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Early Childhood Intervention American Rescue Plan Act (ARPA) and Fiscal Year (FY) 2023 Funding

**Webinar for Chief Executive Officers, Chief Financial
Officers and Program Directors**

Today's Topics

- Overall FY 2023 budget picture and use of ARPA funds to maintain contract funding levels
- One-time ARPA funds for contractor pandemic recovery needs
- Application process for FY 2023 base contract and ARPA funds



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ARPA Overview

- The American Rescue Plan Act appropriated \$250 million for state Individuals with Disabilities Education Act (IDEA) Part C Early Childhood Intervention (ECI) programs, including **\$22,241,906** for Texas ECI.
- These funds may be **used for any allowable purpose under Part C of the IDEA**, including the direct provision of early intervention services to infants and toddlers with disabilities and their families, and implementing a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services.
- ARPA funds were received July 1, 2021, and **must be obligated by September 30, 2023**.



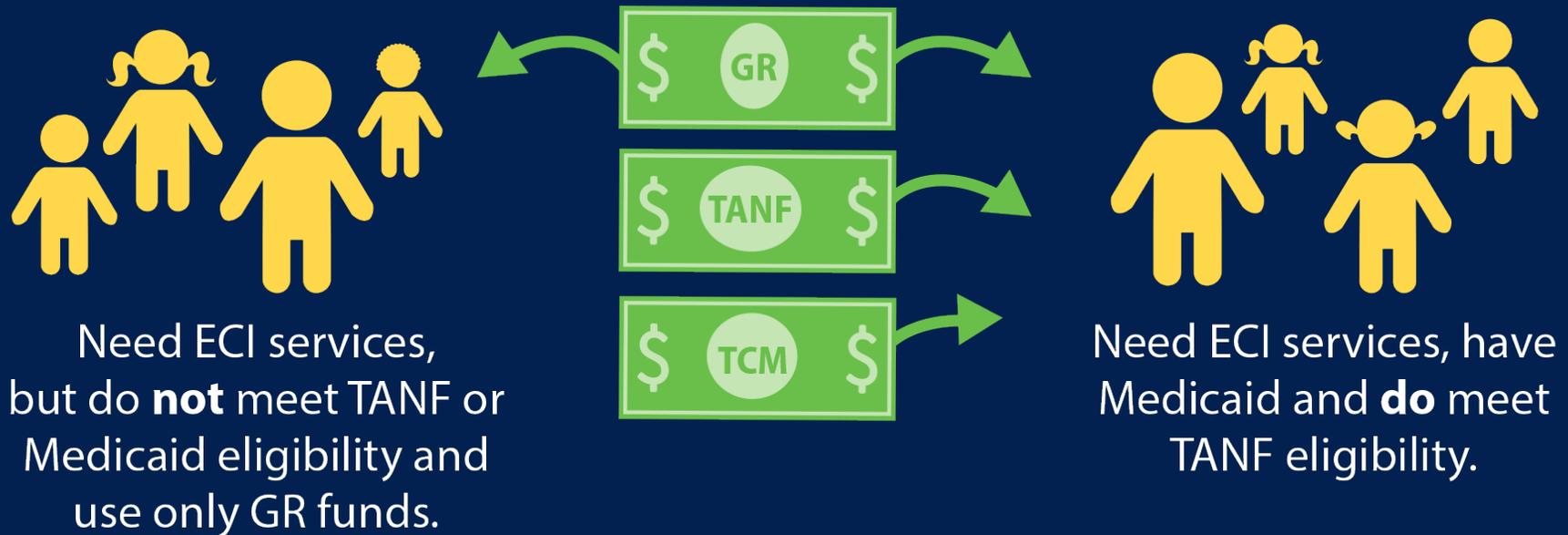
Financial Factors Come into Focus

- Close out of fiscal year 2021 and current fiscal year 2022 budget trends
- Congressional consideration of ongoing \$250 million Part C increase



Constraints on Designated Funding Sources

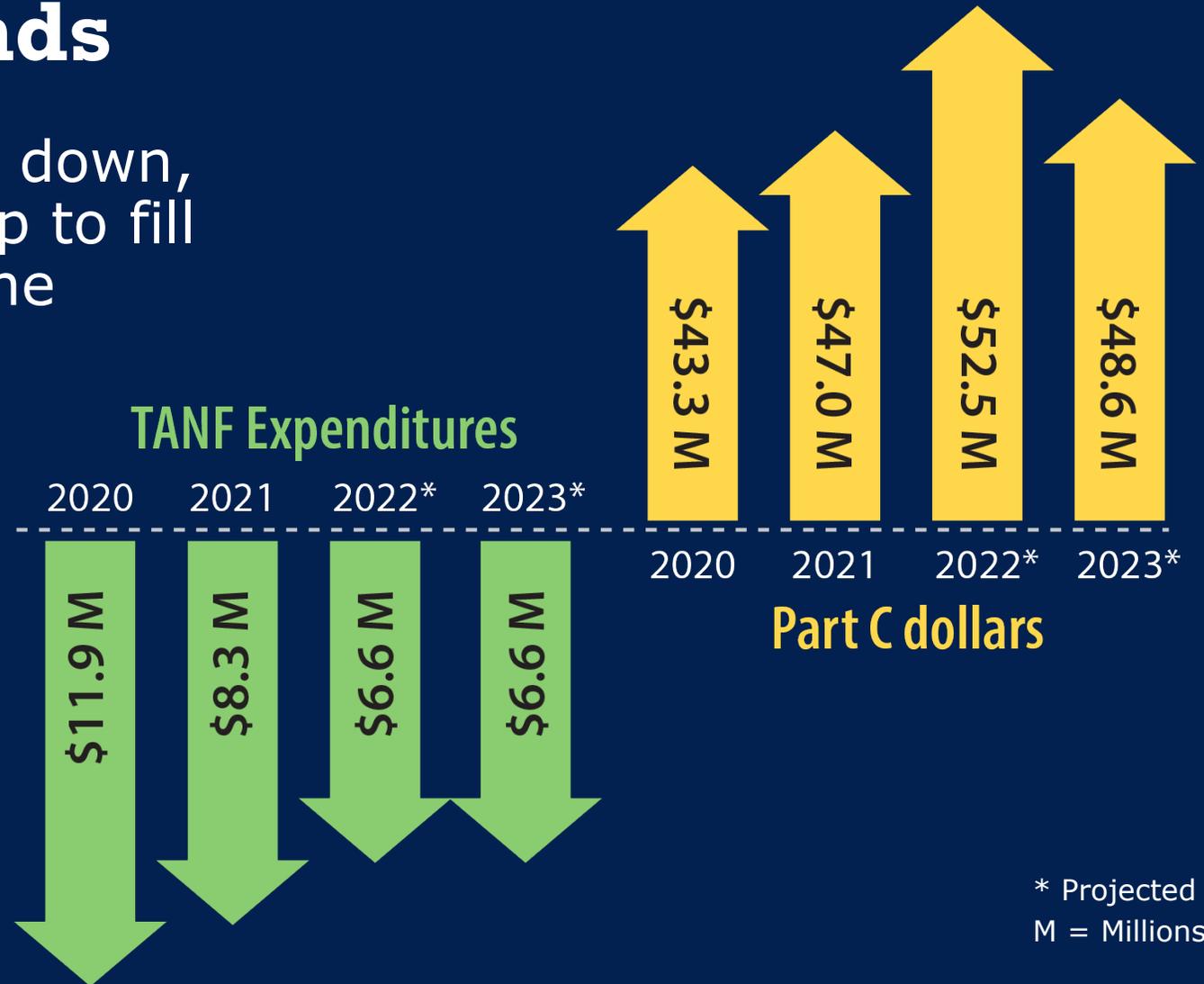
Of the diverse funding streams that support the ECI system, General Revenue and federal IDEA Part C are the only sources that do not have considerable limitations for how they may be used.





TANF Funds Trends

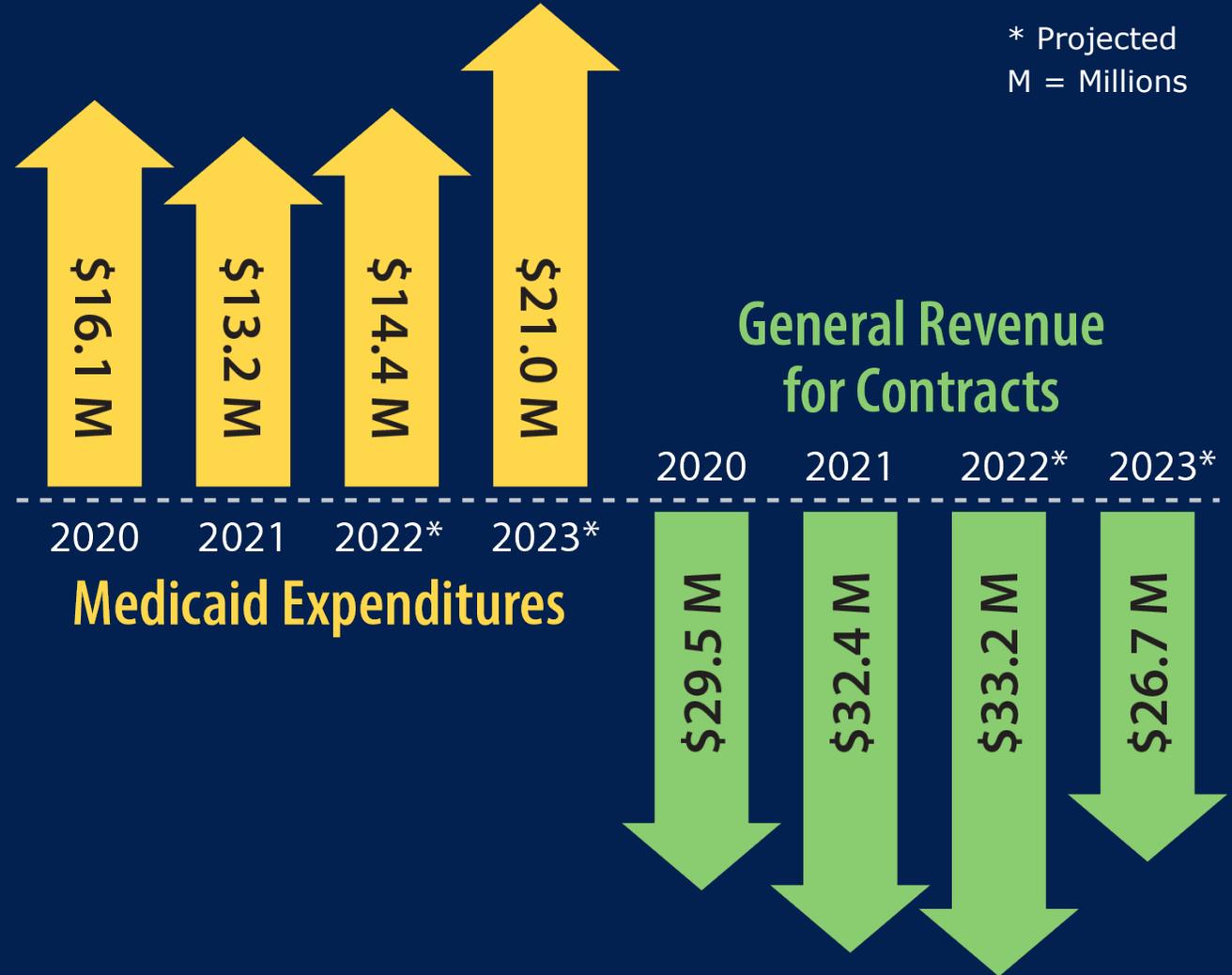
As TANF expenditures go down, Part C expenditures go up to fill in for TANF's portion of the contract allocations.



* Projected
M = Millions

Medicaid Funds Trends

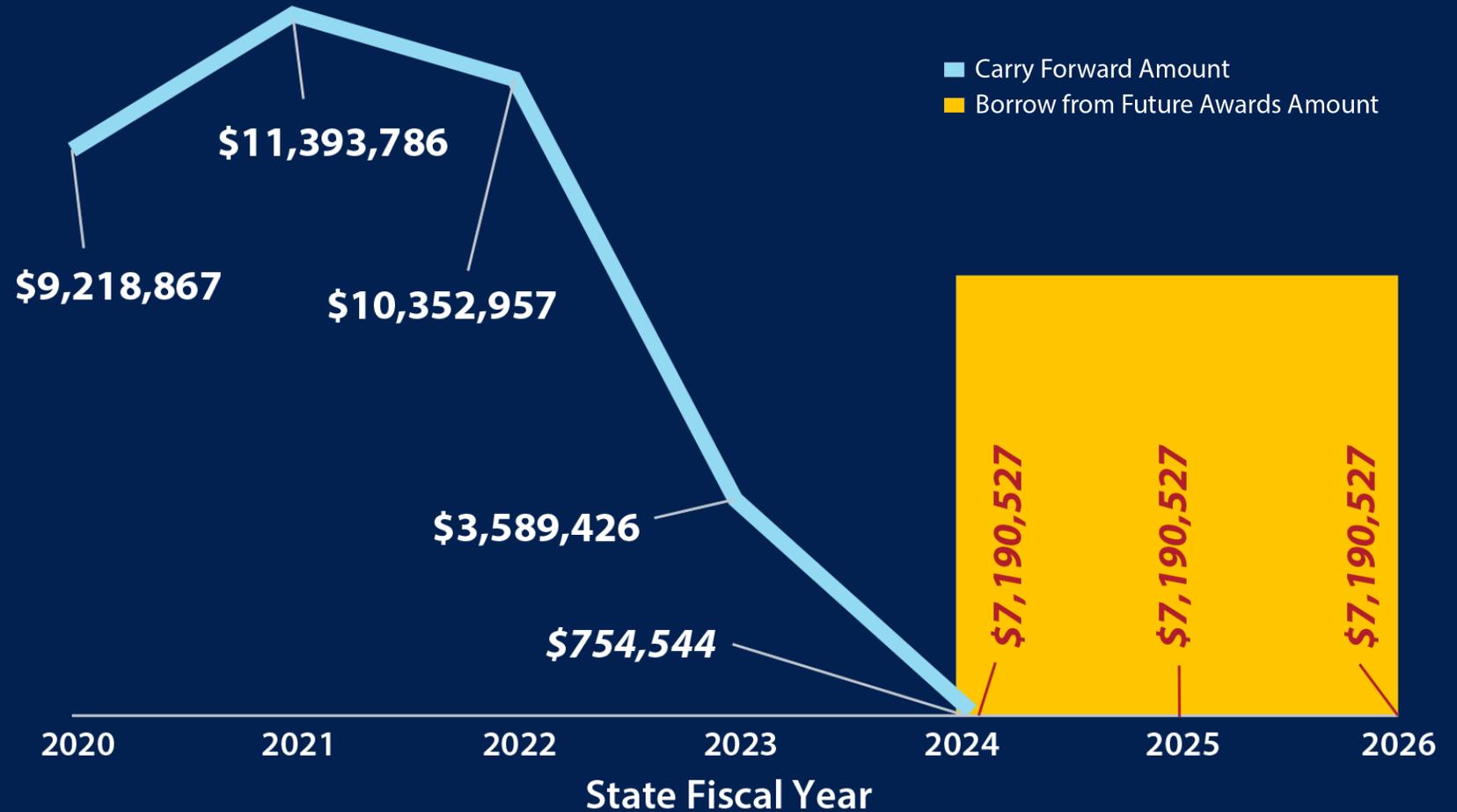
If Medicaid expenditures go up, so will the need for GR match, resulting in less GR available for the cost reimbursement contracts. Available Part C funds can be used to fill this portion of the contract allocations until they are depleted.





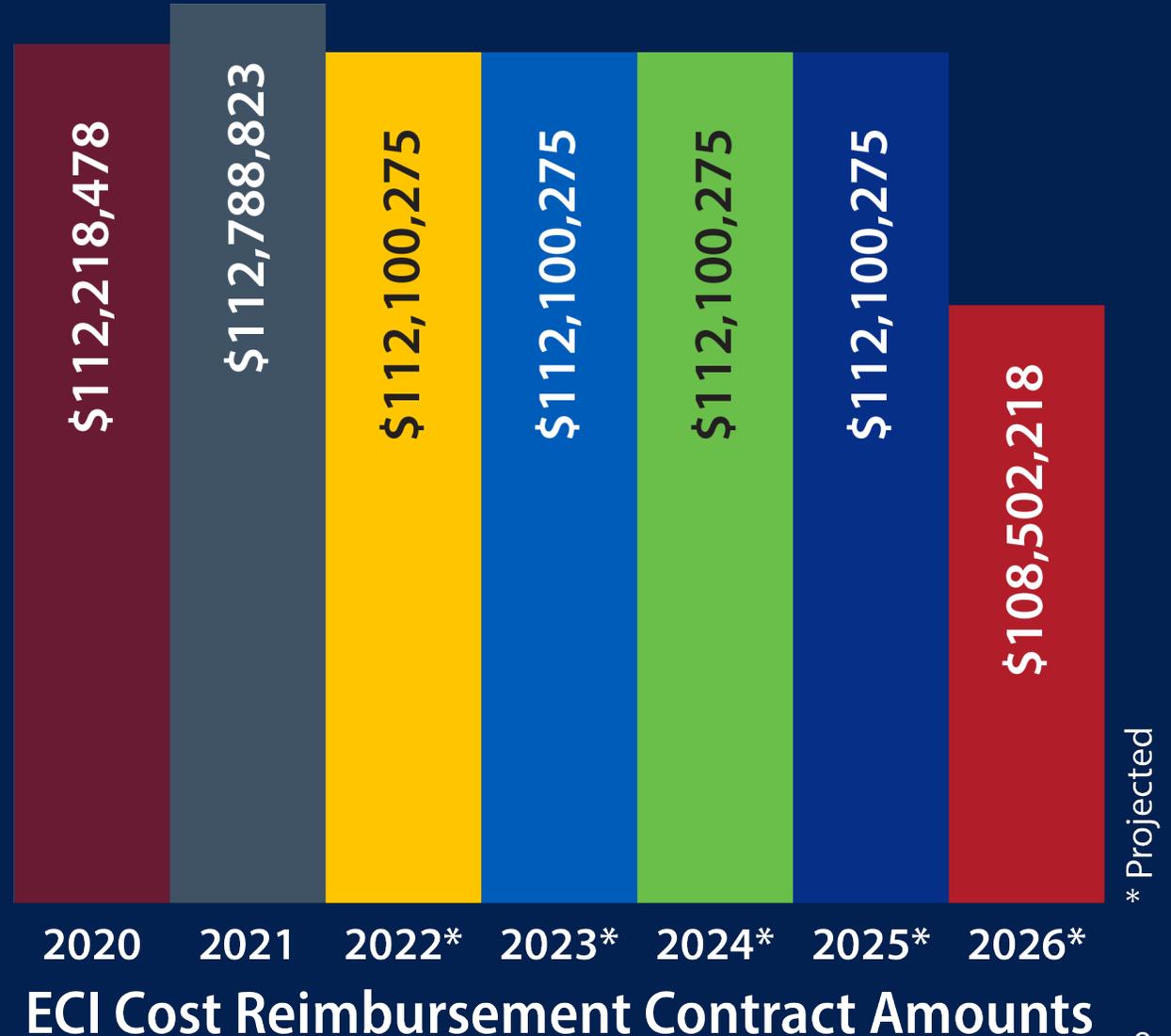
Part C Carryforward Funds Declining

The Part C carry forward balance will be depleted in FY 2024 if no further action is taken.



ARPA Will Delay Impact of Part C Funds Shortfall

To avoid the need to reduce the total ECI contract funding in the next biennium, \$17.7 million of the ARPA funding will be used to delay the impact of the Part C shortfall.



ARPA Will Partially Address Enrollment Increases

\$3.7 million in ARPA funding will be used to address pandemic recovery needs in FY 2023, including rebounding enrollments.

- \$25,000 base amount for every contractor
- Additional funding based on enrollment
- One-time funding



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ARPA Will Address Other Systemwide Needs

\$0.8 million in ARPA funding will be allocated for purchases to support the statewide system.

- \$400,000 for infant and early childhood mental health consultation for ECI providers
- \$110,800 to bulk purchase eligibility evaluation instruments for ECI providers
- \$69,182 for a statewide social media campaign
- \$227,341 to share a portion of the ECI state office's personnel and indirect costs.



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Fiscal Year 2023 ECI and ARPA Funding Application Process

FY 2023 Funding Applications

- Allocation letters
 - Anticipated to go out by June 22, 2022.
 - Will include:
 - Client enrollment target
 - Amount of ECI funding
 - Projected Medicaid (TCM, SST, MAC)
 - Instructions for completing FY 2023 budget
- FY 2023 budgets
 - Will be completed within the ECI financial database
 - FY22 will NOT be pulled forward



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FY 2023 One-Time ARPA Funding

- \$3.7 million awarded as separate funding
- ARPA funding allocation letter
 - Allowable costs
 - Timeframe
 - Budget instructions
- Invoicing in the ECI financial database



Budget Deadlines

- Two weeks from date of email with allocation letters
- All budgets and the current cost allocation plan must be received prior to our review
 - Due to the number of budgets being reviewed, it may take up to 3 weeks for us to review your budgets.
- Note deadlines on requested edits.
- Request an extension within 1 business day if needed.





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Questions?



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Thank you
