the state lead agency is critical to the program’s long-term success. In addition to addressing necessary statutory changes, DCYF recommends the following:

1. State appropriations calculations based on actual individual, district-calculated, annual K-12 BEA rate for each child’s resident school district multiplied by 1.15. These data are identified on line V on the State Summary of the Special Education Allocation Report 1220.<sup>6</sup> This will promote stability by reflecting the current methodology and support the abilities of early intervention provider agencies to forecast for budget purposes.
2. Funding caseloads based on the ESIT CFC forecasted child count which includes the total number of children with active IFSPs, for children enrolled year-round (12-month service delivery cycle), as required by federal law.
3. Eliminating the statutory requirement that school districts provide or contract for ESIT services.

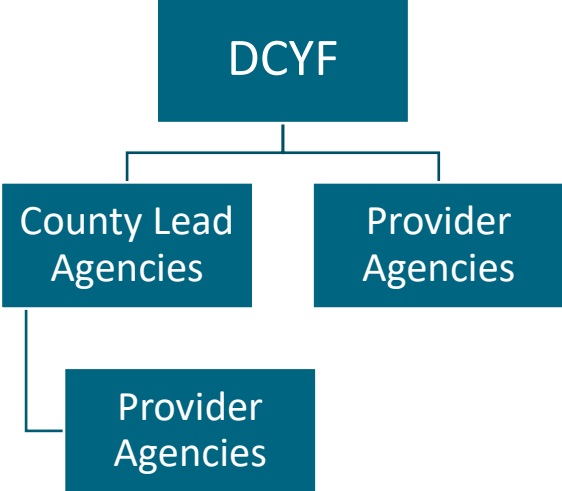
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<sup>6</sup> OSPI Special Education Allocation Report 1220 State Summary (Appendix D)



DCYF will disaggregate by provider agency and resident school district to match service data for payment to each provider agency. Enhancements to the ESIT Data Management System will incorporate geocoding that will automate the resident school district based on the child’s address and zip code.

Figure 3: Proposed Funding Model Process Flow



**Cost of Recommended Model**

This report recommends maintaining the current methodology for calculating funding per ESIT participant and also recommends funding a caseload forecast that averages four percent higher than the forecast that is currently funded. A higher forecast results in roughly 400 additional children each year as compared to the current forecast, or an additional \$3,675,804 million in the 2020-21 school year. It is critically important to fund the ESIT-specific caseload forecast for a full fiscal year to ensure equitable access for each and every infant and toddler eligible for early intervention services. This access must be regardless of their resident county and throughout a full 12-month program year.

**Section Three: Rationale for Proposed Model**

**Federal Requirements**

Part C of IDEA establishes timelines for an IFSP to be reviewed and updated with the family. If timelines are not met, services on the IFSP continue to be provided and the IFSP remains active. Reasonable justification due to exceptional family circumstances must be documented. Key reasons why an IFSP review date is missed include: the child is in the hospital, a family member is ill for an extended period of time, the family experiences an emergency or parents are overwhelmed and are unable to commit to attending one more meeting. Most often ESIT services continue to be provided, often at child care, with grandparents or with other extended family members.

Additionally, Part C requires that services be provided in natural environments where infants and toddlers without disabilities are typically found, such as the family’s home or child care, rather than a classroom. However, providing services in natural environments can sometimes create unique challenges. The scheduling dynamic for providing services in natural environments must be looked at

differently than a school-based service and may include no-shows or other challenges that may lead to delays in IFSP reviews.

Lastly, FRC (i.e., service coordination) is a required service under IDEA Part C. Depending on needs, some children with active IFSPs receive only this service for a period of time. However, federal data collection requirements also include counting those children receiving only FRC.

**Best Practice**

Using the ESIT child count more accurately reflects both service delivery requirements and the needs of the population being served.

FRC services are core in Part C and can have a profound impact on the child’s development. FRC often includes referrals to community services and the provision of much-needed resources for families. The Family Resource Coordinator serves as a liaison for children involved with child welfare (working with caseworkers, biological family and foster parents). They spend additional time helping the child and foster family navigate the system. The coordinator also communicates and supports ongoing services with the child’s natural parents.

FRC is at the heart of early intervention services and supports families with a variety of stressors including those related to trauma, military deployment, issues of poverty and homelessness as well as depression and other mental health concerns. When a family is dealing with multiple stressors, they may lack the capacity to immediately access all needed early intervention services. The Family Resource Coordinator can provide support to the family in meeting their needs during this time of crisis. They are then able to support the family in connecting with other needed Part C early intervention services as they are able to engage in early intervention to further support the child’s development.

Family Resource Coordinators are the “linchpin,” aligning services with child and family needs. They help families access critical services and resources, coordinating with multiple service providers and ensuring that services outlined on the child’s plan are happening at a place and time that supports the needs of the child and family.

**Conclusion**

Because of the collaborative nature of the field and the culture and history of early intervention in Washington State, there is a recognition that DCYF must work hand-in-hand with local communities to address the needs of some of the most vulnerable children and families. DCYF’s partnership with OSPI at the state level, and local school districts and other service providers at the community level, is both a clearly articulated requirement in federal law and key in addressing the needs of children with developmental delays and disabilities from birth through 21 in the state of Washington. There is a shared commitment to ensure positive outcomes for all young children and their families.

First-year transition plans, including the cost implications for moving from a school-year based program to a fiscal year-based program, and the need for two months of funding to remain with OSPI to honor existing school district obligations, are currently under development by partner agencies. Additional transition planning will include how early intervention funds will be disbursed to early intervention provider agencies, and the need for timely reimbursements to ensure continuity of early intervention services for infants, toddlers and their families (Appendix C).

# Appendix A

## Transfer Proposal Roadmap and Stakeholder Intersections

*Plan for Developing a Proposal to Transfer Birth to Three State Apportionment Funds from the Office of the Superintendent of Public Instruction to the Department of Children, Youth, and Families*

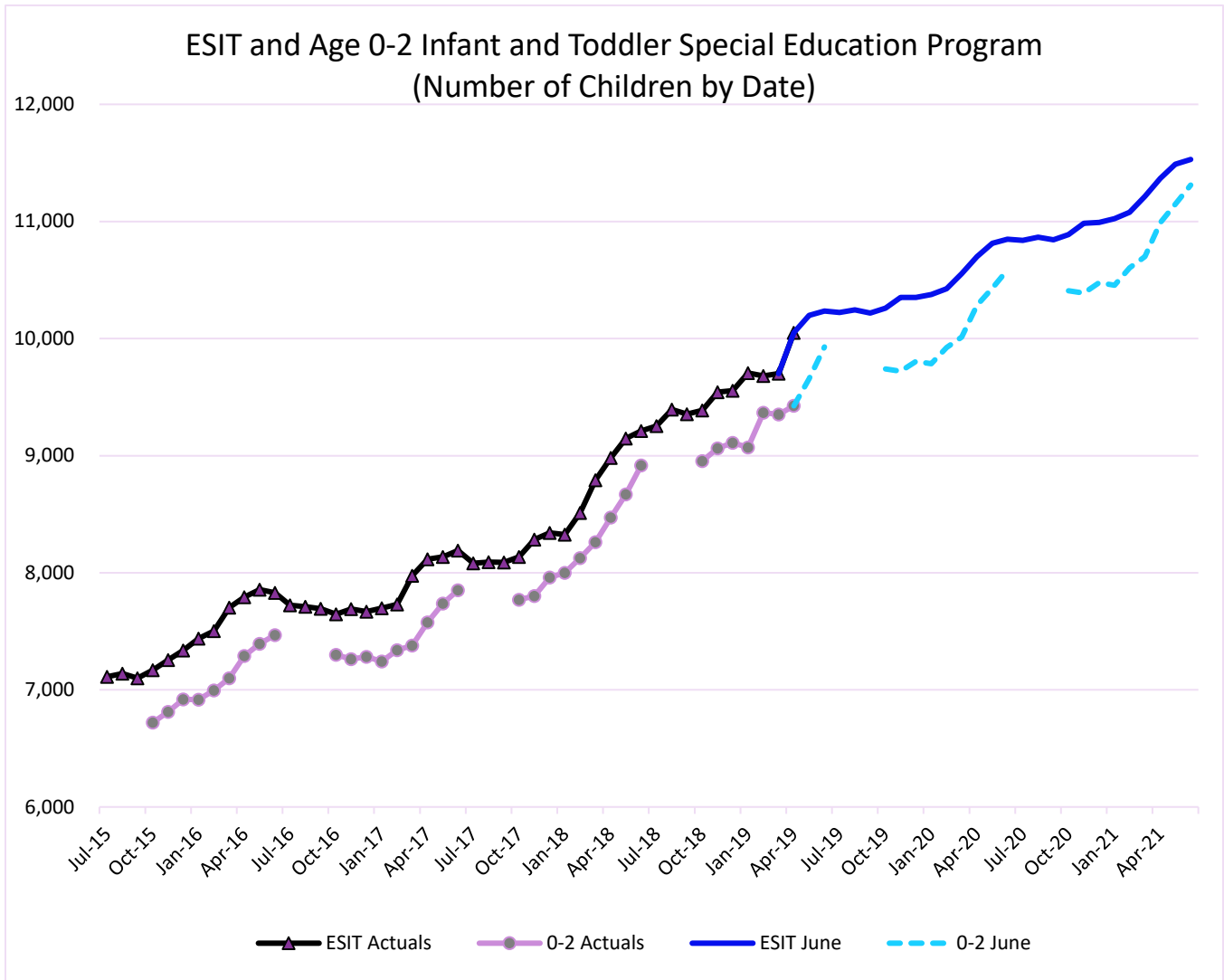


*Stakeholder Intersections will involve multiple regional-based convenings, as well as special sessions with State Interagency Coordinating Council (SICC) Committees.*

Activities				
Phase I		Phase II		Phase III
May 20, 2019: Convening of Planners – OSPI & DCYF	Stakeholder Convenings	July 15, 2019: First Draft of Transfer Proposal Routed to OSPI, OFM & Forecast Council	Stakeholder Convenings	Aug. 7, 2019: Final Transfer Proposal to Secretary Hunter
June 7, 2019: Virtual Connections – DCYF & OFM		Aug. 7, 2019: Feedback Due		Aug. 9, 2019: Final Transfer Proposal to Governor Inslee
June 10, 2019: Convening of Planners – OSPI, DCYF, OFM, Forecast Council & Legislative Staff		<i>*Additional convenings will be planned as needed</i>		Sept. 1, 2019: Transfer Proposal to Legislature

## Appendix B

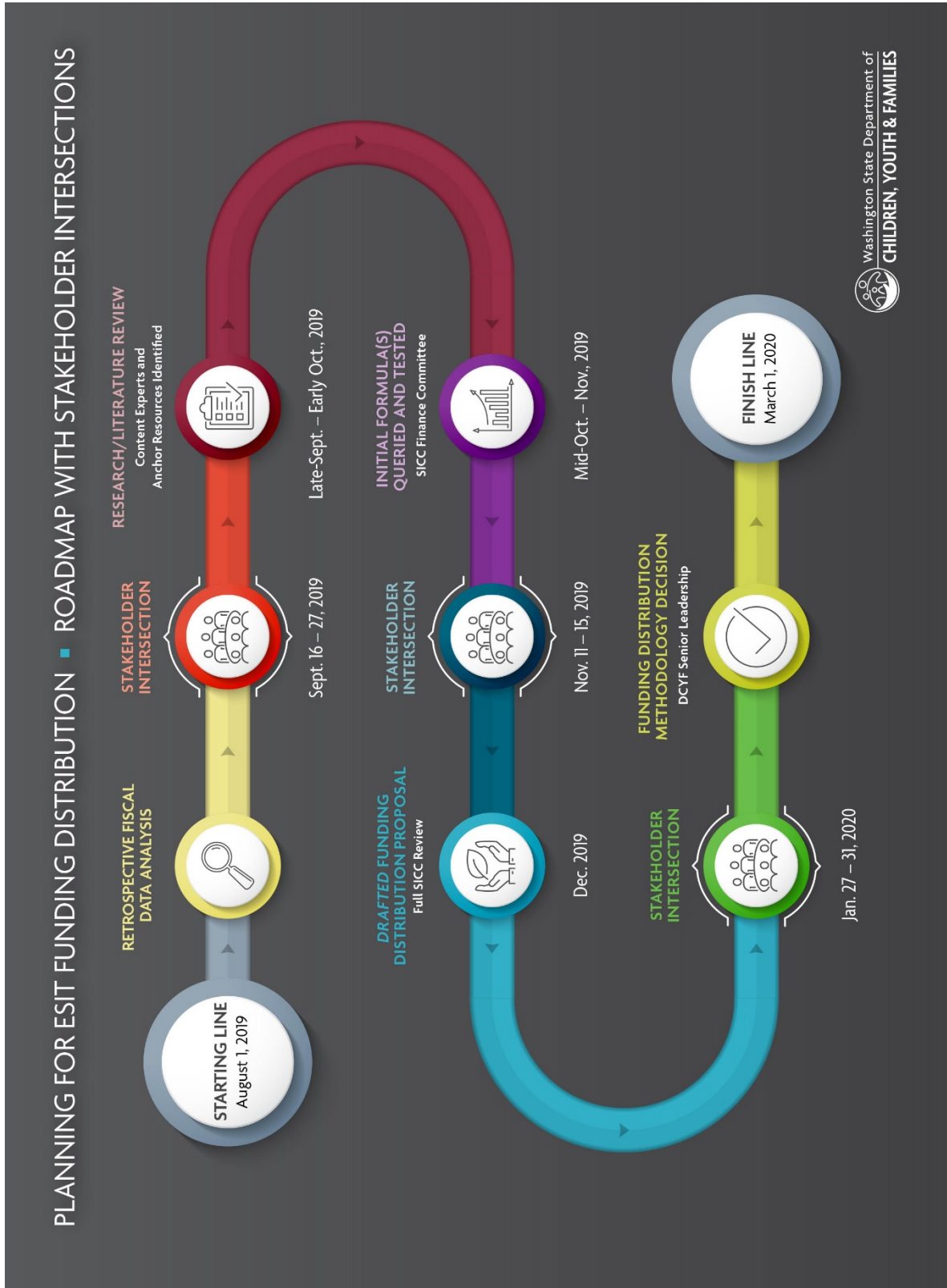
Source: Caseload Forecast Council



**Annual Averages ESIT and Age 0-2 Infant and Toddler Special Education Program**

		2018	2019	2020	2021
<b>ESIT</b>	Fiscal Year	8,500	9,672	10,448	11,093
	<b>0-2</b> School Year	8,220	9,326	10,032	10,720
	Difference	280	346	416	373
	%	3.4%	3.7%	4.1%	3.5%

# Appendix C



# Appendix D

Report 1220	State of Washington Superintendent of Public Instruction 2018-2019 Special Education Allocations for 7/31/19	22-Jul-19 02:53 PM		
00000	State Total School District			
<b>Account 4121 Special Education</b>				
A. Age 0-2 Resident Special Education Enrollment .....		9,263.22		
B. Age 3-PreK Resident Special Education Enrollment .....		13,737.44		
C. Age K-21 Resident Special Education Enrollment .....		137,385.12		
D. BEA Resident FTE Enrollment .....		1,094,444.76		
E. Age K-21 Special Ed Enrollment Percent (C/D) .....		12.55%		
F. Funded Age K-21 Special Ed Enrollment Percent If E is less than or equal to 13.5%, E, else 13.5% .....		12.55%		
G. Funded Age K-21 Resident Special Education enrollment If E is less than or equal to 13.5%, C, else D * F .....		133,501.12		
H. BEA Rate (Report 1191 Section V.2).....	\$	8,261.00		
Portion of BEA Rate Attributed to PLD (Report 1191SER 4120pd).....	\$	25.45		
I. Age 3-PreK Allocation (B * H * 1.15) .....	\$	136,372,875.75		
J. Age K-21 Allocation				
1. 2004-05 Fed Funds Integration Rate Per Student .....	\$	129.45		
2. Fed Funds Int Rate Per Student (J.1. * 24/145).....	\$	21.43		
3. Age K-21 Allocation (G * ((H * .9609) - J.2)) .....	\$	1,066,952,551.46		
K. State Safety Net .....	\$	13,955.00		
L. Transfer of Account 4121 Special Education Allocation .....	\$	0.00		
M. Total Spec Ed Excess Cost Acct 4121 Alloc. (I + J.3 + K + L) .....	\$	1,240,364,511.93		
ENROLLMENT BY SERVING DISTRICT	A. (0-2)	B. (3-PreK)	C. (K-21)	D. (BEA)
00000 STATE TOTAL	9,263.22	13,737.44	137,382.78	1,094,437.06
TOTAL				
	9,263.22	13,737.44	137,382.78	1,094,437.06
<b>Account 3121 Special Education, General Apportionment</b>				
N. Age K-21 Serving District Special Education Enrollment .....				137,382.78
O. General Apport Generated by Special Ed Enrollment (N * H) .....	\$			1,184,660,211.80
P. Allowance for Districtwide Expenditures - State Recovery Rate .....				16.11%
Q. General Apport Available for Instructional Programs (O / (1 + P)) .....	\$			1,021,379,820.97
R. Student Average FTE in Special Education Instruction.....				28.75%
S. General Apport Allocated for Spec Ed Prog Acct 3121 (Q * R) .....	\$			293,175,458.73
T. Transfer of General Apport for Special Education Allocation .....	\$			-
U. Total General Apport for Special Ed Allocation (S + T) .....	\$			293,175,458.73
Total Allocation for Special Education Program 21 (M + U) .....	\$			1,533,539,970.66
Percentage Portion of BEA Rate Attributed to PLD (PLD / BEA Rate).....				0.31%
Portion of PLD (Total Allocation for SpEd * PLD %) .....	\$			4,753,973.91
<b>Account 4122 Special Education - Infants and Toddlers</b>				
V. Age 0-2 Allocation (A * H * 1.15) .....	\$			91,885,212.19
W. Transfer of Account 4122 Special Education Allocation .....	\$			601,888.84
X. Total Special Ed Account 4122 Alloc. (V + W) .....	\$			92,487,101.03

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