

THIS SUBAWARD AGREEMENT AMENDMENT is made and entered into this 1st day of August, 2025 by and between the COUNTY of Durham, a political subdivision of the State of North Carolina (hereafter the “COUNTY”), and Early Years, Inc. (formerly known as Child Care Services Association), a North Carolina nonprofit corporation, (hereafter the “SUBRECIPIENT”), collectively referred to as the “Parties.”

WITNESSETH:

THAT WHEREAS, the County and Subrecipient entered into an **American Rescue Plan Act (ARPA)/Coronavirus State Local Fiscal Recovery Fund (CSLFRF) Funds Subaward Agreement** dated June 22, 2023 for the purposes of expanding access to affordable childcare in Durham County (hereinafter the “Original Agreement”); and entered into subsequent amendments dated December 11, 2024 and May 23, 2025; and

WHEREAS, the Parties desire to further amend the Original Agreement, while keeping in effect all terms and conditions of the Original Agreement and amended Agreements not inconsistent with the terms and conditions set forth below.

NOW THEREFORE, for and in consideration for the mutual covenants and agreements made herein, the Parties agree to amend the Original Agreement as follows:

1. Section 1.7 of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Section 1.7. Term. This agreement shall govern the performance of the parties for the period May 15, 2023 (“Effective Date”) through November 30, 2026 (“Expiration Date”), unless earlier terminated by either party in accordance with the terms of this Agreement (“Agreement Term”).

2. Section 3.1 of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Section 3.1. Payment of Funds. COUNTY agrees to pay SUBRECIPIENT for anticipated monthly costs to be incurred and paid by SUBRECIPIENT in accordance with the Approved Budget and for the performance of the Scope of Work under this Agreement in an amount not to exceed \$4,090,296 (“Total Agreement Funds”). The initial payment will include projected expenses for three months. Subsequent payments will occur for projected expenses for a one-month period.

The amount of Total Agreement Funds, however, is subject to adjustment by the COUNTY if a substantial change is made in the Scope of Work that affects this Agreement or if this Agreement is terminated prior to the expiration of the Agreement. Program funds shall not be expended prior to the Effective Date of following the earlier of the Expiration Date of the last day of the Agreement Term. Costs incurred shall only be as necessary and allowable to carry out the purposes and activities of the Scope of Work and may not exceed the maximum limits set in the Approved Budget. Expenses charged against the Total Agreement Funds shall be incurred in accordance with this agreement.

3. Exhibit A of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Exhibit A: Subaward Data

SUBRECIPIENT Name	Early Years, Inc. (formerly Child Care Services Association)
SUBRECIPIENT Unique Entity Identifier:	EGR9ZU6AQU54
Federal Award Identification Number (FAIN):	35-333003
Federal Award Date of Award to the Recipient by the Federal Agency:	May 2021
Subaward Period of Performance Start Date:	May 15, 2023
Subaward Period of Performance End Date:	November 30, 2026
Amount of Federal Funds Obligated by this Action by the Pass-Through Entity to the SUBRECIPIENT:	\$4,090,269
Total Amount of Federal Funds Obligated to the SUBRECIPIENT by the Pass-Through Entity Including the Current Obligation:	\$4,090,269
Total Amount of the Federal Award Committed to the SUBRECIPIENT by the Pass-Through Entity:	\$4,090,269
Federal Award Project Description:	<i>Build Babies Durham</i> : The Build Babies Durham Project seeks to expand access to affordable childcare by providing financial assistance through childcare scholarship payments for income-eligible families who are working, in school, looking for work, unable to work or have a child with a developmental need.
Name of Federal Awarding Agency:	Department of Treasury
Name of Pass-Through Entity:	COUNTY of Durham, North Carolina
Contact Information for COUNTY of Durham Authorizing Official:	Claudia Hager 200 East Main Street Durham, NC 27701 919-560-0000
Contact Information for COUNTY Project Manager:	Nilab Ahmadi 200 East Main Street Durham, NC 27701
CFDA Number and Name:	Coronavirus State and Local Fiscal Recovery Funds
Identification of Whether Subaward is R&D:	Not R&D
SUBRECIPIENT Indirect Costs:	N/A

4. Exhibit B of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Exhibit B: Scope of Work

Purpose:

The Build Babies Durham Project seeks to expand access to affordable childcare and other early childhood development services by providing financial assistance through stipend payments for income-eligible families who are working, in school, looking for work, unable to work or have a child with a developmental need. The project will also increase access to childcare financial resources for families beyond the pandemic by

developing a solution that can facilitate child care placements and serve as a local wait list tool.

Impact:

Build Babies Durham will increase the number of young children in high quality early care and education and ensure that additional developmental needs for those children are able to met, improving their school readiness and life-long success. As multiple studies over many years of research have described, improving access to high quality care is an investment that has a multiplier effect across generations because it provides a safe and nurturing place for children and supports families to work or advance their education.

The Build Babies Durham project is proposed in response to the unstable economy and the lingering effects late pandemic on mental health and social welfare. With the likelihood of more families falling into severe financial stress, the risk of children being placed in unregulated or lower quality childcare is likely to increase, potentially hindering their optimal development, as parents seek to trim expenses. Likewise, childcare providers are struggling to adapt to changing family needs, hire staff, sustain enrollment, and stay afloat in a difficult climate.

Performance Measures:

- The percentage of children receiving financial assistance for childcare placements and support services through Build Babies Durham that are enrolled in 5-star rated childcare programs.
- The average star-rating of childcare placements for children receiving scholarships will be 4.5 stars.
- Percentage of parents benefitting from scholarships will report that the scholarships enabled them to access higher quality childcare than would have been the case without the assistance.
- By September 2026, the percent of childcare financial assistance scholarships serving infants and toddlers will increase while maintaining strong support for Pre-K children through dedicated funding for four-year-olds.
- Percent of participants from Qualified Census Tracts (QCTs).

5. Exhibit C of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Exhibit C: Approved Budget

REVENUES		Total Revenue
COUNTY of Durham Coronavirus State and Local Fiscal Recovery Funds Awarded	\$	4,090,000
Budget Cost Categories		Total Expenditures
Personnel (Salary and Wages)	\$	765,467
Contracted Services	\$	460,662
Office Supplies	\$	3,600
Program Supplies	\$	1,585
Travel & Meeting Expense	\$	4,120
Communications & Postage	\$	3,455
Printing & Duplicating	\$	2,650
Advertising	\$	500

Computer Equipment & Technology	\$	3,800
Dues & Subscriptions	\$	40,666
Training and Education	\$	4,500
Overhead	\$	327,139
<i>Subsidy payments to Child Care Centers</i>	\$	2,472,125
Total Costs Federal Grant Funds (Lines 16 and 17) MUST EQUAL REVENUE TOTALS ABOVE	\$	4,090,269

6. Except for the changes made herein, the Original Agreement shall remain in full force and effect to the extent not inconsistent with this Amendment. In the event that there is a conflict between the Original Agreement and this Amendment, this Amendment shall control.

IN WITNESS WHEREOF, the Parties have expressed their agreement to these terms by causing this Subaward Agreement Amendment to be executed by their duly authorized office or agent. This Subaward Agreement Amendment shall be effective as of the date herein.

COUNTY OF DURHAM

**CHILD CARE SERVICES ASSOCIATION
(Subrecipient)**

By: _____

By: _____

Print Name/Title: _____

Print Name/Title: _____

Date of Signature: _____

Date of Signature: _____

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Crystally Wright, Durham County Interim Chief Financial Officer