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Head Start: Background and Issues

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Melinda Gish
Specialist in Social Legislation
Domestic Social Policy Division

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 agencies. In FY2004, according to HHS budget documents, Head Start funded enrollment for 905,851 children.

Head Start was last reauthorized in 1998 for FY1999-FY2003, and is due to be addressed by the 109th Congress. While the House passed a reauthorization bill (H.R. 2210) during the 108th Congress, the full Senate only managed to report a bill (S. 1940) out of committee. The bills differed markedly from one another, and neither fully adopted proposals first introduced in the President's FY2004 budget. That budget included the proposal to give states the option to administer the program, whereas the House bill would have restricted the state-option feature to a maximum of eight states, while the Senate bill included no option for state administration of Head Start. The Administration's FY2004 budget also conveyed its intent to transfer federal responsibility for the program from HHS to the Department of Education. Neither the House nor the Senate bill adopted that controversial proposal, and the President's FY2005 and FY2006 budgets did not revisit the issue.

The Head Start program has received increases of varying levels over the past two decades. The FY2005 appropriations law (P.L. 108-447) provides \$6.843 billion for Head Start, approximately \$68 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 — got underway during the 108th Congress. 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: Background and Issues

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 was last reauthorized in 1998 (P.L. 105-285) for fiscal years 1999-2003, and though addressed by legislation offered during the 108th Congress, the Head Start Act was not ultimately reauthorized. The President's FY2006 budget request, released on February 7, 2005, echoes proposals laid out in the FY2005 budget, sending signals that this Congress may confront some of the same issues left unresolved in the 108th.

The introduction of reauthorization bills during the 108th Congress in both the House and the Senate was preceded by the President's FY2004 budget request, which had 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 was not adopted in either the House or Senate legislation offered in the 108th Congress, and it has not reappeared in the President's budget requests for either FY2005 or FY2006. The proposal to allow for state administration of Head Start has since been scaled back to a proposal for a nine-state pilot project, requested by the President in both the FY2005 and FY2006 budget proposals.

The Head Start reauthorization bill introduced in the House (H.R. 2210, 108th Congress) on May 22, 2003, featured the state option provision (as Title II of the bill, entitled "State Demonstration Program") as originally proposed by the President in his FY2004 budget, 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 differed markedly 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**). At the conclusion of the 108th Congress, the Consolidated Appropriations Act for FY2005 was signed into law (P.L. 108-447), providing the Head Start program with \$6.843 billion (this amount reflects the across-the-board cut of 0.8% applied to the \$6.899 billion found in the legislative language). Of that amount, \$1.4 billion is to become available in FY2006. (See *FY2005 Appropriations*, later in this report.) This reflects an increase of \$68 million over funding provided in the FY2004 Appropriations Act. That bill (H.R. 2673), signed into law on January 23, 2004 (P.L. 108-199) provided the Head Start program with \$6.775 billion (of which \$1.4 billion became 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 six 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 FY2005 level of \$6.843 billion. These increased appropriations have been used both to expand the number of children served and for quality improvement activities. (See **Table 1**, next page, for funding in fiscal years 1990-2005.)

Table 1. Head Start Funding: FY1990-FY2005
(\$ 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 ^a
1993	5.924	2.776	2001	ssan	6.200 ^a
1994	7.660	3.326	2002	ssan	6.538 ^a
1995	ssan	3.534	2003	ssan	6.668 ^a
1996	ssan	3.569	2004	expired/tbd	6.775 ^{a,b}
1997	ssan	3.981	2005	tbd	6.843 ^{a,c}

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.

- 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). Prior to the rescission, the amount was \$6.899 billion.

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. 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 FY2005.)

President’s FY2006 Budget Request. On February 7, 2005, the President released his budget request for FY2006. In it, he proposes to fund Head Start at a level of \$6.888 billion, which reflects an increase of \$45 million above the FY2005 appropriation. Administration documents state that the increase is provided to support the President’s initiative to fund a nine-state pilot project, in which those states would administer their Head Start programs, with a goal of promoting coordination of state preschool programs, child care programs, and Head Start into a comprehensive system of early childhood programs. The Administration estimates that Head Start will provide 919,000 children with services, of whom 62,000 will be children in Early Head Start. (For more information on proposals discussed in the Administration’s FY2006 budget see *President’s Head Start Proposals and Initiatives*, later in this report.)

FY2005 Funding. On December 8, 2004, the FY2005 consolidated appropriations bill (H.R. 4818, 108th Congress) was signed into law (P.L. 108-447). Included in the law is approximately \$6.843 billion in funding for the Head Start

program. This amount reflects the across-the-board cut of 0.8%, also included in the law, which applies to most discretionary programs. Prior to passage of the final bill, the Senate Committee on Appropriations on September 15, 2004, approved and reported a bill that would have funded Head Start at a level of \$6.935 billion (S. 2810/S.Rept. 108-345). The House, on September 9, 2004, had passed a bill (H.R. 5006/H.Rept. 108-636) proposing the \$6.899 billion level that was ultimately signed into law (as Division F of H.R. 4818) but reduced to \$6.843 billion by the across-the-board cut. The President's requested level for FY2005 was \$6.944 billion (\$169 million more than the FY2004 funding level).

FY2004 Funding. 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 consolidated 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) provided \$6.775 billion for Head Start, of which \$1.4 billion became available in FY2005. (**Note:** while in FY2003, Head Start was *not* subject to the across-the-board offset, in the FY2004 law Head Start was 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.)

FY2003 Funding. FY2003 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 included \$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.¹

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.

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 (\$18,850 for a family of four in 2004) 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.

¹ 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 Sen. 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).

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 FY2003, according to HHS fact sheets, children under age 3 represented only 8% 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 FY2004 to have totaled 905,851 children (of whom almost 62,000 were under age 3 and served by Early Head Start).² 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. The funded enrollments for FY2004 (905,851) and FY2003 (909,608) both represent decreases from the FY2002 level of 912,345, reflecting that an increase in funding does not necessarily translate to additional slots. Rather, the decrease may be indicative of grantees opting to convert the home-based slots to more expensive center-based care, or part-day slots to full-day. In his FY2006 budget, the President estimates that in FY2006, 919,000 children will receive Head Start services, including 62,000 in Early Head Start. This is the same number that was estimated for FY2005, according to last year’s budget. However, the FY2005 estimated enrollment has since been revised, with this year’s budget documents showing estimated enrollment for FY2005 at 909,851.

Table 2 provides estimates of the percentage of the population economically eligible for and served by the Head Start program in 2003, by age. 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. It should be noted that the percentage of eligible children under age 3 served (3%) is notably lower than that of 3- and 4-year-old children, in part because the applicable program for children under 3, Early Head Start, is by current law limited to 10% of the total Head Start appropriation.

² Department of Health and Human Services, Administration for Children and Families, FY2006 Justification of Estimates for Appropriations Committees.

Table 2. Estimates of Head Start Populations and Percent Served, FY2003

(number in thousands)

Age	Population March 2004	Economically eligible 2003	FY2003 enrollment	Percent served
Under 3	11,354	2,580	73	3%
Age 3	4,276	920	309	34%
Age 4	4,133	894	482	54%
Age 3-4 (combined)	8,410	1,814	791	44%
Age 5 and above	7,718	1,559	45	3%

Source: Table prepared by the Congressional Research Service (CRS) using data from the Mar. 2004 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 2003. 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 authorized only through FY2003, the allotments since then have maintained 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 3.

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. Over the course of his presidency, 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 that failed to reach fruition; in other cases (e.g., Head Start transfer to Department of Education) his proposals remained dormant, with no legislative sponsor. Lastly, there were Administration initiatives that were able to get underway, without requiring congressional approval.

President's Proposals for FY2006. The Head Start proposals included as part of the FY2006 budget released on February 7, 2005 all either mirror or build upon those proposed in earlier years. These proposals include a nine-state pilot project for state administration of Head Start; a change to the current statutory set-aside for training and technical assistance funding for Head Start programs; and a continuation of the National Reporting System (NRS) for Head Start.

State Pilot Projects. The FY2006 budget requests \$45 million to support the President's 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 is intended to assist states with implementing reforms that promote better coordination, and in turn, school readiness.

The nine-state pilot project proposal was first introduced in last year's (FY2005) budget, and followed the more expansive proposal from 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.³ 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.⁴ 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

³ 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>].

⁴ This document, entitled "Head Start Policy Book" on the White House website, is available at [<http://www.whitehouse.gov/infocus/earlychildhood/hspolicybook/summary.html>].

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.

The President's FY2005 budget did not reiterate plans to allow all the states the option to administer Head Start, but did continue to promote the goal of improved coordination among Head Start and other early childhood and child care programs, through a new set of nine pilot programs. Those same goals (and pilot program proposals) have been raised again in the President's budget for FY2006. Note that in the House reauthorization bill (H.R. 2210, 108th Congress) a maximum of eight states would have been afforded the option of administering the Head Start program. The Senate bill (S. 1940, 108th Congress) did not provide for state administration of Head Start.

Changes to Statutory Funding Set-asides. The President's FY2006 budget proposes to loosen what it describes as "extremely prescriptive provisions" that have been added to the law over time, in order to provide greater flexibility to "target the dollars where they are needed most." The proposal specifically calls for changing 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%. In doing so, the Administration contends that the Secretary will be afforded more discretionary authority to allocate resources each year in a manner that would maximize benefits to children and families. In FY2006, the Administration states it would use the new flexibility to serve an additional 10,000 children in areas of the country with the greatest unmet need for Head Start services. These areas are said to include those with recent demographic changes resulting in more low-income families; remote areas with few or no alternative service providers, and areas with large numbers of unserved but eligible children. The Administration has been advocating for this change since its FY2004 budget request.

National Reporting System. The President used the FY2006 budget as an opportunity to maintain his support for continuing 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. 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 four- and five-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)).

Like the National Reporting System, which did not require any additional legislative action to be implemented, the Administration's initiative aimed at

enhancing professional development continues to move ahead. This initiative is known as Project STEP.

Project STEP. The Strategic Teacher Education Program, also known as Project STEP, is 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.

FY2004 Proposal to Transfer Head Start to Department of Education. The proposal to transfer Head Start from HHS to the Department of Education has lay 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.”⁵ 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 does the FY2006 budget.

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

⁵ See *Fiscal Year 2004 Budget of the U.S. Government: Analytical Perspectives*, p. 251.

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 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 has recommended a transfer of Head Start to the Department of Education. As mentioned earlier, however, neither the House nor Senate reauthorization bill (H.R. 2210 and S. 1940, 108th Congress) included 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.

Legislation in the 109th Congress. Bills that have been introduced this Congress with provisions pertaining to Head Start include **S. 189 (Inhofe)**, a bill to amend the Head Start Act to require parental consent for nonemergency intrusive physical examinations; **S. 117 (Feinstein)**, a bill to extend loan forgiveness for certain loans to Head Start teachers; **S. 15 (Bingaman)** a bill that would authorize increased funding for Head Start, and increase access to Early Head Start, and Indian and Migrant programs; **S. 9 (Enzi)** a comprehensive education bill that calls for the Senate, in reauthorizing Head Start, to establish new educational standards for Head Start, to improve coordination and alignment of Head Start with other early childhood programs, and to support efforts to improve fiscal management and accountability; and, **H.R. 778 (Putnam)**, a bill to provide greater accountability for Head Start agencies

Reauthorization Bills in the 108th Congress. The Head Start Act was due to be reauthorized during the 108th Congress, but was not. The House 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, never received 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, 108th Congress) — 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, H.R. 2210, 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 have amended sections of the current 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 (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.⁶ 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 have authorized an appropriation for Head Start in FY2004 of \$6.87 billion, rising to \$7.427 billion in FY2008. If appropriated, this FY2004 amount would have reflected a \$200 million increase above the FY2003 funding level of \$6.67 billion. The President's budget request for FY2004 included \$6.816 billion for Head Start, which is \$54 million less than the amount H.R. 2210 would have authorized.

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 (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 have required 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 three years after the date of enactment, this legislation would have required 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 three years of being hired.

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 (as opposed to current law's system of direct federal to local

⁶ 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.

grantees). 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 be 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.”

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

Head Start Improvements for School Readiness Act (S. 1940/S.Rept. 108-208, 108th Congress). 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 current law with respect to the non-discrimination in hiring provision). A summary of many of the bill’s provisions follows.

As reported, S. 1940 did not include a funding authorization amount for FY2004, but would have authorized \$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 have made 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 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, 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 (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, 108th Congress) — Introduced (Dodd). This bill to reauthorize Head Start was introduced by Senator Dodd on July 29, 2003. Unlike the House bill, S. 1483 would not have provided any state the option to administer the Head Start program. Included in the bill were provisions to require expanded coordination and collaboration among Head Start and other agencies, and to provide funding for doing so. The bill would have established state Head Start Quality Improvement and Collaboration (HSQIC) Offices, expanding the functions of state Head Start Collaboration Offices. As proposed, the HSQIC Offices would have worked 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 have been composed of representatives from a wide range of early childhood programs, agencies and organizations in the state, including Head Start.

The bill would have authorized \$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 have been 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 proposed that within three years of enactment, the Secretary of HHS would have required 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 have authorized 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 in the 108th Congress. Several Head Start bills of narrower scope than the reauthorization bills outlined above were introduced in the 108th Congress. **S. 1474 (Alexander)**, The Head Start Centers of Excellence Act of 2003, would have established grant programs to fund 200 Head Start agencies designated by HHS as “Centers of Excellence in Early Childhood.” This bill would also have awarded 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 have gradually increased the set-aside for Early Head Start to 20% in FY2008. The overall authorization of appropriations for FY2003-2008 would have been set at “such sums as may be necessary.” **H.R. 2543 (Berkley)** would have amended the Head Start Act to provide additional funding for states with increased numbers of Head Start-eligible children. **S. 1469 (Bingaman)** would have amended 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 have amended the Higher Education Act to extend loan forgiveness for certain loans to Head Start teachers. **H.R. 2945 (P. Kennedy)/S. 1620 (Bingaman)** would have conditioned 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 reauthorizing the program in 1998, continued 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 slowed the pace at which the program could expand. The law required HHS to develop specific education performance standards, and established teacher and staff training related to these standards as a priority use of quality improvement funds. The law encouraged payment of higher salaries for staff with higher levels of education and training, and required 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 required 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 required 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.⁷ 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.

The General Accounting Office (GAO, now the Government Accountability Office) 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 mandated and reserved funds for additional studies on the impact of Head Start. The law also required 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 required 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

⁷ 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].

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.⁸

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 authorized 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 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-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 authorized Head Start agencies to charge fees for extended-day services provided to children, if necessary as part of a collaboration with another agency.

⁸ 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].

Table 3. Head Start FY2005 State Allocations (Estimates)

State	Amount	State	Amount
Alabama	\$106,555,000	Nevada	23,953,000
Alaska	12,476,000	New Hampshire	13,390,000
Arizona	103,043,000	New Jersey	129,039,000
Arkansas	64,447,000	New Mexico	52,308,000
California	831,931,000	New York	434,387,000
Colorado	68,353,000	North Carolina	140,753,000
Connecticut	51,915,000	North Dakota	17,179,000
Delaware	12,899,000	Ohio	246,543,000
District of Columbia	25,114,000	Oklahoma	81,052,000
Florida	262,910,000	Oregon	59,481,000
Georgia	168,505,000	Pennsylvania	228,262,000
Hawaii	22,892,000	Puerto Rico	249,260,000
Idaho	22,635,000	Rhode Island	22,020,000
Illinois	269,783,000	South Carolina	82,565,000
Indiana	96,044,000	South Dakota	18,830,000
Iowa	51,560,000	Tennessee	119,399,000
Kansas	50,937,000	Texas	478,833,000
Kentucky	107,867,000	Utah	37,773,000
Louisiana	145,942,000	Vermont	13,563,000
Maine	27,617,000	Virginia	99,124,000
Maryland	78,050,000	Washington	101,195,000
Massachusetts	108,372,000	West Virginia	50,654,000
Michigan	234,537,000	Wisconsin	90,682,000
Minnesota	71,831,000	Wyoming	12,375,000
Mississippi	161,722,000	Virgin Islands	7,998,000
Missouri	119,015,000	Outer Pacific	7,334,000
Montana	20,954,000	American Indian	188,571,000
Nebraska	36,066,000	Migrant Programs	267,267,000

Source: Table prepared by the Congressional Research Service (CRS) based on data included in the President's FY2006 Budget, *Analytical Perspectives*, Table 8-22.

Note: Estimated state allocations do not include estimated funding for technical assistance (\$174 million), Research, Development and Evaluation (\$20 million), and Program Support (\$40 million). Total FY2005 Head Start funding = \$6.843 billion.