



## Birth to 3 Program Data Discussion: Reconciliation and Maintenance of Effort

March 11, 2014

9:00 – 10:00 am

Call in number: 1-855-947-8255

Passcode: 7671 326

<https://connect.wisconsin.gov/reconcil>



## Today's training - Audio

- Please use the WisLine call-in number for audio:  
1-855-947-8255 Passcode: 7671 326#
- Turn off your computer audio
  - Look for the speaker icon at the top of your Adobe meeting room
  - Click the down arrow next to the icon
  - Click Mute my speakers
- Please mute your phone
  - Do not put your phone on hold during the training



## Adobe Connection functions

- ❑ Chat pod
- ❑ Attendance pod
- ❑ File Share pod – handouts in condensed zip file
  - Click once on the name of the zip file
  - Click *Save to my Computer*
  - Click *Click to Download*
  - Choose drop down *Save; Save As*
  - Select a folder to save zip drive
- ❑ Share pod – power point
  - For larger viewing during presentations, click Full Screen

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## Outline for today's Data Discussion:

- Definitions
- Background
  - Office of Special Education Programs (OSEP) and the WI Department of Health Services
- Changes to the process
- Current process
  - MOE underspending
- System for ongoing monitoring

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## Definition of terms – what is it?

### “Reconciliation”

- Process in which counties provide end of year fiscal reporting for their Birth to 3 Program.
- Annually each March - April.
- Used by DHS to close out state-county contracts by late May - early June.
- Used to determine Maintenance of Effort amounts.

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## Definitions - continued

### “Maintenance of Effort (MOE):”

- The amount of funding county agencies are required to contribute to the cost of the operation of the local Birth to 3 Program.
- Determined from the first two lines on the Reconciliation Report:
  - A. Community Aids
  - B. County Funds

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## Background – Part C regulations

Part C Regulation language:

**§ 303.225 Prohibition against supplanting; indirect costs.**

(a) Each application must provide satisfactory assurance that the Federal funds made available under section 643 of the Act to the State:

- (1) Will not be commingled with State funds; and
- (2) Will be used so as to **supplement** the level of State and local funds expended for infants and toddlers with disabilities and their families and **in no case to supplant** those State and local funds.

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## Continued – Part C regulations

(b) To meet the requirement in paragraph (a) of this section, the total amount of **State and local funds budgeted** for expenditures in the current fiscal year for early intervention services for children eligible under this part and their families **must be at least equal** to the total amount of State and local funds **actually expended** for early intervention services for these children and their families in the most recent preceding fiscal year for which the information is available.

Allowance may be made for—

- (1) A decrease in the number of infants and toddlers who are eligible to receive early intervention services under this part; and
- (2) Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of facilities.

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## Background – WI DHS

- DLTC Numbered Memo 2010-03
  - Announces change to annual MOE determination
  - Clarifies non-supplanting requirement
    - Federal funds cannot supplant state/local funds
    - Funds budgeted and expended are at least equal to the amount actually expended in the most recent year fiscal data is available.

[http://www.dhs.wisconsin.gov/dsl\\_info/NumberedMemos/DLTC/CY2010/NMemo2010\\_03.pdf](http://www.dhs.wisconsin.gov/dsl_info/NumberedMemos/DLTC/CY2010/NMemo2010_03.pdf)

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## Changes to the process

- Prior to 2008
  - MOE was a set amount; the same every year.
- After 2008
  - OSEP provided direction that MOE (state/local funds) must be based upon the actual expenditures from the most recent reconciled year.
  - Functionally this means that is that the MOE amount will be at least the previous year's amount or greater.

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## Changes to the process

- Given OSEP's direction, DHS used Reconciliation amounts from
  - CY 2008
  - CY 2009to determine the baseline amounts for the start to the MOE amount as outlined in DLTC Numbered Memo 2010-02.

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## Changes to the process

### Timing of application of MOE:

- forms submitted early April (2014 - CY 2013)
- finalized early June (2014 - CY 2013)
- MOE applied to next full calendar year (2015)

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## Reconciliation process

- Report completed by counties
- Due to DHS annually every March/early April
- Forms\*:
  - County Birth to 3 Program Reconciliation Report
  - County Birth to 3 Program Reconciliation Report Instructions
  - Provider Report of Revenue

\*On the Birth to 3 Program website forms page under Reconciliation

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## Reconciliation process

- December 31: Calendar year ends
- Jan – March 31: county reviews Birth to 3 Program expenditures and revenues.
- March 31 (early April): County submits Reconciliation form
- June: DHS completes review of data
- July-August: contract adjustments are made (if necessary)
- December: MOE amounts are distributed.\*

\* Note: County Birth to 3 Programs already know their MOE amount is because it was reported on a previous year's form.

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Microsoft Word window showing a form titled "Table Tools". The form includes fields for "County / Agency", "Name - Contact Person", "Telephone Number", and "E-mail Address". Below these fields is a table with two columns: "REVENUES" and "AMOUNT".

REVENUES	AMOUNT
A. Community Aids	\$ [ ]
B. County Funds	\$ [ ]
C. Birth to 3 Allocation (contract period 1/1/2010 - 12/31/2010)	\$ [ ]
D. Revenues from Medicaid (move to above section if appropriate)	\$ [ ]
E. Revenues from Private Insurance	\$ [ ]
F. Parental Cost Share	\$ [ ]
G. Other Sources of Revenue	\$ [ ]
<b>TOTAL REVENUES (items A through G)</b>	\$ [ ]

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## Reporting instructions

- Refer to County Birth to 3 Reconciliation Report – Instructions for basic guidelines for completing the reconciliation form.
- Include all revenues and expenditures related to the coordination of the Birth to 3 Program that are identified in state or federal regulations.
- Do not include costs outside of the scope of state or federal requirements.  
(e.g., serving a child after the age of 3 years)

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## MOE underspending

- Any underspending in the Birth to 3 Program county funds cannot be applied to any other county program.
- Any underspending of the MOE requirement will result in reduction to a Birth to 3 Program's state-county allocation.
  - Dollar for dollar reduction.
  - Unless meets two exceptions.

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## MOE exceptions

- From Part C regulations (slide 5)
    - Allowance may be made for—
      - (1) A decrease in the number of infants and toddlers who are eligible to receive early intervention services under this part; and
      - (2) Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of facilities.
- Part C regulations s. 303.225(b)*

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## MOE underspending

Contact your DHS Birth to 3 Program State Lead and RESource facilitator if county Birth to 3 Program has concerns about meeting your MOE amount.

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## Ongoing fiscal monitoring

- Important for Birth to 3 Program and Fiscal staff to share a common knowledge of the Reconciliation and MOE processes and awareness of implications of program revenues and costs.
  - What Birth to 3 Program spends (or doesn't) is reflected on the Reconciliation Report.
  - Amounts reported by Fiscal staff on Reconciliation Report has direct impact on the county Birth to 3 Program operations budget.
  - Fiscal staff need to understand importance of accurate county Birth to 3 Program Reconciliation reporting.

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## Ongoing fiscal monitoring

- Recommend ongoing checks or monitoring points throughout the year to maintain awareness of level of county spending, and other revenue sources, for Birth to 3 Program activities.
  - Monthly?
  - Quarterly?
  - Six months?

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## Ongoing fiscal monitoring

- Maintain detailed documentation of each year's Reconciliation Report:
  - How the amounts were determined in expenditures and revenues.
  - County staff who were involved in developing the Reconciliation Report.
  - Child count data, both October 1 and ongoing enrollment counts.

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## Ongoing fiscal monitoring

Maintain detailed documentation of each year's Reconciliation Report in order to track:

- Year-to-year trends
- Biennial reports and trends
- Fiscal decision-making

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## Questions

- CY 2013 Reconciliation due:  
Friday, April 11, 2014
- Submit electronic, signed copy to:  
[SarahKate.Johnson@wisconsin.gov](mailto:SarahKate.Johnson@wisconsin.gov)  
(608) 267-7844

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## Last thoughts

- CEU code
- Next Data Discussion:  
Tuesday, April 1, 2014  
9:00 – 10:00 am
- Topic:
  - Birth to 3 Program General Supervision system, monitoring, and enforcement