

## **Maximizing Resources in Early Head Start-Child Care Partnerships and the Role of Governance in Early Head Start-Child Care Partnerships, 3-31-14**

Introduction:

Minh Lé

We are here at the ACF central office and we thank you for joining the webinar today. We can see that a few people are still logging on, so we're going to wait one more minute before we get started. Thank you.

Okay. Hi, everyone. I think we'll get started now. Once again, this is the ACF central office and we thank you for joining today's webinar. We just have a few quick logistical announcements and then we'll get started with our presentation.

First, you may have noticed that all the lines are muted. That's so we can avoid the distraction of background noise.

If you have questions or comments during the webinar, you can type them into your question box. Please note that we won't be addressing questions live on today's webinar, but we will pass them onto our policy team for review so that you -- so that they know what questions are coming in from the field.

Our registration for the webinar was higher than the webinar's capacity, so there may be some people who are unable to log in. If this happens to you -- to one of your colleagues or you want to access the information later, you should know that we will be posting the audio, the transcript, and the slides on this webinar online within a week. And we'll distribute the link to those and other resources widely. You'll also see the link for those materials later in the webinar.

I'll also mention that while the slides will be available online in a few days, they aren't available for distribution right now.

Finally, to everyone on the line that ACF -- oh, finally, in response to some questions that were received, I'd like to make it clear that -- to everyone on the line that ACF will not be issuing any completing or training certificates for attendance on this webinar.

Now, that we've gotten the formalities out of the way, I'll hand it over to Sharon Yandian.

Sharon Yandian:

Thanks so much, Minh (Lé). Welcome to this last of March webinar, one in a series of webinars that have been organized to give background and context to all stakeholders who may be interested in applying for the upcoming Early Head Start-Child Care Partnership grants.

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As Minh said, I'm Sharon Yandian, the director of the training and technical assistance at the Office of Head Start. Also here is my colleague Ginny Gipp, the TA division director at the Office of Child Care, whom you'll hear from later.

Before I introduce the presenters, I wanted to talk briefly about the Early Head Start-Child Care partnerships. As you know, this is a new \$500 million competitive grant opportunity to support the partnership between new or existing Early Head Start programs and child care providers.

We at the Office of Head Start and Office of Child Care are excited about the President's Initiative for expanding high quality comprehensive early learning opportunities and services for the development role in young infants and toddlers and their families.

It is going to allow us to reach many more young children and their families in communities all around the country. It's also giving us an amazing opportunity to collaborate more fully across our federal offices, in particular the Office of Head Start and the Office of Child Care.

In terms of today's session, for those of you who participated on the webinar on the how state policies can support partnerships, today we're going to -- today's presentation will go deeper into the layering funding discussions and maximize resources in providing comprehensive Early Head Start services to infants and toddlers, as well as some other efficiencies and regulations.

We will also hear about the important role of governance in Early Head Start-Child Care partnerships.

So I'd like to turn it over first to -- as you can see on the screen, we have three presenters today. We have Ann Linehan, the acting director of the Office of Head Start. We have Ross Weaver, the director of quality assurance division at the office. And we have Jim Belanger, fiscal expert, lead, who works for the Head Start monitoring contract at DANYA international.

Ann, would you like to get us started?

Ann Linehan: Yes, I would. Welcome, all those on the West Coast, middle of the country, and East Coast.

And I would like to say in addition to having colleagues both in the Office of Head Start and Office of Child Care, the interest is so high in this webinar that we also have the director of our office of grants management, Tony Hardy. And when we talk about partnerships, certainly the oversight of these funds, our office of grants management will play a very, very big role. So we're really glad to have Tony here today.

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And the goals, what we'd like to do today, is really help our interested applicants learn about how to layer the Early Head Start and Child Care funds to provide Early Head Start services to infants and toddlers and Early Head Start-Child Care partner settings. And also, understand the requirements of the governing body and the important role parents have in shaping the direction of their child's education.

If you take a look at the next slide, I love these two puzzle pieces and I like that the men and women that are pushing these two giant programs together. While the puzzle pieces fit perfectly together, it does take some pushing to make them, in fact, become joined.

And again, as many, many folks know, Early Head Start is a high quality services birth to five program. We have many options within Early Head Start, but for this partnership, we are talking about our center-based options and family child care homes where we see these partnerships coming to life. And again, many know the uniqueness of the Head Start. It is federal funding to local entities.

And on the other side, the red puzzle piece, we have our CCDF, and that is another huge federal program where the block grant money goes to the states and it provides tremendous assistance for children up to age 13. And as we know, that funding is federal to state.

And I do want to reference, because we're not going to go into a lot of the specifics about either uniquenesses of either program, but we do want to reference the Early Head Start-Child Care partnership 101, which really gives any interested applicants a nice overview of the uniqueness of Early Head Start and also the various specifics about the CCDF program.

So where can all these funds be used? Primarily, we are talking about -- we are targeting existing child care programs and family child care homes where these partnerships will be created by the Early Head Start grantee, partnership grantee.

As the senior statesman, we've been around for a really long time. I know that funding of the partnerships have been something that has often been a struggle. We think with this initiative, we're going to remove some of the biggest barriers, and the first is really the adequate funding that is going to be available to form and maintain Early Head Start and Child Care partnerships.

The Office of Head Start has always encouraged partnerships, I think as done -- as has the Office of Child Care, but often we have asked people to come to the table and I've always said their pocketbooks are empty. This time, I think we are putting real money on the table, leveraging that money with state money to form these partnerships.

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And I think today, depending on my expert colleague Jim, I think we hopefully will get some clear guidance on budget development and really practical approaches to cost allocation.

There are always non-negotiables and I think we say these as a guide -- some of the guiding principles. I could have put guiding principles, too, but these are the non-negotiables, folks. And we cannot say this enough, that the Early Head Start funds cannot replace existing CCDF funds or other funds used to operate the Child Care partner sites; no subplantation.

This is incredibly important. Part of what Congress did was say -- to give us the charge to take these Early Head Start funds and use the existing Child Care funds to leverage those funds to make these partnerships work.

Again, the existing Child Care funds that are operating the programs right now must continue to cover the ongoing Child Care costs. And again, all meals should meet the USDA requirements regardless of reimbursement.

Another non-negotiable, and again this is -- again, I would say one of the -- I would say paramount guiding principles, that this funding, the Early Head Start funding and partnerships with the Child Care community, will secure a child's spot even if the family loses subsidy.

We have heard over and over again from our child care colleagues that one of the -- one of the things its concerned the most, and I guess you call it the turn rate -- is that the turn rate, Ginny? Where children are losing their slots. This will provide. So if a child loses his or her slot or the family loses their subsidy, that child gets to remain in that infant-toddler child care -- family child care home setting.

Again, these funds, Early Head Start federal funds, are layered on existing Child Care funds for targeted program improvements and to meet specific Early Head Start requirements. And again, as we talk a little bit -- about along the slides, you'll see how these program improvements are going to benefit all the children in the child care settings.

And one thing we do not want this -- this money to do is that children should not be segregated by classroom for either administration or convenience. The goal is to provide the highest quality services to all children.

And by that, we mean it's not -- in some cases, there will not be all Early Head Start eligible children in a given classroom and maybe there's a sense of it as five classrooms and maybe in each of the five classrooms there's a portion of Early Head Start-eligible children.

We don't want folks to say let's scoop up all the Early Head Start-eligible kids and put them in one room because that's going to make the finances

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easy. We don't want that to happen. We think to the extent if there are mixed incomes in a child care setting, that that's good for children. So again, no segregation by classroom just because of ease or convenience.

A couple of facts to guide the budget planning. Again, the Early Head Start funds are allocated to an individual child care or family child care site and are directly tied to the number of Early Head Start-eligible children enrolled in each partner site.

So we're looking at each partner site, the total number of children they have in that classroom within that site, and then how many of those children are Early Head Start-eligible. That really is -- that eligible child is really the conduit for us to getting those Early Head Start federal funds into that classroom setting. Again, funds follow the Early Head Start-eligible child.

So it would make sense for more Early Head Start-eligible infants and toddlers enrolled in a child care and family child care partner site, the more funds the partner side has to meet the Early Head Start requirements.

And again, it also is reasonable to assume if the ratio of Early Head Start-eligible infants and toddlers to non-eligible Early Head Start children in a site, in a setting, is low, then meeting Early Head Start requirements may be difficult.

So as you think about selecting your partner site, having a ratio that is so low of Early Head Start-eligible versus non-eligible, then you've got to make some decisions in your budget planning whether not there will be sufficient dollars that will be provided to that center, site, or setting that will really allow and support the achievement of Early Head Start standards.

And some more facts to budget planning, and this is really very important. At the end of the day, the grantee is responsible to ensure the partners meet the Early Head Start requirements. I know that there has been previous webinars that talked more about services and planning. We know that this is something that is -- is going to be a deliberative and incremental process.

So the grantees, the Early Head Start partnership grantee, has got to be deliberate not only in its budget planning, but in keeping in mind its vigilance and oversight in support. We want these partnerships to be successful and if the grantee does not understand its responsibility, then the risk of it not being successful certainly is going to be increased.

So understanding the responsibility that the grantee partner, the partnership grantee, is undertaking is absolutely critical.

We also expect that most of the funds will be allocated to support the partner sites and I think that that will become evident as we go on in the slides. Clearing, I think in the past, Early Head Start, Head Start, may have

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wanted to partner, but we maybe have not been viewed as so generous from a fiscal perspective.

There have got to be real funds going into these sites, again, and we're going to keep reiterating that in order for them to have any chance of success in meeting the standards. On the same point, we understand that the grantee must maintain adequate funds to conduct ongoing oversight and to cover any services that they're going to provide directly to the partner sites.

And again, you might say, well, I wonder what that can be? I get the ongoing oversight, but if you were, let's say, an existing Early Start grantee and you have a large mental health contract, you might decide just to expand that existing contract because it may be more cost effective and add some hours so those observations or support could be delivered to those partner sites.

So again, this is going to be an individual for applicants, but again, maintaining a sufficient amount of funds. So there's a balance here. But again, our expectation is the majority of the funds, the most funds will be allocated directly to those partner sites.

So I'm going to punt to Jim now to talk about one of my least favorite categories of discussion. That's cost allocation, Jim.

Jim Belanger: Well, Ann, in developing your service model, you will have Early Head Start funds and Child Care subsidies. You may have children attending with Child Care subsidies as well and you may be very fortunate and have additional local funds to extend and further enhance the services in your program.

The models we're going to present today are not an exhaustive list. ACF wants to encourage creative approaches that make the best uses of resources in your community. Before we hit the models, let's quickly talk about cost allocation.

Cost allocation involves looking at each dollar spent to see who benefits from that cost. Federal grants, like Early Head Start, generally require cost to be allocated in accordance with the benefits received. In plain language, that means costs are charged to the funding source or to the program that benefits from that cost.

Ann Linehan: So let's take a look at the next slide, and I just absolutely love this visual and I have to thank Jim for all these lovely visuals. So we're really looking at this in three levels. And the director of the Office of Child Care reminded me about how incredibly important the child care services, which really represent what the child care center or family child care is currently doing.

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We all recognize that and I want to say two things because my Child Care colleagues often remind me that what the child care workforce do to support lovingly the care and support of children who often their centers every day at 6:00, 7:00 o'clock in the morning, and sometimes don't leave till 10:00 o'clock at night, is extraordinary.

So that foundation piece, and when I say foundation, in many senses across the country, the child care centers and family child care homes, it is extraordinary efforts to keep that foundation piece together for what we know is sometimes very, very little reimbursement.

When we think about, in child care, and again, I'm just getting educated on all these wonderful facts, I think about, and Ginny can correct me if I'm wrong, the average Child Care subsidy in this country is around \$5,500 -- Ginny's shaking her head yes -- for infants and toddlers. That's Andrew saying for infants and toddlers, because it's probably less for a pre-school.

But when you think about that, and if I have Early Head Start, current colleagues out there, you -- I am sure your jaw has dropped because you think about how hard those family child care workers work every day. One, if it's only this average of \$5,500 for a child, infant-toddler, for an entire year, then folks are working with very, very little resources, despite the fact that many of them are doing phenomenal jobs.

So here comes Early Head Start. That second layer begins to introduce the federal dollars, the Early Head Start partnership dollars. So that program level is really where we begin to think of the comprehensive services that can begin to fill the gap where child care workers, child care teachers are saying we want to do so much more, but we haven't had the funds to do it.

And we're going to give you some examples of how all children will benefit from the infusion of those funds in that second layer.

The third layer, and this is the individual child, the comprehensive services. This is where, I think, Jim, where the cost allocation begins to play in because in -- at this layer, and this is kind of a good news and some of you say, oh, we don't like this, but there are going to be some unique comprehensive services that are very specific to the Early Head Start requirements that are delivered to an individual child.

So in those services, while we hope programs get creative and figure out lots of ways to ultimately benefit from those services -- for example, I'm trying to think of one, Sharon. Help me think of, like, family workers; correct?

We know and Early Head Start, Head Start, we've got a long history of -- we have folks called family workers that are assigned to families that really help them want to achieve their goals, connect them to services, the --

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support in a myriad of ways. They're very, very important people in the Early Head Start, Head Start, world.

While we may not be able to allocate Early Head Start money to assign family workers to children who are not Early Head Start-eligible within that setting, this is where there's a little bit of difference, and I know many folks might be saying, but why can't we do that for all children?

I think the message here is if we can do a great job, if Child Care is doing really the solid, terrific job that they're doing in that foundation and we can come in and infuse comprehensive support that's going to really benefit every child, we've done a lot. And I think the top layer, the federal dollars, in that case, would only be able to be allocated for those that are Early Head Start-eligible children.

So if we take a look -- so we have another slide that's kind of taking a look at the layers in a little bit of a different way.

So again, taking a look at that layer one, let's take a look at the little child. So if the child is Early Head Start-eligible and has a subsidy, then the first layer will be paid for by the child care subsidy, just as it is now. The layer two, program level comprehensive services, will be paid for by the Early Head Start federal dollars. And layer three, the individual comprehensive services would be paid for also by the Early Head Start dollars.

Now, the next layer I think is something that is really -- everyone looks across and probably is jumping up and down with joy. What about the Early Head Start-eligible child that either has a subsidy, loses it, or is -- doesn't have a subsidy, but is eligible.

Again, as you can see in that layer, if the child loses that subsidy, that foundation, there will be sufficient Early Head Start funding to ensure that the foundation piece is still paid for by Early Head Start funds and that Early Head Start, for that child, would have sufficient funds so that child does not lose his or her slot.

Now, the Early Head Start-ineligible child, again, Child Care or not Early Head Start resources would be paying for the floor. Early Head Start would be paying for layer two. And again, when you get to layer three, there would be other non-Early Head Start resources to the extent that they were available to support the individual comprehensive services. And again, so let's go back to the first layer and describe it a little bit more. And if anyone in this room with me wants to jump in, please do.

Again, we go back to that -- oh, it's kind of like a lime green there, Jim. But again, we're talking about that foundation piece. It's what covers currently the full year, full day child care services, funded by the Child Care Voucher Subsidy contract or other.

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And again, we want to reinforce if a loss of subsidy occurs, only then could EHS funds be used to support the child if the child were Early Head Start-eligible. So again, we're reinforcing that layer one and what pays for that layer one.

When we go to layer two, and that's a lovely lime green, we're talking about really filling the gap in existing child care services. And again, we talk about it and we know that they're considerably different, depending on the individual child care site, the individual child care agency, or family child care home because we know there is variation across the country and some child cares have more resources than others.

But we want to talk about, for example, salary and benefit increases. We know that if you're going to be meeting the qualifications and the standards of Early Head Start, that along with that, likely is going to be an increase in the salaries to the workers who work in the site, and we think that this is going to be not only a terrific incentive for child care staff to achieve higher qualifications, but we also hope they will cut down on the turnover because they would get certainly better pay.

Early Head Start may have some staffing levels that are more stringent than Child Care, so if it means adding a teacher because you can only have X number of infants and toddlers with a teacher and you have more that over time, you're going to be ensuring that you're meeting so ratios the child care giver or the teacher for the number of infants and toddlers. So increased staffing levels to meet the child-staff ratios.

And I don't know any child care teacher, child care giver in this country that wouldn't mind having the ratios lowered when think about certainly all the things to manage.

Equipment and supplies, I can think of our assistant -- deputy secretary went into an entity that had a Early Head Start-Child Care center and went into the building, an infant-toddler, they had an Early Head Start program. Went into the center and the Child Care at the end of the other center, she went to visit both and we still have Linda Smith [ph] talking about the stark difference in the amount of developmentally robust engaging equipment and supplies in the Early Head Start classrooms and the lack of really anything that would stimulate the kids in the Child Care setting, because they didn't have the resources. We want to fill that gap. So these funds are going to be able to use to really enhance the equipment and supplies.

Having said that, this is not about buying equipment just for Early Head Start kids. This is about equipment and supplies because you've got to meet the Early Head Start standards. So you can't have a classroom setting that only has certain supplies for certain kids and other -- we're talking about this

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is across the board and this is, Jim, where we can kind of loosen up on the cost allocation a little bit; correct?

Jim Belanger: Absolutely.

Ann Linehan: And the other thing here is -- and I -- well, I want to say the -- minor facility improvements to meet health and safety requirements.

While we think all these centers -- clearly, we are talking about partnerships with centers that are licensed, both in center and family child care, but there may be some minor facility improvements that really have been overlooked, again because they haven't had the types of resources.

And again, we're not talking about major construction. We're not talking about purchase of facilities. We're not talking about major renovations. But we are talking about those things that are reasonably easy to do that matter greatly in enhancing the health and safety.

I use the example of the mental health contract to conduct classroom observations earlier. That would be example where if you've got a mental health worker coming in to observe the Early Head Start -- to do a classroom observation, then that person who's scheduled to come in for an hour can certainly, and should, be sharing their observations about all the children, not just the Early Head Start-eligible.

Other things like certainly parents; parent training certainly has been a huge principle in the Early Head Start and Head Start. And funds to really engage parents in so many meaningful ways in terms of training opportunities, that's something that's also going to be done.

So again, when you think about what these funds can do to benefit all children, then I think that's really one of the most important things that this is going to accomplish in raising the level of quality across all communities where these partnerships exist.

Then, we get to, again, layer three. This is where we have those services, if I stand correct, Jim, that are only allocable to the Early Head Start-eligible children. And these are the ones that -- and I'm just going to give you a couple of examples. This is not everything, but, for example, we have requirements about screening for developmental and sensory behavioral concerns. And we have requirements that there are timelines around that.

When we identify a child through our screens, the child made the referral to Part C [ph], needs an ISSP; all those things for the Early Head Start-eligible child can be paid for by the Early Head Start-eligible funds.

And I have to believe that many child care providers are out there saying we do that anyway. Again -- but the funds, if you're supporting -- if you're

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doing something new, can only be used for the Early Head Start-eligible children.

A couple of other things. We've talked about the family social workers being unique to Early Head Start requirements.

Home visits. We have this wonderful requirement that the actual -- the teachers do two home visits a year. How are you going to get the money to do that? I mean, that's something that is going to have to be budgeted for so that teachers have the time, because we know they're working full-time. So one of the consequences of that, there might have to be monies for -- if there's a regular substitute that's qualified that could come in and take over the classroom where -- so the teacher can make those home visits.

Again, infant formula and diapers, these are considered -- when Early Head Start first started out, there was a lot of discussion about this. We know how expensive diapers are, but we consider those certainly a form of supplies and materials necessary in the conduct of our -- in operating an infant-toddler setting. And again, these costs can only be allocated to the eligible Early Head Start kids.

Well, we're hoping -- and again as this money infused and leveraged with the child care subsidy, we're hoping that programs can be motivated and excited about maybe looking to the community to say look what we can do in our center in general. Look what we're doing for our Early Head Start-eligible children in looking for ways to develop more community partnerships so all children could eventually receive all these services.

So we want to sort of harken back to our funding layer again, and I do like that little guy up there. He looks very happy. But again, we don't have to go over this, but just to revisit, this is really what the funding map looks like.

So there are really two scenarios. We know that there might be some partnership sites. There are probably many when you take a look at the -- even where Early Head Start are located now. We know that many of our Child Care programs are in areas where there's really lots of poverty.

The first scenario would be if an Early Head Start-Child Care partnership where all children all eligible and have a Child Care subsidy. And again, and I think this is where the oversight -- I'm looking at our director of the office of grants management -- this is where the oversight and our assurances, up to the Administration, to Congress, that we are serious about ensuring that the money goes where it ought to go.

So if you come in and say I'm going to have partnerships that all the children are going to be Early Head Start-eligible or that's what we're planning to do, that's our target, if an applicant makes a determination that they will have some sites and they haven't been able to announce.

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They maybe don't know the partners yet, but we're going to say any program that takes a position that they either have or will have sites where they are determining that all the children are Early Head Start-eligible, then we are going to expect that there is some verification that, in fact, those children are eligible for Early Head Start. It's not something that we can just accept verbally.

And again, this is really important because, again, Congress gave us these monies predicated on the fact that we would be serving eligible children and that we would be leveraging the subsidies. So the verification is important in terms of eligible for Early Head Start.

And again, another one of Jim's lovely graphics. Anyone want to drink the drink? But again, it's another way of looking at the layers. And again -- and that scenario, we're talking about, again, the Child Care subsidy pays for layer one and then Early Head Start is paying for the second two layers.

Of course, again, this is a little bit easier in terms of the cost allocation. But again, we don't want the ease of this in any way perpetuating programs thinking about let's herd all the Early Head -- I say this sincerely. We don't want this -- the ease of this model to perpetuate any herding of all the Early Head Start-eligible kids into one setting or classrooms.

And again -- so again. Okay, and I guess this is reiterating. So again, you're hearing the messages. Early Head Start funds, in this scenario, cannot be used to cover any cost or portion of the cost. The Child Care funds are intended and available to cover such a child care cost.

Scenario two, so this is maybe what we're going to see a lot of, where partners identified that serve both Early Head Start-eligible and non-eligible Early Head Start-eligible children.

And again, we want to make a big point, enthusiastically. All children, regardless of eligibility, will benefit from improvements and enhancements to learning environments, staff training, supplies and equipment, and that's probably not all-inclusive there, but those are the big things that you can think of immediately and we get right and we actually should put the [inaudible] there, too, because that's certainly the huge incentive.

And then, again, in this scenario, there will be -- because there are non-Early Head Start-eligible children, we know that the Early Head Start-eligible children enrolled in these sites will also benefit from additional services, as we had in the previous screen, by screening referrals and home visits.

And the one comment I want to add here is, of course, if there are child care staff that are not -- maybe haven't had the training to do the screens and we end up to participant grantees ensure that all the teachers have that

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screening, all that training to screen, they're probably going to be conducting screenings for all the children. So I think the professional development is also going to benefit kids in a lot of ways that really spill into the individual services.

So now, the hard part. I'm going to, again, punt to my fiscal expert, Jim.

Jim Belanger: Oh, this is going to be old hat for Early Head Start grantees within sort of a crash course for newly interested agencies.

Early Head Start has some specific requirements. There's a non-federal share requirement that dates back to the inception of the Head Start program as a way of bringing community resources into the program.

There's also an administrative cost limitation that's part of the Head Start Act and it's -- the intent there is to make sure that the most resources possible go towards the families and children who are to benefit from the program.

The match requirement comes out of the Head Start Act. It's supposed to be 20 percent of the total approved budget. I was asked to put the math in there because it's a little tricky. For an \$800,000 award, the match would be \$200,000, which seems like 25 percent, but \$800,000 plus \$200,000 gives you \$1 million of total approved budget; 20 percent, \$200,000 is the match.

The non-federal share may be waived or reduced in certain circumstances and we need to be -- we need to point out that Child Care subsidy funds are not eligible as non-federal share. They originate from the federal government and, in general, federal funds cannot be matched against federal funds.

Ann Linehan: And Jim, for our colleagues that are not -- don't have a history with Head Start, so the match is only on the federal funds. So we know CCDF is not included, but let's say a grantee is really lucky and the Gates Foundation comes and says I'm going to give you \$2 million. They don't have to worry about that. That may be included in the total budget, but they're only matching the federal funds.

Jim Belanger: Absolutely. And it sounds like maybe that \$2 million might be a source of match.

Ann Linehan: Yes. Correct. Okay. So Bill Gates, if you're listening in.

Jim Belanger: In Head Start, we typically see a fair amount of in-kind match, donated spaces and center, donated supplies, donated volunteer time, donated professional services from health care agencies, for example, and some cash donations.

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As programs move from this planning phase into an operational phase, it's important to quickly address how non-federal share must be documented. You will be asked to show what was received by your program, where it came from, and how it benefitted the program.

If it's a donation, you'll need to show how you established the value of that donation. We want to be careful to emphasize that non-federal share is not funny money. It's a very serious requirement and failure to meet the non-federal share has serious implications as well.

I think that bottom bullet point has a question. It's an excellent question and I think it's a good way to stay on the right side of the requirements here. Ask yourself, would this non-federal share be allowable -- an allowable use of Early Head Start funds? And if the answer's no, then that's probably not a good source of non-federal shares.

Ann Linehan:

And I think, Jim, is it fair to say, and Ross, I think about this, this is really absolutely the grantee's responsibility. And I think if you're an existing Head Start or Early Head Start, you understand this. For many people in the Child Care, they might go, oh my. We still have such a huge burden.

Then, what I would -- what we would certainly say to applicants is if you're applying to be the grantee, then, one, you've got to figure out how to really do this without it being burdensome to your partners. You know, don't transfer the burden because you may have some partners that are small. And I think that we look to grantees to say figure out how to do this. You're the ones that need to account for it.

And clearly, if there are things going on in the Child Care partner sites that could be, that are benefitting the Early Head Start kids, that's great. But by and large, we don't want to burden the partners in the family child care home with all sorts of documentation that kind of often turns into funny money.

And we say that really out of advocacy. One, we don't want a burden to the partners. So true, this is a grantee responsibility.

Jim Belanger:

We'll move on now to the administrative costs limitations. This is the requirement that comes in from the Head Start Act and this slide includes a definition from the Head Start Program Performance Standards.

We'll talk a little bit more in detail about this, but the bottom bullet point addresses that a minimum of 85 percent of funds must be used to supporting supporting services.

So to think about with our earlier slide, our \$1 million example, in that case you would add the federal share and the non-federal share, 15 percent of that is the maximum amount of administrative cost.

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This slide is meant to highlight first of all that administrative costs are light in comparison to program costs, but also to introduce what are examples of administrative costs. Costs for the overall management of the program, costs for the overall management of the agency, and then support functions, such as accounting, budgeting, and payroll.

Program costs are listed under the green header. The costs of direction, coordination, and delivery, and implementation of services.

This list of program salaries comes from the budgeting software that you -- by Head Start and Early Head Start agencies.

So as you look at the list, think about what you saw in the previous slide; the direction, coordination, delivery, implementation of services. So we have staff who are directly involved with children, infant-toddler teachers, family child care workers. We have staff who work directly with families, home visitors, family and community engagement staff.

And we have staff who work in comprehensive services; child health, mental health, disability services.

And we snuck in a requirement that was not introduced on the earlier slide, and that's the compensation limit, because it's very important and it's also -- Head Start treats this, I believe, differently than any other federal grant program.

Many grant programs have compensation limits and Head Start is coming in from the Head Start Act and it's set at Executive Level II. So that's a federal salary scale. The current limit for that is \$181,500. The --

Ann Linehan: And you've got the child care community falling off their chairs. Like, who in child care makes \$181,500? But, you know. But there could be examples when it's a huge -- maybe it's a huge agency; right? So any -- okay.

Jim Belanger: And the unique aspect here is that if someone is over the limit in Early Head Start, no portion of the compensation may be charged to Early Head Start. So that's no compensation directly charged to the award, no compensation allocated or charged through an indirect rate, and none offered as non-federal share.

You have agencies, and Ann, you alluded to that, a big agency might have someone who is over that cap and they kind of passed the hat and every program pays a share of that salary. But in that case, the compensation that is in excess of \$181,500, Early Head Start cannot pay a share of that compensation.

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Ann Linehan: So Jim, but it's okay -- is it okay -- so it's a very large agency. They could say, we really want this partnership. We think this money is great. It's going to benefit. I, as the executive director, make \$250,000 a year. I will tell you right now, none of my salary, none of my benefits, none of my retirement and my vacation home in Florida, none of it will be paid from one federal dollar.

And if my agency can prove -- because I think we have seen cases where there have been people that have made beyond, but have removed themselves totally from any federal -- or Head Start federal dollars; is that correct?

Jim Belanger: Absolutely.

Ann Linehan: Okay. So Ginny is asking about -- well, see, Ginny is already -- she's already thinking about evil thoughts here. So Ginny was whispering, that's my Child Care colleague; could they then say, well, I make \$250,000, none of it comes from the federal pot, but I'm going to use my \$250,000, not the match, because I'm just a wonderful executive director.

Jim Belanger: Absolutely. And that's the intent of that bottom bullet point, that none of the excess compensation may be offered as non-federal share. It's just off the table for Early Head Start. Thank you for emphasizing that.

And we'll do our crash course now and these single audit requirements. And these are also called A-133 audits after the OMB, the Office of Management and Budget publication Circular A-133, which implements the Single Audit Act. The Single Audit Act applies to entities that expend \$500,000 or more in federal awards during their fiscal year. So awards made after December 26th of this year, the threshold is going up to \$750,000.

So the A-133 audit, the single audit, is sort of like an audit on steroids. It's a financial statement audit, but it's also a compliance audit. The federal government has gone ahead, identified the key compliance requirements for each grant program. Your auditor would then test those, your compliance, with those requirements.

Ann Linehan: So Jim, I have an interesting question, and you're going to probably grimace because I haven't asked it before and we always promise we'll never ask questions we've never asked before on a webinar. But if I were a partner site and this became a new requirement, because of I'm part of the partnership and I never had to do an A-133, would that have been allowable, the portion of the part that has to do with Early Head Start? Would that be an allowable expense? Or do we need to think about that an answer it?

Jim Belanger: Well, my initial answer is yes, that the cost of meeting this requirement, because this is a special requirement for this grant, for any grant, is allowable as a charge to a federal award.

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Ann Linehan: And now, I think we're punting to the governance -- but I'd have to say, I know Sharon introduced, but I'd like to say the father of governance. There is not a more staunch advocate about governance and family engagement than Mr. Ross Weaver.

Ross Weaver: Thanks, Ann. Well, I'm sure, as you've been listening to all of what Ann and Jim have been talking about, you now need to consider about apply for the Early Head Start-Child Care partnership. You're probably beginning to think about the adjustments that you need to make in your organization to successfully compete and successful implement an Early Head Start grant.

And while many of the adjustments will require actions that are similar to those involving any new grant, such as hiring new staff, developing new procedures, and so on, implementing an Early Head Start grant I'm sure will require that your organization revisit its program governance system.

And in the new few minutes, we'll explore some of the Early Head Start governance requirements and ways that they can differ from those of your existing program. So the grantee governing body begins really when the grantee draws down its first dollar. Then, it becomes a governing body, it becomes legally responsible for ensuring that grant activities respond to regulations, terms, and conditions of the grant.

And as we've talked about in the prior slide, part of this webinar, you're also, the group, fiscally responsible for ensuring that funds are used prudently and according to regulations.

We'll talk a little bit about what are some of the key governing body responsibilities. And it's clear that in the history of -- we look over the history of Head Start, those grantees that have had effective governing bodies have typically been the grantees that have been very strong in the implementation of services to children and families, have been innovative in the way that they design programs, and it's really key that the governing body understands the goal of the Early Head Start-Child Care partnership grant as you begin to develop and implement that grant.

Governing body members must be knowledgeable of the Early Head Start requirements. Those would be things such as the Head Start Act, the performance standards, and Child Care regulations.

They need to make sure that the health and safety of infants and toddlers in the partner sites are the highest priority. Those are looking at the classroom, outdoor play areas, daily routines; things that make sure that children are safe at all times within the program.

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Governing body is also responsible for the hiring of competent key staff and hold them accountable. Those are positions such as executive director, the Early Head Start director, fiscal officer; positions like that.

The governing body is also responsible for ensuring that the grantee's infrastructure can support and monitor its partners.

Ann Linehan: And think, Ross, when we say that, not only is it to monitor, but I think in many -- sometimes people say, oh, monitoring is a bad thing. This is really a good thing because particularly, we're talking about that 18-month period, where there is going to be incremental changes, where we want to have an infrastructure that really can support the partners as they grow and strive towards achieving those. And the grantee -- really, that governing body -- is responsible to ensure that that infrastructure is there to achieve those goals.

Ross Weaver: That's right. And it's a good point. We want to be sure that the governing body is really the one that is -- has procedures in place and systems in place so that you know when successes are occurring. But you also are aware of when potential challenges might be here, that you can address early on, for the risk mitigation piece that we want to see.

Governing body members need to be kept informed via regular fiscal and program reports on the Early Head Start and Child Care partnership site progress.

The last couple of key governing body's responsibilities, first one is providing -- it provides formal structure, policy councils, to seek parents' input in decision making.

Now, we know that parents are the primary influence on the child's development and that parent engagement and involvement has always been a cornerstone of Early Head Start. As such, parents deserve an important role in policy council, which is responsible for the direction of the Early Head Start program. So again, it's a piece of how you're working together and gathering parent input into decision making.

We also maintain accountability to community. Publishes annual reports, including budget, expenses, audits, monitoring results, and success in preparing children to be ready for school. Now, as Ann referenced at least twice in the earlier slides, we know that the greater the community engagement is, the greater likelihood for success of all children and families within the community will be.

So this bullet really is not to be view in the context of checklist of things that have to be done in order to meet the requirements, but rather is a way to share information, strength, and challenges to involve the entire community, again for all children and families that live within that community.

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In summary, the key ingredients of the Early Head Start-Child Care partnership for governance are an involved and responsive governing body, valuable opportunities and structured back involving parents in decision making, an effective program director, financial directors, and management teams.

In the following three slides, we're just going to touch on additional resources that can assist you in making your governance system ready to administer a Head Start grant.

I can see the first one is the Governance Readiness Tool, which is a self-assessment to determine your organization's readiness. The Governance Leadership & Oversight Capacity Screener is another tool that's available. In both of these slides, the website where they can be accessed is given at the bottom.

And then, finally, additional governance resources outside of Head Start or the Head Start website would be the Board Source, which, again, the website is there. National Council on Nonprofits, which is a strategic business plan for nonprofits. And then the U.S. Department of Treasury Internal Revenue Service, which have governance and related topics to 501(c)(3) organizations.

So with that, I think I --

Ann Linehan: If I could just say, Ross, before we punt to Ginny, I think about how the other webinars really focused on the kids and this and we're probably so engaging to so many people with things.

And here, we come to the money and this governance and sometimes that's a little bit drier and less -- and a little bit overwhelming, I suppose. There may be some applicants saying who wants to take on this?

And I think at the end of the day, what we want to say is we want to instill a level of confidence and enthusiasm in communities because good governance just makes good sense. Engaging parents makes good sense. And understanding where the money goes makes good sense.

So I think we want to leave you with the confidence to say we can do this because we think it really could make a huge difference in your community.

And with that, I'll punt to Ginny.

Ginny Gipp: Okay. Thanks, Ann. So there's -- you can say anything better than Ann, so I'm glad that she was able to kind of close it out with all the important reasons why governance is important and understanding all the fiscal pieces and all the layering and so forth.

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But right now, I'm here to remind you that, at this point, you should be asking yourself are you planning to apply? And we hope you've been thinking through this, particularly if you've been listening to the other webinars. And if you are planning to apply, you need to understand that it can take one to three weeks to register with grants.gov, we hope you will do that quickly if you have not done that already.

And in the slide, you can see what you will get when you go there. These are all important things that are part of the application process; the DUNS number, the SAM. Anyway, the Web address is here and if you go to any of the previous transcripts or PowerPoints from the other webinars, you'll find this information. You could find it today.

Then we have two more resources here where you can go for more information. The first one is the Child Care TA website and the second one, which is the Early Childhood Learning and Knowledge Center, that's where Ross mentioned the Governance Readiness Tool and the Governance Leadership & Oversight Capacity Screener. Those can be found on this website.

Finally, if there's any questions, we would like you to send them to this e-mail address here. And as you heard at the beginning of the webinar, this is really helping our joint policy team to figure out answers to any questions that are growing out in the field.

And with that, we say thank you so much for listening to these webinars and we really wish you the best of success.