

CRS Report for Congress

Head Start: Background and Issues

Updated April 24, 2008

Melinda Gish
Specialist in Social Policy
Domestic Social Policy Division



Prepared for Members and
Committees of Congress

Head Start: Background and Issues

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 1,600 public and private nonprofit and for-profit agencies. In FY2007, Head Start funded enrollment for 908,412 children (of whom 61,788 were served by Early Head Start programs).

The Head Start Act was most recently reauthorized with the signing of the Improving Head Start for School Readiness Act of 2007 (P.L. 110-134) on December 12, 2007. The new law authorizes the program through September 30, 2012. The enactment of the bill (H.R. 1429) into law followed unsuccessful efforts during the 108th and 109th Congresses to reauthorize the program. Those earlier reauthorization efforts had been marked by heated debate over a provision that would have allowed for religious discrimination in the hiring of Head Start staff. That provision was not incorporated into the bill that was passed into law this Congress.

The latest reauthorization law includes provisions that do the following: increase the authorized funding levels for the program, revise the formula for allocating Head Start funds, limit grantee designation periods to 5 years (at which point the grant may be re-competed if determined necessary by a newly instituted review panel), expand eligibility to allow grantees to fill up to 35% of their slots with children from families with income between 100% and 130% of the poverty line, increase the qualifications and training requirements for Head Start staff, delineate the roles and responsibilities of a grantee's governing body and policy council, and terminate further development and use of the National Reporting System. The new law also contains a variety of provisions that aim to promote coordination among Head Start grantees and other state and local early childhood programs.

Funding for Head Start was appropriated in the Consolidated Appropriations Act 2008 (P.L. 110-161, signed into law December 26, 2007), which followed a series of continuing resolutions that provided temporary funding (at FY2007 levels) and a vetoed conference agreement (H.Rept. 110-424). The Consolidated Appropriations Act 2008 (P.L. 110-161) applies an across-the-board cut of 1.747% to most programs covered by the act. For Head Start, that translates to an appropriation of \$6.878 billion, a decrease of approximately \$10 million from the funding level provided in FY2007. The President's FY2009 budget request, released on February 4, 2008, proposes \$7.027 billion in funding for Head Start.

This report will be updated to reflect legislative and program developments.

Contents

| | |
|--|----|
| Recent Developments | 1 |
| President's FY2009 Budget Released | 1 |
| FY2008 Appropriations | 1 |
| Head Start Act Reauthorized | 1 |
| Program Overview | 2 |
| Funding | 2 |
| Response to Gulf Coast Hurricanes of 2005 | 3 |
| Funding Allocations for States in FY2008 | 5 |
| Eligibility | 5 |
| Early Head Start | 6 |
| Funded Enrollment | 7 |
| Estimates of Head Start Eligibility and Participation | 7 |
| Eligibility Changes for FY2008 | 8 |
| FACES and Head Start Impact Study | 9 |
| 2007 Head Start Reauthorization | 10 |
| Summary of New Head Start Law | 10 |
| Authorized Funding Level | 10 |
| Allocation Formula | 10 |
| Grantee Designation and Recompetition | 11 |
| Eligibility Expansion | 12 |
| Increasing Staff Qualifications | 12 |
| Governance Structure | 12 |
| Grantee Underenrollment | 13 |
| Termination of the National Reporting System (NRS) | 13 |
| Early Childhood Collaboration | 13 |
| Centers of Excellence | 14 |
| Legislative History: Path to the 2007 Reauthorization | 14 |
| Reauthorization Efforts during the 108 th Congress | 14 |
| Reauthorization Efforts during the 109 th Congress | 17 |
| Reauthorization Achieved in the 110 th Congress | 20 |
| Past Proposals to Transfer Head Start to the Department of Education ... | 21 |
| Final Rule on Head Start Transportation Waivers | 23 |

List of Tables

| | |
|--|---|
| Table 1. Head Start Funding: FY1990-FY2008 | 4 |
| Table 2. Head Start FY2008 State Allocations | 5 |
| Table 3. Estimates of Head Start Eligibility and Participation, FY2006 | 8 |

Head Start: Background and Issues

Recent Developments

President's FY2009 Budget Released

On February 4, 2008, the Administration released its proposed budget for FY2009. The President requests \$7.027 billion in funding for Head Start (which translates to an increase of almost \$149 million above the FY2008 level). The Administration anticipates that the increased funding would be used to give programs a cost-of-living increase of approximately 1.9% and to increase enrollment in Indian and Migrant Head Start programs by approximately 1,900 children.

FY2008 Appropriations

Fiscal year 2008 began without appropriations bills for the year having been completed. The process extended almost a full quarter into FY2008, with continuing resolutions providing temporary funding during the time it took for the House, Senate, and President to come to agreement on a bill. Ultimately, the President signed the Consolidated Appropriations Act of 2008 (H.R. 2764/P.L. 110-161) on December 26, 2007, but only after first vetoing a conference agreement submitted by Congress (H.Rept. 110-424). The funding levels that appear in the act (with few exceptions) are subject to an across-the-board reduction of 1.747%. The Head Start appropriation (taking into account the 1.747% cut) totals \$6.878 billion, approximately \$10 million less than the funding provided for FY2007. However, according to the Department of Health and Human Services' (HHS) Program Instruction issued by the Office of Head Start (OHS) on March 21, 2008, OHS is making available one-time discretionary funds (carry-over balances that are available for this fiscal year only) of \$10.6 million to cover the shortfall and ensure that no grantee will receive a funding reduction in FY2008 because of the reduction in the program's appropriation.

Head Start Act Reauthorized

On December 12, 2007, the Head Start Act was reauthorized with the enactment of the Improving Head Start for School Readiness Act of 2007 (P.L. 110-134). The Head Start program, which had been up for reauthorization since the end of FY2003, is now reauthorized through September 30, 2012. The enactment of the bill (H.R. 1429) into law followed unsuccessful efforts during the 108th and 109th Congresses to reauthorize the program.

The 2007 reauthorization law increases the authorized funding levels for the program, revises the formula for allocating Head Start funds, limits grantee designation periods to 5 years (at which point the grant may be re-competed if

determined necessary by a newly instituted review panel), expands eligibility to allow grantees to fill up to 35% of their slots with children from families with income between 100% and 130% of the poverty line, increases the qualifications and training requirements for Head Start staff; delineates the roles and responsibilities of a grantee's governing body and policy council; and terminates further development and use of the National Reporting System. The new law also contains a variety of provisions that aim to promote coordination among Head Start grantees and other state and local early childhood programs. For a summary of major provisions, see "Summary of New Head Start Law," later in this report.

Program Overview

Head Start is a federal program that has provided comprehensive early childhood development services to low-income children and their families since 1965. The comprehensive nature of the program covers educational, health, nutritional, and social services. These services are intended to prepare children to enter kindergarten and to improve the conditions necessary for their success in later school and life.

The program is administered by the Administration for Children and Families of the Department of Health and Human Services (HHS), which provides grants directly from the federal government to local entities (as opposed to providing funding through the state). These entities are called "grantees" and may be public or private agencies, nonprofit or for-profit, faith-based or secular. There are currently over 1,600 agencies that receive Head Start grants.

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. Flexibility in local program design and operation is encouraged, and 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 six or more hours per day. Part-day sessions must comply with a minimum class time requirement of 3.5 hours.

The Head Start program was most recently reauthorized in December of 2007, with the enactment of the Improving Head Start for School Readiness Act (P.L. 110-134), which reauthorizes the program through September 30, 2012. The enactment of the bill (H.R. 1429) into law followed unsuccessful efforts during the 108th and 109th Congresses to reauthorize the program (discussed later in this report).

Funding

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 over 1,600 grantees at the discretion of HHS from state allocations determined by a formula in law. (The formula for allocating the Head Start appropriation was significantly changed by the 2007 reauthorization and is described in more detail later in this report.)

Federal appropriations for Head Start, included in the Consolidated Appropriations Act of 2008 (P.L. 110-161), total \$6.878 billion. This amount marks a decrease of \$10 million from the amount appropriated in the FY2007 law.¹ However, on March 21, 2008, the Office of Head Start (OHS) issued a program instruction stating that OHS is making available one-time discretionary funds (carry-over funds available for this fiscal year only) to cover the \$10.6 million shortfall and ensure that no grantee will receive a funding reduction in FY2008 because of the decreased appropriation. **Table 1** shows Head Start funding from FY1990 through the present. For FY2006, two funding amounts are shown: the \$6.786 billion in regular Head Start funding, and the \$90 million in supplementary funding provided as part of the Defense Appropriations Act (P.L. 109-148). The supplemental funds were for use in assisting with Head Start needs arising as a result of the Gulf Coast Hurricanes of 2005. (See "Response to Gulf Coast Hurricanes," below, for more detail.) Also included in the FY2006 appropriations law were provisions allowing for Head Start transportation safety waivers, an earmark of \$1 million to be used to establish a National Academy of Sciences panel to review and provide guidance on appropriate outcomes and assessments for young children, and a provision limiting the use of Head Start funds to pay compensation in excess of the Executive Level II rate.

Response to Gulf Coast Hurricanes of 2005. The FY2006 Defense Appropriations Act (P.L. 109-148) included \$90 million in additional funding for Head Start, to be used specifically for grantees serving children displaced by the Gulf Coast hurricanes of 2005, and to help with the costs of renovating Head Start facilities affected by the storms. Those funds were not allocated among all states according to the standard Head Start formula in effect at that time, due to the targeted purpose of the funding. The Head Start Bureau took action to assess and address the needs of Head Start grantees in response to these hurricanes. Of the \$90 million appropriated, a total of \$74 million was awarded, based on grantee requests. The remainder was returned to the Treasury.

The Head Start Bureau urged all of its grantees to provide Head Start services to any displaced children and families relocated in their communities as a result of the 2005 hurricanes. On September 12, 2005, HHS announced that it was making available \$15 million for this purpose, to help cover costs over a 30-day period. Grantees were instructed to treat any preschool-aged child whose family was

¹ After three continuing resolutions (CR) had extended temporary funding for Head Start at its FY2006 annual rate, a fourth CR (H.J.Res. 20) signed into law (P.L. 110-5) on February 15, 2007, ultimately provided funding for the entirety of FY2007 at a level of \$6.888 billion.

displaced from their home as income-eligible, with or without documentation. The Head Start Bureau anticipated that programs serving newly enrolled displaced children might struggle to meet certain Head Start regulations and issued guidance for requesting waivers in those areas. Moreover, the Bureau encouraged grantees to contact their regional federal offices with any concerns arising from serving evacuated families. The regional offices were asked (by HHS) to collect data (on a daily basis) from their respective grantees regarding the number of evacuee children being served by their program(s), and whether these children were new to Head Start or, instead, were previously enrolled in a Head Start program in the community from which they had been displaced as a result of Hurricane Katrina. For copies of documents prepared by HHS relating to Head Start's role in responding to children and families affected by Hurricane Katrina, as well as Head Start staff from centers affected by the hurricane, see the following website: [http://www.headstartinfo.org/hurricane_rir.htm].

Table 1. Head Start Funding: FY1990-FY2008

(\$ in billions)

| Year | Authorization | Appropriation | Year | Authorization | Appropriation |
|------|---------------|---------------|------|------------------|----------------------|
| 1990 | 1.552 | 1.552 | 2000 | ssan | 5.267 ^a |
| 1991 | 2.386 | 1.952 | 2001 | ssan | 6.200 ^a |
| 1992 | 4.273 | 2.202 | 2002 | ssan | 6.537 ^a |
| 1993 | 5.924 | 2.776 | 2003 | ssan | 6.668 ^a |
| 1994 | 7.660 | 3.326 | 2004 | ssan | 6.775 ^{a,b} |
| 1995 | ssan | 3.534 | 2005 | expired | 6.843 ^c |
| 1996 | ssan | 3.569 | 2006 | expired | 6.786 ^d |
| 1997 | ssan | 3.981 | | (see footnote e) | 0.090 ^e |
| 1998 | ssan | 4.347 | 2007 | expired | 6.888 ^f |
| 1999 | ssan | 4.658 | 2008 | 7.350 | 6.878 ^g |

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

Note: ssan = such sums as necessary.

- a. This amount includes an advance appropriation of \$1.4 billion for the following fiscal year.
- b. This amount reflects the across-the-board 0.59% rescission applied to discretionary programs under the FY2004 Consolidated Appropriations Act (P.L. 108-199).
- c. This amount reflects the across-the-board 0.8% rescission applied to discretionary programs under the FY2005 Appropriations Act (P.L. 108-447). Of the \$6.843 billion, \$1.386 billion became available in FY2006. (Prior to the rescission, the total amount was \$6.899 billion.)
- d. This amount reflects the across-the-board 1% rescission applied to discretionary programs under the FY2006 Labor-HHS Appropriations Act (P.L. 109-149). (Prior to the rescission, the amount was \$6.843 billion.) Of the \$6.786 billion, \$1.389 billion became available in FY2007.
- e. The FY2006 Defense Appropriations Act (P.L. 109-148) appropriated \$90 million in Head Start funding to be used specifically to address needs arising from the Gulf Coast hurricanes (i.e., serving displaced children and helping with costs of renovating affected facilities). Of the \$90 million appropriated, a total of \$74 million was actually awarded, based on grantee requests.
- f. Of the \$6.888 billion, \$1.365 billion became available in FY2008.
- g. Of the \$6.878 billion, \$1.389 billion will become available in FY2009.

Funding Allocations for States in FY2008. Table 2 shows the FY2008 allocation amounts (derived by HHS using the new formula included in the 2007 reauthorization law) available for Head Start grantees in each state, as well as the allocation for Indian and Migrant/Seasonal Head Start programs.

Table 2. Head Start FY2008 State Allocations

| State | Amount (\$) | State | Amount (\$) |
|----------------------|-------------|------------------|-------------|
| Alabama | 106,910,747 | Nevada | 24,343,835 |
| Alaska | 12,505,529 | New Hampshire | 13,421,239 |
| Arizona | 103,773,998 | New Jersey | 129,353,152 |
| Arkansas | 64,696,986 | New Mexico | 52,437,413 |
| California | 833,853,590 | New York | 434,333,488 |
| Colorado | 68,519,283 | North Carolina | 141,647,045 |
| Connecticut | 52,035,272 | North Dakota | 17,220,056 |
| Delaware | 13,270,758 | Ohio | 247,546,666 |
| District of Columbia | 25,173,901 | Oklahoma | 81,263,182 |
| Florida | 263,828,726 | Oregon | 59,625,878 |
| Georgia | 168,952,317 | Pennsylvania | 228,773,267 |
| Hawaii | 22,946,443 | Puerto Rico | 249,973,811 |
| Idaho | 22,873,982 | Rhode Island | 22,073,130 |
| Illinois | 271,476,845 | South Carolina | 82,719,421 |
| Indiana | 96,453,542 | South Dakota | 18,874,909 |
| Iowa | 51,685,391 | Tennessee | 119,654,435 |
| Kansas | 51,060,945 | Texas | 479,971,393 |
| Kentucky | 108,129,820 | Utah | 37,863,769 |
| Louisiana | 146,286,727 | Vermont | 13,595,041 |
| Maine | 27,683,563 | Virginia | 99,358,903 |
| Maryland | 78,239,829 | Washington | 100,626,565 |
| Massachusetts | 108,635,529 | West Virginia | 50,776,495 |
| Michigan | 235,167,867 | Wisconsin | 91,117,239 |
| Minnesota | 72,193,111 | Wyoming | 12,403,894 |
| Mississippi | 162,115,749 | Virgin Islands | 8,018,007 |
| Missouri | 119,305,226 | Outer Pacific | 7,330,735 |
| Montana | 21,004,313 | American Indian | 187,930,744 |
| Nebraska | 36,153,536 | Migrant Programs | 287,248,362 |

Source: Table prepared by the Congressional Research Service (CRS) based on data provided by the Department of Health and Human Services, Office of Head Start.

Note: State allocations do not include funding for technical assistance (\$175 million), Research, Development and Evaluation (\$20 million), and Program Support (\$39 million).

Eligibility

The reauthorization law of 2007 contains provisions that allow for expansion in Head Start program eligibility. Under prior law and accompanying regulations, at least 90% of children enrolled by each Head Start grantee were to come from families with income at or below the official federal poverty guideline (\$17,600 for a family of three in 2008) or from families receiving welfare assistance (either through Temporary Assistance for Needy Families (TANF) or the Supplemental

Security Income program (SSI). Children in the foster care system are also eligible.). Up to 10% of the children could be from families whose incomes exceeded the poverty guideline. Regulations also require grantees to reserve at least 10% of their slots for children with disabilities.

The aforementioned eligibility criteria were retained under the 2007 reauthorization, but added to the law were provisions to further expand eligibility. The law now includes language that makes homeless children categorically eligible for the Head Start program. Furthermore, the law allows for grantees to fill up to 35% of their slots with children from families with income between 100% and 130% of the poverty line, provided they are not given higher priority than children below the poverty line or homeless.

Head Start is authorized to serve children at any age prior to compulsory school attendance, but most children are three- and four-year-olds. However, the 1994 reauthorization created the Early Head Start component of the program (see below), which serves children under age 3. In FY2007, the Head Start program served a total of 908,412 children, of whom 61,788 were in Early Head Start. The 2007 reauthorization law adds a provision allowing grantees to convert some of their preschool slots to serve infants and toddlers (i.e. under age 3), provided HHS approves a program's written request to do so.

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. Grantees are provided some flexibility in determining family income and, therefore, eligibility for participation. Specifically, the 1998 reauthorization amendments authorized 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.

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. Up until the passage of the 2007 reauthorization legislation, the law had required 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 EHS set-asides were 7.5% in FY1999, 8% in FY2000, 9% in FY2001, and 10% in each of FY2002 and FY2003.

The 10% set-aside for EHS was maintained up until the passage of the 2007 reauthorization (P.L. 110-134), when the funding allocation structure was changed, funding EHS in a manner that does not involve setting aside a designated percentage. The new allocation formula provides base-level funding for current Early Head Start grantees and allows for additional EHS expansion dollars only if sufficient funding remains following set-asides for training and technical assistance, cost-of-living increases, and funding for tribal and migrant/seasonal Head Start programs.

The first EHS grants were awarded in September 1995 and totaled \$47 million. In FY2007, nearly \$689 million was used to support EHS programs in all 50 states, the District of Columbia, and Puerto Rico. These projects served approximately 62,000 low-income families with children under the age of 3.

EHS grantees must design programs that 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.

Funded Enrollment

Data from HHS show funded enrollment for Head Start in FY2007 to have totaled 908,412 children (of whom 61,788 were served by Early Head Start).² “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. The funded enrollments for FY2007, FY2006 (909,201), FY2005 (906,993), FY2004 (905,851) and FY2003 (909,608) all represent decreases from the FY2002 level of 912,345 and do not necessarily increase alongside increases in funding, demonstrating that an increase in funding does not necessarily translate to additional slots. Rather, the decrease in funded enrollment may be indicative of failure to cover rising costs associated with inflation, or grantees opting to convert the home-based slots to more expensive center-based care, or part-day slots to full-day.

Estimates of Head Start Eligibility and Participation

As discussed earlier, eligibility for the Head Start (and Early Head Start) program can be achieved through household income criteria or through categorical means (i.e. foster child status; recipient of TANF or SSI; disability status or homeless).

Table 3 shows estimates of the age-5-and-under population who were economically or categorically eligible for the Head Start program on the basis of the Census Bureau’s March 2007 Current Population Survey. Broken down by age are the estimated number of children whose 2006 household incomes (which may include the income of parents as well as related-family members in the household³) fell below 100% of the poverty line, as well as children estimated to have been categorically eligible due to receipt of TANF, SSI, and/or foster children. Other

² Department of Health and Human Services, Administration for Children and Families, FY2009 Justification of Estimates for Appropriations Committees.

³ This estimate does not attempt to capture the extent to which Head Start eligibility workers actually use all residing family members’ income (allowable under Head Start rules) versus only parent(s’)/caretaker(s’) income in determining eligibility.

potentially eligible children, such as children with disabilities, were not estimated, but may reflect 10% or more of children served by the program.

The fourth column of the table includes the funded enrollment numbers for the program in FY2006, the time period that corresponds to the data year used to estimate the number of eligible children. The final column reflects the estimated percentage of the eligible population that was served by the program in FY2006. As shown in the enrollment column, most children served by Head Start are 3- and 4-year-olds, contributing to the higher percentage of eligibles served. The percentage of eligible children under age 3 served (3%) is notably lower than that of three- and four-year-old children (41%), in part because the applicable program for children under three, Early Head Start, received only 10% of the total appropriation.

Table 3. Estimates of Head Start Eligibility and Participation, FY2006

(based on eligibility rules in effect during FY2006; numbers in thousands)

| Age | Population | Economically Eligible (100% of poverty)or Categorically Eligible | FY2006 Funded Enrollment | Percent Served |
|--------------------|------------|---|--------------------------|----------------|
| Under 3 | 12,257 | 2,924 | 91 | 3% |
| Age 3 | 4,173 | 970 | 318 | 33% |
| Age 4 | 4,044 | 922 | 464 | 50% |
| Age 3-4 (combined) | 8,217 | 1,892 | 782 | 41% |
| Age 5 ^a | 4,019 | 865 | 36 | 4% |

Source: Table prepared by the Congressional Research Service (CRS) using data from the U.S. Census Bureau's Current Population Survey, 2007 Annual Social and Economic Supplement (CPS/ASEC). Estimates of economic eligibility are based on the number of children living in families with annual 2006 income below Federal Poverty Income Guidelines issued in February 2007, or living in families receiving Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI) in 2006, or living in foster care. Head Start enrollment numbers represent "funded enrollment" (or budgeted "slots" at a given point) as published by the Department of Health and Human Services, not the total actual number of children who participate in the program at any point over the course of the year.

a. The funded enrollment for "age 5" includes children in the Head Start program who may be over 5, but not yet in kindergarten.

Eligibility Changes for FY2008. As mentioned earlier, the 2007 reauthorization law has expanded the pool of children *potentially* eligible for the Head Start program. The new law allows grantees, after gaining approval from HHS, to enroll up to 35% of their program slots with children from families with incomes above 100% of the poverty line but below 130% (provided poorer children and homeless children have been given higher priority). In other words, the income eligibility has not been raised to 130% across-the-board, but rather for only a percentage (maximum of 35%) of available slots, and only in situations that have been approved by HHS.

If this eligibility provision in the new law had been in effect during FY2006, it would have meant that of the funded enrollment of 909,201, up to 35% of those funded slots — approximately 318,000 — could have potentially been filled by children from families with incomes between 100% and 130% of poverty. The CPS data (used to produce the estimates of eligibles in **Table 2**) reveal that in 2006, over 1.5 million children were in households with incomes between 100-130% of poverty. Therefore, if all potential 318,000 slots were taken by children in that income bracket (100% to 130% of poverty), the program would have served approximately one-fifth of that newly eligible population. As described earlier, under the new law, this population is only to be served by the program after having given priority to children below the poverty line, homeless, or receiving welfare.

FACES and Head Start Impact Study

Two comprehensive Head Start evaluation studies, the Family and Children Experiences Survey (FACES) and the National Impact Study, are designed to measure the effectiveness of the Head Start program.

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 years of program participation, and followed-up at the end of the child's kindergarten year.⁴

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 was scheduled to continue through 2006. Preliminary results from the first year of data collection demonstrate small to moderate positive effects favoring the children enrolled in Head Start for some outcomes in each domain. Fewer positive effects were found for children in the 4-year-old group.⁵

⁴ 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/opre/hs/faces/pres_papers/nhsa/nhsa_home.html].

⁵ Highlights of the preliminary findings from the Head Start Impact Study, as published by the Department of Health and Human Services, can be found at [http://www.acf.hhs.gov/programs/opre/hs/impact_study/reports/first_yr_execsum/firstyr_sum_highlights.html].

2007 Head Start Reauthorization

Summary of New Head Start Law

After unsuccessful efforts to complete a reauthorization of the Head Start program in the 108th and 109th Congresses, the 110th Congress was successful in passing the Improving Head Start for School Readiness Act (H.R. 1429), which was signed into law (P.L. 110-134) by President Bush on December 12, 2007. The new law reauthorizes the Head Start program through September 30, 2012, making significant changes in a number of areas. Many of these notable provisions are summarized below.

Authorized Funding Level. The new law authorizes funding for Head Start at the following levels: \$7.350 billion for FY2008; \$7.650 billion for FY2009; \$7.995 billion for FY2010; and such sums as necessary for FY2011 and FY2012. Note that these are the *authorized* funding levels; actual funding levels are determined through the annual appropriations process.

Allocation Formula. Under the 2007 reauthorization law, the formula for allocating Head Start funds has been restructured significantly. The following four major steps summarize how the Head Start appropriation is now allocated (beginning with the FY2008 funding).

STEP 1: From the total amount of Head Start funds appropriated, the states, territories, Indian Head Start programs and Migrant and Seasonal programs are each allotted their same *base grant* amount and collaboration grant amount as in the prior year. Their “base grant amount” does not include amounts received for “training and technical assistance.” (See Step 2 for training and technical assistance set-aside.) In the event that the appropriation for a fiscal year is *less* than the previous fiscal year, each grantee’s funding level would be reduced proportionately.

STEP 2: *At least 2.5%, but not more than 3%*, of the total appropriation is reserved by the Secretary for *training and technical assistance*. At least 20% of these T/TA funds are to be used in Early Head Start programs, with the remainder for use in Head Start programs. Of this remainder money for Head Start programs’ T/TA, at least half is to go directly to Head Start agencies, at least a quarter is to be available to the Secretary to support a state-based T/TA system or national system supporting program quality, and the remainder is for meeting performance standards and other activities at the Secretary’s discretion.

The Secretary also reserves up to *\$20 million* to fund *research, demonstration, and evaluation* activities, of which not more than \$7 million for each of FY2008-2012 is to be available for carrying out impact studies.

Likewise, the Secretary reserves not more than *\$42 million for discretionary payments*, including payment for monitoring and corrective action activities.

STEP 3: If excess funds remain after allocating according to steps 1 and 2, all Head Start and Early Head Start grantees will receive a *cost-of-living increase*

(COLA), to maintain the service level of the prior year. Moreover, additional funding will be allocated for Indian Head Start (IHS) and Migrant and Seasonal Head Start (M/SHS) programs, to help increase their enrollment. However, the size of the COLA and the amount of additional funding for IHS and M/SHS depends upon the amount of excess appropriation available at this stage. The law outlines three scenarios, as outlined below.

Scenario 1. Provide a full COLA for each Head Start and Early Head Start grantee, to maintain the service level of the prior year. Provide an additional \$10 million to Indian Head Start grantees (including Indian Early Head Start programs) as well as \$10 million to the Migrant and Seasonal programs, for the purpose of increasing enrollment.

However, if sufficient funds are not available to provide the full COLA and the \$20 million in total for Indian, Migrant, and Seasonal program expansion, then the allotment formula described in Scenario 2 is to be applied (provided funds are sufficient to do so; if not, Scenario 3 comes into play).

Scenario 2. For Fiscal Years 2008, 2009, and 2010, of the amount remaining for allocation in Step 3, 90% of it will be used to provide COLAs of at least 50% (rather than the full COLA described in Scenario 1, which would reflect the full increase in the Consumer Price Index (CPI-U)). The other 10% will be split evenly between Indian Head Start (5%) and Migrant/Seasonal Head Start (5%) for the purpose of expanding enrollment.

For FY2011 and each subsequent fiscal year, the amount remaining for allocation in Step 3 is to be used to provide COLAs to grantees, and any remaining funds are to be divided equally between Indian Head Start and Migrant and Seasonal Head Start. (Note: over the FY2008-2012 period, neither Indian Head Start nor the Migrant and Seasonal Head Start is to receive more than \$50 million each in these additional expansion funds.)

Scenario 3. In the event that sufficient funding is not available to fulfill the requirements outlined under Scenario 2, then the excess funds remaining after Steps 1 and 2 have been applied will be used to provide equal COLAs to all Head Start and Early Head Start grantees, with no funds made available for expansion of IHS or M/SHS enrollment.

STEP 4: This step applies to any funds remaining after allocation under Step 3 (Scenario 1 or 2). Of these remaining funds, 40% are to be used for *quality improvement* purposes (including compensation) in HS and EHS programs, 45% for *expansion* of programs; and 15% for funding *State Advisory Councils*.

Grantee Designation and Recompetition. Under the new law, agencies will be designated as grantees for a 5-year period (previously there was not a designated time period). At the end of the 5-year designation period, grantees will need to demonstrate that they are delivering high quality and comprehensive services, or else the grant will be opened for re-competition. The Secretary of HHS is charged with establishing an expert panel to make recommendations for the development of this new system for grantee designation renewal.

Eligibility Expansion. The reauthorization law of 2007 contains provisions that allow for expansion in Head Start program eligibility. Homeless children are now categorically eligible for the Head Start program. Furthermore, the law allows for grantees to fill up to 35% of their slots with children from families with income between 100% and 130% of the poverty line, provided they are not given higher priority than children below the poverty line or homeless. With regard to defining income countable for eligibility determination, the new law adds language specifying that certain special pay and allowances paid to members of the military are not to be counted.

Increasing Staff Qualifications. The degree requirements for Head Start staff are heightened in the latest reauthorization legislation. At least 50% of all Head Start teachers nationwide in center-based programs are to have a B.A. or advanced degree in early childhood education (ECE) by the end of FY2013 (as opposed to the A.A. degree required under prior law)⁶. By October 1, 2011, *all* Head Start teachers are to have at least an A.A. degree in ECE or a related field with preschool teaching experience, or have a B.A. degree and have been admitted into the Teach for America program. By the end of FY2013, all Head Start Education Coordinators are to have a B.A. or advanced degree in ECE or a related degree with experience teaching preschool age children. Likewise, all Head Start teacher assistants are to have at least a CDA credential, or be enrolled in an A.A. or B.A. degree program, or enrolled in a CDA program to be completed within two years. Early Head Start teachers are to have, at a minimum, a Child Development Associate (CDA) credential by the end of FY2010. The law does provide that waivers to these requirements can be requested from HHS by grantees.

In addition to degree requirements, the law includes a provision requiring that all Head Start teachers partake in a minimum of 15 hours of professional development each year. Moreover, each Head Start agency is to develop a professional development plan for all its full-time employees.

Governance Structure. The new law maintains the structure of shared governance between governing bodies and policy councils and incorporates into statute detailed provisions outlining the composition and responsibilities of both. Statutory language is clear that the governing bodies hold legal and fiscal accountability and, in keeping with that requirement, stipulates that each Head Start agency's governing board is to have a least one member who has a background and expertise in accounting or fiscal management. As was the case under prior law's regulations, the new law includes a provision instructing the Secretary of HHS to develop impasse policies or other means for Head Start agencies to deal with internal disputes, in the event that a governing body disagrees with recommendations from its policy council. Now written into statute is the previous regulation that parents must constitute a majority of the policy councils' membership.

⁶ According to HHS' Administration for Children and Families FY2009 budget justifications, "In the 2006-2007 program year, 74.2% of Head Start teachers had an A.A. degree or higher, almost twice the rate in 1998 when the requirement that at least 50% of teachers have Early Childhood Education degrees was added to the Head Start Act."

Grantee Underenrollment. Under the new law, Head Start agencies will report their enrollment each month. In cases where underenrollment is persistent (i.e. actual enrollment fails to meet funded enrollment for more than 4 consecutive months) the Secretary is to provide technical assistance to help rectify the problem. If underenrollment persists despite 12 months of technical assistance, the Secretary may designate the agency as “chronically underenrolled” and proceed to reduce the agency’s grant award.

Termination of the National Reporting System (NRS). The new law instructs the Secretary of HHS to suspend implementation and terminate further development and use of the National Reporting System.

The National Reporting System, implemented for the first time in the fall of 2003, was 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, Section 108 (b)(5)]. A May 2005 report from the Government Accountability Office (GAO) concluded that analysis of the NRS to support its use for the purposes of accountability is incomplete and provided recommendations for improving the implementation of the system.⁷ On February 12, 2007, HHS released a report from the Advisory Committee on Head Start Accountability and Educational Performance Measures, a group established by the Secretary in 2004.⁸ That report provided recommendations for the integration of the NRS with other ongoing assessments.

Early Childhood Collaboration. The 2007 reauthorization law builds upon previous provisions to strengthen collaboration among Head Start and other agencies and programs that deliver early childhood services. The law calls for Head Start agencies to collaborate with local education agencies to foster smooth transition of Head Start children into preK or kindergarten. And, if there is a publicly funded preschool program in a Head Start grantee’s service area, the Head Start agency is to enter into a memorandum of understanding with the appropriate agency that manages that preschool program. In order to assist with increased coordination and collaboration among early childhood programs within a state, the governor of each state is to establish a State Advisory Council on Early Childhood Education and Care. State Collaboration Offices will be maintained, and with an expanded role.

The new law builds upon the 1998 reauthorization, which encouraged collaboration between child care and Head Start and promoted the development of unified early education and child care plans that would increase the availability of full-time services. The 1998 amendments also directed 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-

⁷ Government Accountability Office, *Head Start: Further Development Could Allow Results of New Test to Be Used for Decision Making*, May 2005, GAO-05-343 [<http://www.gao.gov/new.items/d05343.pdf>].

⁸ Secretary of Health and Human Services Advisory Committee on Head Start Accountability and Educational Performance Measures, January 2007 [http://www.acf.hhs.gov/programs/hsb/budget/AdvCmteSep05/FINAL_SAC_NRS_Report_Jan2007.pdf].

year services. In addition, factors to be considered in awarding Head Start expansion grants, under the 1998 amendments, included 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 authorized Head Start agencies to charge fees for extended-day services provided to children, if necessary, as part of a collaboration with another agency.

Centers of Excellence. The new law authorizes the Secretary of HHS to establish a program in which 200 exemplary Head Start agencies (including EHS , Indian Head Start, and Migrant/Seasonal Head Start) are designated as "Centers of Excellence in Early Childhood," and made recipients of bonus grants (of at least \$200,000 a year, for a 5-year term). However, implementation of the Center For Excellence program and grants is subject to availability of funds. No funds were appropriated for this purpose in FY2008, and none were requested in the President's FY2009 budget. (The law authorizes "such sums as may be necessary" to be appropriated for the bonus grants.)

Legislative History: Path to the 2007 Reauthorization

The Improving Head Start for School Readiness Act of 2007 (P.L. 110-134), summarized above, marks the most recent reauthorization of the Head Start program since legislation in 1998 (P.L. 105-285) authorized the program for FY1998-2003. During the intervening years between FY2003 and FY2008, Head Start continued to receive funding, even though attempts in the 108th and 109th Congresses to reauthorize it were not successful.

Reauthorization Efforts during the 108th Congress. Efforts to pass reauthorization legislation in the 108th Congress were not fully successful, as the House narrowly passed its bill (H.R. 2210, 108th Congress) by one vote, and a markedly different bill emerged out of committee in the Senate (S. 1940, 108th Congress), but was never brought to the floor. The House bill's passage followed a heated debate over proposals to allow state administration of Head Start in up to eight qualifying states, and to allow discrimination in employment of Head Start staff based on religion. The Senate bill contained neither of those controversial provisions. Both bills proposed to increase competition for Head Start grants and also to foster greater collaboration between Head Start and other entities providing early childhood services at the state and local level. Likewise, both bills proposed to increase staff qualifications beyond the levels required by the legislation enacted in 1998.

The School Readiness Act of 2003 (H.R. 2210). H.R. 2210, as amended by the full Committee on Education and the Workforce on June 19, 2003, included two titles; the first would have amended sections of the 1998 Head Start law, and the second would have introduced 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 have limited 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, Representative George Miller offered a substitute bill on the floor that 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.⁹ The substitute bill would have struck Title II (the section proposing state demonstration projects). The Miller amendment failed by a vote of 200-229.

Major features of the bill's Title I ("Program Improvements") included increased credentials for Head Start teachers; a 2% cap on the percentage of funds to be reserved for training and technical assistance (1998 law set the floor 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).

Title II ("State Demonstration Program") of the bill contained provisions that would have allowed 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. To qualify, a state would have had to have an existing state-supported system of public-pre-kindergarten; standards for school readiness that are aligned with state kindergarten through grade 12; 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 have been required to demonstrate that their standards "generally meet or exceed the standards that ensure the quality and effectiveness of programs operated by Head Start agencies."

State Pilot Program Resembled Administration Proposal. The House proposal to allow up to eight states to administer their Head Start programs closely resembled an Administration proposal advanced in President Bush's FY2005 Budget Request, which would have allowed up to nine states to serve in this capacity.

The President's nine-state pilot project proposal, first introduced in the FY2005 budget, was preceded by his more expansive proposal for FY2004, which would have allowed *all* states the option to administer Head Start, provided they fulfilled certain criteria. That initial proposal, issued on February 3, 2003, alongside release of the President's FY2004 Budget, was included in a press release announcing the President's proposal to make changes to the Head Start program.¹⁰ This was followed by a White House document outlining the Administration's assessment of the status of the Head Start program and its plans for the program in the future.¹¹ 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

⁹ For more discussion of executive and legislative efforts to allow for religious organizations to give preference to co-religionists when hiring, see CRS Report RS21924, *Charitable Choice: Expansion by Executive Action*, by Joe Richardson.

¹⁰ For additional information, see the press release from the Department of Health and Human Services (HHS), at [<http://www.dhhs.gov/news/press/2003pres/20030203.html>].

¹¹ This document, entitled "Head Start Policy Book" is available on the White House website [<http://www.whitehouse.gov/infocus/earlychildhood/hspolicybook/summary.html>].

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 have submitted a plan for the approval of both HHS *and* the Department of Education, in which they would 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 would 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 would 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 were 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.

In his FY2006 budget, the President requested \$45 million to support his initiative to improve Head Start by funding a nine-state pilot project 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-state pilot project was intended to assist states with implementing reforms that promote better coordination, and in turn, school readiness.

Head Start Improvements for School Readiness Act (S. 1940). 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 were significant differences between the House bill (H.R. 2210) and the bill reported by the HELP committee. Most notably, S. 1940 (S.Rept. 108-208), unlike the House-passed H.R. 2210, would not have provided any state the option to administer the Head Start program (nor would it have changed the law with respect to the non-discrimination in hiring provision). A summary of many of the bill's provisions follows.

The bill would have changed 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 could be done without reducing the total number of children funded by Head Start). The bill would also have changed the way in which remaining funds (after the set-asides included in the 1998 law, 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 have provided a 60% set-aside of excess appropriation funds for quality improvement.

The percentage of funds allotted for the Early Head Start program would have been maintained at 10% in FY2004 and would have gradually increased to 18% in FY2009. Collaboration grants would have been awarded to each state by the Secretary, and each state's Governor would have designated 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 have authorized \$90 million for the Secretary to make a maximum of 200 grants (of at least \$100,000 per year for five years) to Head Start agencies nominated by Governors as "Centers of Excellence" in early childhood. Grants could have been used for purposes such as furthering best practices, serving more children, and providing additional training for staff.

The bill would have also addressed the population of children eligible for Head Start services by increasing the eligibility level to 130% of the poverty line. Programs would also have been required to keep an active waiting list at all times. S. 1940 would have required 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 have been required to be provided to alleviate chronic under-enrollment. If the under-enrollment were to persist after 18 months of technical assistance, the bill would have allowed for the grantee's base grant to be reduced by a percentage reflecting the under-enrollment.

The bill would have provided 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 outlined a variety of uses for those funds.

Other provisions in the bill included increasing Head Start staff qualifications and requirements; 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.

Reauthorization Efforts during the 109th Congress. As was the case in the 108th Congress, the Head Start program was not reauthorized by the 109th Congress, despite legislative efforts. In the House, a bill (H.R. 2123) was introduced, amended, and approved by the full House. One of the amendments offered and accepted on the House floor (220-196) was the hotly debated provision to allow faith-based Head Start providers to discriminate in hiring, based on religion. On the Senate side, another bill (S. 1107) was approved (by voice vote) by the full Health, Education, Labor and Pensions Committee, but did not reach the floor.

The House bill would have designated that specified percentages of the total appropriation be reserved for Indian Head Start programs, as well as Migrant and Seasonal programs, and the set-aside for training and technical assistance would be changed from at least 2% to "equal to 2%." Funding for Early Head Start would have been maintained at 10% for each of FY2006-FY2011.

This House bill would have increased competition for Head Start grants, requiring recompetition every five years for grantees shown to have a deficiency. Grantees without deficiencies would have been designated as priority grantees and would not have been subject to recompetition (in that five-year cycle). Priority grantees would have earned that designation in part by demonstrating active partnerships and collaboration with local educational agencies. The bill would also have required that to be designated as a Head Start grantee, the Head Start agency must establish an independent board of directors, which would have oversight responsibility for all program activities and finances. Although the board would have been required to consult with its policy council (of whom a majority of members must be parents of enrolled or recently enrolled children), policy councils would not have retained their regulatory authority to jointly approve or disapprove of many budget, program, and hiring policies. They would have instead served in an advisory capacity. (On the House floor, Representative Souder offered an amendment that would have maintained the policy councils' decision-making authority, but it failed by a vote of 153-266.)

H.R. 2123 would have put into law the requirement that each Head Start agency establish procedures for evaluating its delegate agencies, and procedures for, when necessary, defunding them. The bill also would have added to law new provisions regarding reduction of funding for grantees that exhibit chronic underenrollment. Reduction and redistribution of funds would occur only if actual enrollment still failed to reach 95% of funded enrollment after receiving technical assistance attempting to remedy the situation. The House bill also would have made changes to a grantee's rights with respect to appealing any suspension or termination. Under H.R. 2123, a grantee would have no longer received reimbursement (with federal Head Start funds) for legal fees and other costs associated with waging an appeal.

As a means of improving coordination among Head Start and other state and local early childhood education programs, H.R. 2123 would have required that Head Start agencies enter into a memorandum of understanding with those state and local entities, and align all program activities, curricula, and instruction with state-developed K-12 academic standards.

New standards with respect to staff qualifications and degree requirements were also included in H.R. 2123. This bill would have required that by the end of FY2011, at least 50% of all Head Start teachers in center-based programs have a bachelor of arts or advanced degree in early childhood education; or a B.A. or advanced degree in a related field, with pre-school teaching experience.

The bill also adopted the provision to commission a National Academy of Sciences panel to review a range of issues related to early childhood care and education. The panel would have been required to complete its recommendations within 18 months of convening.

The Head Start Improvements for School Readiness Act (S. 1107).

This bill to reauthorize the Head Start Act was introduced by HELP Committee Chairman Enzi on May 23, 2005, and approved by voice vote with no amendments two days later by the HELP Committee.

Under S. 1107, changes would have been made to the way funds are allotted among programs: tribal programs would receive 4% of the entire Head Start appropriation, and migrant and seasonal programs 5% (provided that doing so would not reduce the total number of children served by Head Start programs); exactly 2% of funds would be reserved for training and technical assistance; and state allotments would be based on amounts received in FY2005 (updating the “hold harmless” from FY1998) with any remaining funds distributed not by the share of poor children under age 5, but instead by apportioning 65% of the remainder among states giving priority to those whose programs serve the lowest percentage of eligible children, and awarding 35% of the remainder on a competitive basis. The percentage of funding reserved for Early Head Start programs would have been increased.

Like the House bill, S. 1107 would have increased competition for grant funds, by requiring grantees to recompute for funding every five years. The bill would have required agencies designated as Head Start grantees to assemble a governing body, which would have been required to receive regular and accurate information about program planning, finances, and performance data, and to work with the grantee’s policy council and committee.

Like the House bill, S. 1107 would have put into law the requirement that each Head Start agency establish procedures for evaluating its delegate agencies and procedures for, when necessary, defunding them. The bill also would have added to law new provisions regarding reduction of funding for grantees that exhibit chronic underenrollment. Reduction and redistribution of funds would occur only if actual enrollment still fails to reach 95% of funded enrollment after receiving technical assistance attempting to remedy the situation.

Similar to the bill introduced in the Senate during the 108th Congress, S. 1107 would have authorized \$90 million for the Secretary to make a maximum of 200 grants to Head Start agencies nominated by Governors as “Centers of Excellence” in early childhood.

Staff qualifications and degree requirements for Head Start teachers were also addressed by S. 1107. Among other provisions to increase staff qualifications, the bill would have required (except in cases where a waiver could be granted) that by the end of FY2010, all Head Start teachers in center-based programs have at least an associate degree relating to early childhood (or a related educational area, with coursework relating to early childhood). In states that have established state teacher requirements for their pre-K programs, all Head Start teachers would have been required (by the end of FY2011) to meet those requirements (provided they are not lower than Head Start requirements). For states without established pre-K staff requirements, 50% of Head Start teachers in those states’ programs would have been required to have a B.A. degree relating to early childhood by the end of FY2011. All Head Start teachers would have been required to attend an average of at least 15 hours of professional development a year.

Also adopted from the 108th Congress’ Senate committee bill was the provision increasing income eligibility for Head Start from the poverty line up to 130% of the poverty guideline. Moreover, any homeless child would have been deemed eligible for the program. The bill also adopted the provision to commission a National

Academy of Sciences panel to review a range of issues related to early childhood care and education — including assessments. (During the brief discussion of S. 1107 prior to a voice vote passage, a few Democratic members of the committee did express concern regarding use of the National Reporting System, noting that a May 17, 2005, GAO report called the effectiveness of the assessment system into question.)¹²

Reauthorization Achieved in the 110th Congress. Following the unsuccessful efforts by the 108th and 109th Congresses to pass Head Start reauthorization, the 110th Congress embarked on the task. On December 12, 2007, their efforts reached fruition, with President Bush’s signing of H.R. 1429 into law P.L. 110-134, major provisions of which are summarized earlier in this report.

The original version of H.R. 1429 was introduced in the House by Representative Kildee on March 9, 2007. It was amended in committee (Education and Labor Committee) on March 14, 2007. Amendments rejected by the committee included two controversial yet familiar provisions from previous Congresses’ reauthorization debates. Representative Fortuño offered the amendment proposing to allow faith-based Head Start agencies to discriminate in hiring based on religion, and after vigorous debate, it failed by a vote of 19-26. Representative Price offered the amendment proposing state pilot projects for up to eight states, and it too failed, by a vote of 18-27.

The bill passed the House on May 2, 2007, by a vote of 365-48. Twelve amendments to the committee-reported version of the bill were offered on the House floor, and nine were accepted. The proposal to establish a demonstration program allowing eight states to administer the Head Start program was again offered as an amendment (by Representative Price) but failed 165-254.

One amendment that was frequently referenced during consideration of H.R. 1429, but that had been rejected by the Rules Committee for floor consideration, was the amendment pertaining to faith-based providers’ ability to discriminate in hiring. The amendment, submitted by Representative Fortuño, would have allowed faith-based Head Start providers to discriminate in their hiring of Head Start employees, based on religion — overriding a provision in Head Start law that bars this. It also would have stipulated that (1) religious organizations be considered as Head Start providers on the same basis as other nongovernmental organizations and not be discriminated against because of their religious character, (2) faith-based providers can retain their religious character and control of their internal governance, (3) religious providers cannot be required to remove religious symbols and art, (4) federal Head Start funds cannot be used for sectarian worship, instruction, or proselytization, and (5) federal audits of faith-based Head Start providers be limited to federal funds they receive.¹³ Although Representative Fortuño’s amendment was

¹² Government Accountability Office, *Head Start: Further Development Could Allow Results of New Test to Be Used for Decision Making*, May 2005, GAO-05-343 [<http://www.gao.gov/new.items/d05343.pdf>].

¹³ Unlike the employment provision, these requirements generally would not reflect a change (continued...)

not approved for floor consideration, a motion was made (by Representative McKeon) during floor debate to return H.R. 1429 to the Education and Labor Committee for further consideration of the provisions in this amendment. The motion failed by a vote of 195-222. The reauthorization measure, H.R. 1429 as amended, subsequently passed the House by a vote of 365-48.

On the Senate side, a Head Start reauthorization bill (S. 556) was originally introduced by Senator Kennedy in February 2007 and was approved and reported by the Senate HELP Committee (S.Rept. 110-049). On June 19, 2007, the full Senate passed this bill (with technical changes) under the House bill's number, H.R. 1429, by voice vote (under unanimous consent).

On November 9, 2007, House and Senate conferees filed a conference report accompanying H.R. 1429 (H.Rept. 110-439) resolving differences between the House- and Senate-passed versions of a reauthorization measure. The conference report was agreed to on November 14, 2007, and was later signed by the President on December 12, 2007.

Past Proposals to Transfer Head Start to the Department of Education

The proposal to transfer Head Start from HHS to the Department of Education has lain dormant since first proposed in the Administration's FY2004 budget. In the FY2004 budget, the Administration contended 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."¹⁴ 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 have required a change to the Head Start statute and was not proposed in either the House or Senate reauthorization legislation introduced in the 108th Congress. Moreover, the FY2005 budget did not mention any plan to transfer the Head Start program from HHS, nor did any subsequent budgets.

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

¹³ (...continued)

in current Head Start practices. All but the federal audit provision are addressed in a current Office of Head Start, HHS, policy clarification (OHS-PC-A-001), issued on July 11, 2006, although they are not explicitly covered in Head Start law or regulations. Available at [http://eclkc.ohs.acf.hhs.gov/hslc/Program%20Design%20and%20Management/Head%20Start%20Requirements/Policy%20Clarifications%20and%20FAQs/a_pc.htm].

¹⁴ See *Fiscal Year 2004 Budget of the U.S. Government: Analytical Perspectives*, p. 251.

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 believed that the Head Start program should remain in HHS. Because Head Start offers a wide variety of services beyond traditional education, there was 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 suggested 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 to the President offered assurances that the proposed move was not intended to interrupt any of the social service components but rather to stress the most important part of Head Start, which the President believed was 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 argued 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. Although the Reagan Administration tried to include Head Start in a block grant, President G.W. Bush is the first President since Carter to have recommended a transfer of Head Start to the Department of Education.

Final Rule on Head Start Transportation Waivers

On October 4, 2006, a final rule was published in the Federal Register¹⁵ authorizing, effective November 1, 2006, the Department of Health and Human Services to issue waivers to Head Start grantees from two of the provisions of the Head Start Transportation Regulation (45 CFR Part 1310). These two requirements are that children be secured in age- and weight-appropriate child restraint systems and that at least one monitor be onboard any bus transporting Head Start children.¹⁶

On June 15, 2006, the President had signed legislation (P.L. 109-234) that included a provision extending the deadline (from June 30 to December 30, 2006) for Head Start grantees to comply with requirements included in the Head Start transportation regulations (45 CFR Part 1310.12), namely, equipping allowable Head Start vehicles with child safety restraints.

¹⁵ *Federal Register*, Vol. 71, No. 192, October 4, 2006, pp. 58533-58536.

¹⁶ On August 28, 2006, the Government Accountability Office (GAO) released *Head Start: Progress and Challenges in Implementing Transportation Regulations* (GAO-06-767R), a report conveying information provided by GAO to requesting Congressional staff on May 16, 2006. The report may be accessed at [<http://www.gao.gov/new.items/d06767r.pdf>].