



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

Office of the Director

500 Summer St NE E-15

Salem, OR 97301-1097

503-947-5110

Fax: 503-378-2897

TTY: 503-947-5080

November 8, 2010



The Honorable Peter Courtney, Co-Chair
The Honorable Dave Hunt, Co-Chair
State Emergency Board
900 Court St. NE
H-178 State Capital
Salem, OR 97301-4048

Re: Grant Update – Competitive Grant – ARRA Funded
State Early Childhood Advisory Council

Dear Co-Chairpersons:

At the September Emergency Board, retroactive approval for the submission of a federal grant to the U.S. Department of Health and Human Services, Administration on Children, Youth, and Families in the amount of \$1,165,038 by the Office of the Governor to support the State Early Childhood Advisory Council was provided with "the understanding that the agency will return to the Emergency Board or the Joint Committee on Ways and Means with a completed plan on how the grant funds would be spent prior to actually spending any of the grant funds."

This letter and attachments are respectfully submitted on behalf of the Governor's Office and the Department of Human Services (DHS), Children, Adults and Families (CAF) Division. DHS has requested spending authority for the ARRA grant received for the Early Childhood Matters Advisory Council (ECM Advisory Council) as part of the DHS rebalance also being submitted to the December Emergency Board.

This is a three-year grant which includes a primary grant and a supplemental grant totaling \$1,165,038. DHS received the federal award of these grant funds on September 22, 2010 in a letter received September 27, 2010.

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Spending Plan

As requested, the spending plan is attached. The bulk of the funding is for staffing. The spending plan assumes the new administration will continue to devote the time of a Senior Policy Advisor in the role of Chair/Director of the ECM Advisory Council and fully funds that position for three years. The plan also fully funds half of an administrative assistant to support the Chair/Director for three years.

The grant will also fund contractual assistance for committee and council support. There are three standing committees which meet monthly and a joint workgroup which meets as needed, but usually once a quarter, in addition to quarterly council meetings. The grant requires periodic public input meetings which will require staff support to plan and implement.

The grant includes funding for travel expenses for required national meetings as well as in-state travel for meetings and input sessions. The grant also includes funding for office supplies and expenses associated with the Chair/Director position.

Lastly, both the primary grant and the supplemental grant include funding for consulting services for change management and data collection design pursuant to the requirements of the grant. Indirect charges, based upon a cost allocation plan are also included.

The staff will continue to implement the strategic plan which was the basis of the grant application. The Chair of the Council will continue to provide direction and coordination for the work of the Council as well as represent the state at the national level. The contract staff will continue to support the Council and its committees. The Council has chosen to focus on three areas at this time: creating a Kindergarten Readiness Assessment tool; creating an "Early Childhood Budget" which will identify how funds are currently being spent on early childhood education and care throughout the state and an evaluation of the current uses versus Council priorities; and establishing a statewide home visitation system. Staff will assist with data collection and resource production, meeting preparation and follow up and completion of deliverables pursuant to the Federal Grant.

The work of the staff and Council will result in an aligned and coordinated system of early childhood education and care which utilizes evidence based practices and ensures that every young Oregonian enters kindergarten ready to learn and has the best possible chance for success throughout school and life. The most recent

research makes it abundantly clear that the achievement gap begins long before a child enters kindergarten. By aligning and coordinating Oregon's policies and programs for children ages birth to school-entry, we will make great strides in improving the success of Oregon's children in school and throughout life.

Placement in the Governor's Office

The Council was placed in the Governor's Office for a number of policy reasons. First and foremost, there are five agencies – with five individual budgets – which have some aspect of early childhood education and care as part of their agency responsibilities:

1. Department of Education;
2. Commission on Children and Families;
3. Employment Department; Child Care Division;
4. Department of Human Services, Children, Adults and Families Division; and
5. Oregon Health Authority, Office of Family Health, Public Health Division.

Over the years it has been difficult to bring alignment and collaboration to early childhood education and care when one of these agencies was in the lead role. Each representative to the Council from the five agencies has endorsed the placement of the Council in the Governor's Office. Our private sector partners from the business, non-profit and philanthropic community have also endorsed the placement of the Council in the Governor's Office rather than in one of the five agencies.

Secondly, by placing the Council in the Governor's Office, the issue of early childhood education and care has been elevated in visibility. We have been able to attract attention for our work in this area nationally as well as locally – evidenced by the contributions of the philanthropic and non-profit community towards our match requirement for the ARRA grant.

The Children's Institute and the Oregon Community Foundation both committed their expenditures in the area of early childhood education and care to the state for use as our 70% match requirement. The placement of the Council in the Governor's Office provided the type of commitment to the issues necessary to ensure a level of seriousness and credibility for the work envisioned under this grant.

Both Senator Jackie Winters and Representative Tina Kotek are members of the ECM Advisory Council, and both have repeatedly supported and endorsed the placement of the Council in the Governor's Office.

DHS was requested by the Governor's office to be the fiduciary agent for the grant due to the well established ARRA reporting process already in place in DHS. Positions and other expenditures associated with the grant will be made within the DHS budget; though the positions are currently planned to reside within the Governor's office.

If you need more information at this time, please contact Dawn Bonder at 503-378-5145 or Eric Luther Moore at 503-884-4701.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Scherzinger', with a long horizontal flourish extending to the right.

Jim Scherzinger
Deputy Director of Finance

CC: Linda Ames, Legislative Fiscal Office
Sheila Baker, Legislative Fiscal Office
Blake Johnson, Department of Administrative Services

**OFFICE OF THE GOVERNOR
STATE EARLY CHILDHOOD ADVISORY COUNCIL
BUDGET JUSTIFICATION YEARS 1 - 3 (10/1/10 - 9/30/13)**

	YEAR 1	YEAR 2	YEAR 3
A. PERSONNEL			
Executive Director, Early Childhood Matters Advisory Council/Sr.Policy Advisor			
Facilitate the coordination of state agencies, local partners and other public and private early childhood stakeholders in order to design and implement a comprehensive, statewide early childhood system.			
Salary	110,556	110,556	110,556
Administrative Support (50%)			
Support the Executive Director with administrative and secretarial duties; support the Council and Council Committees as needed.			
Salary	16,170	16,170	16,170
FRINGE BENEFITS (FICA, RETIREMENT, WORKERS' COMP INS, HEALTH AND DENTAL INS.)			
B. Executive Director (37.5% of salary)	39,486	39,486	39,486
Administrative Support (68.7% of salary) contributions are negotiated in collective bargaining	11,116	11,116	11,116
TOTAL PERSONNEL & FRINGE BENEFITS	177,328	177,328	177,328
C. TRAVEL			
1. Instate Travel:			
Exec. Dir travel to local/state agency and partner meetings.			
Car mileage: @ .50/mile, est. @ 300 miles/mon. x 12 mons. = 3,600 miles	1,800	1,800	1,800
Meals and Lodging (\$116/day x 3)	348	348	348
Exec Dir. and one staff to Public Input meetings -- 3 in year 1; 5 in years 2 and 3)			
Car mileage: @.50/mile, est. @ 550 miles (avg of trips) = 1650 miles; 2750 miles	825	1,375	1,375
Meals and Lodging (\$116/day/3 days/2 people) (\$116/day/5 days/2 people)	696	928	928
2. Out-of-State Travel: Required per grant guideline			
One trip to national ECAC meeting			
Destination: Washington, D.C.			
Air Fare (round trip, coach) \$750/trip	750		
Meals and lodging (\$241/day x 3 days)	723		
Misc. Expenses: Ground Transp. parking \$100/trip	100		
TOTAL TRAVEL	5,242	4,451	4,451

D. EQUIPMENT	0	0	0
E. SUPPLIES	600	600	600
General Office Supplies: Postage, duplicating, stationery, paper, pens, diskettes, etc.			
\$50/month x 12 months			
F. CONTRACTUAL			
Contract assistance with change management, project management and Council management; 80 hours/mo @ \$100/hour	96,000	96,000	96,000
Contract assistance with Change Management (\$8000/year)	8,000	8,000	8,000
Mileage, parking, incidental reimbursements for contractors (\$353.25/mo/12 mos/year 1); (\$419.17/mo/12 mos/year 2 and 3)	4,239	5,030	5,030
Contractor to develop a school-readiness assessment tool and assist with implementation. \$150/hour plus expenses	60,000	25,000	
Contractor to assist in the development of comprehensive early childhood education and care budget. \$150/hour plus expenses	35,000	22,000	
Miscellaneous contracting expenses to complete the school-readiness assessment tool implementation. \$150/hour			5,491
TOTAL CONTRACTUAL	203,239	156,030	114,521
G. CONSTRUCTION	0	0	0
H. OTHER	2,280	2,280	2,280
Phone line, long distance, and FAX charges (\$60/mon/FTE x 12 mons x 1.50 FTE)	1,080	1,080	1,080
Smartphone, internet access (\$100/12 mo/ Exec Dir)	1,200	1,200	1,200
I. TOTAL DIRECT CHARGES	388,689	340,689	299,180
J. INDIRECT CHARGES (Cost Allocation Plan projections)	50,975	45,263	40,242
Cost Allocation Plan			
Cost allocation is calculated at 11.9% of total Direct Costs.			
TOTALS	439,664	385,952	339,422