

School Board of Broward County, Florida (SBBC) Head Start/Early Head Start
Budget and Budget Justification Narrative
Budget Narrative and Justification (including direct and indirect costs)

The proposed federal budget for FY 2021 is \$17,342,551. The required 20% match (\$4,335,637) by the District is allocated through cash totaling approximately \$3,461,474 and in-kind contributions of \$874,163. The exact amount of cash match may vary based upon negotiated pay raises and changes in staff's positions. Funds for the required cash match are allocated from the District's Fund Number 1010, General Grant Match. The source of in-kind contributions is reached through parents' contributions, the number of volunteers' hours dedicated to the classrooms, donated classroom supplies, utility services, janitorial services, and depreciation of 112 classrooms and the District's building values using the straight-line depreciation method (50 years). SF-424A provides the distribution of funds by object class categories for Head Start (HS) Program Operations, HS Training and Technical Assistance (T&TA), Early Head Start (EHS) Program Operations, and EHS T&TA. Projected federal funding is outlined below:

- HS Program Operations: \$15,930,326
- HS Training and Technical Assistance: \$177,181
- EHS Program Operations: \$1,208,010
- EHS Training and Technical Assistance: \$27,034

The following details the budget and justification, identifying the amount of funds allocated for HS and EHS, and the intended use of the funds. The proposed budget supports all direct and indirect costs. Funds are allocated to ensure all required comprehensive HS and EHS services to eligible children and families are provided in a cost-effective manner.

- a. Personnel – District and school-based staff necessary to provide the comprehensive services to children and families in all service areas: Education, Health, Mental Health, Disabilities,

Family Services, Program Management, and Fiscal. The total includes the non-federal share. (HS - \$13,697,478; EHS - \$1,004,140)

- b. Fringe Benefits (FICA, UC, Worker's Compensation and Retirement) include employee health insurance, dental insurance, life & disability insurances, and other fringe benefits allocated in the same manner as salaries and wages. Vacation, holiday, and sick pay are included in this category. Total includes non-federal share. (HS - \$3,388,043; EHS - \$257,969)
- c. Travel – The T&TA outlines professional development, training supplies, and travel expenses for conferences and workshops and is captured in the T&TA section below.
- d. Equipment: N/A
- e. Supply expenses include office supplies, child classroom supplies and snacks, and family service supplies (Disabilities/Mental Health, Family Support Groups, Family Literacy, Parent Training, Parent Activities and Policy Council). (HS \$652,930 – EHS - \$47,300)
- f. Health/Disabilities Services Consultants & Other Contractual costs include: professional service costs associated with dental services, occupational therapy, and nutrition consultant; student insurance; *MyTeachstone* subscription; the Teaching Strategies GOLD student assessment subscription (ongoing monitoring assessment tool); GOLD Plus personalized learning subscription; eDECA assessment tool license; ReadyRosie Family Engagement and Summer Soar program, equipment, telephone, communications, including rental and maintenance of the copier machine, cellular phone services, data plan for iPads, and purchases, upgrades and renewal to the database management system. Long distance and local calls are charged to programs if readily identifiable. (HS \$358,950; EHS - \$6,350)
- g. Construction: N/A

- h. Other Costs/Expenses include: local travel/mileage charged directly to the program for which the travel is incurred (includes Parent Educators, Teacher Specialists, Social Workers, Compliance Specialists, Health Specialist, School Nurse, Inclusion Specialists, Family Services Supervisor, Curriculum Supervisor, Director, and HS/EHS Specialist); dues & fees charged annually for the National Head Start Association and Florida Head Start Association; field trip transportation and admissions; parent reimbursement for childcare travel, mileage, parking, and conference fees; advertising; printing and postage. (HS - \$415,555; EHS - \$21,029)
 - i. Total Direct Charges (HS - \$15,233,122; EHS-\$1,153,794)
 - j. Indirect Charges (4.64 %) (HS - \$697,204; EHS - \$54,215)
 - k. Through the T&TA Plan, goals and activities are identified that align to the self- assessment and improvement plan, School Readiness Goals Report, strategic plan, service plan, and ongoing monitoring activities. These include professional development, training, conferences, seminars and auto allowance/travel costs. (HS-\$177,181; EHS - \$27,034)
 - l. The SBBC contributes the non-federal share cash match. (HS-\$3,279,833; EHS - \$181,641)
 - m. The SBBC contributes the in-kind match (parent volunteer hours, donated items, utility services, janitorial services, and depreciation of 112 HS and 10 EHS classrooms, and district space). (HS - \$747,044; EHS - \$127,120)
1. School Board of Broward County is the sole grantee.
 2. Cost of Living Adjustment (COLA)
COLA funds will be utilized for salary/fringe benefit increases to the District's employees based on contractual agreements and negotiations.

Financial Management System and Internal Control

Broward's HS/EHS program complies with all SBBC District policies, procedures, and protocols established for financial management including, but not limited to, accounts payable (mileage, purchase orders, check requests, and vendors), capital assets, and cost accounting (object code classification for material, equipment, and services). The program works closely with the District's Budget Office and maintains open communication to ensure they are informed of any changes, such as supplemental funding opportunities, that would increase or decrease the total budget allocation. Broward's HS/EHS program follows District Budget Guidelines set forth annually. SAP is the SBBC's financial system of reporting. In the Grants Management Module, the program controls many aspects of the grant up front. Grant managers and grant processors are subject to SBBC guidelines for Purchasing and Payroll. The Internal Controls for grants are designed to operate in accordance with the requirements of the Grantor as specified in the individual grant contract and the applicable rules and regulations.

Internal Control for grants includes four main aspects. The first aspect is the ability to restrict the types of postings with hard stops with the use of the Grant Master Data file. This feature allows the Central Grant Administrator (CGA) to restrict the functions, objects, and locations allowed to be used on each grant. The combination of functions allowed by location can be restricted in the master data record. The start and end date of activity of the grant can be controlled by grant master data fields as well as by the grant lifecycle. When an expense is coded incorrectly, the individual will receive a hard stop and will not be able to continue until the line of coding is corrected.

The workflow in SAP is the second aspect of Internal Controls for grants. Purchasing requisitions flow to the person responsible for the grant as do the positions and coding changes

on positions. Therefore, the grant manager can reject transactions not approved by the grant prior to posting and making corrections after the fact. The third aspect of the grant Internal Control is the grant manager and grant processor's understanding of the grant and the application they submitted. Best practices state that the person closest to the grant should be responsible for the coding and reconciliation. The fourth aspect is the review process for both the grant processor through monthly reconciliation, and by the CGA after the grant is closed. The grant processor is trained in how to reconcile the monthly expenses in SAP. At this time, the CGA should be notified if a coding error occurs or if an expense does not belong to a specific grant.

After the grant has been completed, the grant is changed to "closed" status. If postings occur after the final report, the CGA notifies the grant processor of what action is needed to correct the postings. If the transaction is non-salary, a journal entry can be used for correction purposes. However, if the posting is for salary or fringe, the first step is to correct the position in SAP. In some cases, this is not possible; a journal entry is used as a last resort.

3. Non-Federal Share Match

The 20% non-federal share match is met through the SBBC cash match and in-kind. Parent volunteer hours are calculated by multiplying the hours by the hourly rate plus fringe benefits.

(HS: approx. 1,900 hours x 15) (hourly rate + fringe benefits) = \$26,500; (EHS: 380 hours x \$15) (hourly rate + fringe benefits) = \$5,700; donated items are estimated at the fair market value (HS:\$5,344 - EHS: \$3,120); depreciation of 112 HS classrooms using the straight-line depreciation method (50 years), 10 EHS classrooms, and district office space is estimated at (HS: \$530,000 - EHS: \$48,500); utility services (HS: \$95,700 – EHS: \$33,600); janitorial services (HS: \$89,500 – EHS: \$36,200). USDA reimbursements are processed by SBBC and HS/EHS does not receive the reimbursements.

Meeting the 15% Limitation on Development and Administrative Costs

Historically, the School Board of Broward County, Florida (SBBC) has not exceeded the 15% limitation. Personnel salaries and fringe indicate a percentage of 89% for HS and EHS because the SBBC hires State Certified Teachers as defined per job descriptions and Union Bargaining Units. Administrative costs continue to be less than 15%.

Source of Additional Funding

The State of Florida funds the Voluntary Prekindergarten (VPK) Extended-Day Program. The program provides HS children with three hours of an extended learning opportunity daily at participating sites. The VPK program is based on children's attendance and operation throughout the school year is dependent upon enough participating children. The State pays a rate of \$2,437 per child for the 2019 – 2020 school year.

Cost Allocation

The cost allocation methodology used is allocated based on number of children served under each program. Costs that benefit more than one program will be allocated based on the ratio of each program's expenses to total expenses. The comprehensive budget aligns with the above proposed programs. SBBC utilizes a cost allocation plan to allocate costs to various grants. Office of Management and Budget (OMB) Super Circular – Subpart E, "Cost Principles for non-Federal entity," establishes the principles for determining costs of grants, contracts, and other agreements with the Federal Government. Only costs that are allowable, in accordance with the cost principles, will be allocated to benefit grants by SBBC. The general approach of SBBC in allocating costs to grants and contracts is as follows:

- a. All allowable direct costs are charged directly to grants, activities, etc.

- b. Allowable and reasonable direct costs that can be identified to more than one grant is prorated individually as direct costs using a base most appropriate to the cost being prorated.
- c. All other allowable general and administrative costs (costs that benefit all grants and cannot be identified to a specific grant) are allocated to grants, general fund, etc. using a base that results in an equitable distribution.

The Cost Allocation Plan is based on the Direct Allocation method described in OMB Super Circular – Subpart E. The Direct Allocation Method treats all costs as direct costs except general administration and general expenses. Direct costs are those that can be identified specifically with a final cost objective. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a final cost objective. The following information summarizes the procedures that will be used by SBBC beginning 11/1/2020:

- a. Compensation for personnel are documented with SAP Staffing Report showing time distribution for all employees and allocated based on number of children served under each grant. Salaries and wages are charged directly to the grant for which work has been done. Costs that benefit more than one grant will be allocated to those grants based on the ratio of each grant's salaries to the total of such salaries. Costs that benefit all grants will be allocated based on the ratio of each grant's salaries to total salaries.
- b. Fringe benefits (FICA, UC, Worker's Compensation and Retirement) are allocated in the same manner as salaries and wages. Health insurance, dental insurance, life & disability insurances, and other fringe benefits as well as vacation, holiday, and sick pay are also allocated in the same manner as salaries and wages.
- c. Travel (See T&TA Plan).

- d. Equipment: N/A
- e. Supply expenses are charged directly to grants that benefit from the services. (Disabilities/Mental Health, Family Support Groups, Family Literacy, Parent Training, Parent Activities, Policy Council). Expenses that benefit more than one grant are allocated based on the ratio of the costs to total expenses.
- f. Health/Disabilities Services Consultants & Other Contractual Services
- g. Professional Services Costs are allocated to the grant benefiting from the service (Dental Services, Occupational Therapy, and Nutrition Consultant). All professional service costs are charged directly to the grant for which the service was incurred.
- h. Costs that benefit more than one grant will be allocated to those grants based on the ratio of each grant's expenses to the total of such expenses. Costs that benefit all grants will be allocated based on the ratio of each grant's expenses to total expenses.
- i. Student insurance needed for a grant is charged directly to the grant requiring the coverage. Other insurance coverage that benefits all grants is allocated based on the ratio of each grant's expenses to total expenses.
- j. Teaching Strategies GOLD Student Assessment Subscription – Ongoing monitoring assessment tool
- k. eDECA Assessment Planning System – Social emotional health and resilience assessment and progress monitoring tool
- l. BRIGANCE developmental screening tool for EHS
- m. ChildPlus Database Management System and Technical Support
- n. Equipment rental, maintenance, telephone, and communication expenses that benefit more than one program will be allocated to those programs based on the ratio of each

program's expenses to the total of such expenses. Costs that benefit all programs are allocated based on the ratio of each program's expenses to total expenses.

- o. Construction: N/A
- p. Other costs include local travel/mileage charged directly to the program for which the travel was incurred for Parent Educators, Teacher Specialists, Social Workers, Compliance Specialists, Health Specialist, School Nurse, Inclusion Specialists, Family Services Supervisor, Curriculum Supervisor, Director, and HS/EHS Specialist; dues and fees charged annually to pay the National Head Start Association and Florida Head Start Association; field trip transportation and admissions; parent reimbursement for childcare travel, mileage, parking, and conference fees; and advertising. Printing and postage expenses are charged directly to grants that benefit from the service. Expenses that benefit more than one grant are allocated based the ratio of the costs to total expenses. Costs that benefit more than one grant will be allocated to those grants based on the ratio of each grant's expenses to the total of such expenses. Costs that benefit all grants will be allocated based on the ratio of each grant's expenses to total expenses.
- q. T&TA Plan – Identified goals and activities aligned to the self-assessment and improvement plan, School Readiness Goals Report, strategic plan, service plan, and ongoing monitoring activities.
- r. Professional Development/Training/Conferences/Seminars – Allocated to the program benefiting from the training, conferences or seminars. Costs that benefit more than one program will be allocated to those programs based on the ratio of each program's salaries to the total of such salaries. Costs that benefit all programs will be allocated based on the ratio of each program's salaries to total salaries.

- s. Rental Car/Mileage to Conferences/Workshops – Allocated based on purpose of travel. All travel costs will be allocated (local and out-of-town) to those programs based on the ratio of each program’s salaries to the total of such salaries. Travel costs that benefit all programs will be allocated based on the ratio of each program’s salaries to total salaries.

Current and Proposed Indirect Cost Agreement

The proposed indirect cost agreement (4.64%) is included with supporting documents.

One-time Costs

The program does not have one-time costs.

Special Situations: Proposed Budget Savings

Enrollment reductions or conversion of funds are not requested.

Explanation About Facilities

Construction or major renovation of facilities do not currently exist.

Procurement of Equipment Over \$5,000

The program is not proposing equipment purchases over \$5,000. All procurement transactions follow SBBC Purchasing Policy 3320. The Superintendent shall be authorized to approve purchases under rules of the district school board provided that in doing so, he or she shall certify that funds to cover the expenditures are authorized by the budget and have not been encumbered. Whenever an opportunity exists to obtain additional cost savings from contracts currently awarded or approved by SBBC, the Supply Management and Logistics Department will pursue additional cost savings from vendors awarded those contracts by requesting special pricing or additional discounts.

4. A waiver of the non-federal share match requirement will not be proposed.
5. A waiver of the 15% limitation of development and administrative costs will not be proposed.

6. An enrollment waiver reduction will not be requested.
7. A conversion of seats will not be requested.
8. Funds for the purchase, construction, or renovations of facilities will not be requested.
9. Funds for equipment will not be requested.