Change in Scope Applications

Glenna Davis: Hello and welcome everyone to the Change in Scope webcast. It is now my pleasure to turn the floor over to Heather Wanderski. Heather, the floor is yours.

Heather Wanderski: Thank you. Well, hello, Head Start and welcome. Good morning. So happy to see you all. I just want to thank you guys for joining us today on the topic of Change in Scope Applications. We know that this is a hot topic. We have many recipients that are out there and are planning for programmatic changes in order to best serve local communities. Given that, we wanted to take some time today to help improve and better understand the process around Change in Scope applications and hopefully share some information that might be helpful to you in avoiding delays and pitfalls. Please note the Change in Scope applications are wide and varied, and we have many different types. But today, our conversation is going to be focused specifically on enrollment reductions in Head Start to Early Head Start conversion requests.

First, I'm going to introduce myself. My name, as Glenna mentioned, was Heather Wanderski. I am the program operations division director for the Office of Head Start. I've been with the Head Start for quite a number of years in various roles, but my primary role now is supporting Regional Offices with operational issues such as change in scope. Also joining us today is Larissa Zoot. She is a program operations division manager with the Office of Head Start. Larissa brings a wealth of knowledge and understanding around our regulations, around policies, and processes. And in particular, she's got a very broad knowledge and experience with Change in Scope requests. Let's take a look at our agenda and what we have planned for our short time together.

I'm going to get us kicked off today by sharing some national Change in Scope data. And then I'll transition into sharing the Change in Scope application process and provide a quick review of our statutory authority for enrollment reductions and conversions. And that will include a review of the information memorandum that was released back in the fall. Larissa and I are going to tag team on sharing some common challenges and tips for improving applications. And then finally, Larissa is going to round us out by highlighting our most important resources for enrollment reductions and conversions.

Given our limited time today, we're not going to be able to offer live question and answers. However, we do have panel monitors available who are going to be monitoring the Q&A, and they'll try to answer your questions if it's possible. If you have an inquiry specific to your agency, please be sure to identify yourself and your program so that we can follow up with you afterward.

As Glenna mentioned at the top, please direct your questions to the Q&A and not the chat. While we don't anticipate getting to your questions live today, if there are common issues that arise, we can certainly use that information to further our training and technical assistance. Now that we're clear on content, let's dive right on in.

The first thing I mentioned that I was going to share is our national data and all things related to Change in Scope requests. This first set of information that I'm sharing with you is the total

number of approved and pending Change in Scope requests that the Office of Head Start has received during fiscal year 2023, which this data I'm sharing with you covers October 2022 through May of 2023. Should be self-explanatory, but approved requests are those that have been reviewed and approved by the Office of Head Start. And they include both reductions and conversions.

The pending requests are those that are still pending with the Office of Head Start. And requests could be pending due to the application being in review by our regional or by our central office. Or if the region has returned an application to a recipient for necessary changes or for missing information, those would still all be considered pending.

And let me be very clear, just given the sheer number of applications that we have that are specific to Change in Scope, these figures can literally change daily with all the back and forth that happens with these requests. But what's important to note is that 527 applications is close to a third of all active child serving grants that we fund in Head Start. And I say that because that's really, really important. That is an unprecedented number, and certainly volume that we have never experienced before in such a short period of time.

That said, I want to make sure that we give ourselves a little bit of grace through this process. Most recipients with pending requests are really anxious to hear back before the start of the school year in order to implement changes for the upcoming year. We totally understand that, and we are working tirelessly to fully analyze these requests as quickly as possible.

This next slide represents what we anticipate are slot changes for the Office of Head Start, again in fiscal year 2023. Again, representing figures from October to May. And the national approved slot changes show the changes for approved reductions in conversion requests only. And the pending slot changes show those changes in slots for pending requests still, but again, are only specific to reduction and conversions. Again, just thinking about the impact, the total number of approved and pending slot changes represents roughly 6% of our total funded enrollment with Head Start.

And this last little bit of information that I want to share with you is really the basis for requests that have been approved in fiscal year 2023. And again, I underscore the approved. It doesn't include information on pending requests. The donut to the left represents the basis for approved reduction requests. And you'll see in that donut that 67% of the reduction requests are based on staff salaries. While 22% are primarily based on community need. And you'll see there that only about 2% of the requests were related specifically to increasing service duration.

The donut to the right represents the basis for approved conversion requests. And again, 63% of those requests have identified community need as the primary reason for the conversion. While roughly 15% have noted that staff salaries are partly the basis for the conversion requests. 4% have cited pre-K as the reason for the conversion. And 7% have identified another reason, such as improvements to program quality, as the reason for those requests.

Now that I've shared some data with you, I want to pivot to the overall process itself. As I mentioned at the start of the webinar, we are focusing specifically on enrollment reductions as well as Head Start to Early Head start conversion requests. Both of these are considered to be

Change in Scope. There are two distinct sections of the Head Start Act that cover our authority to approve Change in Scope requests. We have included links to both of those sections should you wish to explore further the authority in the Act.

A Change in Scope request can be submitted through the Head Start enterprise system at any time. And it can be submitted either through a non-competing new or a non-competing continuation application. Or it can be submitted as what we call a post-award amendment. And we have identified that specifically as a Change in Scope. We often get questions about the timing and what application type is the most appropriate to use. I'm going to tell you that this is primarily dependent on the timing of when you would like a response from the Office of Head Start.

Let me give you an example. If my annual funding month is September … That's when my next refunding application would start. But I really want to implement an enrollment reduction at the beginning of August before I start my pre-service activities. I should not include my enrollment reduction request in my continuation application. Otherwise, if I do, I'm not going to end up hearing back until the start of September, which is when I'm due to receive my refunding application. If you really want a response by August, you should submit the application as a separate Change in Scope.

The other thing that is really important to highlight, and we've emphasized it here on the slide, is that a request should be submitted at a minimum of 90 days prior to planned implementation date. But I want to just highlight the fact that that is the floor. On average, our Change in Scope requests are taking at least 120 days for processing. Some requests take longer to review and approve and some obviously, that's average take less than that amount of time to review and approve. Timing primarily depends on how complete an application is submitted or is complete upon submission.

I want to factor in the timing of the application submission with the example that I just shared. If my annual funding month is September … Just to re-highlight the example. If my refunding month is September, and I want to implement the enrollment reduction at the beginning of August. As I mentioned, your best route for that submission is through that Change in Scope amendment. And I should be really submitting that application by April the first to provide sufficient time for full consideration with a response by August 1st, which is when I want a response from the Office of Head Start. Again, thinking about and building into the full time of when you need consideration for those requests.

Minimally, a Change in Scope application must include all the standard forms that are built into the Head Start Enterprise System, such as the SF-424, the 424A, and the program schedule. All requests must include board and Policy Council approvals, as well as a program narrative and a budget narrative that incorporates all of those previous considerations that I just mentioned into that request.

You should then include any other additional information that will be relevant to reviewing that application. I know programs like to give us wage comparability data and other supporting documents that are relative to the request. While we haven't gotten to the common challenges and tips part of the conversation yet, I can't help but point out one valuable overlooked

resource. And that's the appendix to the information memorandum. We've highlighted the link right on the slide for you. And that appendix identifies probing questions to address for each of the various sections of that Change in Scope request. And what we have found is that recipients who respond to those probing questions as if they're writing an application, following that same format, and making sure that each section is adequately addressed, are the ones who have the most success with the application process.

I guess that's a good segue to our next section on common challenges and tips. Larissa, I'm going to turn things over now to you.

Larissa Zoot: Thank you, Heather. And good morning, everyone. I'm going to highlight a few areas which seem to be challenging to recipients in developing readily approvable applications. For each of these areas, I will highlight some tips to clarify the information and level of detail that we're looking for. In order to fully understand the rationale behind a Change in Scope request, the data supporting that rationale, and the specifics of the proposed request, and changes to the program services being offered. We'll also talk about the budgetary adjustments to ensure viability and sustainability of the new program design and service levels.

The first area I'd like to talk about is consideration of program data and its incorporation into the planning and decision making process. First and foremost, we're looking for the recipient's use of program data in planning for and developing a Change in Scope request. The community assessment is foundational to understanding changing need in the service area, as well as both strengths and gaps in resources available to the communities served.

Some of the areas addressed in the community assessment, which may be most likely to demonstrate changing needs and therefore be crucial in supporting a Change in Scope request include the needs of enrolled families. For example, are there more working families than previously? And do families need full day services in order to meet the needs of working parents? Maybe other community risk factors, for example, increases in the numbers of families experiencing homelessness, increases in substance abuse or community violence, or the closure of businesses which were previously major sources of jobs in the community.

Shifts in the population of Head Start and Early Head Start eligible children such as community saturation of preschool services due to expansions in pre-K state programs. Or a growing demand for center-based infant and toddler services. In addition, self-assessment data indicating the recipient's structural capacity to successfully implement the proposed request is important. Program waitlist data, PIR data, staff and family service survey results, and input from the agency board, Policy Council, or Tribal Council, and other advisory bodies such as the Health Services advisory committee may also be important. And there may be other sources of meaningful data unique to your community or program.

The next area I'd like to highlight is the proposed service delivery model. Here too, a Change in Scope proposal must be clearly data informed. For example, if your program is under-enrolled, clearly identify the challenges in recruitment of families in your current service models, and explain in detail which specific program models, specific locations within your service are, or which program Head Start or early Head Start has been difficult to fully enroll.

If under enrollment is due to the program's inability to recruit and retain qualified staff as opposed to a lack of eligible children, this is a key factor we also want to understand. More broadly, programs proposing changes to existing service delivery model must explain how the proposed changes will meet community need. They need to address the underlying issues causing the identified challenges. They need to provide specific detail by program option center and service duration in terms of the number of enrollment slots. And they need to update the program schedule in the application or amendment in HSCS to reflect the proposed changes, and they must meet service duration requirements.

One of the most common concerns requiring follow-up, which slows down the approval process is the schedule of center-based services for infants and toddlers. An unintended consequence of setting duration at 1,380 hours for Early Head Start center-based services has been a reduction in services among some programs that previously met family needs by providing hours well beyond that floor of 1,380 hours. While 1,380 hours technically meets the duration requirement, it's often insufficient to support the needs of enrolled families or the intention of Early Head Start to provide continuous year-round services, which we know are important to supporting the rapid development of infants and toddlers.

If the program schedule for a conversion or reduction application provides for 1,380 hours of infant toddler services, but delivered across fewer than 46 weeks per year, your program specialist is expected to compare those proposed hours to the prior year's program schedule. And if that comparison shows that there's a reduction in service hours in your Change in Scope request, they will ask you to justify what has changed in terms of family needs that makes it make sense to reduce those hours.

More generally, if an Early Head Start center-based program schedule indicates that there are gaps in service of longer than two weeks, a recipient is expected to explain how the program will meet the needs of enrolled families that are in need of year-round childcare. Thinking this through and addressing it proactively in your Change in Scope requests can help ensure that the request can be processed and approved timely for the intended implementation date. While it's not required, including your annual program calendar in your request submission can eliminate one of those rounds of feedback and follow-up, and thus expedite the approval process.

Heather: Thanks, Larissa. I would say in relation to budget, we find that the budget part of a request tend to be the trickiest part for a variety of reasons. But, I think, one of the big ones is that most applications are written primarily by directors who may not be as familiar with or as comfortable with writing budgets. But we have some shoulds and should nots on the screen there for you to consider. But ultimately, budgets need to be built on need and in response to data that you've included in your program narrative. They should be reasonable, allowable, and allocable.

And tip, don't forget about your cost allocation plan. If you have shared program costs such as management staff, supplies, or space, and your cost allocation plan is based on the number of children served in each of those programs, you may need to recalculate those shared costs across both programs and need to re-budget accordingly. The budget narrative should reflect both cost savings as well as reinvestment associated with the request.

For instance, if I'm proposing to reduce one to two slots in each Head Start classroom. To serve a maximum of 17 children in each of those classes, my cost savings is going to be nominal. This also means that the money I have to reinvest back in the program is also nominal. However, if I am closing an entire center that saves the same number of children, I would be saving a good amount of funds such as staff salaries, fringe benefits, supplies, space costs, and that would include utilities. And I may be able to do a whole lot more with the reinvestment of those funds.

The budget with your request should include a detailed description of each line item. We need more than just the object class categories that are listed on the SF-424A. If there are cost savings from staff, you should be able to detail the type of staff, the number of types of staff that are being reduced, and the projected amounts to be saved from each of those.

And finally, the budget needs to support the justification for the proposed change. We see some pretty common pitfalls with budgets, so we also included some important things your budget should not do. Your budget should not be based on a cost per child. Let's go back to that example that I just shared. If I propose to reduce 40 Head Start slots using a cost per child method for building my budget, I may come up too short if I'm only reducing one to two slots across my entire program. However, I may end up with an unexpected surplus if I budget on a cost per child basis and I end up closing a high rent center serving two classrooms and that also provides transportation.

Another thing that the budget should not do is demonstrate only the net differences from last year's budget to this year's proposed budget. I'm on a roll with examples, so I'm going to keep going. If I plan to submit an enrollment reduction in order to increase staff salaries, I may end up closing several classrooms. The primary savings is going to be in personnel, fringe, and indirect cost, if I have an indirect cost rate. I'm going to take that cost savings, and I'm going to reinvest it to increase staff salaries. That means the primary reinvestment will be in the same categories of personnel, fringe, and indirect costs. If you only show the net difference, you may not see any changes in the budget at all, yet the program could be cutting a significant number of staff. Your budget really needs to tell the full story.

Let's take a look at an example. On this slide, we share an example of staffing changes, and we highlight specifically the teachers. There is a column that shows specifically the savings. There's a column that shows the reinvestment. And there is a column that shows the net difference. What you're seeing is really a line item budget, but what we also need is an accompanying budget narrative that provides a description of each of those changes.

For example, the budget narrative may say that the savings of $111,523 for teachers is due to the reduction of five full-time employees. The reinvestment of $98,723 for the teachers that remain is due to an increase of $3 per hour. This level of detail really is needed for both Head Start and Early Head Start if reductions are planned for both programs. For conversions, you will need to describe the Head Start cost savings, and then how those funds will be reinvested into the Early Head Start program for each object class category.

There is so much more detail that we could share around the budgets, but our time is limited. We encourage you to consult with your Regional Office in advance of submission of your application if you have questions around the budget.

At this point, I'm going to turn it back over to you, Larissa.

Larissa: Thanks, Heather. And I just want to acknowledge we are going to go a few minutes over our allotted time. But there is so much important information about Change in Scope. It was really hard. We pared it back a lot already. I'm going to wrap things up with a few additional tips and some key resources.

To create a successful Change in Scope request, it's critically important to foster collaboration between program and fiscal staff in planning and development stages of the request. This helps to ensure that the updated program design is fiscally sustainable and that the budget supports the vision of the program.

Request narratives need to clearly articulate the request. Remember, your request may be reviewed by central office staff who don't know your program models, your sites, your strengths, or your challenges as well as your regional program specialists do. Please clearly label and narrate any charts or graphs and include your proposed implementation timeline. As Heather discussed earlier, submit your application at least 90 to 120 days in advance of your intended implementation date.

And please know that mid to late summer is always our busiest time of year for reviewing Change in Scope requests. If you can submit your request prior to the summer months, it increases the likelihood that it will reach approval by the date you intend to begin implementation. Finally, I want to underscore once more how beneficial it is to follow along and address the items outlined in the enrollment reduction and conversion appendix as you're planning and developing your request.

Here, we have included links to the information memorandum on enrollment reductions and conversions, as well as the appendix of planning considerations and the information memoranda on stabilizing the Head Start workforce.

In closing, we'd like to thank you for your participation in today's webinar and encourage you to work closely with your regional program specialist in developing your Change in Scope requests. We also want to thank you as always for your dedicated service to Head Start children, families, communities, and staff. Thank you, everyone. Have a wonderful day.