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Head Start: Overview and Current Issues

Introduction

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

Administration

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

Eligibility

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

Authorization and Appropriations

The Head Start Act was last reauthorized in December 2007 by P.L. 110-134. This law authorized appropriations for each of FY2008-FY2012. Though this authorization has lapsed, funding has been provided in each year since (see **Table 1**). In addition to annual appropriations, the program occasionally receives supplemental funding, including \$95 million (post-sequester) in FY2013 for needs arising from Hurricane Sandy, \$650 million in FY2018 for needs arising from hurricanes Maria, Irma, and Harvey, and \$55 million in FY2019 for needs arising from various disasters.

Funded Enrollment

In FY2018, there were funded enrollment slots for 887,125 children and pregnant women. About 81% of the slots were for Head Start and 19% were for EHS (see **Table 1**). The term *funded enrollment* refers to the total number of slots

that were funded, not the total number of children served during the year (which would be higher due to turnover).

Table 1. Funding and Enrollment, FY2012-FY2020

| Fiscal Year | Funding (\$ billions) | Head Start Enrollment | EHS Enrollment |
|-------------|-----------------------|-----------------------|----------------|
| FY2012 | 7.969 | 842,931 | 113,566 |
| FY2013 | 7.573 + 0.095 | 796,953 | 106,726 |
| FY2014 | 8.598 | 810,581 | 116,694 |
| FY2015 | 8.598 | 791,886 | 152,695 |
| FY2016 | 9.162 | 758,127 | 157,476 |
| FY2017 | 9.225 | 731,325 | 168,049 |
| FY2018 | 9.839 + 0.650 | 717,947 | 169,178 |
| FY2019 | 10.063 + 0.055 | not avail. | not avail. |
| FY2020 | not avail. | not avail. | not avail. |

Sources: Budget justifications and the FY2015 Head Start Program Fact Sheet. Funding (nominal \$) reflects rescissions, transfers, and sequestration, where applicable. FY2013, FY2018, and FY2019 show annual and supplemental funds. EHS enrollment includes EHS-Child Care Partnerships starting in FY2015. Final FY2019 enrollment is not yet available. Full-year funding for FY2020 has not yet been enacted.

Allocation of Funds

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

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

In recent years, however, annual appropriations acts have tended to target funding increases toward specific activities rather than distributing new funds via the statutory formula. Most often, these acts have prioritized COLAs for existing grantees and new slots for EHS programs (via conversions of existing Head Start slots into new EHS slots and by dedicating funds to EHS expansions and EHS partnerships with local child care providers). These priorities have

affected the relative distribution of funded enrollment slots (see **Table 1**): slots in EHS programs have generally been increasing (+49% since FY2012), while slots in Head Start programs have been declining (-15% since FY2012).

Program Options

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

Service Duration (Minimum Hours)

A final rule issued in September 2016 made many revisions to Head Start performance standards. Of note, the final rule increased the minimum number of service hours required for center-based programs. The intent was to ensure that, over time, nearly all center-based programs serve children for at least a full school day and a full school year.

The final rule required center-based EHS grantees to offer at least 1,380 annual class hours to all enrolled children, effective August 2018. According to HHS, about 6% of these grantees were not meeting this standard as of May 2019. HHS was working with them to ensure compliance.

The final rule generally requires center-based Head Start grantees to offer at least 1,020 annual class hours over at least eight months. As an interim step, grantees were required to meet this standard for at least 50% of enrolled children by August 2019. As a final step, grantees must meet this standard for all enrolled children by August 2021. The final rule authorized HHS to reduce these standards before the interim and final deadlines if adequate funding was not available to expand hours without substantially reducing enrollment. In January 2018, HHS used this authority to effectively waive the August 2019 interim (50%) deadline, estimating that about 41,000 slots (or 5% of all Head Start slots) would be lost if grantees had met this deadline without additional funding. According to HHS, roughly 60% of applicable grantees were meeting the interim (50%) standard as of May 2019.

In March 2019, HHS issued a proposed rule that would eliminate the full school day/year standard for center-based Head Start programs. Instead, these programs would be required to operate at least 3.5 hours per day for at least 128 or 160 days per year (depending on how many days they operate each week). Comments were due in May 2019.

Meanwhile, FY2016 and FY2018 appropriations provided some funding to expand service hours. These funds, once awarded, become part of an agency's base grant and have been sustained in each year. In May 2019, HHS estimated it would cost an additional \$806 million for all center-based grantees to meet the full school day/year standard.

EHS-Child Care Partnerships

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

Program Monitoring

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

Designation Renewal System

The 2007 Head Start reauthorization law instituted a new five-year designation period for Head Start grantees. (Previously, grantees received grant awards for indefinite periods.) At the end of its five-year designation period a grantee must demonstrate that it is delivering "high-quality and comprehensive services," or else the grant is to be opened for re-competition. Grantees are selected for re-competition via the Designation Renewal System (DRS).

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

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

specifically). In August 2019, HHS issued a proposed rule that would revise DRS conditions using the CLASS: Pre-K and fiscal audits. Comments were due in September 2019.

Karen E. Lynch, Specialist in Social Policy

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