

ACF Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
	1. Log No. ACF-PI-HS-20-02	2. Issuance Date: 03/11/2020
	3. Originating Office: Office of Head Start	
	4. Key Words: Consolidated Appropriations Act; Appropriations; Fiscal Year (FY) 2020; Funding Increase; Cost of Living Adjustment (COLA); Quality Improvement	

PROGRAM INSTRUCTION

TO: Head Start and Early Head Start Grantees and Delegate Agencies

SUBJECT: FY 2020 HEAD START FUNDING INCREASE

INSTRUCTION:

President Trump signed Public Law 116-94, the Further Consolidated Appropriations Act, 2020, on December 20, 2019. Included is \$10,613,095,000 for programs under the Head Start Act, an increase of \$550 million over the fiscal year (FY) 2019 funding level.

This increase includes \$193 million to provide all Head Start, Early Head Start (EHS), and Early Head Start-Child Care (EHS-CC) Partnership grantees a 2% cost-of-living adjustment (COLA); \$100 million for expansion of EHS and EHS-CC Partnerships; \$250 million for quality improvement; and \$4 million to re-establish the Tribal Colleges and Universities Head Start Partnership Program.

This Program Instruction (PI) primarily provides information about the COLA and quality improvement funds available to grantees in FY 2020 and describes the requirements for applying for these funds. All Head Start, Early Head Start, and EHS-CC Partnership grantees are eligible to receive COLA and quality improvement funds. Grantees subject to competition for continued funding through the Designation Renewal System (DRS) are entitled to COLA funds through the end of their current award. However, the Administration for Children and Families reserves the right to delay decisions on quality improvement funding until the outcome of the DRS competitions has been finalized.

Preliminary information is also included on availability of competitive funding for EHS and EHS-CC Partnerships expansion and the Tribal Colleges and University Partnership grants, with more details coming in the near future. State Collaboration grants are not eligible for the COLA due to the statutory cap on their funding in the Head Start Act.

FY 2020 COLA

Each grantee may apply for a COLA increase of 2% of the FY 2019 base funding level. Base funding excludes training and technical assistance funds and any one-time funding received during FY 2019.

Grantees must use COLA funds to permanently increase the Head Start pay scale by no less than 2%. This includes salaries of current staff and the pay range of unfilled vacancies. An equivalent increase must be provided to delegate agencies and other partners to adjust their salaries and scales. Any grantee concerned that they cannot increase salary due to wage comparability issues should ensure public school salaries for kindergarten are included in their considerations.

Sections 653 and 640(j) of the Head Start Act provide further guidance on the uses and limitations of COLA funds. Sec. 653 restricts compensation to a Head Start employee that is higher than the average rate of compensation paid for substantially comparable services in the area where the program is operating. It also prohibits any Head Start employee from being compensated at a rate higher than that of an Executive Schedule Level II position, including employees being paid through indirect costs. Sec. 640(j) of the Act requires that the compensation of Head Start employees must be improved regardless of whether the agency has the ability to improve the compensation of staff employed by the agency that do not provide Head Start services.

Any grantee proposing a COLA percentage less than 2% across its pay scale, or differential increases between delegates or partners, must justify its rationale in its budget narrative.

As specified in [Personnel policies, 45 CFR §1302.90](#), each grantee is required to establish written personnel policies and procedures that are approved by the governing body and Policy Council or policy committee. They must be available to all staff. Review your personnel policies and procedures since they may contain information relevant to this COLA.

Any remaining funds may be applied to fringe benefits costs, or to offset increased operating costs in other areas of the budget. This includes increased costs in rent, utilities, facilities maintenance and insurance, contractual arrangements, vehicle fuel and maintenance, supplies, and equipment.

FY 2020 Quality Improvement

Each grantee will be allocated a proportionate amount of quality improvement funding based on the number of slots they are funded to serve (approximately \$250 per Head Start slot and \$350 per EHS slot). However, there will be a minimum floor established to ensure all grantees are able to make a meaningful investment in quality, consistent with Sec. 640(a)(4)(C) of the Head Start Act. Grantees are strongly encouraged to invest this funding into ongoing program efforts and activities that help better incorporate a trauma-informed approach that will support children, families, and staff impacted by adverse experiences. Activities must align with Sec. 640(a)(5) of the Act, as outlined in [Attachment A](#). However, programs are not bound by the requirements that at least 50% of the funds be used for staff compensation or that no more than 10% of funds be used on transportation. Further, programs have flexibility to use any amount of their quality improvement funding on Early Head Start and/or Head Start, based on community needs, and not to exceed the total amount available in a given grant. If a program chooses to use this flexibility, they must justify how this approach supports the greatest needs of their community.

Importantly, grantees should consider ongoing, sustained investments in quality improvements, as opposed to one-time investments, while also acknowledging one-time investments in FY 2020 may be necessary to sustain ongoing quality improvement. Grantees encountering other one-time program improvement needs are invited to apply for supplemental funding as needs emerge. These separate requests are addressed by priority and subject to availability of funds. Below is further information on the definitions of *trauma* and *trauma-informed approach*, developed by the Substance Abuse and Mental Health Services Administration (SAMHSA) at the U.S. Department of Health and Human Services (HHS).

Trauma occurs when frightening events or situations overwhelm a child or adult's ability to cope or deal with what has happened. These kinds of experiences cause an extended stress response and lasting effects on the physical and mental health of the individual. Trauma can occur in the form of a single event (e.g., a natural disaster or death of a close family member) or as a series of events or chronic condition (e.g., substance misuse, domestic and community violence, child abuse and neglect, extended homelessness, or food insecurity). Exposure to traumatic experiences is more common than most people believe, and the experience of trauma is highly individualized. What is traumatic to one person does not necessarily have the same traumatic effect on another person who experienced the same event or situation. In addition to enrolled children and families, Head Start staff may themselves experience trauma, as well as stress associated with their role in supporting children and families impacted by trauma.

A trauma-informed approach is one that realizes the widespread impact of trauma and understands potential paths for recovery; looks out for potential signs and symptoms of trauma among children, families, and staff; fully integrates knowledge about trauma into program policies, procedures, and practices; and seeks to actively resist re-traumatization. Related activities vary widely. They can include additional qualified staff to lower teacher-child ratios or family service staff caseloads; enhanced mental health partnerships and services for children and families; and transportation services. See [Attachment B](#) for additional information, including several concrete examples.

There is also flexibility in the use of these quality improvement funds to meet grantees' most pressing local needs. Therefore, a program may apply to use quality improvement funds for activities consistent with Sec. 640(a)(5) of the Act, except that any amount of these funds may be used on any of the activities specified in such section. See Attachment A for the list of activities. If a program applies to invest quality improvement funds in an activity or activities specified under Sec. 640(a)(5) that are not directly related to promoting trauma-informed care and supporting children, families, and staff impacted by trauma, the program must justify why this is the best use of these funds.

The Office of Head Start recently held a webinar on the quality improvement funding, and the webinar recording will be available on the Early Childhood Learning and Knowledge Center (ECLKC) soon.

Application Requirements

Grantees are required to request COLA and quality improvement funds through a grant application. Shortly, grantees will be issued a funding guidance letter specifying each funding level and additional instructions on how to apply for these funds. Grantees will be required to submit their applications in the Head Start Enterprise System (HSES).

EHS Expansion and EHS-CC Partnerships

One hundred million dollars is available to support new grants for traditional EHS and EHS-CC Partnerships to increase access to high-quality infant and toddler early learning. Funding will be awarded by March 2021. A funding opportunity announcement (FOA) is expected in summer 2020. This announcement will equally prioritize EHS expansion and EHS-CC Partnerships, as determined by the needs of local communities. More information on this opportunity will be available later this year.

Tribal Colleges and University Partnership Grants

Four million dollars is available to fund grants to Tribal Colleges or Universities who partner with at least one American Indian and Alaska Native (AIAN) Head Start agency. The grants will be designed to:

- Increase the number of degrees in the early childhood education fields
- Provide assistance to Head Start staff and parents enrolled in such programs
- Develop curricula to promote high-quality services and instruction
- Provide activities to upgrade the skills and qualifications of education personnel
- Offer technology literacy programs for AIAN Head Start agency staff
- Develop and implement virtual learning opportunities

Eligible entities will be Tribal Colleges and Universities meeting the definition in Sec. 316(b) of the Higher Education Act of 1965. Funding will be awarded by the end of September 2020. A FOA is expected in Spring 2020.

Please direct any questions regarding this PI to your Regional Office.

Thank you for your work on behalf of children and families.

/ Dr. Deborah Bergeron /

Dr. Deborah Bergeron
Director
Office of Head Start
Office of Early Childhood Development