

## **Fiscal Resources for Inclusion Children Age Five and Under**

As communities develop funding plans for their inclusion efforts, “entitlement” based resources such as Medicaid should be investigated first for eligible children. Then other options such as the state and federal early intervention funds through the area mental health program and school system, and the child care block grants are appropriate to consider. Since the amount of funding in relation to the numbers of eligible children varies considerably between communities, no individual source should be considered without assessing the availability of all of them. Finally, Smart Start funds are intended to address any fiscal gaps not covered by these other sources.

### **Special Needs Definition:**

The term “special needs” is used in a variety of different ways. For the purposes of this document, it means:

- a) children under three with or at risk for developmental disabilities, delays or atypical development, determined to be eligible by the Consortium, a local interagency council. The complete criteria and eligibility determination procedures are contained in Bulletins 16, 17, 21, and 22 of the “North Carolina Infant-Toddler Program Manual”.
- b) children ages three, four and five not eligible for Kindergarten served through Public Schools of North Carolina who meet the eligibility definitions contained in Sections .1501 and .1505 of “Procedures Governing Programs and Services for Children with Disabilities.”
- c) children over three years of age can receive some services through Area Mental Health, Developmental Disabilities, and Substance Abuse Services, if they have a documented developmental delay, developmental disability, or child mental health diagnosis as defined in MH/DD/SAS publication “Funding System Operating Manual – Volume III: Level of Eligibility.”
- d) children of any age participating in Health Choice as “special needs” are those who have been diagnosed as having one or more of the following conditions which, in the opinion of the diagnosing physician, (i) is likely to continue indefinitely, (ii) interferes with daily routine, and (iii) requires extensive medical intervention and extensive family management:
  - (1) Birth defect, including genetic, congenital, or acquired disorders;
  - (2) Developmental disability as defined under G.S. 122C-3,
  - (3) Mental or behavioral disorder; or
  - (4) Chronic and complex illnesses.

Smart Start suggestions are only a sampling; please contact your local partnership for other options

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Source	Child Eligibility	Local Administering Agency & Contact Person	Guidelines for Use of Funds	Funding Levels	Other Access Procedures
<p><b>Child Care Subsidy Funds</b></p>	<ul style="list-style-type: none"> <li>• Meet Subsidy Program eligibility criteria</li> <li>• Under age 5</li> <li>• Special needs</li> <li>• Typically developing</li> </ul>	<ul style="list-style-type: none"> <li>• Child Care Coordinator, Dept. of Social Services or other local purchasing agency</li> </ul>	<ul style="list-style-type: none"> <li>• In facilities or homes primarily serving typically developing children, subsidy funds can be used to pay a supplemental payment for expenses incurred for additional activities or services necessary to successful inclusion: supplies, equipment, staff training, additional direct care staff, renovations for accessibility, etc. (These payments do not cover specialized therapy or early intervention/special education services provided to the child with special needs or consultation to the staff of the centers.)</li> <li>• In certified developmental day centers, funds can support child care for both the typically developing and child with special needs.</li> <li>• <b>Reference:</b> Chapter 20 and 21, Subsidized Child Care Services Manual</li> <li>• Some preschool programs in public schools serve typically developing children and children with special needs. If the program is licensed, eligible families can apply for subsidy funds for child care.</li> </ul>	<ul style="list-style-type: none"> <li>• The supplemental payment can be up to the cost documented and approved on the “Additional Expense Documentation Form” (DCD-0454A).</li> <li>• In the case of children with special needs or typically developing children enrolled in a certified developmental day center, payment can be made up to the allowable cost as determined by the DHHS net cost study.</li> <li>• A portion of each county’s allocation is set-aside annually to serve children with disabilities.</li> </ul>	

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Children Age Five and Under**

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<b>Department of Public Instruction Title I</b>	<ul style="list-style-type: none"> <li>• 4-yr. olds</li> <li>• After school care for 5-yr. olds</li> <li>• Low income children at risk for school failure</li> </ul>	<ul style="list-style-type: none"> <li>• Local Education Agency</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries, benefits, supplies, materials, equipment, staff development and travel.</li> </ul>	<ul style="list-style-type: none"> <li>• Funding level is dependent on local priorities.</li> </ul>	N/A
<b>Dept. of Public Instruction Federal and State IDEA Preschool Funds</b>	<ul style="list-style-type: none"> <li>• Disabilities</li> <li>• 3- and 4-year olds</li> </ul>	<ul style="list-style-type: none"> <li>• Preschool Coordinator, Exceptional Children's Program, Local Education Agency (LEA).</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries of licensed special education personnel for the time they work with the children with disabilities enrolled in the childcare facility or home that provide consultation to the childcare facility or home. Related costs such as, staff travel, special transportation, teaching supplies and materials, classroom assistants, professional development, and interagency service planning activities; also, minor renovations to facilities and homes to ensure accessibility.</li> </ul>	<ul style="list-style-type: none"> <li>• Funds can cover the full costs associated with these items up to the amount of the annual allocation.</li> <li>• LEA gets a fixed allocation annually, based upon a child count and a funding formula.</li> </ul>	<ul style="list-style-type: none"> <li>• Special education and related services must be included on the child's Individual Education Program (IEP).</li> </ul>

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Children Age Five and Under**

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<b>Division of Public Health, Women &amp; Children's Health, Early Intervention Branch</b>  <b>Federal and State</b>  <b>IDEA Infant-Toddler Program Funds</b>	<ul style="list-style-type: none"> <li>• Special needs</li> <li>• P birth to age 3 years</li> <li>• Ls</li> </ul>	<ul style="list-style-type: none"> <li>• Children's Developmental Services Agency (CDSA)</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>		<ul style="list-style-type: none"> <li>• Special needs services must be included on the child's Individualized Family Services Plan (IFSP).</li> </ul>

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<p><b>Division of Public Health, Women &amp; Children's Health, Early Intervention Branch</b></p> <p><b>Federal and State IDEA Infant-Toddler Program Funds</b></p> <p>(continued to next page)</p>			<ul style="list-style-type: none"> <li>• Examples of services for children enrolled in early intervention include: special instruction, speech therapy, physical, therapy. These services are typically provided through private community agencies under contract with the CDSA. A childcare center can be a provider of services if it meets the qualification criteria and has a provider agreement with the CDSA. The CDSA's also provide service coordination evaluations.</li> <li>• .Service Coordination</li> </ul>		

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<b>Office of Education Services (OES)</b>	<ul style="list-style-type: none"> <li>• Special needs-visual impairments</li> <li>• Birth through age 3</li> <li>• Ages 3-5 are sometimes served through contracted services or auxiliary services through the LEA.</li> </ul>	<ul style="list-style-type: none"> <li>• Preschool Coordinator, Governor Morehead School for the Blind-Raleigh</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and travel for special education and early intervention personnel who work directly with the children with special needs enrolled in the center or who provide general consultation to the childcare facility.</li> <li>• Service Coordination.</li> <li>• Related costs such as transportation, teaching supplies and materials for children with special needs.</li> </ul>	<ul style="list-style-type: none"> <li>• Funds can cover the full costs associated with these items.</li> <li>• This agency gets a fixed allocation annually no matter how many children are served or referred.</li> </ul>	<ul style="list-style-type: none"> <li>• Special needs related services and costs must be included on the child's IFSP or IEP.</li> </ul>

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<b>Office of Education Services (OES)</b>	<ul style="list-style-type: none"> <li>• Special needs-hearing impairments</li> <li>• Birth through age 3</li> </ul>	<ul style="list-style-type: none"> <li>• Preschool Coordinators:</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and travel for early intervention personnel who work with children with special needs enrolled in the center or who provide consultation to the childcare facility or home staff. (Note: Early intervention personnel include general infant toddler specialists or specialized therapists-speech, occupational, physical.)</li> <li>• Salaries and travel for paraprofessional staff who are needed for direct work with children with special needs for successful inclusion.</li> <li>• Teaching supplies, materials, equipment.</li> <li>• Service Coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Funds can cover the full costs associated with these items.</li> <li>• This agency gets a fixed allocation annually no matter how many children are referred or served.</li> </ul>	<ul style="list-style-type: none"> <li>• Special needs related services and costs must be included on the child's IFSP or IEP.</li> </ul>

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<b>Division of Mental Health, Developmental Disabilities, and Substance Abuse Services Child Mental Health Funds</b>	<ul style="list-style-type: none"> <li>• Children over age 3 with documented developmental disability or mental health diagnosis</li> </ul>	<ul style="list-style-type: none"> <li>• Local Management Entity (LME) – formerly known as the Area MH/DD/SAS Agency</li> </ul>	<ul style="list-style-type: none"> <li>• Funds can be used for a variety of supports and services as documented in the child’s personal-centered care plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Services are provided on an individual basis and are initiated and approved through the LME’s.</li> </ul>	<ul style="list-style-type: none"> <li>• Services managed by the LME’s such as CAP MR/DD and Day Treatment services have additional eligibility requirements</li> </ul>
<b>Division of Public Health CSC Program</b>	<ul style="list-style-type: none"> <li>• Special needs</li> <li>• Birth to age 5</li> </ul>	<ul style="list-style-type: none"> <li>• Child Service Coordination Program Manager, Health Department</li> </ul>	<ul style="list-style-type: none"> <li>• Child Service Coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Some services are available for all Medicaid eligible children. With others, the community gets a fixed allocation annually. Not all counties operate this type of service.</li> </ul>	N/A



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<b>Medicaid</b>	<ul style="list-style-type: none"> <li>• Low income</li> <li>• Special needs</li> <li>• Birth through age 5</li> <li>• Medicaid eligible</li> </ul>	<ul style="list-style-type: none"> <li>• Director of LME</li> <li>• CDSA</li> <li>• Preschool Coordinators of the LEA</li> <li>• Health Department</li> </ul>	<ul style="list-style-type: none"> <li>• Salaries and travel for early intervention personnel who work with children with special needs enrolled in the center or who provide consultation to the child care facility or home staff and the child’s parents. (Note: early intervention personnel include general infant toddler specialists or specialized therapists-speech, occupational, physical.) The specific types of service they can provide include: Community Based Rehabilitative Services (CBRS), or speech, physical, occupational therapy. These services are typically provided through private community agencies under contract with the CDSA. A childcare center can be a provider of CBRS if it meets the qualification criteria and has a CDSA contract. The CDSA's also provide screenings and multidisciplinary evaluations.</li> <li>• Salaries and travel for paraprofessional staff who are needed for direct work with children with special needs for successful inclusion.</li> <li>• Assistive Technology</li> <li>• Service Coordination (also known as Targeted Case Management)</li> </ul>	<ul style="list-style-type: none"> <li>• Funds are available at 63% of the total unit cost rate established for these services.</li> </ul>	<ul style="list-style-type: none"> <li>• Services provided must meet the IFSP/EIP provisions listed above plus some additional Medicaid requirements regarding documentation and service approval.</li> <li>• There are limitations on which agencies can bill Medicaid. These include LEA’s, LME’s, CDSA’s, local Public Health Departments, and their designated contractors.</li> </ul>

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<b>More at Four Pre Kindergarten Programs</b>	<ul style="list-style-type: none"> <li>Children age 4 who are at risk for academic failure in primary grades</li> </ul>	<ul style="list-style-type: none"> <li>Administered by a variety of agencies</li> </ul>	<ul style="list-style-type: none"> <li>A variety of enhanced learning environments</li> </ul>	N/A	N/A
<b>Smart Start</b>	<ul style="list-style-type: none"> <li>Special needs</li> <li>Typically developing</li> <li>Birth to age 5</li> </ul>	<ul style="list-style-type: none"> <li>Smart Start Partnership</li> </ul>	<ul style="list-style-type: none"> <li>Funds can be used for all of the types of activities and services listed above as well as screening and evaluation, child find, staff training, family support, child care quality enhancements, and inclusion specialists. See Attachment I for a sampling of how a number of local Partnerships have targeted funds for inclusion.</li> </ul>	<ul style="list-style-type: none"> <li>Each local Partnership gets a fixed annual allocation for which they must develop a budget and plan.</li> </ul>	<ul style="list-style-type: none"> <li>Funded activities are based on this plan. They are all encouraged to use some of their funds for activities related to children with special needs and their families. The majority (70%) of the funds must go towards increasing the quality or accessibility of child care.</li> </ul>
<b>Private Sources</b>	N/A	<ul style="list-style-type: none"> <li>For a listing of some of the private agencies that communities have reported as funding sources, see Attachment II.</li> </ul>	N/A	N/A	N/A

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<b>Head Start Early Head Start Programs</b>	<ul style="list-style-type: none"> <li>• Low income</li> <li>• Special needs and typically developing</li> <li>• Birth through age five</li> </ul>	<ul style="list-style-type: none"> <li>• Varies by community: Community Action Program, other private non-profit, Local Education Agency, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• This is a type of program rather than a funding source. As programs, they have standards that require a comprehensive array of services be provided as part of the program. These services include health, dental, developmental and social.</li> </ul>	<ul style="list-style-type: none"> <li>• Local programs are given a fixed allocation on an annual basis.</li> </ul>	<ul style="list-style-type: none"> <li>• Federal Head Start standards require that at least 10% of the children enrolled be those with special needs. Historically, N.C. programs have consistently exceeded this expectation.</li> <li>• For the most part, Head Start programs focus on children three and older. There are a small number of Early Head Start programs that enroll infants and toddlers.</li> </ul>
<b>Health Choice</b>	<ul style="list-style-type: none"> <li>• Family income up to 200% of poverty level</li> <li>• Child meets “special needs” criteria as defined in GS 108A-70.23 (Seed)</li> </ul>	<ul style="list-style-type: none"> <li>• Applications available through county Health and Social Services Departments</li> </ul>	<ul style="list-style-type: none"> <li>• For eligible children, a variety of health and early intervention services are covered. Examples of the latter include speech, physical, occupational therapy, assistive technology and special instruction to children enrolled in childcare centers and childcare homes and consultation to staff of such programs.</li> </ul>	<ul style="list-style-type: none"> <li>• No local limits, but a fixed state level of appropriation.</li> </ul>	<ul style="list-style-type: none"> <li>• Services require prior approval at state level. For more information, call 1-800-422-4658.</li> </ul>