Congressional Research Service
Informing the legislative debate since 1914

IN FOCUS

October 23, 2018

Head Start: Overview and Current Issues

Introduction

The Head Start program has provided comprehensive early childhood education and development services to low-income children since 1965. The program seeks to promote school readiness through the provision of educational, health, nutritional, social, and other services. Most Head Start participants are three or four years old, but since 1995 a growing number of infants, toddlers, and pregnant women have been served in Early Head Start (EHS) programs.

Administration

The U.S. Department of Health and Human Services (HHS) administers the Head Start program. HHS awards funds directly to local grantees. Programs are run by about 1,600 public and private nonprofit and for-profit agencies. The agencies must comply with detailed federal performance standards. Programs operate in all 50 states (plus the District of Columbia), five territories, and Palau. Funds also go to American Indian and Alaska Native (AIAN) and Migrant and Seasonal Head Start (MSHS) programs.

Eligibility

In general, regulations specify that children must be ages 0-2 in order to be eligible for EHS (pregnant women are also eligible). For Head Start, regulations specify that children must be at least three years old, but may not be older than minimum compulsory school age (which varies by state). Children and pregnant women are eligible if their family income does not exceed the federal poverty level, if their family is receiving public assistance, or if a child is homeless or in foster care. In addition, up to 35% of children served by each grantee may have income between 100% and 130% of the poverty line, provided these children are not prioritized over those who are homeless or living below the poverty line. Up to 10% of children served by each grantee may exceed the income limits altogether.

Authorization and Appropriations

The Head Start Act was last reauthorized in December 2007 by P.L. 110-134. This law authorized appropriations for each of FY2008-FY2012. Though this authorization has lapsed, funding has been provided in each year since (see **Table 1**). In addition to annual appropriations, the program occasionally receives supplemental funding, including $95 million (post-sequester) in FY2013 for needs arising from Hurricane Sandy, as well as $650 million in FY2018 for needs arising from hurricanes Maria, Irma, and Harvey.

Funded Enrollment

In FY2017, there were funded enrollment slots for 899,374 children and pregnant women. About 81% of the slots were for Head Start and 19% were for EHS (see **Table 1**). The term *funded enrollment* refers to the total number of slots that were funded, not the total number of children served during the year (which would be higher due to turnover).

Table 1. Funding and Enrollment, FY2012-FY2019

Fiscal Year	Funding ($ billions)	Head Start Enrollment	EHS Enrollment
FY2012	7.969	842,931	113,566
FY2013	7.573 + 0.095	796,953	106,726
FY2014	8.598	810,581	116,694
FY2015	8.598	791,886	152,695
FY2016	9.162	758,127	157,476
FY2017	9.225	731,325	168,049
FY2018	9.863 + 0.650	not avail.	not avail.
FY2019	10.063	not avail.	not avail.

Sources: Congressional budget justifications and the FY2015 Head Start Program Fact Sheet. Funding levels reflect rescissions, transfers, and sequestration, where applicable. FY2013 and FY2018 show annual and supplemental funds. EHS enrollment includes estimates of children in EHS-Child Care Partnerships starting in FY2015.

Allocation of Funds

Under law, Head Start and EHS grantees (including AIAN and MSHS grantees) generally receive the same *base grant* (total amount of funding) each year, if total appropriations are sufficient. Typically, grantees must contribute a 20% non-federal match (cash or in-kind) to receive the full grant award. The law also generally reserves the same dollar amount or share of funds each year for state collaboration grants and program set-asides (e.g., training and technical assistance, research and evaluation, and costs associated with program monitoring and corrective actions).

If total appropriations decrease from the prior year, the law generally calls for all grantees to receive proportionate reductions. If total appropriations increase, the law lays out several steps to determine how the new funds should be allocated. Depending on the size of the increase, new funds may go toward cost-of-living adjustments (COLAs), program expansions, and/or quality improvement activities.

In recent years, however, annual appropriations acts have tended to target funding increases toward specific activities, rather than distributing new funds via the statutory formula. Most often, these acts have prioritized COLAs for existing grantees and new slots for EHS programs (via conversions of existing Head Start slots into new EHS slots and by dedicating funds to new partnerships between EHS programs and local child care providers). These priorities have affected the relative distribution of funded enrollment slots (see **Table 1**): slots in EHS programs have generally been increasing (+48% since FY2012), while slots in Head Start programs have been declining (-13% since FY2012).

Program Options

Federal regulations identify three main program options for grantees: (1) center-based, (2) home-based, and (3) family child care. In the *center-based option*, education and child development services are primarily delivered in classroom settings. In the *home-based option*, services are primarily provided in weekly home visits with the child's family, paired with group activities or field trips. (While some EHS programs operate primarily through the home-based option, federal regulations specify that this may not be the primary method of service delivery for Head Start programs serving preschool-aged children.) In the *family child care option*, services are primarily delivered in the home of a family child care provider or other home-like setting. Federal rules include detailed requirements for each program option. In addition to the three main program options, grantees may request approval to use a *locally designed program option*. This option may be used to meet unique community needs or test alternative approaches for providing services.

Service Duration (Minimum Hours)

A final rule issued in September 2016 made significant revisions to Head Start performance standards. Among other changes, the rule increased the minimum number of service hours required for center-based programs. The intent of this change is to ensure that, over time, nearly all center-based programs are serving children for at least a full school day and over a full school year.

Under the new rule, center-based EHS programs must offer at least 1,380 annual class hours to all enrolled children. This requirement became effective on August 1, 2018. Most (but not all) center-based EHS programs were meeting this standard even before the final rule was published and HHS is responsible for oversight to ensure compliance.

The new rule generally requires center-based Head Start programs to offer at least 1,020 annual class hours over at least eight months—but this requirement is to be phased in over time. As an interim step, the rule calls for programs to meet this standard for at least *50% of enrolled children* by August 1, 2019. As a final step, programs must meet this standard for *all enrolled children* by August 1, 2021.

The rule authorizes HHS to lower the duration requirements for Head Start programs in advance of the interim and final deadlines if there is not sufficient funding for programs to expand service hours without substantially reducing enrollment. In January 2018, HHS used this authority to effectively waive the August 2019 deadline for the interim (50%) requirement for center-based Head Start programs. HHS stated that without new funding for extended hours, implementing this requirement would lead to the loss of roughly 41,000 slots (about 5% of all Head Start slots).

Head Start appropriations in FY2016 and FY2018 provided some funding to expand the hours of program operations. These funds, once awarded to a Head Start or EHS agency, become part of the agency's base grant in future years and have been sustained in subsequent appropriations. HHS has estimated that the funding provided thus far should be sufficient to cover roughly 87% of the costs of meeting the combined EHS and interim (50%) Head Start requirements.

EHS-Child Care Partnerships

Since FY2014, Head Start appropriations have reserved funding for EHS-Child Care Partnerships (EHS-CCPs) and conversions of Head Start slots to EHS slots. These set-asides initially totaled about $500 million in FY2014 and FY2015, $635 million in FY2016, $640 million in FY2017, $755 million in FY2018, and $805 million in FY2019. The EHS-CCP initiative seeks to increase the supply of high-quality, full-day, full-year child care for infants and toddlers in low-income working families. EHS grantees partner with child care providers who agree to meet EHS performance standards (e.g., class sizes and teacher-to-child ratios) and offer comprehensive services to eligible children.

Program Monitoring

The law requires grantees to go through a monitoring process at least every three years. HHS uses data from onsite and offsite monitoring reviews to assess compliance with program standards and requirements. Grantees deemed to have a deficiency or an area of noncompliance receive follow-up visits. The current monitoring system also requires center-based Head Start (not EHS) programs to participate in an observational assessment of teacher-child interactions using the Pre-K Classroom Assessment Scoring System (CLASS: Pre-K).

Designation Renewal System

The 2007 Head Start reauthorization law instituted a new five-year designation period for Head Start grantees. (Previously, grantees had been given grant awards for indefinite periods.) Under the law, at the end of its five-year designation period a grantee must demonstrate that it is delivering "high-quality and comprehensive services," or else the grant is to be opened for re-competition. The law refers to the process of identifying grantees for re-competition as the Designation Renewal System (DRS).

In 2011, HHS published a final rule on the DRS. The rule established seven conditions to identify grantees for re-competition. The conditions address various aspects of program quality, licensing and operations, and fiscal and internal controls. A 2016 report by HHS states that roughly 450 grantees (about one-third of all grantees) were required to re-compete under the DRS between 2011 and 2016. Generally, these grantees met one of the seven conditions that trigger a requirement to re-compete—most often they had received a deficiency on their monitoring review (64%) or a low score on the CLASS: Pre-K (31%). A small share (4%) triggered re-competition on more than one condition.

In February 2018, HHS solicited public comment on potential changes to the DRS, expressing special interest in changes to the CLASS: Pre-K condition due to concerns raised by grantees and the results of a study on the early implementation of the DRS. The study suggests the DRS is generally meeting its goal of spurring quality improvement, but found that DRS conditions may vary in their ability to differentiate between higher- and lower-quality programs (with particular concerns raised about the CLASS: Pre-K).

Karen E. Lynch, klynch@crs.loc.gov, 7-6899

IF11008