

February 9, 2010



**TESTIMONY TO MN House Early Childhood Finance Committee:
Current Status of Federal American Recovery and Reinvestment Act
Funding Designated for Head Start and Early Head Start**

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The Minnesota Head Start Association, Inc. represents Head Start programs across Minnesota, serving more than 15,000 income-eligible families and their children under 5 with comprehensive family and child development services. Head Start and Early Head Start was designated in the Federal American Recovery and Reinvestment Act (ARRA) for up to \$2.1 billion in funding with at least \$12.3 million earmarked for Minnesota **for quality improvement and expansion only**. Minnesota programs wrote proposals for ARRA funds from April until July, 2009 and have accessed all the earmarked resources for the Minnesota families and communities they serve. Program requests exceeded the Minnesota allotment of funds, and there continues to be unmet needs for eligible Minnesota families. The primary functions for Head Start's ARRA funding and the status of each is as follows:

Cost of Living Allowance (COLA) and Quality Improvement

In the Spring of 2009, current Head Start and Early Head Start grantees had the opportunity to write for Cost of Living Adjustment and Quality Improvement funds. **Minnesota's share of these dollars was \$7.5 million (with \$5.3 million coming from ARRA funds and the remaining funds from the Federal 2009 Continuing Budget Resolution)**. Grantees received the funding awards in late June and early July 2009. To accept this award, programs were required to pay a 4.9% cost of living adjustment to their employees with the COLA portion (3.06% was awarded as a permanent increase). Grantees could designate activities for the quality improvement portion based on a restricted list of approved activities. Minnesota grantees reported they will fund the following types of activities, including to:

- Subsidize professional development opportunities for teachers toward professional credentials, including CDA certification, reimbursement for college credits toward AA/BA degrees and other certification programs.
- Increase program intensity and duration with additional days or hours of operation.
- Hire additional staff or increased the hours of part-time staff to reduce classroom ratios or expand services to culturally diverse and special needs clients.
- Support additional training opportunities for staff
- Improve wage scales and reduce employee's share of health and disability benefits.

Program Improvement Funds and One-Time Training and Technical Assistance (T/TA)

On June 4, 2009, the Federal Office of Head Start announced availability of Program Improvement and One-Time T/TA Funds for current Head Start and Early Head Start grantees. Funding proposals were announced and **Minnesota's share of this funding was \$2.51 million**. Activities in these proposals included:

- Purchase of buses
- Purchase of kitchen equipment

- Facility maintenance and improvements
- Facility and playground construction

Head Start Expansion Grants

About \$1.2 million of ARRA funds were designated for Minnesota for the expansion of Head Start for services to families with children aged 3-5. **Three Minnesota grantees were awarded \$1.18 million in funds to serve 142 additional Head Start children in November 2009.**

These funds went to Hennepin County (Parents in Community Action Head Start), Olmsted and Freeborn Counties (Child Care Resource and Referral – Rochester) and Mahnomon, Becker and Hubbard Counties (Mahube Community Council). Head Start expansion is fully operational in Minnesota.

Early Head Start Expansion Grants

Minnesota was earmarked to receive \$5.8 million in Early Head Start expansion funds through a national competitive process. Applications were due July 9, 2009 and 80% of Minnesota Head Start grantees surveyed wrote proposals for Early Head Start expansion. In December 2009, the Office of Head Start announced **Minnesota would receive \$6.72 million in Early Head Start Expansion to serve an additional 552 pregnant women and children under age 3.** Table 1 indicates the number of children and funding approved for each of the successful programs.

Early estimate indicate about 162 new jobs will be created for early childhood professionals and related fields. A group of about 75 new direct service staff came together for training on January 27-29, 2010 in St. Paul. A picture of this new workforce is attached.

Table 1: Minnesota Grant Awards for Early Head Start Expansion: Region V Only

| Grantee Name | State | Approved Number of Children | Approved Ongoing Funding |
|--|--------------|------------------------------------|---------------------------------|
| Mahube Community Council, Inc. | MN | 36 | \$382,196 |
| Child Care Resource and Referral, Inc. | MN | 120 | \$1,346,085 |
| Arrowhead Economic Opportunity Agency, Inc. | MN | 32 | \$351,135 |
| Parents in Community Action, Inc. | MN | 128 | \$1,880,587 |
| Tri-County Community Action, Inc. | MN | 64 | \$673,361 |
| Northwest Community Action, Inc. | MN | 20 | \$227,240 |
| Community Action Partnership of Ramsey and Washington Counties | MN | 80 | \$920,000 |
| Tri-Valley Opportunity Council | MN | 72 | \$936,000 |
| MINNESOTA TOTAL | | 552 | \$6,716,604 |

In addition, 3 tribal programs, Mille Lacs Tribal, Leech Lake Band and Fond du Lac Reservation have been awarded Early Head Start Expansion. Official announcements from the Office of Head Start have not been posted about the size of these grants and children served.

Minnesota’s allotment of expansion dollars – **about \$15.7 million** – is relatively small compared to other states and was based on out-dated census figures. It does not reflect the growing waiting lists in our communities or the number of Head Start programs ready and willing to serve more income-eligible children across Minnesota.



**NEW JOBS – THE FACE OF EARLY HEAD START EXPANSION IN MINNESOTA
JANUARY 29, 2010, EHS 101 TRAINING**

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