

# Head Start Sequestration Frequently Asked Questions (FAQs)

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## **What fiscal year does the sequestration affect?**

Sequestration reduces federal funding provided for fiscal year (FY) 2013. That means that grantees currently operating with FY 2013 funding will have their annual funding level reduced in their current budget year. Those grantees currently operating with FY 2012 funds will receive a reduced funding level at the time of their FY 2013 refunding.

## **As a grantee, how do I know what fiscal year (FY) funds I am currently operating with?**

The federal fiscal year begins on October 1. Since FY 2013 began on October 1, 2012, grantees that already received their annual funding since October 1, 2012 (10/1, 11/1, 12/1, 1/1, 2/1, 3/1, and 4/1 grantees) are operating with FY 2013 funds and must make more immediate decisions on how to absorb the cut. Grantees funded later in the fiscal year (5/1-9/1 grantees) are still operating with FY 2012 funds and have some additional time to plan.

## **What is the exact amount of the sequester reduction?**

At this time, the Administration estimates that the sequester will result in a five percent cut from FY 2013 funding provided under the continuing resolution. The 2013 continuing resolution provided about \$8 billion for Head Start.

## **What flexibility does the Office of Head Start have in making reductions?**

The Office of Head Start (OHS) has very little flexibility in how to make these reductions. The Head Start Act requires that any funding reduction for Head Start be taken proportionately across our major activities, including service grants to programs, training and technical assistance (T/TA), research, and monitoring. However, OHS has some discretion within activities and is planning to reduce state and national T/TA activities more significantly in order to allow grantees to maintain their T/TA funding levels.

## **What flexibilities do programs have to absorb the sequester reduction?**

Grantees have full flexibility in absorbing the funding reduction, provided that they continue to meet the Program Performance Standards or seek a waiver through the expedited process in the Head Start Enterprise System (HSES). Consistent with the [Program Instruction](#), we ask you to make decisions to absorb the funding reduction

without compromising the quality of your services to children and families. All grantees should work with their Policy Councils, governing bodies, and Office of Head Start Regional Office program specialists to determine how to implement the reductions based on their community strengths and needs.

We expect that grantees may consider different options for short- and long-term ways to implement the reductions. Short-term options may include reduced days of service and long-term options may include reduced enrollment. It is critical to minimize disruptions to currently enrolled children for this program year. We ask that programs ensure that any funding reductions or alterations to program operations are commensurate with the total reduction in funding. Office of Head Start Regional Office program specialists will work with programs to understand their options in implementing the reduced funding level.

### **Can programs reduce enrollment?**

In order to provide a high quality comprehensive program at a reduced funding level, the Office of Head Start expects that some programs will need to reduce enrollment, particularly in the next school year, in an amount commensurate with the total funding reduction. To the extent possible, grantees should minimize disruptions to children currently enrolled for the program year. Programs that have already received their FY 2013 funding or have already submitted their funding applications will not be required to submit extensive enrollment reduction requests but must notify their Regional Offices through the Head Start Enterprise System (HSES). Programs that have not yet submitted an application for their FY 2013 funding should reflect anticipated enrollment reductions in their applications.

### **If we have Head Start and Early Head Start, do we have to take equal cuts across both programs?**

No, programs that operate both Head Start and Early Head Start have discretion in allocating the funding reduction across both programs. Programs that apply the reduction disproportionately across their Head Start and Early Head Start funding will need to notify their Regional Office and submit revised SF-424 and SF-424A reports through Head Start Enterprise System (HSES), but do not need to submit a full Grant Application Budget Instrument.

### **Will the reduction be taken on the extensions through June 30, 2013 for current grantees in competition through the Designation Renewal System (DRS)?**

Consistent with the goal of minimizing the impact of sequestration funding reductions for currently enrolled children, there will be no reduction taken on the extensions through June 30, 2013.

### **Is this a temporary cut?**

The cuts described here only address FY 2013 funding. The FY 2014 level will depend on future Congressional action.

### **What guidance can we expect from our Regional Offices and what will be required of us moving forward?**

Estimates of all grantees' reduced amounts will be displayed in the Head Start Enterprise System (HSES) for their planning purposes as soon as the FY 2013 appropriation is finalized. Programs will also be officially notified of their post-sequestration adjusted annual funding levels through revised Funding Guidance Letters or Notices of Award. Programs that have already submitted refunding applications to the Regional Office will not be required to submit revised applications unless you operate both Head Start and Early Head Start and are planning to implement the funding reduction disproportionately across your two programs. In lieu of revised applications, programs will be asked to submit information related to the impacts of sequestration in the HSES, including program scope changes, enrollment reductions, and waiver requests. More guidance will be forthcoming on the timeline for programs to provide this information.

### **Will sequestration delay or stop the Designation Renewal System (DRS)?**

Sequestration will not delay or stop the DRS. The only impact of sequestration on the Designation Renewal System is that awards made through DRS will be issued at the reduced funding level.

### **Will sequestration stop monitoring?**

No, sequestration will not stop monitoring. The Office of Head Start is bound by the requirements in the Head Start Act to monitor programs. However, grantees will not be found out of compliance for any issue that is a reasonable result of the reduction, such as reduced program days. If an early program closure could affect your monitoring review, please notify your Regional Office program specialist as soon as possible.

### **Will it be allowable for grantees to combine positions at the administrative level to absorb the cuts?**

Grantees have significant flexibility to make changes that will allow them to function at the reduced level of funding, especially for the remainder of this year. It is essential that quality, comprehensive services be maintained, even if in the future this requires reducing child enrollment. Grantees should work with their Office of Head Start Regional Office program specialists to make these decisions.

**If grantees have to make quick changes in their programs to implement the reduced funding level, and we can only do it by making program cuts, will we have some relief on the allowable administrative rate requirement (15 percent)?**

Yes. It is understood that in some cases as programs reduce their funding, particularly for those programs funded early in FY 2013, there will be a short-term rise in the relative proportion of administrative costs. This is something to discuss with your Office of Head Start Regional Office program specialist, which may include seeking a waiver from this requirement through the expedited process in Head Start Enterprise System (HSES).

**Is it allowable to shorten the number of weeks per year for home-based programs this program year?**

Grantees providing home-based services may need to reduce the number of home visits and group socializations to achieve the necessary reduction in costs for the current program year. Programs should work with their Regional Office program specialist to determine the best approach for absorbing the sequestration reduction and to seek a waiver through the expedited process in HSES.

**Are there special issues full-year programs need to consider?**

Full-year programs that need to reduce enrollment should make every effort to do so without interrupting services to currently enrolled children. In the event this is not possible, grantees should provide sufficient advance notice and assistance for families to make alternative arrangements for their children.

**Can grantees use training and technical assistance (T/TA) funding for operations?**

Grantee T/TA funds must be used for allowable T/TA activities. Pursuant to Section 648 of the Head Start Act, such activities generally include training institutes, reimbursing staff for education and training, and providing required pre- and in-service training. It would not be allowable to use T/TA funds for direct program services.