

Head Start: Where Does the Federal Investment Go?

The Head Start program provides grants to local public and private, non-profit and for-profit organizations to provide comprehensive child development services to economically disadvantaged children and families, with a special focus on helping preschoolers develop the early reading and math skills they need to be successful in school. Combined, the Head Start and Early Head Start programs serve just under 1 million at-risk children and families.

Without Head Start, children are at risk as they grow—of dropping out of school, crime, special needs, malnourishment and teen pregnancy, just to name a few. All of these problems represent barriers to success for our nation's young people. Because Head Start's comprehensive approach addresses emotional growth, social maturation, parental training and family support, nutrition, health and dental care along with academic learning, Head Start's results extend beyond the classroom and contribute to overall preparedness for life.

How does Head Start work?

Grants are awarded directly to over 1,600 local grantees across the country by the Office of Head Start (OHS) within the Administration for Children and Families at the U.S. Department of Health and Human Services. Children are eligible to enroll in Head Start and Early Head Start in one of several ways.

- Children can be enrolled in Head Start and Early Head Start if their family is earning an annual income below 100 percent federal poverty guidelines. **The 2014 federal poverty guideline for a family of four in the 48 contiguous states and the District of Columbia is \$23,850.**
- Children are eligible to enroll in Head Start and Early Head Start if their families receive public assistance: either Temporary Assistance to Needed Families or Supplemental Security Income.
- Irrespective of family income, children are eligible to enroll in Head Start and Early Head Start if they are homeless, foster children, or disabled.
- At least 10 percent of a Head Start program's enrollment *must* consist of children with disabilities. These children must still meet income or categorical eligibility criteria, or else they must be counted toward the capped percent of children from families with income above poverty.
- Under certain conditions, Head Start and Early Head Start programs can enroll up to 35 percent of their children from families with an income up to 130 percent of the poverty line, provided that these children are not given a higher priority. For a family of four in the 48 contiguous states and the District of Columbia, 130 percent of the 2014 federal poverty guideline for a family of four is \$31,005.
- In addition, Head Start and Early Head Start programs have the ability to enroll a limited number of children from families of any income - to enhance the peer effects of mixing children from families from different socio-economic backgrounds.¹
- Early Head Start programs can also enroll pregnant women.

The programs strongly emphasize the involvement of families and the local community to ensure a more comprehensive program. Though programs must adhere to stringent federal standards, Head Start directors are innovative and can adapt the model to their individual communities. Therefore, though each program must provide education, health, nutritional, social and other services (prenatal education in the case of Early Head Start) to enrolled children and families, every Head Start program looks different across the country. Head Start programs share the overall goals of ensuring children have improved cognitive function, school readiness, and improved home conditions necessary for their success in later life.

Head Start is able to provide these services in a center or as a home-based model. Additionally, programs help to "normalize" at-risk families by providing or creating the means for a safe place for children to learn while parents get back on their feet with job training, employment, or substance abuse treatment. The grantees work with families to find employment, and engage them as volunteers to build social and professional skills. Thus, the loss of a child's Head Start slot also has tremendous impact on the child's family.

¹ According to the most recent (2012-2013) data from the Program Information Reports regarding eligibility determinations, children were enrolled based primarily on: Income Eligibility - 70.9%; Receipt of Public Assistance - 16.4%; Foster Care - 1.8%; Homelessness - 3.6%; Income Between 100% and 130% of Poverty - 2.4%. The remaining 4.9% of children enrolled were over income; these include some children eligible primarily due to disability.

How are funds allocated and spent?

Each year Congress enacts an overall appropriation for Head Start and Early Head Start. Currently, each grantee is allotted the same base grant as in the prior year. In the event that the appropriation is less or more, the funding level is adjusted proportionately.

OHS allocates annually up to 3 percent of the overall appropriation for training, technical assistance activities, as well as additional funds for research, demonstration, evaluation, monitoring, and corrective action activities. If there are excess funds after the administrative and base grant allocations, grantees receive an adjustment to cover inflationary increases in cost, and additional funding is provided to Migrant/Seasonal and Indian Head Start to increase enrollment. Any remaining funds go to quality improvements and Head Start and Early Head Start expansion.

In March of 2013, Head Start and Early Head Start programs were forced to cut 57,265 children from services across the country as sequestration took effect. In addition, more than 18,000 staff were laid off, and over a quarter of programs closed some of their centers entirely. Even before sequestration, however, the cost of serving families has continued to steadily rise. When surveyed, a full 83% of Head Start grantees reported that their costs have increased significantly in recent years. Those fixed administrative costs, which are capped at 15% of the grant, include:

- Transportation—Grantees provide bus services to enrolled children and families where necessary. This means that Head Start centers are vulnerable during spikes in gas prices, as we have seen over the past several years, and vehicle maintenance must also be factored in.
- Energy costs – heating/cooling, lighting; fuel prices have also influenced the price of food and other goods.
- Competitive teacher salaries- Head Start is mandated to have a certain percentage of staff with Bachelor’s degrees—but cannot pay competitive wages.
- Health Insurance—Employee health insurance costs are on a constant and steep rise.
- Insurance to cover enrolled children, staff, and facilities; particularly with Early Head Start centers, which have more stringent requirements for infant care.
- Federally regulated safety standards for classrooms. For example, as a result of revised Consumer Product Safety Commission rulings on Crib Safety, all Early Head Start Centers were required to replace and update all of their cribs².
- Organization-wide management functions, including planning and coordination; budgeting, accounting, and auditing; and management of purchasing, property, payroll and personnel; and
- Capital costs, including buses, costs of major office equipment, utilities, and occupying, operating, and maintaining the building and classroom space.

What is the recent history of funding for Head Start?

Fiscal Year	Authorization	Appropriation
2009	\$ 7,650,000	\$ 7,112,786,000 ³
2010	\$ 7,995,000	\$ 7,234,783,000
2011	Such Sums As Nec.	\$ 7,570,000,000
2012	Such Sums As Nec.	\$ 7,983,633,000
2013	Such Sums As Nec.	\$ 7,573,194,006 (post-seq.)
2014	Such Sums As Nec.	\$ 8,073,095,000 ⁴

In January 2014, the Omnibus Appropriations Act for FY14 included an increase for Head Start that will allow programs to recover from these devastating cuts, but as sequestration is scheduled to return in 2015, we urge Congress to find a permanent fix to ensure this does not happen again.

Questions? Contact Tommy Sheridan, National Head Start Association: 703-739-7560 or tsheridan@nhsa.org

² CPSC Ruling can be found online at <http://www.cpsc.gov/cpscpub/prereel/prhtml11/11074.html>. Child care centers, including Early Head Start centers, had until December 28, 2012 to meet the new standard.

³ The 2009 and 2010 figures do not include sums provided by the Recovery Act. OHS reports that of the \$2.1 billion made available through this legislation, roughly \$577 million was obligated in FY2009, and \$1.523 billion was allocated in FY2010.

⁴ Total base funding for Head Start in FY14 was \$8,598,095,000. Congress set aside \$500,000,000 for a new program to create Early Head Start-Child Care Partnerships, and \$25 million for the Designation Renewal Transition process. Thus, only \$8,073,095 was allocated to the formula for basic services.