

## Monroe County Public Schools Head Start Program

### Head Start Cap on Staff Compensation

The recently enacted Head Start Act contains new language in Section 653 regarding limitations on the compensation of Head Start staff. Specifically, it precludes using any Federal funds (including, of course, Head Start grant funds) to pay any part of the compensation of an individual employed by a Head Start agency if that individual's compensation exceeds the rate payable for level II of the Executive Schedule (currently **\$197,300**).

- Compensation is specifically defined in Section 653 to include "salaries, bonuses, periodic payments, severance pay, the value of any vacation time, the value of a compensatory or paid leave benefit not [explicitly] excluded and the fair market value of any employee perquisite or benefit not [explicitly] excluded." Explicitly excluded from counting as compensation is "any Head Start agency expenditure for a health, medical, life insurance, disability, retirement or any other employee welfare or pension benefit."
- The cap precludes any federal funds being used to pay an individual whose compensation exceeds the cap, not just Head Start grant funds. Moreover, unlike previous policy in which grant funds could be used to pay up to the cap, but not for any compensation that exceeded the cap, the new statutory requirement precludes any funds being used to pay any part of an individual's compensation, if that individual's compensation exceeds the cap. For example, previously if an individual who worked full time for Head Start had a 2008 compensation level of, say, \$180,000, that grantee would have been authorized to charge up to \$172,200 of that compensation to the Head Start grant, finding \$7,800 in non-grant funds to fully pay that individual. The new requirement will not permit any Head Start (or other federal) funds, to be used to pay any part of that individual's compensation. That is, all \$180,000 would have to come from non-federal sources or the individual's compensation would need to be reduced. It is important to note that this cap applies to all staff who receive any part of their compensation from Head Start (or other federal funding sources), including those whose salaries are part of an indirect cost pool.

The Monroe County Public Schools Head Start Program meets the requirements of ACF-PI-HS-08-03 Cap on compensation. No Head Start Staff exceeds the rate mentioned above.

Signature of Authorized Certifying Official \_\_\_\_\_

Title: Chairman, Monroe County School Board Date April 13, 2021