

MDE Conference Call with ISDs and Head Start

Discussing Indirect Costs

Tuesday, August 20th at 12 noon

Four of the Head Start grantees in Michigan had requested to have further conversations regarding indirect costs not being allowed when expending state funds. The four Head Start grantees and ISDs that work collaboratively with them were invited to participate in a call for further discussion on how support can be offered regarding the inability to use indirect costs in future GSRP budgets.

In attendance were Kaitlin Ferrick, Richard Lower, Becky Pennington, Pat Sargent, and Dawn Kalkman from MDE, all four Head Start grantees, and several ISDs.

Head Start grantees shared their concerns about the inability to use indirect costs for their programs. It was pointed out to them that they can charge for all those same costs, they just need to be able to itemize and provide justification/documentation for the expenses.

Head Start shared several concerns around the difficulty to detail the individual costs with explanations for why. They pointed out that the inability to include GSRP in their indirect calculation submitted to Head Start officials at the federal level would raise the indirect rate for other programs in their agencies.

Richard reminded them that this is a policy for MDE and that there is no broad interest in changing this policy. It isn't a matter of interpretation of the law but rather a policy within MDE. Richard suggested that their best option would be to reach out to legislators to request an exception for GSRP in the use of indirect. Kaitlin stated she would provide the contact information for relevant MDE staff and legislators if the grantees wanted to address this with someone that would have the ability to make a change.

Head Start requested the possibility of a waiver for this year so they had time to adjust to this change and come up with a way to charge those costs to GSRP. They were reminded that information about the change to not allowing indirect costs was shared over a year ago with the grantees so that they would have plenty of time to prepare for this change for the 2019/20 grant year. Kaitlin stated she would discuss the possibility of a waiver with our Deputy Superintendent.

The call ended with Kaitlin restating that she would reach out to the Deputy Superintendent regarding a waiver and would pass along contact information to the grantees for legislators and relevant MDE staff.