

WNCSource CEO Report for Policy Council

May 12, 2022

Change of Scope for Head Start and Early Head Start Grants

Between positions to fill in our current early childhood programs, and our latest Early Head Start expansion grant, WNCSource needs to hire approximately 100 employees. We have talked about the reasons why, but I will list them again:

- The great resignation
- A decrease in people choosing early childhood education as a career
- An increasingly competitive labor market
- Vaccine and masks mandates
- Outdated compensation plans

WNCSource was never under enrolled in Head Start or Early Head Start until covid 19 happened in 2020. There were more and more Head Start programs across the country that were under enrolled before the pandemic. As wages rose, less families were income eligible for the Head Start. State Pre-K programs were also taking children and staff away from Head Start programs. The Office of Head Start (OHS) launched an initiative focused on under enrollment in 2018. The initiative has been suspended, but may be put back into effect at any time.

The Head Start community had been optimistic that the Build Back Better legislation would become law. This would have led to a great infusion of funding, particularly for Early Head Start. That legislation appears to be going nowhere. There was also an anticipation that a lot of permanent quality improvement money would be allocated for Head Start in the latest congressional budget. That did not happen either.

OHS knows the staffing and under enrollment crisis is real. One way they can help grantees is to allow them to change their scope of operation. That can mean converting Head Start slots to Early Head Start slots. WNCSource has done this before. It can also mean reducing the total number of children served. This can allow more investment per child. This is also a way to allow compensation for front line staff to rise, and cover the increased costs of rent, food, insurance and supplies.

The Office of Head Start has sent the signal that they are open to approving changes in scope from programs like WNCSource. The Recruitment and Retention Taskforce has discussed this option. WNCSource senior staff members have also met with Foundations for Families, a national Head Start consulting firm that helps programs apply for a change of scope.

WNCSource has also submitted requests to OHS to carryover funds in some of our Head Start grants. Staff shortages, and the resulting under enrollment, have kept us from spending all of our grant funds this fiscal year. This carryover would allow WNCSource to offer recruitment and retention bonuses during the 2023 fiscal year. That gives us some time to have the change of

scope approved. The bonuses will make our compensation attractive while we wait for approval of the change of scope.

The tough decision for WNCSource's Board, Policy Council and staff is how many fewer children do we serve. Also, which services do we reduce. WNCSource staff are trying to determine several factors as we look at a change of scope:

- How much do we need to increase salaries to recruit and retain staff?
- How much will rent, food, supplies, etc. increase?
- How many fewer children will we serve in order to cover costs and increase salaries?

WNCSource staff, and Foundations for Families, will work to have the change in scope to the Board and Policy Council as early as June for approval. Without a change of scope, we will have a very difficult time finding and keeping qualified staff. That will mean we will serve fewer children. If under enrollment persists, OHS will at some point reduce our funding. By asking for a change of scope, we can use our current funding to increase our investment in the children we serve.

Thank You Donecia Santana and Kim Wilson

On May 1st WNCSource will be presented with a check for \$33,400 from the Henderson County Community Foundation. This will be part of the International Children's Day celebration at Jackson Park. The funds will be used to support our CDA Trainee program. Donecia Santana, WNCSource Policy Council Chair, and Kim Wilson, WNCSource Board Chair, will be there with Terri Bowman, Development Director, and Linda Carter, Children's Services Director, to accept the check. This type of Board participation makes WNCSource shine in front of our funders and community partners. Thank you Donecia and Kim.