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Office of Research and Drafting

Legislative Budget Office

H.B. 939
136th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 939's Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. A. White and Odioso

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill requires that the Department of Children and Youth (DCY) reimburse at least 50% of a county's expenditures for early intervention (EI) services. In FY 2024, county boards of developmental disabilities (county DD boards) expended approximately $82.4 million for EI services. As a result, DCY will experience an increase in GRF expenditures in the tens of millions of dollars ($41.2 million based on FY 2024 estimates) and county DD boards' costs will be offset by an equal amount.
- However, if the bill's requirement to provide EI services to all eligible county residents results in additional EI services being provided, costs could increase. The cost would depend on the type and amount of additional EI services provided. Currently, only specified EI services must be provided and funded through local, state, and federal funds. County DD boards are not required to provide or pay for all EI services beyond those specified in rule – though many do so.

Detailed Analysis

Bill overview

The bill requires county boards of developmental disabilities (county DD boards) to provide early intervention (EI) services to all eligible county residents. The bill specifies that these services shall include occupational therapy, physical therapy, special instruction, and speech-language pathology services. Each board is required to include details regarding the funding of EI services in its strategic plan and EI services policy. The bill requires each county DD board submit to the Department of Children and Youth (DCY) a statement of expenses incurred by the board in providing EI services within 90 days of the end of each state fiscal year. DCY is required to adopt rules specifying documentation that must be submitted by each board related to the

funding of EI services. DCY must reimburse each board for at least half of the costs. However, reimbursable costs do not include any expenditures for services, activities, or functions that are funded, in whole or in part, through the service coordination grant administered by DCY or through funds provided under the federal Social Services Block Grant (SSBG). DCY is required to adopt rules that establish procedures for the reimbursement of county DD boards.

Fiscal impact

Part C EI funds are used to coordinate services through state interagency agreements, contracts, or other arrangements. Federal Part C funds are primarily used for administrative functions and service coordination rather than direct services. Child find services, evaluations and assessments, the development and review of an individual family service plan (IFSP), and service coordination are all services provided to families at no cost under Part C. Currently, the Ohio Administrative Code (O.A.C.) also permits 100 units of early intervention services per IFSP year identified as needed in the IFSP to be provided to families at no cost.[1] Under this rule, EI services may be financed through county DD boards, private or public insurance, parent cost participation, and finally, DCY. DCY's contribution is through a combination of GRF and federal Part C funds, with federal Part C funds being used as a payor of last resort.[2]

LBO assumes that the bill may result in additional EI services being provided above the current 100-unit requirement in the O.A.C. According to DCY, in FY 2024, approximately $82.4 million was expended by counties statewide for EI services.[3] This does not include expenditures that would be excluded from reimbursement under the bill (service coordination grant expenditures and the federal SSBG). Thus, under the bill, DCY could incur expenditures related to reimbursement of at least $41.2 million per year based on FY 2024 expenditures. LBO assumes that private or public insurance, such as Medicaid, would still be billed for services if a parent consents. County DD board and Medicaid costs would increase if additional EI services are provided. The amount would depend on the type and amount of services provided. Additionally, currently in rule, when the first 100 units are not available from county boards, private or public insurance funds, or are denied from these sources, DCY pays for these EI services. The bill's requirement could result in county DD boards paying for these services and DCY would be responsible for 50% of the costs.

Part C Early Intervention background

DCY administers Part C EI. Part C EI is a statewide system that provides coordinated services to parents of infants and toddlers with disabilities or developmental delays. EI funds target children under three years of age who have or are at risk of having a developmental delay and their families. Part C of the federal Individuals with Disabilities Education Act (IDEA) governs EI services. States are required to identify and evaluate children with suspected disabilities. A child must receive a comprehensive developmental evaluation and assessment before receiving services. If a child has a disability, an IFSP must be established. Actual EI services may include the

[1] Ohio Administrative Code 5180-10-03. "Unit" under this section means (1) 60 minutes of early intervention services or (2) $100 expended for an assistive technology device.

[2] DCY System of Payments (PDF).

[3] Number from DCY was provided to LBO by the Ohio Association of County Boards of DD.

following: assistive technology, hearing, vision, speech, family training and counseling, medical, nutrition, occupational and physical therapy, and psychological.

GRF expenditures for EI are made through DCY line item 830405, Part C Early Intervention. This line item is used to meet maintenance of effort (MOE) requirements for federal Part C funding. The MOE is equal to the total amount of state and local funds spent for EI in the most recent year for which data is available. Federal funds are expended out of DCY Fund 3IT0 line item 830609, Community Social Service Programs. Federal EI funds are awarded annually; however, the grant period of performance runs for 15 months from July 1 to September 30 of the following year. States have an additional year to obligate these funds. Federal grants for EI were originally provided in the reauthorization of IDEA in 1986.

According to DCY's Early Intervention Program Data Summary Reports website, a total of over 29,300 children in Ohio were served by EI in FY 2026; however, an average of approximately 14,200 children were being served at any point in time. The table below shows EI participation from FY 2024 to FY 2026.

Ohio Part C EI Participation FY 2024-FY 2026

Participation Count	FY 2024	FY 2025	FY 2026
Total Children Served	29,622	29,681	29,348
Average Point in Time Count	14,161	14,445	14,244

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