



CAPLAW *e-news brief*

OVERVIEW OF GUIDANCE FOR EARLY HEAD START-CHILD CARE PARTNERSHIPS

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The Office of Head Start (OHS) and Office of Child Care (OCC) jointly released Information Memorandum (IM) [ACF-IM-HS-15-03](#) on August 6, 2015 to provide guidance on a number of issues affecting Early Head Start-Child Care Partnerships (EHS-CCP). Under EHS-CCP, new or existing Early Head Start (EHS) grantees receive five-year grants to support partnerships with either center-based or family child care providers. These partnerships are intended to leverage the quality standards of EHS to help child care partners provide comprehensive full-day and full-year EHS services that meet the Head Start Program Performance Standards (the HSPPS). This article highlights some of the main issues addressed in the IM that EHS-CCP grantees commonly face, but stakeholders should read the IM in its entirety at the link above for more information.

Seamless and Comprehensive Full-Day, Full-Year Services

The IM clarifies that the requirement for EHS-CCP grantees to provide “full-day, full-year services” means that services must accommodate the needs of full-time working families. This generally means that services must be available for a ten-hour day and for the full year that child care programs are typically open, which is an increase over the six-hour day requirements for

EHS programs. The full year is inclusive of time needed for staff professional development activities.

Partnership Agreements

EHS-CCP grantees are required to enter into written partnership agreements which, at a minimum:

- Identify the parties involved;
- Specify whether the partner is a sub-recipient or a contractor of the grantee, based on the criteria in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Department of Health and Human Services (HHS) Awards (the Uniform Guidance), [45 C.F.R. § 75.351](#);
- State the term or length of the agreement;
- Cover payment terms and conditions, which may provide for advance payments to partners on an enrollment basis rather than on an attendance basis and address the loss of child care subsidies;
- Address each party’s recordkeeping and reporting requirements;
- Describe in detail each party’s performance and responsibilities under the agreement, including an assessment of needs relating to facilities, referral and enrollment protocols,

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classroom environment, class ratios and group size, staff qualifications, staffing plans, curriculum, meals and other supports; and

- Include a requirement that a child should remain in the current care setting and classroom regardless of the loss of a child care subsidy;
- State how performance concerns will be addressed, including termination of the agreement.

Such agreements should be tailored to fit the specific needs of each grantee-partner relationship. OHS recognizes that these agreements are working documents that will likely be revisited over the life of the grant.

Layered Funding

One of the primary purposes of EHS-CCP is to leverage multiple early childhood educa-

The IM describes the three funding “layers” of an EHS-CCP relationship.

tion and child care funding sources to enhance provider capacity and improve child

outcomes. The IM describes the three funding “layers” of an EHS-CCP relationship. Layer 1 consists of child care funding that already exists in the partner program which is provided by third-party subsidies such as the Child Care Development Fund (CCDF), Temporary Assistance to Needy Families (TANF), the Social Services Block Grant or other state or local funding. Layer 1 subsidy funding must cover at least 25 percent (or a higher amount if specified in the grantee’s application) of the EHS-CCP program’s funded enrollment. However, if a child loses a

child care subsidy while enrolled in the EHS-CCP program, EHS-CCP funds may be used to cover a temporary loss of Layer 1 subsidy funding to ensure the continuity of services for the child.

Layer 2 uses EHS-CCP funds to pay for shared classroom costs that benefit both EHS-CCP-enrolled children as well as other children under the child care partner’s care. By covering costs of services such as developmental screenings, enhanced curriculum, increased staffing to meet the staff-child ratio, and enhanced pay for teachers who meet EHS credentialing requirements; EHS-CCP funds increase the quality of care for infants and toddlers who otherwise are not eligible for Early Head Start services.

Layer 3 uses EHS-CCP funds to cover services that are available exclusively to EHS-CCP-enrolled children such as salaries and fringe benefits for workers supporting families of EHS-CCP children, external referrals to health and mental health providers, home visits and other family support services. Layer 3 funding may not be used to provide services to children not enrolled in the EHS-CCP program.

The IM notes that EHS-CCP funds may only be used to supplement, not supplant, existing federal, local or state child care funds. This reflects the long-standing prohibition in the regulations governing federal awards against cost-shifting, i.e., using federal funds from one federal award to overcome funding deficiencies in or avoid restrictions such as administrative caps imposed by another federal award. See Uniform Guidance, 45 C.F.R. [§ 75.405\(c\)](#). Grantees must maintain adequate documentation to identify costs within the three layers of funding in compli-

ance with the requirements of the Uniform Guidance, 45 C.F.R. Part 75.

Child Care Subsidies and Parent Fees

EHS-CCP grantees must have sufficient recordkeeping and reporting systems in place to ensure that they are meeting the 25 per-

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cent minimum subsidy receipt requirement. Grantees should make the subsidy determination at least once each

year based on each child’s status at the time he or she enrolls in an EHS-CCP program, and grantees may establish selection criteria that prioritize enrolling children who receive child care subsidies as needed to meet the 25 percent minimum requirement. EHS-CCP grantees may not, however, unenroll a child because he or she loses a child care subsidy. If a family loses the subsidy, the grantee must use EHS-CCP funds to cover the cost of temporarily continuing to provide EHS-CCP services and the grantee and partner should work with the family to regain the subsidy, where possible. The IM outlines the steps a grantee must take to assist a family in regaining a subsidy and explains under what circumstances the EHS-CCP grant will assume the full cost of maintaining a child’s continued participation in the program.

Under CCDF, states are required to establish a sliding fee scale that charges parents co-payments covering a portion of the cost of their child care subsidies. The designated state CCDF Lead Agencies, however, may choose to waive co-payments for families whose income falls below the federal poverty level. The IM clarifies that EHS-CCP

grantees and their partners may only charge co-payments if the state Lead Agency allows for such co-payments under CCDF. EHS-CCP funds may be used to cover parent co-payments if the program determines that a parent is financially unable to make the required payment and all other potential funding sources have been explored. Further, if a child loses a child care subsidy while enrolled in the EHS-CCP program, grantees and partners may not require parents to pay a fee to continue participating in the EHS-CCP program because Head Start regulations prohibit charging fees to parents for Head Start Services. However, programs may charge parents a reasonable late fee to cover the cost of caring for a child after the program day has ended.

Citizenship and Immigration Status

Though CCDF requires programs to verify the citizenship and immigration status of an enrolled child, such verification is not required for Head Start and Early Head Start programs. The IM clarifies that where services are funded in whole or in part by CCDF in partnership with Head Start or Early Head Start, no such verification is required for children enrolled in EHS-CCP.

Staffing Ratios and Group Sizes

Both center-based and family-based child care programs must meet the applicable standards for staffing ratios and group sizes for Early Head Start programs. In center-based programs, enrolled children cannot be displaced by EHS-CCP children or otherwise lose their existing slots. Thus, center-based programs whose group size exceeds the Early Head Start limit of eight children per classroom must work with the EHS-CCP grantee to develop a plan to grad-

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ually reduce group size within the first 18 months of funding while maintaining compliance with the maximum staff-to-child ratios of one qualified teacher to four infants and toddlers. In family-based programs, the maximum group size is 12 young children with one qualified teacher for every six young children, which includes two or fewer children under the age of two. Supplemental EHS-CCP funds are available to help support the cost of employing an additional caregiver during the first 18 months of the partnership to meet the required staff-to-child ratio.

Staffing Shifts and Qualifications

Programs will need to structure their staffing shifts to meet the full day, full school

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year requirements of EHS-CCP. This may require hiring part-time or full-time substitute teachers or floating staff members to ensure coverage

is available for the full 10-hour day and that staffing ratio requirements are adequate.

The IM states that a standard work day for program staff is typically eight hours and should maintain compliance with federal Fair Labor Standards Act requirements.

The standard work day for teachers should include paid time for planning, meeting with families, attending training, and collecting and applying assessment data. Supplemental EHS-CCP funds are available during the

first 18 months of the partnership to support the increased staffing expenses.

All EHS-CCP teachers are required to meet the applicable credentialing qualifications under the HSPPS within 18 months of obtaining the EHS-CCP funds. Programs that are unable to meet these requirements must provide evidence that their staff members are making sufficient progress toward obtaining the required certifications.

Federal Oversight and Monitoring

During the first 18 months, EHS-CCP grantees and partners are not subject to the formal Head Start and Early Head Start aligned monitoring process, but must participate in a baseline assessment to review their capacity to deal with, among other things, fiscal management and environmental health and safety issues. Also, deficiencies identified during that time will not be used to determine the need to compete for a new grant in the Designation Renewal System. However, HHS may suspend or terminate grantees for egregious violations (e.g., child abuse and neglect, dangerous facilities, etc.) at any time during the five-year award period, including during the first 18 months of the grant.

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