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# Head Start Issues in the 108th Congress

Melinda Gish

*Congressional Research Service*

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# Head Start Issues in the 108th Congress

**Keywords**

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CRS Report

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## Head Start Issues in the 108<sup>th</sup> Congress

**Updated February 26, 2004**

Melinda Gish  
Domestic Social Policy Division

# Head Start Issues in the 108<sup>th</sup> Congress

## Summary

Head Start is a federal program that has provided comprehensive early childhood development services to low-income children since 1965. Services provided to preschool-aged children include child development, educational, health, nutritional, social and other activities, intended to prepare low-income children for entering kindergarten. The program is administered by the Department of Health and Human Services (HHS). Federal Head Start funds are provided directly to local grantees, rather than through states. Programs are locally designed, and are administered by a network of over 1,500 public and private nonprofit agencies. In FY2003, Head Start funded enrollment for 909,603 children.

Head Start was last reauthorized in 1998 for FY1999-FY2003, and is due to be reauthorized this fiscal year. The House has passed a reauthorization bill (H.R. 2210), while in the Senate, a bill (S. 1940) has been reported out of committee only. The bills differ markedly from one another, and neither fully adopts proposals first introduced in the President's FY2004 budget. For example, in that budget, President Bush proposed to give states the option to administer the program, whereas the House bill would restrict the state-option feature to a maximum of eight states, while the Senate bill includes no option for state administration of Head Start. The Administration's FY2004 budget also conveyed its intent to transfer federal responsibility for the Head Start program from HHS to the Department of Education. Neither the House nor the Senate bill adopts that controversial proposal, and the President's FY2005 budget does not revisit the issue.

The Head Start program has received increases of varying levels over the past two decades (see **Table 1**). The FY2004 appropriations law provides \$6.775 billion for Head Start. The Administration's FY2005 budget request includes \$6.944 billion for Head Start, an increase of \$169 million above the FY2004 level.

Program performance and the long-term impact on children, particularly with respect to educational attainment, continue to be areas of focus and concern. The 1998 revisions to the Head Start Act increased the amount of new appropriations that must be used for quality improvement activities, at least through FY2003. In part, the law requires HHS to develop specific education performance standards, and establishes teacher and staff training related to these standards as a priority use of quality improvement funds. In addition, the 1998 amendments mandate and reserve funds for additional studies on the program's impact.

Development of a national reporting system that can be used to assess the effectiveness of Head Start programs in achieving successful outcomes for children in terms of school readiness — particularly the areas of literacy and number knowledge — is currently underway. This national reporting system was implemented in fall 2003, and is designed to assess Head Start 4- and 5-year olds twice a year on educational performance measures — using indicators that were included in legislation as part of the 1998 reauthorization of Head Start. Teachers are also being trained in a Strategic Teacher Education Program (STEP), to use research-based strategies to implement early and emergent literacy.

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# Head Start Issues in the 108<sup>th</sup> Congress

## Overview

Head Start is a federal program that has provided comprehensive early childhood development services to low-income children since 1965. The program is administered by the Administration for Children and Families of the Department of Health and Human Services (HHS). Head Start, last reauthorized in 1998 (P.L. 105-285) for fiscal years 1999-2003, is up for reauthorization this fiscal year. The introduction of reauthorization bills in both the House and the Senate was preceded by the President's FY2004 budget request, which included two controversial proposals: 1) to give states the option to administer the Head Start program, provided they supply HHS *and* the Department of Education with a plan that sufficiently explains how Head Start would be coordinated with other preschool programs to foster comprehensive, high quality preschool programs; and 2) to transfer federal responsibility for the Head Start program from HHS to the Department of Education. The proposal to transfer Head Start to the Department of Education has not been adopted in either the House or Senate legislation, and the lack of any mention in the FY2005 budget may serve to reinforce that the Administration no longer champions that plan.

The Head Start reauthorization bill introduced in the House (H.R. 2210) on May 22, 2003, featured the state option provision (as Title II of the bill, entitled "State Demonstration Program"), but did not propose to move the Head Start program from HHS to the Department of Education. On June 12, 2003, the Subcommittee on Education Reform forwarded an amended version of H.R. 2210 to the full Committee on Education and the Workforce, restricting the state demonstration program to a maximum of eight states. The full committee further amended H.R. 2210 on June 19, 2003, but the eight-state demonstration program was retained from the subcommittee's bill. The House passed H.R. 2210 by a one vote margin (217-216) on July 25, 2003. In the Senate, the Health, Education, Labor, and Pensions Committee reported a reauthorization bill (S. 1940) on November 24, 2003, which is markedly different from the House-passed bill. (For more information see *Reauthorization Bills in 2003*, later in this report.)

The Head Start program has received increases of varying levels over the past two decades (see **Table 1**). The most recent appropriations measure signed into law (P.L. 108-199, January 23, 2004) is the Consolidated Appropriations Act, 2004 (H.R. 2673), which provides the Head Start program with \$6.775 billion (of which \$1.4 billion becomes available in FY2005). The program was funded at \$6.668 billion for FY2003, up from \$6.538 billion in FY2002, \$6.200 billion in FY2001, and \$5.267 billion in FY2000.

## Head Start Program

**Services.** Head Start provides comprehensive early childhood development, educational, health, nutritional, social and other services to low-income preschool children and their families. These services are intended to prepare children to enter kindergarten and to improve the conditions necessary for their success in later school and life. Head Start strongly emphasizes the involvement of families and the local community to assure that programs are responsive to the unique needs of each community. Since flexibility in local program design and operation is encouraged, there is wide variation across the country in how Head Start services are delivered (e.g., center-based, home-based, or some combination), as well as in local program costs, sponsoring agencies, and coordination arrangements with other social service programs. Head Start operates both full- and part-day programs — most only during the school year. Some local Head Start programs do coordinate with other programs to lengthen the time of care, both in terms of hours, and the year. Full-day enrollment in Head Start is defined as 6 or more hours per day. Part-day sessions must comply with a minimum class time requirement of 3.5 hours.

**Funding.** Federal appropriations for Head Start substantially increased during the 1990s, tripling from the FY1990 level of \$1.552 billion to the FY1999 level of \$4.658 billion, and more than quadrupling from FY1990 to the FY2004 level of \$6.775 billion. These increased appropriations have been used both to expand the number of children served and for quality improvement activities.

**Table 1. Head Start Funding: FY1990-FY2004**  
(\$ in billions)

Year	Authorization	Appropriation	Year	Authorization	Appropriation
1990	1.552	1.552	1998	ssan	4.347
1991	2.386	1.952	1999	ssan	4.658
1992	4.273	2.202	2000	ssan	5.267 <sup>a</sup>
1993	5.924	2.776	2001	ssan	6.200 <sup>a</sup>
1994	7.660	3.326	2002	ssan	6.538 <sup>a</sup>
1995	ssan	3.534	2003	ssan	6.668 <sup>a</sup>
1996	ssan	3.569	2004	expired/tbd	6.775 <sup>a,b</sup>
1997	ssan	3.981	2005	tbd	tbd

**Source:** Table prepared by the Congressional Research Service (CRS) based on data from the Head Start Bureau.

ssan=such sums as necessary.

tbd=to be determined

<sup>a</sup> This amount includes an advance appropriation of \$1.4 billion for the following fiscal year.

<sup>b</sup> This amount reflects the across-the-board 0.59% rescission applied to discretionary programs under the FY2004 Consolidated Appropriations Act (P.L. 108-199).

Unlike some other federal social service programs that are funded through the states, HHS awards Head Start funds directly to local public and private nonprofit and for-profit grantees. Grantees must contribute a 20% nonfederal match, which may be in cash or in-kind, unless they are granted a waiver. No more than 15% of a grantee's total program costs may be for administration. Funds are awarded to about 1,500 grantees at the discretion of HHS from state allocations determined by a formula in law. However, before these state allocations are made, the law contains a series of set-aside provisions that reserve funds for specified activities.

Under the 1998 Head Start amendments (P.L. 105-285), up to \$35 million of total Head Start appropriations is reserved annually for transition-to-school grants; up to \$5 million is reserved annually for national research on the impact of Head Start; and \$12 million in FY1999 and such sums as necessary thereafter is reserved for other research, demonstration and evaluation activities, including longitudinal studies.

Also of total Head Start appropriations, the Secretary must reserve 13% for use in the following priority order:

- Indian and migrant Head Start programs, and services for children with disabilities;
- payments to outlying territories, not to exceed one-half of 1% of the total annual appropriation. The territories include Guam, American Samoa, the Northern Mariana Islands, the Virgin Islands, Micronesia, the Marshall Islands, and Palau;
- training and technical assistance (not less than 2% of the total annual appropriation, of which at least \$3 million must be related to family literacy);
- discretionary payments made by the Secretary, including the costs (other than federal salaries) of local program monitoring and correcting deficiencies and conducting proceedings to terminate Head Start grantees; and
- payments for research, demonstration and evaluation activities.

Of remaining Head Start appropriations (after reserving the amounts described above and adjusting the prior year appropriation to reflect the percentage change in the Consumer Price Index), "regular" Head Start funds are allotted among states according to the following formula, which was established in the 1998 amendments:

- each state first receives an amount equal to the amount received by grantees in that state for FY1998, and any amounts available above the FY1998 level are distributed proportionately among states on the basis of the number of children under 5 years old whose family income is below the federal poverty line.

Although the amounts allocated according to the above formula are actually distributed directly to local grantees, the Secretary may use a portion of these funds to make grants to the states, to foster collaboration within the state among Head Start and other activities designed to benefit low-income children and families. These state collaboration grants typically range between \$125,000 and \$225,000 per state.



(See **Table 3** at the end of this report for estimated state allocations for Head Start for FY2004.)

**President's FY2005 Budget Request.** On February 2, 2004, President Bush released his budget for FY2005. The Administration's FY2005 budget includes a \$169 million increase for Head Start, which would raise it to \$6.944 billion. Proposed in this budget request is a new set-aside of \$45 million for nine state pilot projects whose purpose is to coordinate preschool programs and grants into a comprehensive system. The increase in total funding also reflects an increase of \$124 million for maintaining competitive staff salaries and promoting early literacy and cognitive development as part of Head Start programs. (For more information on proposals discussed in the Administration's recent budgets – FY2005 and FY2004 – see *President's Head Start Proposals and Initiatives*, later in this report.)

**FY2004 Funding (P.L. 108-199).** On January 23, 2004, an omnibus appropriations bill for FY2004 (H.R. 2673/H. Rept. 108-401) was signed into law (P.L. 108-199). The omnibus bill consolidates appropriations for multiple agencies, including the Department of HHS, the administering agency for Head Start. The Consolidated Appropriations Act of 2004 (P.L. 108-199) provides \$6.775 billion for Head Start, of which \$1.4 billion becomes available in FY2005. (Note: while in FY2003, Head Start was *not* subject to the across-the-board offset, in the FY2004 law Head Start is subject to the 0.59% rescission. The \$6.775 billion reflects the rescission, and amounts to \$108 million more than was provided in FY2003. Before the rescission was taken, the funding level mirrored the President's request of \$6.816 billion.)

**President's FY2004 Budget Request.** The Administration's budget for FY2004 (released February 3, 2003) requested \$6.816 billion for Head Start (of which \$1.4 billion would be advance appropriated for FY2005). In the FY2004 budget documents, the Administration estimated that in FY2004 almost 923,000 children will receive Head Start services, including 62,000 in Early Head Start. Budget documents also stated that the increased funding, coupled with the President's proposed changes allowing states to administer Head Start in coordination with other preschool programs, will enable the program to maintain current service levels and increase enrollment by up to 10,500 children. (Note that HHS has since revised its estimates to anticipate 919,271 children to be served by Head Start in FY2004, of which 62,000 would be served by Early Head Start.)

In addition, the President proposed to change current law's set-aside for training and technical assistance (T/TA) from *at least* 2% of the total Head Start appropriation to *up to* 2%. According to the Administration, this change would provide the Secretary with the discretionary authority to allocate Head Start funds each year in order to maximize benefits to children and families. The budget also explained that "in order to improve coordination between Head Start and other Federal, State, and local programs affecting pre-school children, the President plans to move responsibility for managing the Head Start program from the Department of

Health and Human Services to the Department of Education.”<sup>1</sup> It proposed that this transition begin in 2004, with the Department of Education assuming full responsibility for the program in 2005. Such a transition would require legislative changes, and has yet to be proposed in Congress.

**FY2003 Labor/HHS/Education Appropriations.** Fiscal year 2003 funding for the Departments of Labor, HHS, and Education was provided in the Consolidated Appropriations Resolution, 2003 (P.L. 108-7), signed into law on February 20, 2003. The law includes \$6.668 billion for Head Start (of which \$1.4 billion was advance appropriated, and became available in FY2004). Unlike many other discretionary programs funded under the law, Head Start was not subject to the across-the-board rescission included in the law.<sup>2</sup>

Prior to the signing of P.L. 108-7, Congress passed a series of continuing resolutions (CRs) extending funding for programs, including Head Start, into FY2003. Prior to the CRs, the Senate Appropriations Committee approved its version of a Labor/HHS/Ed bill (S. 2766/S.Rept. 107-216). The Committee’s proposed funding level for Head Start was \$6.870 billion for FY2003. The House introduced a version of its FY2003 appropriations bill (H.R. 5320) for Labor/HHS/ED. There was no committee action, and the bill requested the same funding level for Head Start as that proposed by the President in his FY2003 budget.

**President’s FY2003 Budget Request.** The Administration’s FY2003 budget included a \$130 million increase for Head Start, which would have brought it to \$6.667 billion. Of that total, \$1.4 billion would have been advance appropriated for FY2004. Similar to the FY2002 budget document, the FY2003 budget called for making school readiness — pre-reading and numeracy skills — Head Start’s top priority. Moreover, the Administration expressed support for a plan to move Head Start to the Department of Education as part of the program’s reauthorization in 2003, and highlighted that HHS and ED had formed a task force to assess ways to improve Head Start and facilitate the transfer between agencies. The budget also maintained support (\$75 million) for ED’s Early Reading First program, to help prepare young children to read in existing preschool and Head Start programs.

**FY2002 Funding.** On January 10, 2002, H.R. 3061, the bill making FY2002 appropriations for the Departments of Labor, HHS, and Education, was signed into law (P.L. 107-116). It included \$6.538 billion for Head Start, of which \$5.138 was available in FY2002, and \$1.4 billion in FY2003. The FY2002 total Head Start appropriation exceeded the FY2001 level (\$6.2 billion) by \$338 million. It also was greater than the amount requested by the President in his FY2002 budget (\$6.32 billion). The Administration had asserted that its proposed increase would be used to maintain current services and enrollment levels. Despite the Administration’s

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<sup>1</sup> See *Fiscal Year 2004 Budget of the U.S. Government: Analytical Perspectives*, p. 251.

<sup>2</sup> H.J.Res. 2, as amended and passed by the Senate, (and ultimately passed into the FY2003 appropriations law) included S.Amdt. 188 (offered by Senator Dodd), which exempted the Head Start funding from rescission. However, the advance appropriation for FY2004 (\$1.4 billion) was later subject to an across-the-board rescission (0.59%) included in the FY2004 Appropriations Act (P.L. 108-199).

intent to reverse the practice (which began in FY2000) of advance appropriating funds for Head Start, the FY2002 appropriations bill reserved \$1.4 billion of the \$6.538 billion appropriated to become available in FY2003. The advance funding component has been used as a budgetary mechanism to spread out the obligation of funds for the program, without having programmatic impacts.

**FY2001 Funding.** The FY2001 Consolidated Appropriations Act (P.L. 106-554) appropriated \$6.2 billion for the Head Start program. Of this amount, \$4.8 billion was available for FY2001, and \$1.4 billion became available in FY2002.

**Eligibility.** As authorized by law, HHS regulations require that at least 90% of children enrolled by each Head Start grantee must come from families with income at or below the official federal poverty guideline (\$18,400 for a family of four in 2003) or from families receiving welfare assistance. Up to 10% of the children may be from families whose incomes exceed the poverty guideline. Regulations also require grantees to reserve at least 10% of their slots for children with disabilities. Head Start is authorized to serve children at any age prior to compulsory school attendance; however, most children are 3- and 4-year-olds. However, the 1994 reauthorization did create the Early Head Start program, which serves children under age 3. In FY2002, according to HHS fact sheets, children under age 3 represented only 7% of total enrollment.

Under the 1998 amendments, a child who has been determined to be low-income and who is participating in Head Start may continue to be considered low-income for another program year. The 1998 amendments also provide grantees with additional flexibility in determining family income and therefore, eligibility for participation. Specifically, the amendments authorize grantees to consider family income during the 12 months before the month in which an application is submitted, or during the calendar year before the calendar year in which an application is submitted.

**Participation.** Data from HHS show funded enrollment for Head Start in FY2002 to have totaled 912,345 children (of whom more than 62,000 were under age 3).<sup>3</sup> This is an increase from the FY2001 level of 905,235, and the 857,664 total from FY2000. It should be noted that “funded enrollment” refers to the number of Head Start “slots” that are funded, not the total number of children served throughout the year (accounting for turnover), which is higher. In his most recent budget, the President estimates that in FY2005, 919,000 children will receive Head Start services, including 62,000 in Early Head Start.<sup>4</sup>

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<sup>3</sup> Additional program data can be found on the HHS Head Start Bureau’s website [<http://www.acf.dhhs.gov/programs/hsb/research/2003.htm>]

<sup>4</sup> It should be noted that these enrollment figures are estimates that are revised over time. For example, when the FY2004 budget request was released in February 2003, the Administration foresaw almost 923,000 children receiving Head Start services in 2004. The HHS budget justification accompanying the FY2005 budget had revised that FY2004 estimate to just over 919,000 children.

**Table 2. Estimates of Head Start Populations and Percent Served, FY2002**

(number in thousands)

Age	Population March 2003	Economically Eligible 2002	FY2002 Enrollment	Percent Served
Under 3	11,423	2,443	64	3%
Age 3	4,086	834	328	39%
Age 4	4,085	807	474	59%
Age 3-4 (combined)	8,171	1,641	803	49%
Age 5 and above	7,678	1,450	46	3%

**Source:** Table prepared by the Congressional Research Service (CRS) using data from the March 2003 Current Population Survey (CPS). Estimates of economic eligibility are based on the percentage of children living in families with annual income below Federal Poverty Income Guidelines or in families receiving Temporary Assistance for Needy Families (TANF), in 2002. Head Start enrollment estimates are based on data and estimates from HHS.

**Early Head Start.** Early Head Start (EHS) was established in the 1994 reauthorization legislation (P.L. 103-252), to serve infants and toddlers who are generally too young to participate in the regular Head Start program. The law requires that a portion of Head Start's total appropriation be set aside to fund the EHS program. For FY1998, Congress earmarked more than was required by law for EHS, and the statutory set-aside was increased in the 1998 amendments to Head Start. One of the few legislative changes sought by the Clinton Administration, during the 1998 debate on Head Start, was an increase in the EHS program. The current law EHS set-asides are: 7.5% in FY1999, 8% in FY2000, 9% in FY2001, and 10% in each of FY2002 and FY2003. (Although only authorized through FY2003, the FY2004 allotments maintain the 10% set-aside for Early Head Start.)

The first EHS grants were awarded in September 1995, and totaled \$47 million. In FY2000, \$421 million was used to support nearly 600 projects in all 50 states, the District of Columbia and Puerto Rico. These projects served approximately 45,000 low-income families with children under the age of three.

EHS grantees must design programs which respond to the strengths and needs of individual families with services including education, in and out of the home; home visits, especially for families with newborns and infants; parent education, including parent-child activities; comprehensive health services, including services to women during and after pregnancy; and ongoing parental support through case management and peer groups. All programs must conduct an assessment of community resources and needs and must ensure the recruitment and development of high quality staff.

In addition to increasing EHS appropriations, the 1998 amendments also require that an EHS research and evaluation plan be developed to identify successful program models and variables contributing to program outcomes and to lay groundwork for future longitudinal studies.

**President's Head Start Proposals and Initiatives.** In his past two budgets (FY2004 and FY2005), and in other accompanying documents, President Bush has proposed significant changes to the Head Start program. In certain cases (e.g. state option to administer Head Start), his proposals have been adopted in a modified form within reauthorization bills still subject to further debate; in other cases (e.g. Head Start transfer to Department of Education) his proposals lie dormant, with no legislative sponsor. Lastly, there are Administration initiatives that are underway, and have not required congressional approval.

***State Option to Administer Head Start.*** On February 3, 2003, alongside release of the President's FY2004 Budget, the Administration issued a press release announcing the President's proposal to make changes to the Head Start program.<sup>5</sup> This was followed by a White House document outlining the Administration's assessment of the current status of the Head Start program, and its plans for the program in the future.<sup>6</sup> The Administration stated that the top goal of the Head Start reauthorization should be to improve both Head Start and other preschool programs to ensure that children are prepared to enter kindergarten. The President asserted that states should have the opportunity to administer the program, provided they demonstrate how Head Start will be coordinated with other preschool programs and services to emphasize developing skills and behaviors including language development; pre-reading skills; numeracy; and social and emotional competence, while meeting state-established accountability standards.

Under the President's proposal, interested states would submit a plan for the approval of both HHS *and* the Department of Education, in which they outline: state preschool goals and activities; a state accountability program; an explanation of how the current level of enrollment of Head Start eligible 3- and 4-year olds will be maintained (if not exceeded); information regarding the most recent year's spending on Head Start and state preschool programs, and assurances that this level will be at a minimum maintained; plans for assuring professional development for staff; and the plans for coordination of programs and funding (state and federal) for the purpose of promoting school readiness. Programs specifically mentioned are Head Start, Early Head Start, Title I preschool, the special education preschool program (IDEA), state-funded preschool, and the Child Care and Development Block Grant.

The President's more recent budget (FY2005) does not reiterate plans to allow all the states the option to administer Head Start, but does continue to promote the goal of improved coordination among Head Start and other early childhood and child care programs, through a new set of pilot programs. (See below). Note that in the House reauthorization bill (H.R. 2210) a maximum of eight states would be afforded the option of administering the Head Start program. The Senate bill (S. 1940) does not provide for state administration of Head Start.

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<sup>5</sup> For additional information, the press release from the Department of Health and Human Services (HHS) is available at [<http://www.dhhs.gov/news/press/2003pres/20030203.html>]

<sup>6</sup> This document, entitled "Head Start Policy Book" on the White House web site, can be read at [<http://www.whitehouse.gov/infocus/earlychildhood/hspolicybook/summary.html>]

***Pilot Projects for Coordination.*** The FY2005 budget request includes \$45 million to support the President's initiative to improve Head Start by funding nine state pilot projects to coordinate Head Start, state preschool programs, and federal child care grants into a comprehensive system of early childhood programs. According to the Administration's budget documents, coordination is a means of improving preschool programs in general, to help ensure that children enter school prepared to succeed. The nine pilot projects are intended to assist states with implementing reforms that promote better coordination, and in turn, school readiness.

***Marriage and Healthy Family Development.*** The President's FY2005 budget states that in FY2005, the Head Start program will "offer training for between 2,000 and 3,000 Head Start parents in a science-based curriculum designed to improve early language and literacy skill outcomes." This activity is a component of the President's Marriage and Healthy Family Development Initiative.

***Transfer to Department of Education.*** The FY2004 budget explained that "in order to improve coordination between Head Start and other Federal, State, and local programs affecting pre-school children, the President plans to move responsibility for managing the Head Start program from the Department of Health and Human Services to the Department of Education."<sup>7</sup> It proposed that this transition begin in 2004, with the Department of Education assuming full responsibility for the program in 2005. However, such a transition would require a change to the Head Start statute, and that has yet to be proposed in either the House or Senate reauthorization legislation. Moreover, the recently released FY2005 budget does not mention any plan to transfer the Head Start program from HHS.

***History of the Proposed Transfer of Head Start to the Department of Education.*** During his 2000 presidential campaign, President Bush proposed moving the Head Start program from HHS to the Department of Education as part of an effort to prioritize the education (school-readiness) component of Head Start over the health, nutrition, and social service components of the program. The President proposed a Reading First reform agenda aimed at making pre-reading and numeracy skills Head Start's top priority. By also supporting an early childhood reading initiative in the Department of Education, along with a reading program focused on children in kindergarten through second grade who are at risk of falling behind, the President's goal is to ensure that young children participating in existing preschool and Head Start programs are able to read by the time they reach third grade.

Many Head Start advocates believe that the Head Start program should remain in HHS. Because Head Start offers a wide variety of services beyond traditional education, there is concern that transferring the program to the Department of Education could restrict Head Start to a narrow, classroom program, without the broad set of human services currently provided. Opponents of the shift further suggest that moving the program from an agency where children receive comprehensive services, to one focused on education, would compromise the parental and community action strengths of Head Start. When promoting the proposal in the FY2004 budget, an aide

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<sup>7</sup> See *Fiscal Year 2004 Budget of the U.S. Government: Analytical Perspectives*, p. 251.

to the President assured that the proposed move did not intend to interrupt any of the social service components, but to stress the most important part of Head Start, which the President believes is literacy development. At the time of proposing it, the President described the transfer as consistent with his priorities, and expressed hope that moving the program to the Department of Education would increase the chances of making every child a proficient reader by third grade. Some of those in favor of keeping Head Start in HHS argue that Head Start currently focuses on getting children ready for school, including readiness in language and early literacy.

There is a history of proposed transfers of the Head Start program. In 1978, President Carter proposed to transfer Head Start to the Department of Education. Edward Zigler, a noted architect of Head Start, was one of the most ardent opponents of the transfer, for the reasons cited above. While the Reagan Administration tried to include Head Start in a block grant, up until now, no president since Carter had recommended a transfer of Head Start to the Department of Education. As mentioned earlier, however, the neither the House nor Senate reauthorization bill (H.R. 2210 and S. 1940) includes the proposal to transfer Head Start to the Department of Education, and the President's most recent budget is silent on the issue of a transfer.

Aside from proposals that require congressional approval, the Administration has moved ahead with two additional efforts that are in keeping with the Administration's Good Start, Grow Smart: Early Childhood initiative, but that do not require legislative changes to the Head Start Act:

***Project STEP.*** The Strategic Teacher Education Program, also known as Project STEP, described by the Head Start Bureau as "a comprehensive, multi-faceted, sequential professional development endeavor to ensure teachers use research-based strategies to implement early and emergent literacy." As part of this development, during the summer and fall of 2002, 3,000 Head Start staff and 100 state child care administrators received 32 hours of training in strategies to support children's emerging literacy. Those who were trained are expected to serve as "mentor coaches" for staff within their respective Head Start programs.

***National Reporting System.*** The development and implementation of a national reporting system that can be used to assess the effectiveness of Head Start programs in achieving successful outcomes for children in terms of school readiness — particularly the areas of literacy and number knowledge — is underway, not having required legislative action. This national reporting system was implemented for the first time in fall 2003, and is designed to assess Head Start 4- and 5-year olds twice a year on educational performance measures — using indicators that were included in legislation as part of the 1998 reauthorization of Head Start (P.L. 105- 285, Sec. 108 (b)(5)).

**Reauthorization Bills in 108<sup>th</sup> Congress.** The Head Start Act is due to be reauthorized this fiscal year. At this point the House has passed a reauthorization bill (H.R.2210), while S. 1940, the bipartisan bill approved and reported by the Senate Health, Education, Labor, and Pensions (HELP) committee on November 24, 2003, awaits full Senate action. Prior to the HELP committee's activity on S. 1940, Senator Dodd introduced another reauthorization bill (S. 1483), a bill with some similar provisions to the bill (S. 1940) reported out of committee.

***The School Readiness Act of 2003 (H.R. 2210) — passed by the House.*** This bill to reauthorize the Head Start Act was introduced in the House by Representative Castle on May 2, 2003, with eight Republican co-sponsors. The originally introduced bill was subsequently amended at both the subcommittee and full committee level, and was passed by the House on July 25, 2003.

H.R. 2210, as amended by the full Committee on Education and the Workforce on June 19, 2003, included two titles; the first would amend sections of the current Head Start law, and the second would introduce a new option for eight qualifying states to administer their own federal Head Start funds. (The bill as originally introduced would have provided this option to all qualifying states, but as amended would limit the option to eight qualifying states over the five year period of the legislation.) H.R. 2210 was reported from the full Committee on Education and the Workforce with a vote of 27 (Republicans) to 20 (Democrats), and subsequently was passed by the House by a one-vote margin of 217-216. Prior to passage, Rep. George Miller offered a substitute bill on the floor (H.Amdt. 322), which proposed to retain the changes to Title I as included in H.R. 2210, with the exception of the bill language allowing discrimination in employment based on religion. The substitute bill would have struck Title II (the section proposing state demonstration projects). The Miller amendment failed by a vote of 200-229.

H.R. 2210 as passed would authorize an appropriation for Head Start in FY2004 of \$6.87 billion, and such sums as necessary in FY2005 through FY2008. If appropriated, this would reflect a \$200 million increase above the FY2003 funding level of \$6.67 billion. The President's budget request for FY2004 includes \$6.816 billion for Head Start, which is \$54 million less than the amount H.R. 2210 would authorize.

Major features of the bill's Title I ("Program Improvements") include: increased credentials for Head Start teachers; a 2% *cap* on the percentage of funds to be reserved for training and technical assistance (under current law, the *floor* is set at 2%); increased requirements to promote collaboration and coordination among early childhood programs; a 60% set-aside of excess appropriation funds for quality improvement; a requirement that at least 10% of the total Head Start appropriation be reserved for Early Head Start; and new language that would explicitly allow faith-based Head Start programs to discriminate in hiring, based on religion (Sec. 116).

The proposal to increase credentials for Head Start teachers would require that by 2008, 50% of Head Start teachers have a B.A. or advanced degree in early childhood education. (Current law requires that 50% of Head Start teachers nationwide have an A.A. or above in early childhood education by 2003. That requirement was met.) In addition, within 3 years after the date of enactment, this legislation would require that the Secretary require all Head Start teachers in center-based programs, hired following the date of enactment, to have an A.A. degree or above in early childhood education, or be enrolled in a program of study leading to an A.A. degree in early childhood education, with an agreement to complete the program within 3 years of being hired.

Title II ("State Demonstration Program") of the bill contains provisions that would allow up to eight qualifying states to participate in "state demonstration



programs” in which their allocation of federal Head Start funding would be administered by the state (as opposed to current law’s system of direct federal to local grantees). To qualify, a state must have an existing state-supported system of public-pre-kindergarten; standards for school readiness that are aligned with state kindergarten through twelfth grade; prior year state and local spending at a level of at least 50% of the federal Head Start funds to be allocated to the state; and an established “means” for interagency coordination and collaboration. States would need to demonstrate that their standards “generally meet or exceed the standards that ensure the quality and effectiveness of programs operated by Head Start agencies.”

A local grantee currently receiving funds would continue to receive funds, from the participating state, for at least three years after that state receives approval to participate in the program (assuming the grantee has no uncorrected deficiencies identified in monitoring reports from the most recent 5-year period).

***Head Start Improvements for School Readiness Act (S. 1940/S.Rept 108-208).*** This bill to reauthorize Head Start was introduced and reported by Chairman Gregg of the Senate Health, Education, Labor and Pensions Committee on November 24, 2003. There are significant differences between the House bill (H.R. 2210) and the bill reported by the HELP committee. Most notably, S. 1940, unlike the House-passed H.R. 2210, does not provide any state the option to administer the Head Start program. A summary of many of the bill’s provisions follows.

As reported, S. 1940 does not include a funding authorization amount for FY2004, but would authorize \$7.215 billion for FY2005, \$7.615 billion for FY2006, \$8.015 billion for FY2007, and such sums as may be necessary for each of fiscal years 2008 and 2009. The bill would make changes to the way in which Head Start funds are allocated, allowing not less than 4% to Indians, and not less than 5% to migrant and seasonal Head Start programs (provided this can be done without reducing the total number of children funded by Head Start). The bill would also change the way in which remaining funds (after the set-asides, including exactly 2% for training and technical assistance) would be allocated, giving priority to grantees in states serving the smallest percentages of eligible children, and distributing a portion of the funds on a competitive basis. The bill would provide a 60% set-aside of excess appropriation funds for quality improvement.

The percentage of funds allotted for the Early Head Start program would be maintained at 10% in FY2004, and would gradually increase to 18% in FY2009. Collaboration grants would be awarded to each state by the Secretary, and each state’s Governor would designate a State Advisory Council to advise states on collaboration between Head Start and other entities involved with early child care and education.

The bill would authorize \$90 million for the Secretary to make a maximum of 200 grants (of at least \$100,000 per year for 5 years) to Head Start agencies nominated by Governors as “Centers of Excellence” in early childhood. Grants could be used for purposes such as: furthering best practices, serving more children, and providing additional training for staff.

The bill would also address the population of children eligible for Head Start services by increasing the eligibility level to 130% of the poverty line. Programs

would also be required to keep an active waiting list at all times. S. 1940 would require monthly enrollment reporting to the Secretary, and if actual enrollment were found to be lower than 95% of funded enrollment for a period of a year, technical assistance would be required to be provided to alleviate chronic underenrollment. If the underenrollment were to persist after 18 months of technical assistance, the bill would allow for the grantee's base grant to be reduced by a percentage reflecting the underenrollment.

The bill provides for the Secretary to make training and technical assistance funds available to support a regional or state system of early childhood education and training and technical assistance. The bill also outlines a variety of uses for those funds.

Other provisions in the bill include: increasing Head Start staff qualifications and requirements (ultimately requiring that no later than September 30, 2010, 50% of all Head Start teachers in center-based programs have both a B.A. degree relating to early childhood and demonstrated teaching competencies); requiring that school readiness-related goals be established by a Head Start agency before designating it as such; commissioning a National Academy of Sciences panel to review a range of issues related to early childhood care and education (including assessments); and authorizing \$10 million for FY2004 to award grants for tribal college (or university) Head Start partnerships.

***Head Start Coordination and School Readiness Act (S. 1483) — introduced (Dodd).*** This bill to reauthorize Head Start was introduced by Senator Dodd on July 29, 2003. Unlike the House bill, S. 1483 does not provide any state the option to administer the Head Start program. Included in the bill are provisions to require expanded coordination and collaboration among Head Start and other agencies, and to provide funding for doing so. The bill would establish state Head Start Quality Improvement and Collaboration (HSQIC) Offices, expanding the functions of state Head Start Collaboration Offices. The HSQIC Offices would work in consultation with State advisory councils (also newly defined in the bill) to improve coordination among programs, and to plan for a state system of training and technical assistance. Advisory councils would be composed of representatives from a wide range of early childhood programs, agencies and organizations in the state, including Head Start.

The bill would authorize \$8.570 billion for FY2004, \$10.445 billion for FY2005, \$12.384 billion for FY2006, \$14.334 billion for FY2007, and \$16.332 billion for FY2008.

Under this bill, center-based Head Start program classrooms would be required within eight years (at most) to have at least one teacher with a B.A. degree in early childhood education (or an advanced degree in related field). Like the House bill, this bill proposes that within 3 years of enactment, the Secretary of HHS would require that newly hired Head Start teachers (for center-based programs) have an A.A., B.A. or advanced degree in early childhood education, or be currently enrolled (or enrolled within a year) in an associate degree program in early childhood education. S. 1483 would authorize new additional funding to be used to meet the increased staff

qualification requirements: \$387 million for FY2004, rising to \$841 million for FY2008.

**Other Head Start Legislation.** Several Head Start bills of narrower scope than the reauthorization bills outlined above have been introduced this Congress. **S. 1474 (Alexander)**, The Head Start Centers of Excellence Act of 2003, would establish grant programs to fund 200 Head Start agencies designated by HHS as “Centers of Excellence in Early Childhood.” This bill would also award grants to states to establish state councils that would identify barriers to, and opportunities for, coordination and collaboration among early childhood programs. **S. 1444 (Harkin)** would gradually increase the set-aside for Early Head Start to 20% in FY2008. The overall authorization of appropriations for FY2003-2008 would be set at “such sums as may be necessary.” **H.R. 2543 (Berkley)** would amend the Head Start Act to provide additional funding for states with increased numbers of Head Start-eligible children. **S. 1469 (Bingaman)** would amend the Head Start Act to provide grants to Tribal Colleges and Universities to increase the number of post-secondary degrees in early childhood education and related fields earned by Indian Head Start agency staff. **H.R. 2291 (DeLauro)/S. 140 (Feinstein)** would amend the Higher Education Act to extend loan forgiveness for certain loans to Head Start teachers. **H.R. 2945 (P. Kennedy)/S. 1620 (Bingaman)** would condition the implementation of assessment procedures in connection with the Head Start National Reporting System on Child Outcomes.

**1998 Reauthorization.** Although Head Start has traditionally enjoyed widespread support, the program has not been without criticism. Concern has been expressed about the quality of services and the program’s potential for sustaining positive effects over the long-term. The 1998 amendments to Head Start, included in the legislation preauthorizing the program in 1998, continue to emphasize the need for quality improvement.

The 1998 reauthorization law (P.L. 105-285) increased the amount of new appropriations that must be used for quality improvement activities, at least until FY2003, and slows the pace at which the program can expand. The law requires HHS to develop specific education performance standards, and establishes teacher and staff training related to these standards as a priority use of quality improvement funds. The law encourages payment of higher salaries for staff with higher levels of education and training, and requires every Head Start classroom to have a teacher with demonstrated competency to perform certain functions related to school readiness and child development. The legislation also requires that, by September 30, 2003, half of all Head Start teachers nationwide must have at least an associate, bachelors, or graduate degree in early childhood education or development, or in a related field with experience teaching preschool children. According to HHS Head Start Program Information Report (PIR) data, this requirement was met in the 2002 program year, reaching just over 50% — up from 37% holding a postsecondary degree in 1999. The law further requires HHS to develop results-based performance measures, and to review the effectiveness of individual programs in meeting those measures.

**Long-Term Benefits.** During the 1998 reauthorization of Head Start, several congressional committees expressed interest in a rigorous evaluation component for Head Start. While there is widespread agreement that Head Start produces significant

short-term gains, there continues to be disagreement over the program's long-term benefits. Several studies in the 1980s and early 1990s found a "fade-out" of Head Start benefits for children during their later school years, but some researchers have questioned whether this apparent fade-out was due to the children's preschool experience or the poor quality of the schooling they later received. A 1995 report by the Packard Foundation presents evidence that high-quality early childhood education for low-income children, including Head Start, does produce long-term educational, economic, and societal gains.<sup>8</sup> Head Start programs included in the review generally showed significant favorable effects on grade retention and special education placement. Multi-service Head Start programs did not fare as well as better-funded public preschool programs in overall effectiveness measures, although the report noted that Head Start participants tend to be more disadvantaged, so that comparisons could be affected by preexisting conditions.

GAO published a Head Start literature review in 1997, in which it concluded that an extensive body of literature exists, but the research is inadequate to draw conclusions about the impact of Head Start on a national basis (*Head Start: Research Provides Little Information on Impact of Current Program*, HEHS-97-59, April 1997). GAO noted that most of the studies were on cognitive outcomes and did not evaluate such program components as nutrition or health-related services. Moreover, the quality of some of the research was poor and none of the studies used a nationally representative sample that would enable conclusions to be drawn about the national program. However, GAO pointed out that HHS currently has a variety of research and evaluation activities underway that will eventually produce information about the program's impact.

The 1998 amendments to Head Start mandate and reserve funds for additional studies on the impact of Head Start. The law also requires all Head Start agencies to coordinate with the local education agency and community schools, to develop procedures for the transition of Head Start children into kindergarten and elementary school. The law also requires HHS to provide technical assistance to Head Start programs to help ensure school readiness of children and to promote family literacy.

**FACES and Head Start Impact Study.** Two evaluation efforts underway which are designed to measure the effectiveness of the Head Start program are the Family and Child Experiences Survey (FACES) and the National Impact Study.

FACES, initially launched in 1997 (with the most recent cohort starting in Fall of 2000), is a periodic, longitudinal study of successive nationally representative samples of children and families in Head Start programs. The purpose of the study is to provide descriptions of the cognitive, social, emotional, and physical development of Head Start children; the characteristics, well-being, and accomplishments of families; the observed quality of Head Start classrooms; and the characteristics, needs, and opinions of Head Start teachers and other program staff. Children and parents are studied at entry into the program, followed for one or two

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<sup>8</sup> The Future of Children, *Long-term Outcomes of Early Childhood Programs*, The David and Lucille Packard Foundation, Winter 1995. (Available via the web at: [http://www.futureofchildren.org/pubs-info2825/pubs-info.htm?doc\\_id=77657](http://www.futureofchildren.org/pubs-info2825/pubs-info.htm?doc_id=77657))

years of program participation, and followed-up at the end of the child's kindergarten year.<sup>9</sup>

The National Impact Study, mandated by the 1998 reauthorization law (P.L. 105-285), began in FY2001, and is designed to provide a national analysis of the impact of Head Start on the development and school-readiness of low-income children. The HHS study requires random assignment of children to Head Start and non-Head Start groups, with attention being paid to the type and quality of other care and services that the control group receives. Data collection began in the Fall of 2002, and results of the study are not expected until 2006.

**Coordination with Child Care.** Particularly in light of welfare reform requirements instituted in 1996, which have caused more parents to work or participate in training activities, Head Start is working to respond to the needs of families for full-time child care. In recent years, HHS has used some of the Head Start expansion funds to build partnerships with child care providers to deliver full-day, full-year services. The 1998 amendments also were intended to encourage collaboration between child care and Head Start and to promote the development of unified early education and child care plans that will increase the availability of full-time services. The law authorizes the Secretary of HHS to provide supplemental collaboration funds to states that undertake such unified planning or other innovative collaborative initiatives.

The 1998 amendments also direct the Secretary to identify barriers to collaboration and to develop a mechanism for resolving programmatic conflicts, and to provide technical assistance related to the provision of full-day, full-year services. In addition, factors to be considered in awarding Head Start expansion grants, under the 1998 amendments, include the applicant's ability to coordinate with other community child care providers and preschool programs to provide full-day, full-year services. Moreover, the law authorizes Head Start agencies to charge fees for extended-day services provided to children, if necessary as part of a collaboration with another agency.

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<sup>9</sup> For information on recent findings from the FACES study research team, see "What Are We Learning About Program Quality and Child Development?" by Ruth Hubbell, available at [[http://www.acf.hhs.gov/programs/core/ongoing\\_research/faces/nhsa/nhsa\\_home.html](http://www.acf.hhs.gov/programs/core/ongoing_research/faces/nhsa/nhsa_home.html)]

**Table 3. Head Start FY2004 State Allocations (Estimates)**

State	Amount	State	Amount
Alabama	\$105,318,000	Nevada	23,704,000
Alaska	12,329,000	New Hampshire	13,236,000
Arizona	101,846,000	New Jersey	128,827,000
Arkansas	63,691,000	New Mexico	51,701,000
California	825,026,000	New York	429,401,000
Colorado	67,537,000	North Carolina	139,697,000
Connecticut	51,449,000	North Dakota	16,976,000
Delaware	12,746,000	Ohio	243,773,000
District of Columbia	24,815,000	Oklahoma	80,099,000
Florida	259,767,000	Oregon	58,667,000
Georgia	166,491,000	Pennsylvania	226,319,000
Hawaii	22,620,000	Puerto Rico	247,073,000
Idaho	22,184,000	Rhode Island	21,804,000
Illinois	267,439,000	South Carolina	81,562,000
Indiana	95,084,000	South Dakota	18,607,000
Iowa	50,945,000	Tennessee	118,010,000
Kansas	50,330,000	Texas	473,192,000
Kentucky	106,579,000	Utah	37,322,000
Louisiana	144,261,000	Vermont	13,403,000
Maine	27,441,000	Virginia	97,820,000
Maryland	77,118,000	Washington	99,659,000
Massachusetts	107,237,000	West Virginia	50,049,000
Michigan	231,852,000	Wisconsin	89,553,000
Minnesota	71,544,000	Wyoming	12,229,000
Mississippi	159,789,000	Virgin Islands	10,159,000
Missouri	117,594,000	Outer Pacific	15,381,000
Montana	20,705,000	American Indian	186,474,000
Nebraska	35,593,000	Migrant Programs	264,545,000

**Source:** Table prepared by the Congressional Research Service (CRS) based on the Department of Health and Human (HHS) Budget Justifications for FY2005.

**Note:** Estimated state allocations do not include estimated funding for technical assistance (\$105 million), Research, Development and Evaluation (\$20 million), and Program Support (\$27 million). Total FY2004 Head Start funding= \$6.775 billion.