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## Head Start: Background and Issues

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# 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 FY2005, Head Start funded enrollment for 906,993 children.

Head Start was last reauthorized in 1998 for FY1999-FY2003, and after unsuccessful efforts to complete the reauthorization process on schedule, the 109<sup>th</sup> Congress inherited the task of reauthorizing the program. On September 22, 2005, the House passed a reauthorization bill (H.R. 2123), which, as amended, includes the controversial provision to allow faith-based Head Start providers to discriminate in hiring, based on religion. The bill also contains provisions to increase coordination between Head Start and other entities providing early childhood services, and increases competition for Head Start grants, requiring most to re compete every five years. On the Senate side, a reauthorization bill (S. 1107) has not yet gone to the floor, but has been approved in committee, with emphasis on improving coordination among early childhood programs, and increasing staff qualifications. The bill does not include the provision to allow faith-based providers to discriminate in hiring.

Head Start funding included in the FY2006 Labor-HHS-Education Appropriations Act (P.L. 109-149) was subject to an across-the-board rescission of 1%, taking it to a level of \$6.786 billion (\$57 million less than the FY2005 level). Supplemental dedicated funding for Head Start is included in the FY2006 Defense Appropriations Act (P.L. 109-148), which provides \$90 million for Head Start to serve children displaced by the Gulf Coast hurricanes of 2005 and to help with the costs of renovating affected facilities. The President's budget for FY2007 proposes \$6.786 billion for Head Start (the same post-rescission level included in the FY2006 HHS appropriation law.)

Program performance, fiscal management, 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 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.

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 108<sup>th</sup> Congress. This national reporting system was implemented 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.

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# Head Start: Background and Issues

## Recent Developments

**President's FY2007 Budget Proposal.** The Administration's budget request for FY2007, released on February 6, 2006, proposes to maintain Head Start funding at a level of \$6.786 billion [the same amount, post-rescission, included in the FY2006 HHS Appropriations Act (P.L. 109-149)]. In its Justification of Estimates for the Appropriations Committees, the Administration (HHS) contends that by allowing a greater portion of Head Start funds to be shifted away from training and technical assistance and into direct service grants, the number of children estimated to be served by Head Start (and Early Head Start) would increase to approximately 917,000 (an increase of roughly 10,000 children from FY2006 estimates). (For more details, see *President's Head Start Proposals and Initiatives* later in this report.)

**FY2006 Labor-HHS-Education Appropriations.** The bill making FY2006 appropriations for the Departments of Labor, Health and Human Services (HHS), and Education (H.R. 3010) was signed into law (P.L. 109-149) by the President on December 30, 2005. Discretionary programs funded under this legislation are subject to an across-the-board rescission of 1%, which decreases the Head Start funding level to \$6.786 billion. (For more details, see *FY2006 Appropriations*, later in this report.)

**FY2006 Defense Appropriations.** In response to last year's Gulf Coast hurricanes, the FY2006 Defense Appropriations Act (H.R. 2863), also signed into law (P.L. 109-148) on December 30, 2005, provides an additional \$90 million for Head Start, specifically to serve children displaced by the hurricanes and to help with the costs of renovating affected facilities. (For more information on the Head Start Bureau's response to last year's hurricanes, see *Response to Gulf Coast Hurricanes*, later in this report.)

**Reauthorization Developments.** The Head Start program remains unauthorized, and thus, a potential agenda item for the second session of the 109<sup>th</sup> Congress. On September 22, 2005, the House amended and passed H.R. 2123, a Head Start reauthorization bill, (231-184). Much of the floor debate was dominated by discussion of the controversial amendment to allow faith-based Head Start providers to discriminate in their hiring, based on religion. That amendment, offered by Representative Boehner, was approved by a vote of 220-196. (For further description of the underlying bill and other amendments agreed to on the floor, see *Reauthorization Legislation in the 109<sup>th</sup> Congress*, later in this report.)

On the Senate side, a reauthorization bill has not yet reached the floor; however, on May 25, 2005, the Senate Committee on Health, Education, Labor, and Pensions approved its Head Start reauthorization bill, S. 1107, by voice vote. (For a

description of S. 1107, also see *Reauthorization Legislation in the 109<sup>th</sup> Congress*, later in this report.)

## 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), which provides grants directly from the federal government to local entities (as opposed to providing funding through the state). Head Start was last reauthorized in 1998 (P.L. 105-285) for fiscal years 1999-2003, and though addressed by legislation offered and vigorously debated during the 108<sup>th</sup> Congress, the Head Start Act was not ultimately reauthorized. Thus, the 109<sup>th</sup> Congress inherited the task, and at present, the House has passed a bill (H.R. 2123) and the Senate Committee on Health, Education, Labor, and Pensions has approved its version of a reauthorization bill (S. 1107), with bipartisan support.

The reauthorization bills that have been introduced in this Congress differ in substantial ways from those that received attention in the 108<sup>th</sup> Congress. While much of the debate in the last Congress focused on a House proposal to allow up to eight qualifying states to take over the administration of Head Start programs in their states, the current House bill (H.R. 2123) does not include that provision. Rather than proposing the eight-state pilot project (characterized by critics as “block grants” to eight states) that would allow for state administration of the Head Start program (as did H.R. 2210, 108<sup>th</sup> Congress), the current House bill instead aims to promote better coordination between Head Start and other early childhood programs by requiring that Head Start grantees in all 50 states align their objectives for improving school readiness with state-developed standards for kindergarten, and demonstrate active partnerships with local school districts serving the same communities. The direct relationship between the federal government and local grantees would remain unchanged. Neither the reauthorization bill offered in the Senate during the last Congress (S. 1940, 108<sup>th</sup> Congress), nor the current Senate committee-passed bill (S. 1107), includes a provision to allow for state administration of the Head Start program.

Another major source of debate during reauthorization discussions in the 108<sup>th</sup> Congress was a provision included in the House bill (H.R. 2210, 108<sup>th</sup>) — but not S. 1940 — which would have amended Section 654 of the Head Start Act to allow for discrimination in the employment of Head Start staff, based on religion. An amendment to strip the provision from H.R. 2210 was offered by Representative Woolsey on the House floor, but the amendment was not adopted [failing 199-231], and the House subsequently passed H.R. 2210, containing the new language allowing discrimination, by a one-vote margin. In this Congress (the 109<sup>th</sup>), the House bill (H.R. 2123), as introduced and amended in committee, did not contain the discrimination language of the bill from the 108<sup>th</sup> Congress; however, Chairman Boehner followed through on his plan (openly discussed in the committee mark-up) to offer the provision as an amendment when the bill was brought to the House floor. The provision faced strong opposition from Democrats, and dominated much of the floor debate, but ultimately passed (220-196). The full bill, including the faith-based amendment among others, passed the House by a vote of 231-184. It remains to be

seen whether the controversial amendment will be offered on the Senate side, if and when S. 1107 reaches the floor.

Concerns regarding financial management problems among some Head Start grantees (highlighted by a February 28, 2005 GAO report),<sup>1</sup> and other program performance issues are newly addressed by current reauthorization bills. Both the House bill and the Senate committee-passed bill include provisions to increase competition for grants, requiring most grantees to re compete for funding every five years. Priority for funding (and refunding) would be given to high performing grantees (those found to be meeting the goals aligned with the Head Start child outcomes framework, state early learning standards, and expectations for local schools).

Congress appropriates funds annually for the Head Start program as part of the appropriations process for the Department of Health and Human Services. Appropriations have been made without an authorization since FY2003. The Head Start program has received increases of varying levels over the past two decades (see **Table 1**). At the conclusion of the 108<sup>th</sup> 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, \$1.386 billion became available in FY2006. Head Start funding in the FY2006 HHS Appropriations Act (P.L. 109-149) is subject to an across-the-board cut of 1%, which brings the total to \$6.786 billion (with \$1.389 billion of that becoming available in FY2007). In addition, the Defense Appropriations Act (P.L. 109-148) includes \$90 million in supplementary funding for Head Start, to be used specifically for grantees serving children displaced by last year's Gulf Coast hurricanes, and to help with costs of renovating Head Start facilities that were affected by the storms. (See *FY2006 Appropriations*, later in this report.)

## 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

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<sup>1</sup> Government Accountability Office, *Head Start: Comprehensive Approach to Identifying and Addressing Risks Could Help Prevent Grantee Financial Management Weaknesses*, GAO-05-176, Feb. 28, 2005, [<http://www.gao.gov/new.items/d05176.pdf>].

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. This year (FY2006), regular Head Start funding decreased to \$6.786 billion (after the 1% across-the-board rescission); however the FY2006 Defense Appropriations Act (P.L. 109-148) does provide \$90 million in supplementary funding to assist with Head Start needs arising as a result of the Gulf Coast hurricanes (See **Table 1**).

**Table 1. Head Start Funding: FY1990-FY2006**  
(\$ in billions)

Year	Authorization	Appropriation	Year	Authorization	Appropriation
1990	1.552	1.552	1999	ssan	4.658
1991	2.386	1.952	2000	ssan	5.267 <sup>a</sup>
1992	4.273	2.202	2001	ssan	6.200 <sup>a</sup>
1993	5.924	2.776	2002	ssan	6.538 <sup>a</sup>
1994	7.660	3.326	2003	ssan	6.668 <sup>a</sup>
1995	ssan	3.534	2004	expired	6.775 <sup>a,b</sup>
1996	ssan	3.569	2005	expired	6.843 <sup>c</sup>
1997	ssan	3.981	2006	expired	6.786 <sup>d</sup>
1998	ssan	4.347		(see footnote <sup>e</sup> )	0.090 <sup>e</sup>

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

ssan = such sums as necessary.

- This amount includes an advance appropriation of \$1.4 billion for the following fiscal year.
- This amount reflects the across-the-board 0.59% rescission applied to discretionary programs under the FY2004 Consolidated Appropriations Act (P.L. 108-199).
- 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.)
- This amount reflects the across-the-board 1% rescission applied to discretionary programs under the FY2006 Labor-HHS- Education Appropriations Act (P.L. 109-149). (Prior to the rescission, the amount was \$6.843 billion.) Of the \$6.786 billion, \$1.389 billion becomes available in FY2007.
- The FY2006 Defense Appropriations Act (P.L. 109-148) provides \$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). Therefore, this funding will not be allocated in accordance with the regular Head Start allocation formula. This funding has no specified authorization under the Head Start Act.

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 five 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 FY2006.)



**FY2006 Appropriations.** Following a lengthy appropriations process that included three continuing resolutions<sup>2</sup> and consideration of two conference reports<sup>3</sup>, a bill making appropriations for the Departments of Labor, HHS, and Education (H.R. 3010) was ultimately signed into law (P.L. 109-149) on December 30, 2005. Head Start, like other discretionary programs funded under this act, is subject to an across-the-board cut of 1%, which brings the total appropriation to \$6.786 billion (of which \$1.389 billion becomes available in FY2007). In addition to funding, the law includes 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.

Earlier in the appropriations process, the House had passed its version of H.R. 3010, which would have funded Head Start at a level of \$6.899 billion. The Senate-passed version would have provided the lesser amount of \$6.874 billion. As part of passing its version of H.R. 3010, the Senate accepted an amendment (S.Amdt. 2280) offered by Senator Harkin, which would provide the HHS Secretary with the authority to temporarily waive certain transportation safety requirements for Head Start programs, and postpone the effective date of particular Head Start regulations under certain conditions. Similar transportation safety provisions were adopted in conference. The conference report did not adopt either the House- or Senate-proposed funding level, however. Instead, Head Start funding was maintained at the FY2005 level.

*Additional Funding in the Defense Appropriations Act.* The Defense Appropriations Act (P.L. 109-148) includes \$90 million in additional funding for Head Start, to be used specifically for grantees serving children displaced by last year's Gulf Coast hurricanes, and to help with the costs of renovating Head Start facilities affected by the storms. Those funds will not be allocated according to the standard Head Start formula due to the targeted purpose of the funding. As discussed below, the Head Start Bureau has taken action to assess and address the needs of Head Start grantees in response to last year's hurricanes. Data collected will be used to determine allocation of the \$90 million to affected grantees.

**Response to Gulf Coast Hurricanes.** The Head Start Bureau has urged all of its grantees to provide Head Start services to any displaced children and families now in their communities as a result of the 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 have been instructed to treat any

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<sup>2</sup> The first continuing resolution (H.J.Res. 68/P.L. 109-77) extended funding through November 18, 2005. The second (H.J.Res. 72, P.L. 109-105) continued the funding through December 17, 2005), and the third (H.J.Res. 75, P.L. 109-128) through December 31, 2005.

<sup>3</sup> On November 17, 2005, the House failed to approve the first Conference Report (H.Rept. 109-300) on H.R. 3010. A second Conference Report (H.Rept. 109-337) was subsequently approved by the House on December 14, 2005 (by vote of 215-213), and by unanimous consent in the Senate on December 21, 2005. Head Start provisions in the two did not differ.

preschool-aged child whose family has been displaced from their home as income-eligible, with or without documentation. The Head Start Bureau has anticipated that programs serving newly enrolled displaced children may struggle to meet certain Head Start regulations, and has issued guidance for requesting waivers in those areas. Moreover, the Bureau has encouraged grantees to contact their regional federal offices with any concerns arising from serving evacuated families. The regional offices have been 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 are new to Head Start, or, instead, were previously enrolled in a Head Start program in the community from which they have 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](http://www.headstartinfo.org/hurricane_rir.htm)].

**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 (\$20,000 for a family of four in 2006) or from families receiving welfare assistance. Up to 10% of the children may be from families whose incomes exceed the poverty guideline. Regulations also require grantees to reserve at least 10% of their slots for children with disabilities. Head Start is authorized to serve children at any age prior to compulsory school attendance; however, most children are three- and four-year-olds. However, the 1994 reauthorization did create the Early Head Start program, which serves children under age 3. In FY2004, according to HHS fact sheets, children under age 3 represented only 9% 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 FY2005 to have totaled 906,993 children (of whom almost 62,000 were under age 3 and served by Early Head Start).<sup>4</sup> 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 FY2005 (906,993), FY2004 (905,851) and FY2003 (909,608) all represent decreases from the FY2002 level of 912,345, and do not trend in the same direction from year to year (when funding has increased), reflecting that an increase in funding does not necessarily translate to additional slots. Rather, the

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<sup>4</sup> Department of Health and Human Services, Administration for Children and Families, FY2007 Justification of Estimates for Appropriations Committees.

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 FY2007 budget proposal, the President requests no additional funds for Head Start, but estimates that 10,000 additional children will be served. The budget reflects that in FY2007, the portion of Head Start funds directed to service grants would increase by almost \$68 million, thus boosting funded enrollment while decreasing the amount of funds available for training and technical assistance. (The FY2007 training and technical assistance amount is estimated at approximately \$105 million, down from almost \$173 million for FY2006.)

**Table 2** provides estimates of the percentage of the population economically eligible for and served by the Head Start program in 2004, by age. As shown in the enrollment column, most children served by Head Start are three- and four-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 three- and four-year-old children, in part because the applicable program for children under three, Early Head Start, is by current law limited to 10% of the total Head Start appropriation.

**Table 2. Estimates of Head Start Populations and Percent Served, FY2004**  
(number in thousands)

Age	Population March 2005	Economically eligible 2004	FY2004 enrollment	Percent served
Under 3	12,082	2,651	82	3%
Age 3	3,974	828	308	37%
Age 4	4,063	852	471	55%
Age 3-4 (combined)	8,037	1,680	779	46%
Age 5 and above	7,719	1,511	45	3%

**Source:** Table prepared by the Congressional Research Service (CRS) using data from the March 2005 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 2004. 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 FY2005, nearly \$685 million was used to support more than 650 projects 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 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 — Past and Present.** Over the course of his presidency, President Bush has proposed significant changes to the Head Start program. Not all the proposals have gained legislative traction. Some proposals have remained dormant, with no legislative support; others have been modified and included in unsuccessful reauthorization measures, only to be dropped from pending reauthorization bills; a few remain as current reauthorization proposals; and finally, a few initiatives are currently under way, not requiring new congressional approval. All of these proposals and initiatives are discussed below, starting with proposals and initiatives mentioned as part of the President's FY2007 budget.

***Training and Technical Assistance Set-aside Proposal.*** The President's budget for FY2007 maintains its earlier support for a change to the statutory set-aside of Head Start funds for training and technical assistance. (The Administration has been advocating for this change since its FY2004 budget request.) **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.

According to the FY2007 budget documents, approximately \$68 million previously allocated for T/TA purposes would be shifted into service grants (i.e., the portion of the appropriation from which the state allotments for grantees are made), leaving \$105 million (1.5%) for T/TA, compared to the \$173 million (2.5%) estimated allocation for T/TA in FY2006. One anticipated result of this shift, according to the Administration's estimates, is that 10,000 more children would be served by Head Start in FY2007 (for a total of 916,851) than are estimated to be served in FY2006. While more children are expected to be served under the FY2007 proposal, the "average cost per child" in Head Start or Early Head Start is estimated

to be decreasing from the FY2005 actual of \$7,287 per child to \$7,223 per child in FY2007.

***FACES and Head Start Impact Study.*** In addition to reiterating support for a change to the T/TA set-aside, the FY2007 budget proposal maintains the Administration's commitment to funding two comprehensive Head Start evaluation studies: the Family and Children Experiences Survey (FACES) and the National Impact Study. FACES and the Impact Study are two evaluation efforts already under way that 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.<sup>5</sup>

The National Impact Study, mandated by the 1998 reauthorization law (P.L. 105-285), began in FY2001, and is designed to provide a national analysis of the impact of Head Start on the development and school-readiness of low-income children. The HHS study requires random assignment of children to Head Start and non-Head Start groups, with attention being paid to the type and quality of other care and services that the control group receives. Data collection began in the fall of 2002, and is 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.<sup>6</sup>

***National Reporting System (NRS).*** The President used the FY2007 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 in the areas of language comprehension, vocabulary, phonemic and numeracy awareness, letter recognition, and for children whose native language is not English, progress toward acquisition of the English language. Not having required legislative action, this national reporting system, implemented for the first time in the fall of 2003, is designed to assess Head Start 4-

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<sup>5</sup> For information on recent findings from the FACES study research team, see “What Are We Learning About Program Quality and Child Development?” by Ruth Hubbell, available at [[http://www.acf.hhs.gov/programs/opre/hs/faces/pres\\_papers/nhsa/nhsa\\_home.html](http://www.acf.hhs.gov/programs/opre/hs/faces/pres_papers/nhsa/nhsa_home.html)].

<sup>6</sup> 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](http://www.acf.hhs.gov/programs/opre/hs/impact_study/reports/first_yr_execsum/firstyr_sum_highlights.html)].

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 provides recommendations for improving the implementation of the system.<sup>7</sup>

**Project STEP.** 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. 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.

**State Pilot Projects.** The proposal to allow some or all states to administer the Head Start program (as opposed to the direct federal to local structure now in place) is not contained in any of the reauthorization bills pending before Congress. Likewise, the President did not reintroduce the proposal in his FY2007 budget request. However, in past budgets, the President advocated for shifting the administration of the program to the states.

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.

The nine-state pilot project proposal, first introduced in the FY2005 budget, 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.<sup>8</sup> This was followed by a White House document outlining the Administration’s assessment of the status of the Head Start

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<sup>7</sup> 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>].

<sup>8</sup> 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>].

program, and its plans for the program in the future.<sup>9</sup> The Administration stated that the top goal of the Head Start reauthorization should be to improve both Head Start and other preschool programs to ensure that children are prepared to enter kindergarten. The President asserted that states should have the opportunity to administer the program, provided they demonstrate how Head Start will be coordinated with other preschool programs and services to emphasize developing skills and behaviors including language development; pre-reading skills; numeracy; and social and emotional competence, while meeting state-established accountability standards.

Under the President's proposal, interested states would submit a plan for the approval of both HHS *and* the Department of Education, in which they outline: state preschool goals and activities; a state accountability program; an explanation of how the current level of enrollment of Head Start-eligible three- and four-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) were raised again in the President's budget for FY2006. Note that in the House reauthorization bill (H.R. 2210, 108<sup>th</sup> Congress) a maximum of eight states would have been afforded the option of administering the Head Start program. The Senate bill (S. 1940, 108<sup>th</sup> Congress) did not provide for state administration of Head Start. In this Congress (109<sup>th</sup>) neither the House nor Senate bills (H.R. 2123 and S. 1107, respectively) include the state pilot proposal in any form.

***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."<sup>10</sup> It proposed that this transition begin in 2004, with the Department of Education assuming full responsibility for the program in 2005. However, such a transition would have required a change to the Head Start statute, and was not proposed in either the House or Senate reauthorization

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<sup>9</sup> This document, entitled "Head Start Policy Book" on the White House website, is available at [<http://www.whitehouse.gov/infocus/earlychildhood/hspolicybook/summary.html>].

<sup>10</sup> See *Fiscal Year 2004 Budget of the U.S. Government: Analytical Perspectives*, p. 251.

legislation introduced in the 108<sup>th</sup> Congress. Moreover, the FY2005 budget did not mention any plan to transfer the Head Start program from HHS, nor did either the FY2006 or FY2007 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 reading initiative in the Department of Education, along with a reading program focused on children in kindergarten through second grade who are at risk of falling behind, the President's goal is to ensure that young children participating in existing preschool and Head Start programs are able to read by the time they reach third grade.

Many Head Start advocates believe that the Head Start program should remain in HHS. Because Head Start offers a wide variety of services beyond traditional education, there is concern that transferring the program to the Department of Education could restrict Head Start to a narrow, classroom program, without the broad set of human services currently provided. Opponents of the shift further suggest that moving the program from an agency where children receive comprehensive services, to one focused on education, would compromise the parental and community action strengths of Head Start. When promoting the proposal in the FY2004 budget, an aide 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, 108<sup>th</sup> 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.

**Reauthorization Bills in the 109<sup>th</sup> Congress.** Thus far, a bill to reauthorize the Head Start program (H.R. 2123) has been introduced, amended and approved by the House, and on the Senate side, another bill (S. 1107) has been approved (by voice vote) by the full Health, Education, Labor and Pensions



Committee, but has not yet reached the floor. Summaries of major provisions in the two bills appear below.

***The School Readiness Act of 2005 (H.R. 2123, amended and passed by the House, 231-184, September 22, 2005).*** This bill to reauthorize the Head Start Act was originally introduced on May 5, 2005 by Representative Castle. It was amended and approved (48-0) by the full Committee on Education and the Workforce on May 18, 2005. Most recently, on September 22, 2005, H.R. 2123 was amended further, and passed by the House.

The bill would authorize funding for Head Start at a level of \$6.9 billion for FY2006, and such sums as may be necessary for FY2007-FY2011. Of the total appropriation, 3.5% would be reserved for Indian Head Start programs and at least 5% for migrant and seasonal programs (under current law, Indian, Migrant and Seasonal programs do not have a specified set-aside, but are categories for which the 13% reservation may be spent). 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 be maintained at 10% for each of FY2006-FY2011.

This year's House bill would increase competition for Head Start grants, requiring recompetition every five years for grantees shown to have a deficiency. Grantees without deficiencies would be designated as priority grantees, and would not be subject to recompetition (in that five-year cycle). Priority grantees would earn that designation in part by demonstrating active partnerships and collaboration with local educational agencies. The bill would also require 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. While the board would be 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 retain their current regulatory authority to jointly approve or disapprove of many budget, program, and hiring policies. They would instead serve 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 put into law the requirement that each Head Start agency is to establish procedures for evaluating its delegate agencies, and procedures for, when necessary, defunding them. The bill also would add 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. The House bill also makes changes to a grantee's rights with respect to appealing any suspension or termination. Under H.R. 2123, a grantee would no longer receive 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 require 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 are also included in H.R. 2123. This bill would require that by the end of FY2011, at least 50% of all Head Start teachers in center-based programs have a B.A. 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 be required to complete its recommendations within 18 months of convening.

**Floor Amendments to H.R. 2123.** Amendments *offered and accepted* on the House floor included the hotly debated provision to allow faith-based Head Start providers to discriminate in hiring, based on religion (H.Amdt. 574, Boehner, accepted 220-196); an amendment to suspend further implementation of the National Reporting System while the National Academy of Sciences (NAS) conducts a review and provides guidance (as authorized in H.R. 2123) on appropriate child outcomes and assessments for young children (H.Amdt. 568, Kind, accepted by voice vote); a provision directing the Secretary of HHS to implement an outreach program to train and recruit African-American and Latino-American men to become Head Start teachers (H.Amdt. 567, Davis (IL), accepted 401-14); an amendment to decrease barriers to homeless and foster children's participation in Head Start (H.Amdt. 571, Millender-McDonald, accepted by voice vote); an amendment to assist Head Start programs in areas affected by Hurricane Katrina by providing additional resources, waiving documentation requirements for six months, and providing the Secretary of HHS with waiver authority to exempt programs from providing their local match (20%) (H.Amdt. 573, Woolsey, accepted by voice vote); an amendment to allow Head Start centers to develop or maintain partnerships with institutions of higher education and non-profit organizations to support college students that serve as mentors and reading coaches to preschool children (H.Amdt. 565, DeLauro, accepted by voice vote); an amendment directing HHS to undergo a management reform initiative, with the aid of an outside management consulting firm (H.Amdt. 569, Mica, accepted by voice vote); an amendment to initiate a study to assess the impact of new Head Start teacher qualification and development regulations on teacher retention (H.Amdt. 570, Filner, accepted by voice vote); and an amendment to include children with disabilities as a group for which special staff training shall be provided (H.Amdt. 566, Stearns, accepted 411-0).

***The Head Start Improvements for School Readiness Act (S. 1107, approved by Senate Health, Education, Labor, and Pensions Committee, May 25, 2005).*** 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.

The bill would authorize funding for Head Start at the following levels: \$7.215 billion for FY2006; \$7.515 billion for FY2007; \$7.815 billion for FY2008; and such sums as necessary for FY2009 and FY2010. Under S. 1107, changes would be 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 (as dictated by current law), 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 be increased from the current level of 10%. Reservations would be as follows: 11% for FY2006; 13% for FY2007; 15% for FY2008; 17% for FY2009; and 18% for FY2010.

Like the House bill, S. 1107 increases competition for grant funds, by requiring grantees to re compete for funding every five years. High-performing grantees would receive priority, with “high-performing” meaning those grantees who meet goals for improving school readiness and who meet goals aligned with the Head Start child outcomes framework, state early learning standards, and requirements and expectations for local schools. The bill requires agencies designated as Head Start grantees to assemble a governing body, which is to receive regular and accurate information about program planning, finances, and performance data, and is to work with the grantee’s policy council and committee.

Like the House bill, S. 1107 would put into law the requirement that each Head Start agency is to establish procedures for evaluating its delegate agencies, and procedures for, when necessary, defunding them. The bill also would add 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 last Congress, S. 1107 would authorize \$90 million for the Secretary to make a maximum of 200 grants (of at least \$200,000 per year for five years) to Head Start agencies nominated by Governors as “Centers of Excellence” in early childhood. Grants could be used for purposes such as: furthering best practices, serving more children, and providing additional training for staff. In a separate authorization of funds, S. 1107 would authorize \$10 million in FY2006 (and such sums as necessary for FY2007-FY2010) to award grants for tribal colleges and university Head Start partnerships.

Staff qualifications and degree requirements for Head Start teachers are also addressed by S. 1107. Among other provisions to increase staff qualifications, the bill would require (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 be 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 be required to have a B.A. degree relating to early childhood by the end of FY2011. All Head Start teachers would be required to attend an average of at least 15 hours of professional development a year.

Also adopted from last Congress's Senate committee bill is the provision increasing income eligibility for Head Start from the poverty line up to 130% of the poverty guideline. Moreover, any homeless child would be 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 the recently released (May 17, 2005) GAO report calls the effectiveness of the assessment system into question.)<sup>11</sup>

**Other Legislation in the 109<sup>th</sup> 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; **H.R. 2340 (De Lauro)/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. Bills to enable children affected by Hurricane Katrina to participate in Head Start and Early Head Start (by waiving requirements when necessary, and by providing additional technical assistance) include **H.R. 3890 (Thompson, B.)**, **S. 1715 (Enzi)**, and **H.R. 3975 (Jindal)**.

**Reauthorization Bills in the 108<sup>th</sup> Congress.** Efforts to pass reauthorization legislation in the 108<sup>th</sup> Congress were unsuccessful, after the House narrowly passed its bill (H.R. 2210) by one vote, and a markedly different bill emerged out of committee in the Senate (S. 1940), but was never brought to the full 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 propose 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 propose to increase staff qualifications beyond the levels required by the legislation enacted in 1998. Summary of both bills follow. Also,

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<sup>11</sup> 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].

following is a summary of S. 1483, a reauthorization bill introduced by Senator Dodd, prior to the HELP committee's activity on S. 1940.

***The School Readiness Act of 2003 (H.R. 2210, 108<sup>th</sup> 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.<sup>12</sup> 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

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<sup>12</sup> 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.

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 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 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.”

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, 108<sup>th</sup> 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, 108<sup>th</sup> 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 child hood 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 108<sup>th</sup> 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-FY2008 would have been set at “such sums as may be necessary.” **H.R. 2563 (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.<sup>13</sup> Head Start programs included in the review generally showed significant favorable effects on grade retention and special education placement. Multi-service Head Start programs did not fare as well as better-funded public preschool programs in overall effectiveness measures, although the report noted that Head Start participants tend to be more disadvantaged, so that comparisons could be affected by preexisting conditions.

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

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<sup>13</sup> The Future of Children, *Long-term Outcomes of Early Childhood Programs*, The David and Lucille Packard Foundation, winter 1995. Available via the web, at [[http://www.futureofchildren.org/pubs-info2825/pubs-info.htm?doc\\_id=77657](http://www.futureofchildren.org/pubs-info2825/pubs-info.htm?doc_id=77657)].

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.

**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.

**Table 3. Head Start FY2006 State Allocations (estimates)**

State	Amount	State	Amount
Alabama	\$105,445,702	Nevada	24,010,240
Alaska	12,334,160	New Hampshire	13,237,322
Arizona	102,351,937	New Jersey	127,580,568
Arkansas	63,810,415	New Mexico	51,718,840
California	822,423,688	New York	428,381,625
Colorado	67,580,333	North Carolina	139,705,993
Connecticut	51,322,209	North Dakota	16,984,081
Delaware	13,088,903	Ohio	244,154,425
District of Columbia	24,828,932	Oklahoma	80,149,597
Florida	260,213,365	Oregon	58,808,799
Georgia	166,637,089	Pennsylvania	225,638,287
Hawaii	22,631,998	Puerto Rico	246,548,310
Idaho	22,560,529	Rhode Island	21,770,652
Illinois	267,756,678	South Carolina	81,585,880
Indiana	95,131,796	South Dakota	18,616,257
Iowa	50,977,124	Tennessee	118,014,758
Kansas	50,361,235	Texas	473,394,133
Kentucky	106,648,069	Utah	37,344,905
Louisiana	144,282,095	Vermont	13,408,742
Maine	27,304,203	Virginia	97,997,344
Maryland	77,167,673	Washington	99,247,635
Massachusetts	107,146,849	West Virginia	50,080,683
Michigan	231,945,258	Wisconsin	89,868,619
Minnesota	71,203,817	Wyoming	12,233,919
Mississippi	159,894,206	Virgin Islands	7,908,133
Missouri	117,670,333	Outer Pacific	7,230,279
Montana	20,716,482	American Indian	185,355,446
Nebraska	35,658,108	Migrant Programs	283,312,070

**Source:** Table prepared by the Congressional Research Service (CRS) based on data included in the Department of Health and Human Services FY2007 Justification of Estimates for Appropriations Committees.

**Note:** Estimated state allocations do not include estimated funding for technical assistance (\$173 million), Research, Development and Evaluation (\$20 million), and Program Support (\$40 million), or the supplemental \$90 million in hurricane relief funding.