Head Start, the federal government’s pre-K program, is at a crossroads. The program has been used as an anti-poverty measure by the government for over 45 years. It has grown significantly since its inception and provided many children with a valuable, high-quality early education, and in FY2012 served more than 960,000 children under 5 on a $7.9 billion budget.

Yet Head Start is a complicated, bureaucratic program that suffers from a mixed record of research studies that call into question whether it creates any long-term academic gains among children. On top of annual budget threats, the program is vulnerable to additional cuts that would come with across-the-board reductions in federal spending, known as “sequestration,” scheduled for January 2nd, 2013.

In the midst of these challenges, Head Start has embarked on its largest reforms in decades to improve the quality of its grantees. The reform process, called “re-competition,” forces Head Start providers that are found during audits to be low-quality to compete with other agencies in the same geographic area for future Head Start grants.

If successful, re-competition could make Head Start more effective by making its providers truly accountable for the education, health, and family services they provide for the first time. A landmark moment in this process will take place in spring of 2013, when the Office of Head Start announces the first round of re-competition results. However, like any accountability system in education, re-competition’s success depends on whether the process accurately evaluates the quality of Head Start providers, successfully weeds out poor-performing providers, and replaces them with better early learning centers. The re-competition policy has come under fierce opposition from many Head Start providers, however, who believe it will only disrupt the lives of Head Start children and draw further criticism to the program. It has also put Head Start in the news and on the radar of many policymakers in a way it hasn’t been for years.

Unfortunately, the stories told by both the media and local providers often focus on the idea of Head Start centers closing and children with nowhere to go, which will not be the case.[i] (Every Head Start provider that loses funding will be replaced by a new provider or by providers in that area.) Additionally, these stories often fail to explain why re-competition was instituted and what its potential benefits are.

Stakeholders and the public need to understand the complex and sometimes opaque world of Head Start to
The History of Head Start

Head Start began under the Economic Opportunity Act of 1964, the centerpiece of President Lyndon B. Johnson's “War on Poverty.” The program was conceived by Sargent Shriver, a special assistant to President Johnson, to use up part of a budget surplus in the Office of Economic Opportunity's Community Action Program, which focused primarily on increasing adult employment.[2] Shriver had been involved in early intervention projects for developmentally disabled children and was familiar with research showing that successful early intervention programs that provide these children with lots of stimulation can raise their IQ’s.[3] At the time there was much less research on cognitive development and the effectiveness of pre-K at the time than there is today, but Shriver believed that a similar program targeting low-income children could help prepare them for school.

Head Start started as a nationwide, eight-week summer program in the summer of 1965 serving 561,000 3- to 5-year-old children and operating on a budget of $96.4 million.[4] The following year, it grew into a half-day program available during the school year. From the beginning, Head Start was designed as a comprehensive program focusing on education, health, and parental involvement.[5] It predated most state-funded pre-K programs, which in 2010 served 1,323,128 children in 39 states alongside, and sometimes in combination with, Head Start programs.

Though some administrations have thrown more support behind Head Start than others, the program grew steadily throughout the 1970’s and 1980’s. President Nixon moved the program to the newly created Office of Child Development in 1969. Beginning in 1972 Congress mandated that at least 10 percent of national Head Start enrollment serves handicapped children, a requirement that still exists today.[6]

On several occasions, presidents and members of Congress have proposed moving Head Start to a different government agency or turning its funding into block grants given directly to states. President Carter, for example, tried but failed to move Head Start to the Department of Education when the department was created, a move that was strongly opposed by Head Start advocates who believed that Head Start would best serve its constituents if it was not part of the public education system.[7] This belief traces back to when Head Start was founded in the late 1960’s. At the time, many states had segregated schools and there was little federal involvement in public K-12 education, and Head Start advocates feared that if Head Start was considered part of that system, it would fall short in educating children from low-income minority groups.[8]

In the fall of 2003, shortly after Congress’s No Child Left Behind Act mandated that states institute high-stakes testing in K-12 public schools, the Office of Head Start began requiring grantees to administer standardized tests to children through a new policy called the National Reporting System (NRS). The tests, which took 15 to 20 minutes, were administered to all 4-year-old Head Start children (but not Early Head Start children) twice a year on early literacy and math skills.[9]

The NRS was at the heart of President Bush’s attempts to improve Head Start through collecting data and using it to improve teachers and programs.[10] But critics of the NRS, such as the National Association for the Education of Young Children (NAEYC), a leading advocacy organization for early education, believed it was seriously flawed. NAEYC argued that testing children at age 4 is not considered good practice among early educators, in part because it is difficult to accurately assess young children’s growth and development with short, academically focused tests administered only twice a year.[11] When Congress reauthorized Head Start in May of 2007, it ended the National Reporting System.[12]
make informed decisions and statements about re-competition. This starts with a better understanding of the program’s origins (See the History of Head Start sidebar, page 2), and what research has found about Head Start’s effectiveness (see the Research on Head Start’s Impact on School Success sidebar, page 6).

This brief provides a broader view of re-competition set in the context of Head Start’s history and limitations. Before now, much of this information has not been available for public viewing, nor has it existed succinctly in one place for policymakers and the public to digest. The aim is to lay out, in plain terms, how Head Start re-competition works and what questions it raises for the future of the program and the prospects of building a higher-quality, more coordinated system of publicly funded early learning programs.

Background

What is Head Start?

Head Start is a comprehensive early learning program for preschool-aged children of families in poverty, designed to meet children’s cognitive, emotional, social, health, nutritional, and psychological needs. It is administered by the Office of Head Start (OHS), part of the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services (HHS). Children in Head Start come from some of America’s most vulnerable families:

- **Head Start serves more than 962,000 children.**
- **Approximately 849,000 of these children are between the ages of 3 and 5 and the rest are younger children enrolled in Early Head Start.**
- **As of 2009, the median household income of Head Start families was $22,714 a year, according to a 2011 report from Head Start Family and Child Experiences Survey (FACES).**
- **To be eligible to enroll their children in Head Start, families must have incomes at or below 100 percent of the federal poverty level ($23,050 for a family of four in 2012) or meet other criteria, such as being foster parents or having children with special needs. In some cases, families at 150 percent of the poverty level may be eligible to enroll their children if spots remain in their local programs after all interested families at 100 percent of poverty have registered.**
- **Three-quarters of Head Start children live with a parent who is working full-time, according to FACES.**

The Early Head Start program, established in FY 1995, serves pregnant women and families of economically disadvantaged children from birth to age 3 based on mounting evidence on the great importance of the early
years of a child’s growth and development.[15] In this brief, unless the two programs are specifically broken out from each other, budget and program information about Head Start includes Early Head Start. Early Head Start is also subject to Head Start’s re-competition policies.

How Head Start Works
Head Start providers are a diverse group. Using money appropriated each year by Congress, the Office of Head Start provides grants to local early education providers, such as preschools, community organizations, and school districts. (It does not provide grants to states, which adds challenges as states and localities attempt to coordinate state-funded pre-K and Head Start providers.) These providers can be private or public, and though most of them are non-profit, a small number of for-profit providers are also Head Start grantees. Some Head Start grantees run a single child care center with only a few classrooms of children, while others serve a much larger area with many individual centers. The Los Angeles County Office of Education, for example—the largest Head Start grantee in the country—serves 23,000 infants, toddlers, and preschoolers and operates on a $220 million grant.[16] Los Angeles is one of the grantees up for re-competition in 2012.

A Head Start grantee is allowed to combine its Head Start funds with state-funded pre-K or other private or community funding to serve more children, or to serve Head Start children for more hours per day. Many Head Start providers use this strategy, known as “braiding” funds. Head Start providers that use these extra funds are still subject to Head Start regulations and reviews, regardless of what other regulations are attached to the extra funds.

Program Performance Standards
Each Head Start grantee is audited at least once every 3 years to assess whether the program is complying with federal regulations. These regulations, called Program Performance Standards, are a detailed set of expectations that span every corner of the Head Start experience. They include Head Start’s educational components, processes for renovating and purchasing real estate or facilities used as Head Start centers, and processes for identifying and serving disabled children.[17] These regulations are broken into 10 sections and 131 subsections, each of which can have dozens of regulations (though not all of them do). Many of these regulations are very detailed: In the section on nutrition, the regulations specify that programs are required to serve a variety of nutritious foods that “broaden each child’s food experiences” and that “each child is encouraged, not forced, to eat his or her food”;[18] the information on how providers should manage their facilities specifies that toys must be “stored in a safe and orderly fashion when not in use.”[19]

As of 2005, the Office of Head Start had more than 2,600 reviewers on contract that it sends on week-long trips to assess how well grantees are following the regulations. The reviewers then write monitoring reports documenting any and all problems that were found during the assessment. A major problem is called an “immediate deficiency,” a somewhat less immediate problem is marked as a “deficiency,” and a smaller problem is called an “area of noncompliance.” If a program is found to have an immediate deficiency or a deficiency, it is given 30 days to create and implement a plan for improvement.

Funding Head Start
Though Head Start is often vulnerable to budget cuts, the program has grown significantly overall since the 1960’s. Funding increased slowly throughout the 1970’s but enrollment during that period fell, reaching a low of 333,000 in 1977. A year later, in 1978, the program received its first large boost in funding since its creation, and both funding and enrollment would continue to grow substantially during the 1980’s and 1990’s.[20]

In recent years, funding for Head Start has grown modestly, spurred in part by funds provided under the American Recovery and Reinvestment Act of 2009, which
led to an additional 15,500 children being enrolled in 2010.\[21\] In fiscal years 2011 and 2012, Congress approved funding to support the expanded levels of enrollment made possible by the ARRA. In fiscal year 2012, Congress approved $6.43 billion for Head Start (Early Head Start not included), which equated to $7,581 per pupil. Approximately 849,961 children enrolled in Head Start programs in 2011, up from 833,516 in 2008.\[22\] In Early Head Start, 14,469 children were enrolled in 2011, and the program received $1.28 billion in federal funding for fiscal year 2012.\[23\]

**Re-competition**

When Congress reauthorized the Head Start Act in 2007, it amended the Act to direct HHS to “re-compete” certain Head Start grants. This re-competition policy is a departure from the way Head Start grants operated in the past (the same policies that the GAO had criticized in 2005), in which a Head Start provider generally did not have to compete for its funding or risk losing funding except in extreme circumstances, such as if a provider lost its child care license. Instead, the re-competition policy awards Head Start grantees funding for a five-year period, and grantees found to have low-quality programs during that period will have to compete with outside applicants for their next five-year grant.

The first round of re-competition began in April of 2012, and applications were due in August. The first round of re-competition only includes one third of all Head Start grantees; over the next two years there will be two more rounds to cover the remaining grantees. For the first round, the data used to determine which grantees must re-compete for their grants extends back to 2009. The Office of Head Start maintains that this policy is fair because the data collected in assessments in 2009 came after Congress mandated re-competition and were collected as part of an official assessment of a Head Start program.\[24\]

The re-competition system has a process, called the Designated Renewal System (DRS), that HHS uses to determine if a Head Start agency is delivering a high-quality and comprehensive Head Start program that meets the educational, health, nutritional, and social needs of the children and families it serves.

**Re-competition’s Inner Workings**

The Designated Renewal System uses the monitoring reports of Head Start grantees as a starting point for determining which grantees are providing low-quality services and should therefore have to compete with other programs for Head Start funding. (See page 9 for an explanation of Head Start monitoring reports.)
Research on Head Start’s Impact on School Success

As Head Start and other early childhood interventions have grown over time, a body of research on these programs has emerged as well. High-quality pre-K has been shown to have lasting benefits for children from low-income families in cases such as the famous Perry Preschool project in Michigan, the Child-Parent Centers in Chicago, and the Abecedarian study in North Carolina.[25] With these and several other research studies, the body of research is large enough that experts generally agree that high-quality pre-K can make a significant impact on a child’s life.

One of the biggest questions facing Head Start is whether these lasting benefits can be replicated across the board in a program that is as big and diverse as Head Start, and at a reasonable cost. From the start, research on Head Start has suggested that the program does not perform as well as small-scale, high-quality pilot programs like Perry. The first evaluation of Head Start, completed in 1969 by the Westinghouse Learning Corporation, found that Head Start programs resulted in gains in cognitive and language gains skills in first grade (typically, these are skills such as identifying the sounds of letters or learning new vocabulary). But by second or third grade, these children were performing no better than children who had not attended Head Start. In the language of researchers, the gains “faded out.”[26]

The design of the Westinghouse study has been heavily criticized. Critics believe that the comparison group used for the study may not have been as disadvantaged as the Head Start group and point out that the study didn’t evaluate nutrition, parenting, and several other areas where the Head Start children may have made gains.[27]

Regardless, the report set the tone for a decades-long debate over whether Head Start is effective. A synthesis of Head Start research by George Washington University in 1978 concluded that Head Start was effective[28], but another meta-analysis completed by the Department of Health and Human Services in 1985, known as the “Head Start Synthesis Project,” found that cognitive and socio-emotional gains made during Head Start faded out for the most part.[29]

The Head Start Impact Study

The Head Start Impact Study is the most recent major evaluation of Head Start and the most complete study of the program to date. When Congress reauthorized Head Start in 1998, it mandated that the U.S. Department of Health and Human Services (HHS) determine, on a national level, the impact of Head Start on the children it serves. The resulting Impact Study, which continues today, addresses two main research questions: “What difference does Head Start make to key outcomes of development and learning (and in particular, the multiple domains of school readiness) for low-income children? What difference does Head Start make to parental practices that contribute to children’s school readiness?” and, “Under what circumstances does Head Start achieve the greatest impact? What works for which children? What Head Start services are most related to impact?”[30]

The Head Start Impact Study is based on a nationally representative sample of 84 grantees and includes nearly 5,000 Head Start-eligible 3- and 4-year old children. Researchers randomly assigned the children either to Head Start or to a control group whose parents could enroll them in non-Head Start services (such as other early childhood programs, some of which may have been subsidized by their state). Data collection began in fall 2002 and continued through 2006.[31]

The results, released in December 2010, were not as promising as many had hoped they would be. The study found short-term gains for children compared to the control group in some domains of learning. For the 4-year-old group, it found benefits at the end of the Head Start year that were concentrated in language and literacy elements of the cognitive domain (such as vocabulary
and the ability to identify colors), as well as a positive impact on access to dental care in the health domain. For the 3-year-old group, who had two years of Head Start, the study found benefits in all four domains examined at the end of the second Head Start year at age 4 – language and literacy gains such as improved vocabulary, as well as better motor skills, pre-math skills, health, and parent-child interactions.[32]

However, the vast majority of these gains from Head Start participation did not last through the end of first grade, the Impact Study found. At the end of first grade, students with one year of Head Start fared better than the control group on only one of twenty-six cognitive measures (vocabulary), and students with two years of Head Start scored better than the control group on only one cognitive measure (oral comprehension). Data indicated that children with two years of Head Start had better relationships with their parents than the control group; the parents of children with two years of Head Start also showed small gains in their parenting skills compared to the control group. Head Start also had a positive impact on the chances that children with one year of Head Start would have health insurance at the end of first grade, but no such impact for the children with two years of Head Start.[33]

These findings are being interpreted by researchers and policymakers in several ways. Some see the Impact Study as proof that Head Start is failing in its mission; some see it as evidence that kindergarten and first grade classrooms serving low-income students aren’t serving low-income students as well as they should be and are causing this “fade-out” of gains; and some see the Impact Study as a sign that Head Start needs to focus on improving the quality of its providers, particularly those with lower-quality programs. The sheer size of Head Start and variety among its grantees has generated a system where some grantees offer very high-quality services, while others are in need of improvement.

Additionally, there are many things the Impact Study can’t show. For example, the Impact Study didn’t include data on the quality of Head Start providers participating. If this information had been assessed and collected, the Impact Study would have been able to delineate for the first time whether high-quality Head Start providers might be able to produce long-term gains similar to those found in other studies of effective pre-K programs, or whether low-quality Head Start providers produce gains, short-term or long-term, at all. Information on the quality of elementary schools Head Start children attended in kindergarten and first grade also could have provided another level of detail to the study’s findings, and possibly told a different story.

In a meta-analysis of early educational interventions published in Science in September 2011, Rutgers University professor Steve Barnett found that the body of research on Head Start, including the Impact Study, suggests the programs don’t produce long-term gains. However, the repeated success of other high-quality pre-K programs suggests that it is possible to make Head Start more effective in the future, he found.[34]

Barnett concluded that Head Start and Early Head Start could both potentially become more effective by offering richer educational experiences; that Early Head Start could also improve parenting education and direct classroom experiences; and that Head Start could focus more resources on recruiting and retaining better teachers. Because more resources would require more funding for Head Start, Barnett has advocated spending future funding increases on improving Head Start quality, as opposed to expanding enrollment.[35]
There are seven areas of deficiency that trigger the re-competition process. Some draw information from the monitoring reports, while others require new evaluations of Head Start providers. They are:

- presence of at least one deficiency discovered during regular reviews by regional monitors. Deficiencies are sizeable failures to comply with the Head Start Performance Standards[36];
- revocation of the agency’s state or local license;
- suspension from the Head Start program by the Administration for Children and Families;
- disbarment from receiving state or federal funds;
- serious financial instability;
- inappropriate or non-existent school readiness goals, and/or school readiness goals that lack data to back them up; and
- scores in the lowest 10 percent on any three domains in the Classroom Assessment Scoring System (CLASS), which is an observation-based assessment of how well teachers teach. If this score is in the lowest 10 percent but is still at or above a 6 on CLASS’s 7-point ranking scale, indicating that it is high-quality, then this score will not trigger re-competition. The domains are emotional climate, classroom organization, and instructional support.[37]

Re-competition is structured so that two of these seven categories – a lack of school readiness goals and low CLASS scores – become effective when the rules were announced in 2011, instead of retroactively back to 2009 as is the case for the other five categories. The programs in the first round of re-competition were therefore not rated on their CLASS scores or school readiness goals. The next round of reviews will take into account all seven indicators. At that point, funding for Head Start will depend on teaching quality and a provider’s attention to children’s cognitive and social-emotional growth for the first time.

The Office of Head Start put the first cohort of Head Start providers up for re-competition in December of 2011. Potential Head Start grantees and grantees up for re-competition were given until mid-July to apply for funds. The Office of Head Start is expected to announce the winners of the first round of re-competition grants in the spring of 2013.

The re-competition policy has been met with resistance from many Head Start providers.

Controversy Over Re-competition
The re-competition policy has been met with resistance from many Head Start providers. The National Head Start Association, Head Start’s largest membership organization, supports re-competition and believes it can help improve the quality of Head Start programs.[38] But some regional Head Start organizations and individual Head Start providers do not agree. Most notably, the Ohio Head Start Association filed a lawsuit against the U.S. Department of Health and Human Services. The suit claimed that the re-competition process is arbitrary and that using deficiencies from monitoring reports conducted prior to 2012, when re-competition began, as part of the policy unfairly and retroactively penalized providers for past infractions that may have been corrected. A federal judge dismissed the lawsuit in July of 2012 on the grounds that it wasn’t unfair to use data collected in the past since Head Start has a clear and fair auditing process.[39]

Conclusion
It is too early to evaluate whether re-competition is an effective policy. The benefits and drawbacks will become clear with time and research. Looking at how Head Start is poised to operate during the second term of the Obama Administration, however, raises several points worth keeping in mind for policymakers and the public:
**What Puts a Program up for Re-competition?**

**A Look at Three Head Start Monitoring Reports**

As explained in this report, the Office of Head Start is using monitoring reports, which describe results of Head Start audits, to determine which programs must compete for their Head Start grants against other early childhood providers in the geographic area, instead of being assured their grants would be renewed. (For a complete explanation of this process, known as re-competition, see page 5.)

Below are summaries of why three Head Start providers were forced to compete in the first round of Head Start re-competition. The information below is taken from monitoring reports auditors filed on each program, and from December 2011 letters notifying grantees they were up for re-competition. The letters indicated which parts of their monitoring reports had put them up for re-competition.

**New York City Administration for Children and Families**

New York City ACF administers Head Start programs across New York City. In a 2007 audit, HHS found that NYC ACF overpaid its hospitalization insurance premiums. The extra money refunded by the insurer was kept in an account controlled by the Head Start Employees Welfare fund, which manages hospitalization insurance for the Head Start employees.

The monitoring report concluded that the Head Start grantee did not do enough to develop an understanding of the costs being passed through the Welfare Fund and did not adequately ensure Head Start cash was used solely for authorized purposes.

**American Indian Institute- University of Oklahoma Early Head Start program (Norman, Oklahoma)**

This Early Head Start provider had nine deficiencies and six areas of “noncompliance” in a review conducted during August 2010. Mostly, the deficiencies point to a lack of timeliness and organization.

According to the monitoring report, a review of 18 child files found many missing scheduled health check-ups: Five children were missing one health check-up, five missed two check-ups, three missed three check-ups, and three missed four check-ups. (Nine check-ups are required for the first 48 months of the child’s life.)

Monitors found several other problems, such as a lack of evidence that the university’s EHS program had written procedures for administering medication to every child and no documentation as to which staff members were trained to administer medication. The auditors also questioned whether the program was serving as many pregnant mothers as the grant required.

**Economic Opportunity Planning Association (Toledo, Ohio)**

In March of 2011, a child was left on a school bus unattended from approximately 8 a.m. to 10 a.m., according to the report. Neither the bus aide nor the bus driver followed the procedure of walking through the bus at the end of the ride to make sure it was empty, so neither of them saw the child. The bus was parked in a garage, and no staff members knew where the child was for two hours that morning.

A source other than the grantee notified the Head Start regional office of the incident, and staff from the regional office confirmed with staff from the Head Start provider that the incident took place. It was rated an “immediate deficiency” by HHS.
Over the years, the structure of Head Start and the surrounding political environment have hindered potential growth.

Though Head Start has grown both in its budget and enrollment, the program has been under constant scrutiny, and has been held back further by moments of poor decision-making such as the flawed design of the 1969 Westinghouse Study and the National Reporting System. These missteps have put Head Start on the defensive with few opportunities for real reform and growth.

Head Start could be more effective.

Regardless of whether re-competition proves to be a success, the policy reflects the Office of Head Start’s desire to scrutinize the program and improve its weak points—in spite of the fact that many opponents of Head Start may see those weak points as a reason to cut Head Start funding or get rid of the program entirely. Head Start needs a constructive conversation among policymakers in order to improve, and the conversations started by re-competition could prove to be good first steps.

Quality education is important for Head Start.

As the National Institute for Early Education Research’s Steve Barnett found in his meta-analysis of Head Start studies and as other research has shown, high-quality learning experiences are crucial to any high-quality preschool program. Using evaluations that measure teacher quality through repeated classroom observations, such as the CLASS, Head Start can focus on the quality of learning experiences that children in Head Start are receiving and help its teachers improve.

Head Start needs to focus on quality and consider loosening regulations that are redundant or unnecessary.

As this paper has explained, Head Start providers are subject to hundreds of regulations, in addition to state child care licensing requirements. Particularly for Head Start providers that blend Head Start with other funds such as state-funded pre-K, the result is that providers spend much time checking boxes on program standards and not enough time focusing on the quality of instruction. Head Start providers need to offer a safe, healthy environment for children, but this could be achieved through a more streamlined process, such as a waiver process for providers already being audited for certain health and safety measures at the state level.

Head Start deserves the nation’s attention. It can play an important role in reducing disparities in health, family life, and school readiness that afflict children in poverty. Yet many federal and state policymakers may not have access to information to help them make informed decisions about the program. Hopefully, with better information and an increasingly open debate around Head Start, policymakers can create better, more thoughtful policies in the future.
Notes


5 Zigler and Styfco, 208.

6 Zigler and Muenchow, 11.

7 ibid, 6.

8 Zigler and Styfco, 188.


Zigler and Muenchow, 172.


