

# Fiscal Year (FY) 2023 Focus Area Two Monitoring Protocol



## Purpose

The Focus Area Two (FA2) review is an opportunity for grant recipients to demonstrate their effectiveness in implementing a high-quality program to promote positive outcomes and school readiness for children and their families. This focus area is designed to broaden the Office of Head Start's (OHS) understanding of each grant recipient's performance and to determine if programs are meeting the requirements of the Head Start Program Performance Standards (HSPPS), the Uniform Guidance, and the Head Start Act.



## Road Map to the Focus Area 2 Protocol

This protocol will guide the discussions between the grant recipient and reviewers during the FA2 review. It includes areas of discussion, specific performance measures, and the associated federal regulations. The protocol is divided into the following six sections:

- Program Management and Quality Improvement
- Education and Child Development Services
- Health Program Services
- Family and Community Engagement Services
- Fiscal Infrastructure
- Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA)

## Federal Regulations

Each section of the protocol includes a list of federal regulations grounding the discussions. This list ensures transparency regarding the regulations used to assess program performance. Grant recipients should note that they remain accountable for all the HSPPS as well as other federal, state, and local regulations guiding program operations, management, and oversight.

## What We Want to Learn

This section of the protocol outlines the topic areas the reviewers will explore, and the methodologies reviewers will use to learn about grant recipient performance (e.g., data tours; explorations of classrooms; discussions with managers, teachers, parents, and the governing body). The statements and questions listed in this section are designed to stimulate a meaningful discussion that provides grant recipients with an opportunity to describe strategies and practices that are a priority to OHS: the intentionality behind their program design, decisions, and operations; the challenges they have experienced; the strengths they have developed; their strategies for continuous program improvement; and their strategies for promoting mental wellness and creating a workplace culture that promotes diversity, belonging, and inclusion. In addition, OHS wants to learn how programs are ensuring program environments are healthy and safe for enrolled children and their families.

The questions and statements in the *What We Want to Learn* section are not intended to be exhaustive or to limit discussion. Using these sections as a guide, the reviewers and the grant recipient may engage in discussions beyond the questions included in the protocol.

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## FY23 Outcomes

The FA2 review event will provide grant recipients with the opportunity to share the types of data collected to measure outcomes for each program area. In addition, the grant recipient will share the outcomes the program has achieved thus far in each service area, strategic refinements the program is making to ensure continuous improvement, and the progress made toward achieving outcomes.

## Performance Measures in the Monitoring Protocol

The performance measures identify the areas of performance that are the focus of the monitoring protocol. Each performance measure indicates the federal regulations associated with that measure.

## Focus Area Two Review Information

Grant recipients participating in the FA2 review will receive notification (**45-day letter**) of the upcoming review. The assigned Review Lead will contact the grant recipient following the notification and will partner with the program to prepare for the review (**planning call**).

The Review Team responsible for conducting the FA2 review consists of a Review Lead, a Fiscal Reviewer, and two FA2 Reviewers. The FA2 review includes, but is not limited to, the sample ERSEA file review (includes children and expectant families), classroom and center explorations, data tours, Management Team discussions, governing body and policy council discussions, and fiscal exploration. The Review Team will meet the grant recipient's Management Team the morning of the first day of the review. This **Management Team meeting** allows the Review Team to build on knowledge learned from the pre-review document review (e.g., grant application, Program Information Report data, etc.) and conversations with the Regional Office.

**Data tours** start on the first day and allow the Review Team to understand the types of data the grant recipient collects to inform ongoing continuous improvement. Program leadership and managers overseeing health, fiscal, education, and family services will demonstrate how data are used and how each service area collaborates to ensure the provision of quality services. They also will share data that show progress toward achieving results and outcomes in each service area.

**Service area explorations** continue through the week. Discussions will occur with families, direct service staff, the director, managers, the governing body, and the policy council to gain further insight about how children and their families are supported.

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## Program Management and Quality Improvement

### Overview

#### Purpose

The Program Management and Quality Improvement section of the protocol includes three areas: program management, ongoing oversight and continuous improvement, and program governance. The Review Team will listen to discussion and review data to understand the ability of the Director and the Management Team to deliver high-quality services, continuously monitor program services, make improvements as needed, and achieve program goals and desired outcomes. The Review Team will also monitor the engagement of the governing body and the policy council.

#### Approach

The Program Management and Quality Improvement discussion with the Management Team begins on the first day of the FA2 review event. The grant recipient will describe and demonstrate how they implement their program management system to promote quality improvement. During the data tours, the Review Team will review data and have discussions with program management staff about the program's progress, implementation, success, and risks.

#### Program Outcomes

The grant recipient will share how the program collects data to monitor its own progress in achieving outcomes, as well as the program's reported achievements to date in each content area. The discussion includes a focus on where the program is making progress, where the program is experiencing challenges, and how the program uses its data to inform continuous improvement across the program. In addition, the governing body will demonstrate how they use data (both program data and external information) to oversee the provision of quality services for children and families and to ensure progress toward school readiness.

#### Federal Regulations

- 1301.2 Governing body use of information and data
- 1301.3 Policy council and policy committee use of information and data
- 1302.91(a) Staff qualifications and competencies
- 1302.92(b) Staff training and professional development
- 1302.101(a–b) Management system implementation and coordinated approaches
- 1302.102(b) Monitoring program performance
- 1302.102(c) Using data for ongoing improvement
- 1302.102(d) Reporting
- 642(c)(1)(E)(ii) and (c)(1)(E)(iv)(V)(bb) Governing body responsibilities
- 642(c)(2)(D)(i) Policy council responsibilities

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### What We Want to Learn

#### Program Management

**PM1: The grant recipient establishes a management structure that consists of staff, consultants, or contractors who ensure high-quality service delivery; have sufficient knowledge, training, experience, and competencies to fulfill the roles and responsibilities of their positions; and provide regular supervision and support to staff.**

1. The grant recipient will demonstrate how the Management Team members use their knowledge, training, experience, and competencies to ensure high-quality service delivery. 1302.91(a)
2. The grant recipient will demonstrate how the management/organizational structure provides effective management and oversight of all program areas. 1302.101(a)(1)
3. The grant recipient will demonstrate how managers provide ongoing supervision and professional development to support individual staff. 1302.101(a)(2) and 1302.92(b)

#### Ongoing Monitoring and Continuous Improvement

**PM2: The grant recipient uses data to identify program strengths, needs, and areas needing improvement; to evaluate progress toward achieving program goals and compliance with program performance standards; and to assess the effectiveness of professional development.**

1. The grant recipient will demonstrate how data are aggregated, analyzed, and compared to inform strategies for continuous improvement in all service areas and to identify risk. 1302.102(c)(2)(i)
2. The grant recipient will demonstrate how information is used for ongoing monitoring and improvement of teaching practices, child-level assessments, family outcomes, health and safety practices, and other comprehensive services. 1302.102(c)(2)(iv)
3. The grant recipient will demonstrate how information is provided to the director and across the Management Team to support coordination between services.
4. The grant recipient will demonstrate how the program evaluates progress toward meeting program goals. 1302.102(b)(1)(i)
5. The grant recipient will demonstrate how the program maintains full and effective participation of children who are dual language learners and their families. 1302.101(b)(2)
6. The grant recipient will discuss their agency's strategies for addressing inequities and promoting diversity, belonging, and inclusion among staff, families, and children.

#### Program Governance

**PM3: The grant recipient maintains a formal structure of program governance to oversee the quality of services for children and families, and to make decisions related to program design and implementation.**

1. The governing body members will demonstrate how they have adopted practices that ensure active, independent, and informed governance of the Head Start agency. 642(c)(1)(E)(ii)
2. The governing body members will demonstrate how they use data—both program data and external information—to oversee the provision of quality services for children and families and to ensure progress toward school readiness. 1301.2(b)(2)
3. The governing body members will discuss how they oversee the agency's progress in carrying out programmatic provisions of the agency's grant application. 642(c)(1)(E)(iv)(V)(bb)

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**PM4:** The grant recipient’s policy council is engaged in the direction of the program, including program design and planning of goals and objectives.

1. The policy council members will demonstrate how they support active involvement of parents in program operations and how they ensure the agency is responsive to community and parent needs. 642(c)(2)(D)(i)
2. The policy council members will describe the type of information they use to ensure the program is delivering quality services and the ways in which they actively participate in the direction of the program. 1302.102(d) and 1301.3(c)(2)

**Note:** *The fiscal responsibilities of the governing body and the policy council are addressed under the fiscal section of the protocol.*

## Monitoring and Implementing Quality Education and Child Development Services

### Overview

#### Purpose

The Education and Child Development Services section explores four areas: *school readiness efforts; teaching practices that promote progress toward the next learning environment; support for teachers in school readiness efforts; and the quality of home-based services.* These sections are interrelated and collectively provide information about the program’s ability to prepare children for their next learning environment.

#### Approach

The grant recipient will describe how the program’s school readiness efforts align with the expectations of the children’s receiving schools and if they have information from the kindergarten readiness assessment of the receiving schools. OHS wants to capture rich data around this topic area. The openness of the questions gives the program the opportunity to describe how their school readiness and transition efforts are based on the needs of the children enrolled in their program.

#### Program Outcomes

The grant recipient will share the data used to assess progress toward meeting the program’s school readiness goals, and the data used to understand, track, and address children’s individual needs. The grant recipient will also demonstrate how the data are used to inform continuous improvement related to curriculum selection, instruction, and professional development.

**Note:** *“Receiving schools” refers to schools and programs where enrolled children will attend upon completing the Head Start or Early Head Start program.*

#### Federal Regulations

1302.31(b)(1) and (e) Effective teaching practices

1302.31(e) Promoting learning through approaches to rest, meals, routines, and physical activity

1302.32(a)(2) Curricula

1302.33(b)(1–2) Assessment for individualization

1302.35(a), (c), and (e) Education in home-based programs

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1302.45(a)(1) and (b)(2) Support with managing challenging behaviors and other social, emotional, and mental health concerns

1302.45(b)(2) Mental health consultants

1302.61(a) Additional services for children with disabilities

1302.70(a) Transitions from Early Head Start

1302.71(a) and (d) Transitions from Head Start to kindergarten

1302.71(d) Learning environment activities

1302.91(e) Staff qualifications

1302.92(b)(5) and (c)(1) Training and professional development

1302.92(c)(1) Coaching

1302.102(a)(3) and (c)(2)(ii–iii) School readiness goals

1302.102(c)(2)(ii–iii) Using data for continuous improvement

### What We Want to Learn

#### Alignment with School Readiness

**PM1: School readiness efforts align with the expectations of receiving schools, the Head Start Early Learning Outcomes Framework (HSELOF), and state early learning standards.**

1. The grant recipient will describe how the program’s school readiness efforts align with the expectations of receiving schools, the ELOF, and the state early learning standards. 1302.102(a)(3)
2. The grant recipient will explain the expectations of the receiving schools and collaborations to promote successful transitions to kindergarten. 1302.71(a)
3. The grant recipient will demonstrate how the program implements strategies and practices to support successful transitions for children and families out of the Early Head Start program. 1302.70(a)
4. The grant recipient will describe the data used to show that children are ready to meet the expectations of receiving schools. 1302.102(c)(2)(ii–iii) and 1302.33(b)(1)
5. The grant recipient will explain the expectations of the kindergarten readiness assessment of the receiving schools.
6. The grant recipient will discuss if the program obtains kindergarten entry assessment data on Head Start children entering the receiving schools.

**Note:** *The information on kindergarten readiness assessment (questions 5 and 6) is used for OHS data collection purposes only to inform policy and training and technical assistance directions.*

#### Effective and Intentional Teaching Practices

**PM2: Teaching practices intentionally promote progress toward school readiness and provide high-quality learning experiences for children.**

1. The grant recipient will demonstrate how organized activities, schedules, lesson plans, and learning experiences are responsive to the children’s individual developmental patterns and progressions as described in the ELOF. 1302.31(b)(1)(ii)
2. Using ongoing child-level assessment data, the grant recipient will demonstrate how teachers individualize the experiences, instruction strategies, and services to support children, including those who are not making progress toward school readiness. 1302.33(b)(2)

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3. The grant recipient will demonstrate how teachers create nurturing and responsive learning environments for children, including ensuring environments promote critical thinking and problem solving, encourage children's engagement, and are communication and language rich. 1302.31(b)(1)(i)
4. The grant recipient will share and demonstrate how teachers support child-teacher interactions, socialization, development, and learning at all times, including during daily routines and mealtimes. 1302.31(e)
5. The grant recipient will demonstrate how education staff provide services for children with disabilities, including making referrals and coordinating evaluations. 1302.61(a)
6. The grant recipient will demonstrate the strategies that teachers use to promote successful transitions for children to kindergarten. 1302.71(d)
7. The grant recipient will demonstrate how teachers are supported in providing effective classroom management and positive learning environments. 1302.45(a)(1)

### Supporting Teachers in Promoting School Readiness

**PM3: The grant recipient ensures teachers are prepared to implement the curriculum and support children's progress toward school readiness.**

1. The grant recipient will demonstrate how the program assists education staff in using data to individualize learning experiences to improve outcomes for all children. 1302.92(b)(5)
2. The grant recipient will demonstrate how the program supports staff in effectively implementing curricula, monitoring curriculum implementation, and ensuring fidelity. 1302.32(a)(2)
3. The grant recipient will demonstrate how the program identifies strengths, areas of needed support, and which education staff would benefit from intensive coaching. 1302.92(c)(1)
4. The grant recipient will demonstrate how the mental health consultant supports teaching practices through strategies to address teacher and individual child needs. 1302.45(b)(2)
5. The grant recipient will demonstrate that teachers have the appropriate qualifications. 1302.91(e)(1)-(2)

### Home-Based Program Services

**PM4: The grant recipient ensures home-based program services provide home visits and group socialization activities that provide high-quality learning experiences.**

1. The grant recipient will demonstrate how the home-based program services:
  - a. Promote secure parent-child relationships and help parents provide high-quality early learning experiences. 1302.35(a)
  - b. Provide developmentally appropriate, child-focused learning experiences that promote parents' abilities to support their children's development and align intentionally to school readiness goals and the ELOF (home visits and socializations). 1302.35(c) and 1302.35(e)(2)

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## Monitoring and Implementing Quality Health Services

### Overview

#### Purpose

This section focuses on how the grant recipient provides high-quality health, oral health, mental health, and nutrition services that are supportive of each child's growth and school readiness. This section also focuses on the program's approach for maintaining a system of health and safety practices and how the grant recipient provides quality services for expectant families.

#### Approach

Grant recipients will share how the program supports, implements, and monitors high-quality health program services. Management staff will share the data they use to monitor the quality of health services and to ensure health, mental health, and dental needs are met in a timely manner. Reviewers will ask the grant recipient to demonstrate how the program ensures environments for children and families are well maintained and support the desired outcomes for children. *During the health data tour, the grant recipient will describe and demonstrate how the program monitors and maintains child health-related information and supports parents in understanding information about their children's health and well-being.*

Additionally, during center explorations, staff will demonstrate the effectiveness of the program's preventative maintenance, health and safety practices and discuss how these practices ultimately keep children and families healthy and safe. Five areas are measured in this section: *timely health care and follow-up; mental health consultation; oral health and nutrition; safety; and services to expectant families.*

#### Program Outcomes

The grant recipient will share the data used to understand child health outcomes and to ensure the successful implementation of safety practices.

#### Federal Regulations

- 1302.21(d)(1) Licensing and square footage requirements
- 1302.41(a) Collaboration and communication with parents
- 1302.42(a-d) Child health status and care
- 1302.43 Oral health practices
- 1302.44(a) Child nutrition
- 1302.45(a-b) Wellness promotion
- 1302.45(b) Mental health consultants
- 1302.47(b) Safety practices
- 1302.80 Enrolled pregnant women
- 1302.81 Prenatal and postpartum information, education, and services
- 1302.90(c) Standards of conduct
- 1302.93(b) Staff health and wellness
- 1302.102(d)(1)(ii) Reporting of child safety incidents
- 648A(g)(3) Staff recruitment and selection procedures: criminal record checks
- 1302.17(a)(1-4) and (b)(1-3) Suspension and expulsion



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## What We Want to Learn

### Child Health Status and Care

**PM1: The grant recipient effectively monitors and maintains timely information on children’s health status and care, including ongoing sources of health care, preventive care, and follow-up.**

1. Does the grant recipient ensure children are up to date on a schedule of age-appropriate medical and oral health care (Early and Periodic Screening, Diagnostic and Treatment [EPSDT])? 1302.42(b)(1)(i)
2. Does the grant recipient ensure ongoing care and extended follow-up care? 1302.42(c)-(d)
3. Does the grant recipient ensure that each child has an ongoing source of continuous health care? 1302.42(a)(1)
4. Does the grant recipient educate, support, and collaborate with parents to share information about a child’s health and well-being? 1302.41(a)

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*During the health data tour, the grant recipient will describe and demonstrate how the program:*

- *Monitors and maintains child health-related information*
  - *Supports parents in understanding information about their children’s health and well-being*
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### Mental Health

**PM2: The grant recipient supports a program-wide culture that promotes mental health and social and emotional well-being and uses mental health consultation to support staff and families.**

1. Does the grant recipient ensure mental health consultation is available to partner with staff and families in a timely and effective manner? 1302.45(a)(2)
2. The grant recipient will describe how they use the mental health consultant(s) to support children, staff, and families in meeting mental health and social and emotional needs. 1302.45(b)
3. The program makes mental health and wellness education and information regularly available to staff regarding health issues that may affect their job performance. 1302.93(b)
4. Does the program prohibit or severely limit the use of suspension due to a child’s behavior? 1302.17(a)(1–4) and (b)(1–3)

### Oral Health and Nutrition

**PM3: The grant recipient maintains and monitors for effective oral health practices and nutrition services that meet the nutritional needs and accommodate feeding requirements and allergies.**

1. Does the grant recipient promote effective oral health hygiene by ensuring children with teeth are assisted in brushing their teeth once a day? 1302.43
2. Does the grant recipient implement nutrition services that are culturally and developmentally appropriate, including meeting the nutritional and feeding needs of babies and young children? 1302.44(a)(1)
3. Does the grant recipient post individual child food allergies prominently where staff can view wherever food is served? 1302.47(b)(7)(vi)

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### Safety Practices

**PM4: The grant recipient has implemented a process for monitoring and maintaining healthy and safe environments. This includes ensuring all staff have complete background checks.**

1. The grant recipient will demonstrate how facilities are free from environmental toxins and hazards that pose risk to children’s health and development, and how the program keeps all facilities, equipment, and materials safe through an ongoing system of preventive maintenance. 1302.47(b)(1–2)
2. The grant recipient will share active licensure that meets all state, local, or tribal operating requirements. 1302.21(d)(1)
3. The grant recipient will demonstrate how children are not exposed to lead in their facilities (including exposure to lead in paint or water). 1302.47(b)(1)(iii)
4. The grant recipient will demonstrate how the program keeps all equipment and materials safe through an ongoing system of preventive maintenance. 1302.47(b)(2)(v)
5. Does the grant recipient report suspected or known child abuse and neglect? 1302.47(b)(5)(i)
6. Does the grant recipient ensure safe sleep practices? 1302.47(b)(5)(ii)
7. Does the grant recipient ensure appropriate indoor and outdoor supervision? 1302.47(b)(5)(iii)
8. Does the grant recipient only release children to an authorized adult? 1302.47(b)(5)(iv)
9. Does the grant recipient prevent maltreatment or endangerment of children? 1302.90(c)
10. The grant recipient will describe its method for ensuring all staff have completed the background checks prior to hire. If programs are not ensuring staff receive background checks prior to hire, please note the reasons why, how many staff did not get the criminal record check before hire and review the written documentation they have to validate all staff have the required checks. List all staff that did not have a background check. 648A(g)(3)
11. The grant recipient will describe any incidents of violations of supervision, unauthorized release, or inappropriate discipline that occurred in the last two years and whether those incidents were reported to their Regional Offices by the grant recipient. 1302.102(d)(1)(ii)

### Services to Expectant Families

**PM5: For programs serving expectant families, the grant recipient provides and monitors for quality services that facilitate enrolled expectant mother’s access to health care and provide information to support prenatal, postpartum, maternal, and infant health and emotional well-being.**

1. The program will demonstrate their process for tracking interactions with expectant families, including the services expectant mothers and their families may receive from community partners.
2. The grant recipient will describe how the program connects women to comprehensive services and conducting newborn visits. 1302.80
3. The grant recipient will describe how the program provides prenatal and postnatal education, supports parents during pregnancy, and works to reduce stress and maternal depression. 1302.81

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## Monitoring and Implementing Quality Family and Community Engagement Services

### Overview

#### Purpose

The grant recipient must integrate parent and family engagement strategies into all systems and program services to support family well-being and promote children’s learning and development. Programs are encouraged to develop innovative two-generation approaches that address prevalent needs of families across their program and leverage community partnerships or other funding sources.

#### Approach

The grant recipient will demonstrate how the program provides quality family and community engagement services. The Review Team will learn how the program provides services to support family well-being and promote school readiness. Management and family services staff will describe how they support families in making progress toward their life goals. Parents will discuss their experience with the program’s family engagement and support services. Reviewers will use information learned from each program area to understand how the grant recipient integrates family engagement into all areas of programming. Three areas are measured in this section: *family well-being; strengthening parents; and parent engagement in education.*

#### Program Outcomes

The grant recipient will demonstrate how the program determines the resources needed to support family well-being, either within the program or through community partnerships. This includes sharing how the program measures the impact of family support services.

#### Federal Regulations

1302.34(b) Engaging parents and family members

1302.45(b) Mental health consultants

1302.46(b) Family support services for health, nutrition, and mental health

1302.50 Family engagement approach

1302.51 Parent activities to promote child learning and development

1302.52 Family partnership services

1302.53 Community partnerships

1302.62(b) Parents of children eligible for services under the Individuals with Disabilities Education Act (IDEA)

1302.71(b) Family collaborations for transitions

#### What We Want to Learn

##### Family Well-Being

**PM1: The grant recipient collaborates with families to support family well-being, parents’ aspirations, and parents’ life goals.**

1. The grant recipient will demonstrate how the program supports family goal-setting and tracks family strengths, needs, and progress toward goals. 1302.52(c)(3)

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2. The grant recipient will demonstrate how the program provides resources that support family well-being, either within the program or through community partnerships.
  - a. Does the grant recipient provide economic mobility resources to help families with pathways out of poverty (including educational, vocational, and employment opportunities; budgeting; debt counseling; tax credits; savings accounts; etc.)? 1302.50(b)(3)
  - b. Does the grant recipient provide health and mental health resources (including health insurance or referrals for parental depression, domestic violence, substance misuse, etc.)? 1302.45(b)(5)
  - c. Does the grant recipient provide resources and support for families experiencing homelessness? 1302.53(a)(2)(vi)
  - d. The grant recipient will describe the program's approach to addressing food insecurities (including barriers and partnerships).
  - e. The grant recipient will describe the program's most impactful community partnership and demonstrate how that partnership has positively influenced the community they serve.

### Strengthening Parenting and Parent-Child Supports

**PM2: The grant recipient provides services that strengthen parent-child relationships and support parents in strengthening parenting skills.**

1. The grant recipient will describe its family engagement strategies and how they are designed to foster parental confidence, including opportunities to connect with other parents. 1302.51(a)
2. The grant recipient will describe how the program offers parents the opportunity to practice parenting skills, build on their knowledge, and participate in a parenting curriculum. 1302.51(b)

### Family Engagement in Education and Child Development Services

**PM3: The grant recipient's education and child development services recognize parents' roles as children's lifelong educators and encourage parents to engage in their child's education.**

1. The grant recipient will describe how the program helps parents support the learning and development of their children. 1302.50(b)(1)
2. The grant recipient will describe how the program shares information with parents about their child's development and the types of information the grant recipient gathers from parents about their child's development. 1302.34(b)(2)
3. The grant recipient will describe how the program supports families in their transition into and out of the Head Start program. 1302.71(b)(2)
4. The grant recipient will describe how the program prepares parents to advocate for their child. 1302.71(b)(1)
5. The grant recipient will describe how the program supports parents of children with disabilities. 1302.62(b)
6. The grant recipient will describe how the program supports parents in promoting the social and emotional development of their child. 1302.46(b)(1)

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## Monitoring and Implementing Fiscal Infrastructure

### Overview

#### Purpose

This section highlights the program’s intentionality in its fiscal capacity and management; how the program shares information with the director, managers, the governing body, and the policy council; and how the program uses data to make sound fiscal decisions and ensure fiscal and legal accountability.

#### Approach

The grant recipient will demonstrate the program’s development of its annual operating budget and strategies for the budget’s implementation, adjustments, and accountability.

#### Outcomes

The grant recipient will describe what data are used and how to inform the development and refinement of the program’s budget. The grant recipient will also share how the program uses data to determine the effectiveness of the program’s fiscal infrastructure.

### Federal Regulations

Budget Planning and Development	Ongoing Fiscal Capacity	Budget Execution	Budget Execution cont’d	Facilities
1302.101(a)(3)	1302.91(c)	653(a)	75.303(c)	75.308(c)(1)(xi)
642(c)(1)(E)(iv)(VII)(aa)	1303.12	75.414	75.303(d)	1303.46(b)(1–4)
642(c)(1)(E)(iv)(VII)(bb)	75.303(a),(b),(e)	75.430(i)	75.302(b)(7)	75.320(d)(2)
642(d)(2)(A–I)		75.405(a)	75.403(a–g)	75.343
642(d)(3)		75.302(b)(4)	75.329(a–b)	
642(c)(2)(D)(iv)		75.302(b)(3)	75.332	
1302.102(b)(1)(iii)		75.305(b)(1)	75.327(h)	
1302.102(d)(1)(i)		75.441	75.328(a)(4)(5)(7) 75.328(c–d)	

### What We Want to Learn

#### Budget Planning and Development

PM1: The grant recipient develops and implements its budget to sustain management, staffing structures, and the delivery of services that support the needs of enrolled children and families. This entails relating financial data to accomplishments of the grant award and an awareness of program progress, lessons learned, and needed improvements.

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1. The grant recipient will describe how it takes into account the program’s goals and objectives when developing the budget to ensure the provision of comprehensive services and the continuity of care. 1302.101(a)(3)
2. The grant recipient will explain how the budget development and approval process demonstrates that program goals and objectives are taken into account to set priorities and make trade-offs showing the program intentionally allocated resources to its highest priority goals and objectives. 1302.102(b)(1)(iii)
3. The grant recipient will describe how the governing body uses the fiscal information they receive to inform budget decisions. This includes:
  - a. How the governing body approves financial management, accounting, and reporting policies, and how the governing body ensures compliance with laws and regulations related to financial statements, including what the agency identified as major financial expenditures. 642(c)(1)(E)(iv)(VII)(aa)
  - b. The governing body’s role in approval of the annual operating budget. 642(c)(1)(E)(iv)(VII)(bb)
4. The grant recipient will describe the policy council’s engagement in the budget process, including:
  - a. The policy council’s role in the budget process. 642(c)(2)(D)(iv)
5. The grant recipient will describe:
  - a. How the budget development process of the governing body and the policy council is supported by accurate and regular information, including information regarding program goals and objectives. 1302.102(d)(1)(i)
  - b. How the budget development process of the governing body and the policy council is supported by accurate and regular information, including financial statements and reports. 642(d)(2)(A–I)
  - c. How the governing body is trained to ensure members understand the information received and can effectively oversee budget decisions. 642(d)(3)

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*To address this performance measure, the grant recipient will demonstrate how its budget development and approval process reflects the awareness of fiscal staff, the governing body, and the policy council of the goals and objectives of the program. The grant recipient will also demonstrate that program objectives, progress, and experiences are taken into account in making budget decisions. Ultimately, the grant recipient’s budget must support the program in delivering comprehensive, quality services to enrolled children and families.*

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### Ongoing Fiscal Capacity

**PM2: The grant recipient plans and implements a fiscal management system that supports the organization’s ongoing capacity to execute its budget over time and meet the needs of its organization.**

1. The grant recipient will describe the fiscal complexity of the program (i.e., multiple funding sources, numerous and widespread locations, number of Head Start/Early Head Start grants, delegates, facilities) and applicable financial management requirements, then show the training, experience, and qualifications of the fiscal officer and fiscal staff are appropriate for the complexity of the program. 1302.91(c)
2. The grant recipient will describe the staffing and internal controls that support the program’s financial management system. 75.303(a),(b),(e)

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*The grant recipient’s fiscal capacity includes having fiscal staff with the education, experience, and capacity to support the program, given the level of fiscal complexity of its grant(s) and applicable financial management requirements. Fiscal capacity also includes ongoing assessment of the program’s funds and property, as well as identification, assessment, and response to identified risk assessment.*

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# Fiscal Year (FY) 2023 Focus Area Two

## Monitoring Protocol

- a. Does the grant recipient establish and maintain effective internal control over the federal award? 75.303(a)
  - b. Does the grant recipient have processes in place to ensure compliance with requirements, including Federal statutes, regulations, and terms and conditions of the Federal award? 75.303(b)
  - c. Does the grant recipient take reasonable measures to safeguard protected personally identifiable information and other information the Health and Human Services awarding agency designates as sensitive? 75.303(e)
3. The grant recipient will describe the program's ongoing process to identify, assess, and address risks, including how the agency responds to identified risks through systemic improvements; cost-effective insurance, such as natural disaster, child injury, and electronic theft; bonds; and other risk reduction measures. 1303.12
  4. The grant recipient will describe the program's process for ensuring that funds awarded to prevent, prepare for, and respond to COVID-19 (e.g., Coronavirus Aid, Relief, and Economic Security Act and Coronavirus Response and Relief Supplemental Appropriations Act) are used only for their appropriated purposes.

### Budget Execution

**PM3: The grant recipient's financial management system provides for effective control over and accountability for all funds, property, and other assets.**

1. **Personnel Compensation and Fringe Benefits.** The grant recipient will demonstrate its ability to manage personnel compensation and fringe benefits.
  - a. Are wages comparable and do they meet the program's needs for recruitment and retention of qualified staff? 653(a)
  - b. Does the grant recipient identify and account for indirect costs? 75.414
  - c. Does the grant recipient accurately track the time of non-exempt employees? 75.430(i)
  - d. Does the grant recipient maintain a written plan that ensures costs allocable to more than one funding source, including personnel costs, are shared across programs relative to the benefit received by each program? 75.405(a)
  - e. Does the grant recipient effectively manage its Head Start funds to ensure funds are used only for authorized purposes? 75.302(b)(4)
  - f. Are Head Start funds used only for expenses associated with authorized Head Start activities? 75.302(b)(3)
  - g. Are funds drawn down in relation to immediate cash needs and is the time between when funds are drawn down and payments are made minimized to ensure timely payment to vendors and contractors? 75.305(b)(1)
  - h. Is the grant recipient liable for any fines, late fees, or penalties related to its function as an employer (e.g., Internal Revenue Service, Department of Labor, workers' compensation, unemployment insurance)? 75.441
  - i. Does the grant recipient evaluate and monitor personnel and other fiscal operations to ensure compliance with laws, rules, regulations, and terms of the award? 75.303(c)

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*The grant recipient will demonstrate its ability to manage major expenditures and accurately reconcile major accounts. The most significant expenses for Head Start grant recipients are personnel and associated mandatory and employer-sponsored benefits. The fiscal reviewer will use the grant recipient's personnel expenditures as the basis for exploring how the grant recipient manages fiscal operations.*

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# Fiscal Year (FY) 2023 Focus Area Two

## Monitoring Protocol

- j. Does the grant recipient have a process for taking prompt action to address any identified areas of noncompliance? 75.303(d)
2. **Procurement.** The grant recipient will describe the program’s system for determining whether individual expenses are necessary, reasonable, allocable, and adequately documented.
  - a. Does the grant recipient have a process for the purchasing and contracting of goods and services? 75.302(b)(7)
  - b. Does the grant recipient ensure all purchases and contracts meet the criteria affecting allowability? 75.403(a-g)
  - c. Does the grant recipient ensure there are an adequate number of qualified vendors to demonstrate required competition for micro-purchases (currently below \$10,000), small purchases (\$10,000 to \$249,999) [75.329(a-b)], and purchases over the simplified acquisition threshold (currently \$250,000)? 75.332
  - d. Does the grant recipient ensure it only makes purchases from, and contracts with, qualified vendors? 75.327(h)
  - e. Does the grant recipient exclude related parties such as members of the governing body, staff, or family members as vendors, contractors, lessors, or lenders? 75.328(a)(4)(5)(7)
  - f. When the grant recipient approves purchases and contracted services, does it ensure free and open competition? 75.328(c–d)

### Facilities and Equipment

**PM4: The grant recipient complies with application, prior approval, and reporting requirements for facilities purchased, constructed, or renovated with Head Start funds.**

1. If Head Start funds have been used to make mortgage payments, fund renovations in excess of \$250,000 for a single facility, purchase a facility outright (e.g., land, building, modular unit), make a down payment, or construct a new facility, the grant recipient will describe:
  - a. How the grant recipient ensured it received prior Administration for Children and Families approval for use of funds. 75.308(c)(1)(xi)
  - b. How the grant recipient filed or posted a notice of federal interest that reflects the use of funds. 1303.46(b)(1-4)
2. The grant recipient will demonstrate how the program maintains a complete inventory of all equipment purchased, in whole or in part, with Head Start funds. 75.320(d)(2)
3. The grant recipient will demonstrate how the program ensures the SF-429A is filed electronically (for all years after 2017), as well as the process for ensuring the accuracy of the SF-429A. 75.343



# Fiscal Year (FY) 2023 Focus Area Two Monitoring Protocol

## Monitoring ERSEA: Eligibility, Recruitment, Selection, Enrollment, and Attendance

### Overview

#### Purpose

This section focuses on how the grant recipient ensures compliance with ERSEA program requirements.

#### Approach

The grant recipient will provide child files to assist the reviewers in monitoring that eligible children and families are receiving Head Start services. The grant recipient will also demonstrate the program's process for ensuring the program remains fully enrolled.

#### Outcomes

The grant recipient will share information about ERSEA practices and how data are used to ensure the program maintains funded enrollment based on eligibility criteria.

### Federal Regulations

1302.12(c–e) and (k–m) Determining, verifying, and documenting eligibility

1302.14(b) Children eligible for services under IDEA

1302.15(a) Enrollment

### What We Want to Learn

#### Determining, Verifying, and Documenting Eligibility

A reviewer will assess a sample of files for enrolled children and expectant families to understand the program's eligibility determinations, including the supporting documentation used to verify eligibility.

**PM1: The grant recipient enrolls children or expectant mothers who are categorically eligible or who meet defined income-eligibility requirements.**

1. The grant recipient will demonstrate how the program maintains files with an eligibility record that includes:
  - The child's or expectant mother's eligibility category,
  - Documentation that staff completed an in-person or phone interview with the family,
  - The documents used to determine eligibility for each child or expectant mother and their authenticity.1302.12(k)
2. The grant recipient will demonstrate how the program determines the category of eligibility for children and expectant mothers, and how staff monitor and track slot availability. This includes information about which eligibility criteria the family meets and how the program ensures compliance with over-income criteria: 1302.12(c)(1–2), (d)(1), and (e)(1)(iii)  
Eligibility requirements. An expectant mother or child is eligible if:
  - Family income is equal to or below the poverty line
  - Family or child is receiving or is eligible to receive public assistance (e.g., Supplemental Security Income and Temporary Assistance for Needy Families)
  - Child/Expectant mother is experiencing homelessness

# Fiscal Year (FY) 2023 Focus Area Two

## Monitoring Protocol

- Child is in foster care

Additional income-eligibility criteria include:

- A total of 10% of children enrolled in the program may be above the income threshold.
  - An additional 35% of children who are not categorically eligible may be from families whose income is between 100% and 130% of poverty.
3. The grant recipient will discuss and share the percentages of applicants who are over-income for Head Start services, including the following:
- Families who did not meet the categorical eligibility requirements, and the program enrolled as the 10% enrollment above the income threshold (a) above.
  - Families who the program enrolled as the additional 35% who were not categorically eligible but whose income was between 100% and 130% of poverty.
  - Families whom the program did not enroll in the program at all.
    - i. The grant recipient will describe the program’s approach to supporting ineligible families who were not enrolled in the program.

*Note: For tribal programs, there are additional allowances provided under 1302.12(e).*

4. The grant recipient will describe how the program ensures staff receive ERSEA training and comply with eligibility determination regulations, including having policies and procedures in place to describe actions taken against staff who violate these regulations. 1302.12(l–m)
5. The grant recipient will describe how the program ensures all documents verify family and expectant mother’s income in addition to how the program verifies eligibility signed by staff. 1302.12(a)(ii)

**PM2: At least 10% of the grant recipient’s total funded enrollment is filled by children eligible for services under the Individuals with Disabilities Education Act (IDEA) or the grant recipient has received a waiver.**

1. The grant recipient will demonstrate that at least 10% of the program’s total funded enrollment is filled by children eligible for services under IDEA, or that the grant recipient has received a waiver. 1302.14(b)(1)

### Enrollment Verification

**PM3: The grant recipient maintains and tracks full enrollment.**

1. The grant recipient will share the system for tracking and maintaining full enrollment.
2. The grant recipient will demonstrate the process for filling vacancies that are 30 days or longer. 1302.15(a)
3. The grant recipient will share the waitlist of eligible children that ranks children according to the program’s selection criteria. 1302.14(c)
4. The grant recipient will provide data supporting enrollment and attendance numbers for the previous four months and demonstrate the accuracy of enrollment data submitted to the OHS.