DATE: 7/13/98

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
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WASHINGTON, D.C. 20201

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OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

TO	: Barbara Chow 395-5730 Nicole/Jen/Neera 456-2878 Melinda Haskins [illegible]	**FROM:** [X] MARY M. BOURDETTE Deputy Asst. Sec.
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TOTAL PAGES INCLUDING COVER)	: 3	

REMARKS: Here's the House Republican (i.e. Riggs/Goodling) list of what they "might" include in their Head Start reauthorization bill. Obviously we need to see their actual legislative language (which we hope to see soon), but clearly there are a number of serious problems here including the 75/25 quality v. expansion split, the overly specific performance measures (and how to enforce - through a national test?), the paternity measure and the waivers. While the vouchers and scholarships are not on this list, I understand they are still under consideration.

The plan is for Riggs to mark-up in full committee on the 22nd, but most expect that date to slip. We'll keep you posted.

Differences between S. 2206 and House Draft Bill

? **EARLY HEAD START AUTHORIZATION-** Draft bill includes a 7% set-aside for FY 99-01 and up to a 10% set-aside for FY 02-03, provided HHS has issued a report to Congress on the results of the Early Head Start Impact Study by January 1, 2001.

INCREASE QUALITY MONEY: Gandling Issue

26-497-35

FY 99	75% quality - 25% expansion
FY00	75% quality - 25% expansion
FY01	50% quality - 50% expansion
FY 02	50% quality - 50% expansion
FY 03	25% quality - ~~50~~% expansion 75

Draft bill retains requirement that 50% of quality money must be spent on salaries. It also retains Senate language that stipulates that preferences in awarding salary increases, in excess of cost of living allowances, shall be granted to classroom teachers and staff who obtain additional training or education related to their responsibilities as employees of a Head Start program.

Draft also stipulates that after quality money has been expended on salaries, of the remaining quality money, the highest priority for quality dollars should be spent on training classroom teachers and other staff :
to meet education performance standards in the Senate bill;
to train staff in activities listed in the Senate bill, and;
to train classroom staff to provide "competent staff" activities (note: competent staff activities are defined in the Senate bill).

PROFESSIONAL DEVELOPMENT
Draft bill requires that, by the year 2003, the majority of Head Start classrooms will have a teacher with a college degree. Retain Senate language on competent staff.
at least AA

LOCAL PERFORMANCE MEASURES
Draft bill retains Senate language on performance measures and local monitoring. However, the draft stipulates that HHS must develop local performance measures by January 1, 2000. In addition, the bill adds four performance measures to measure newly established education performance standards. Measures are as follows:

1. Knows that alphabet letters are a special category of visual graphics that can be individually named.
2. Recognizes a word as a unit of print.
3. Identifies at least 10 alphabet letters.
4. Associate sounds with written names.

PATERNITY REQUIREMENT
Draft bill requires Head Start grantees to certify in their plan that, prior to delivering services to a family, they require custodial parents (in cases where there is an absent parent) to

2d nd full committee

cooperate with the State child support agency to establish a child's paternity and to obtain child support from the non-custodial parent.

FORMULA CHANGE
Draft bill retains Senate language on 1998 hold harmless, but stipulates that new money go out based on most recent child poverty data.

WAIVER AUTHORITY

FAMILY LITERACY DEMO

Table I-1 HEAD START PROGRAM PERFORMANCE MEASURES
OBJECTIVE 1: ENHANCE CHILDREN'S GROWTH AND DEVELOPMENT.
1. Head Start children demonstrate improved emergent literacy, numeracy, and language skills. 2. Head Start children demonstrate improved general cognitive skills. 3. Head Start children demonstrate improved gross and fine motor skills. 4. Head Start children demonstrate improved positive attitudes toward learning. 5. Head Start children demonstrate improved social behavior and emotional well-being. 6. Head Start children demonstrate improved physical health.
OBJECTIVE 2: STRENGTHEN FAMILIES AS THE PRIMARY NURTURERS OF THEIR CHILDREN
7. Head Start parents demonstrate improved parenting skills. 8. Head Start parents improve their self-concept and emotional well-being. 9. Head Start parents make progress toward their educational, literacy, and employment goals.
OBJECTIVE 3: PROVIDE CHILDREN WITH EDUCATIONAL, HEALTH AND NUTRITIONAL SERVICES.
10. Head Start programs provide developmentally appropriate educational environments. 11. Head Start staff interact with children in a skilled and sensitive manner. 12. Head Start programs support and respect children's cultures. 13. Head Start assures children receive needed medical, dental, and mental health services. 14. Head Start children receive meals and snacks that meet their daily nutritional needs. 15. Head Start programs provide individualized services for children with disabilities.
OBJECTIVE 4: LINK CHILDREN AND FAMILIES TO NEEDED COMMUNITY SERVICES.
16. Head Start parents link with social service agencies to obtain needed services. 17. Head Start parents link with educational agencies to obtain needed services. 18. Head Start parents link with health care services to obtain needed care. 19. Head Start parents secure child care in order to work, go to school, or gain employment training.
OBJECTIVE 5: ENSURE WELL-MANAGED PROGRAMS THAT INVOLVE PARENTS IN DECISION-MAKING.
20. Head Start programs are well-managed. 21. Head Start parents are involved actively in decisions about program operations. 22. Head Start programs employ qualified staff. 23. Head Start programs support staff development and training. 24. Head Start programs comply with Head Start regulations.

DATE: 6/18/98

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
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HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

FROM:

[X] MARY M. BOURDETTE
Deputy Asst. Sec.

TO : Melinda Haskins [illegible]
Jen/Neera/Nicole 156-[illegible]
Emil Parker [illegible]

OFFICE :

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TOTAL PAGES
INCLUDING COVER) : 5

REMARKS: Here's a piece we did earlier that gets to the crux of the difference we are having with the R's -- the issue of mandating a study with a national control group. GAO is behind this effort, including that their recommendations be legislatively mandated -- despite the fact that leading researchers do not think it makes sense. Lets stay in touch on this.

Research

GAO REPORT ON HEAD START RESEARCH

QUESTION: According to a recent GAO report, existing studies fail to fully establish what impacts or outcomes the Head Start program produces. Therefore, GAO recommended that HHS expand its research plan for Head Start to include an impact assessment. GAO stated (page 19) impact research "could be done that would allow the Congress and HHS officials to know with more certainty whether the $4 billion dollar federal investment in Head Start is making a difference." Do you agree with this recommendation?

ANSWER: The GAO states that random assignment studies on Head Start effects are needed in light of the new results-oriented environment of the Federal Government. However, the Department has created a wealth of new initiatives and systems to promote stronger accountability and program quality, notably the Head Start Quality Research Consortium. In 1995, the Head Start Bureau established four Quality Research Centers (QRCs). One objective of the QRCs is to work cooperatively to develop and test instruments to gather information on program performance measures. In 1996, the Head Start Bureau established a Performance Measure Center which will use these instruments to conduct the Head Start Family and Child Experiences Survey (FACES). The FACES is an ambitious effort to assess the performance of the Head Start program on an ongoing basis through a national longitudinal study of a representative sample of Head Start children and their families.

We are convinced that the current research design will allow us to have an ongoing, longitudinal data collection on representative Head Start children, families, staff and programs. The Performance Measures are in place, and we will continue to develop, test and refine the instruments as necessary to provide periodic, regular data on these objectives. The ability to compare data with nationally normed instruments, as well as other data from large national surveys, will provide good indicators of how Head Start children measure up to their peers. In addition, the use of observational measures of program quality, often used in national studies of preschools and day care centers, will provide Head Start with ongoing assessments of the educational quality of classroom environments. Finally, the opportunity to link indicators of program quality with child outcome data over time will provide the strongest test of program accountability.

The Head Start research agenda has been shaped over the years based on input from a number of leading researchers from the field. The various researchers that have been consulted consistently have recommended against conducting a single nationally-representative impact study of the effectiveness of Head Start due to a variety of ethical, methodological and logistical difficulties. In 1990, the Advisory Panel for the Head Start Evaluation Design Project put forth a set of research recommendations in the publication "Head Start Research and Evaluation: A Blueprint for the Future."

"An overall research strategy rather than a single large scale study is the appropriate framework or addressing critical Head Start research and evaluation questions. The Panel recommends strongly against a single large-scale study of Head Start as the principal mechanism for seeking answers to the pivotal research questions highlighted above. The methodological requirements for the new generation of research and evaluation issues do not lend themselves to large-scale evaluations that treat Head Start as a single program. Head Start is not, in any simple sense, a uniform "treatment." The common denominator of Head Start programs nationwide is conformity to a set of regulatory performance standards that reflect comprehensive service requirements in education, parent involvement, social services, and health services. But programs are allowed and encouraged broad flexibility in how they deliver the required component services. Moreover, Head Start programs serve children in different regions and subeconomies of American society. They serve a number of minority groups and address issues of bilingualism and multiculturalism. They embody a variety of programmatic formulas and intentions created by local Head Start staff to respond to the unique needs of families in their communities...

It is important to note then, in the view of the Panel, randomized studies designed to compare the effects of Head Start against the effects of nonparticipation ("treatment vs. no treatment") are generally no longer viable options. First, as ACYF progresses toward the Administration's goal of universal services for all eligible children, the potential for withholding services to form a control group, already difficult for ethical and practical reasons, will cease to be an option. Second, in view of the expansion of State and public school preschool programs and developmental child care, it is unrealistic to expect to find in most communities a representative group of "untreated" eligible children, even if Head Start services are not provided.

There are a variety of more specific barriers to a randomized study design reflected in the summary comments of the Panel. First, recruitment of children and families for Head Start is guided by mandates to serve the most needy of eligible families and to incorporate a minimum of 10% of children with disabilities in each program. A randomized, control group design would mean that agencies would be expected to recruit a sufficiently large pool of children with special needs to provide both a treatment and control group with at least 10% children with disabilities - and then to inform roughly one-half of the parents that they would not be allowed to enroll in Head Start. Second, in some states and many communities, Head Start is already serving more than a majority of the eligibility children and families. For example, in Ohio, the combination of state contributions and federal Head Start resources is estimated to be sufficient to serve 85% of all eligible families. In these situations, it would be impossible to conduct the form of evaluation recommended by GAO because of a lack of sufficient numbers of unserved children to comprise a control group. In addition, because of the very success of Head Start-state collaborations and Head Start-child care partnerships, it is difficult to determine whether control group children are actually participating in care that is totally non-Head Start.

One of the other violations to the basic assumptions of randomization is the mobility of low-income populations like Head Start. The Transition study and other research have documented the large number of moves among this population. Having children leaving treatment in unpredictable numbers and at unpredictable time points corrupts the random assignment design. Crossovers from program to comparison or vice versa are also common.

Randomization also assumes that everyone in the treatment group and everyone in the control group gets the same treatment (program) within their group. However, it is virtually assured that control group children will participate in a wide range of other early childhood programs and settings, of varying levels of quality, intensity, and comparability to the standard of Head Start services. In the first place, it would be difficult to coordinate recruitment and enrollment processes across these various program options, in order to identify the full range of eligible children before they are recruited/enrolled into other programs. Second, it would be challenging and expensive to track these other arrangements (including transitions between programs during the year and instances where children participate in a combination of several different programs simultaneously.) Further, it would be very difficult to interpret or use the results of a study that compares Head Start participation with such a wide range of other forms of programming. The types of available alternative programming, and the selection effects that contribute to parental choices of these programs are locally-determined. They include such factors as the welfare reform requirements parents face (and their resulting need for child care), child care licensing standards and effects on the formal and informal child care market, as well as cultural factors of the community such as ethnicity and family composition that affect choices parents make.

Finally, GAO has suggested in their 1997 report and in testimony this year that alternative strategies such as randomly accelerating and delaying Head Start services or studying partial vs. full versions of Head Start services should be considered as suitable for evaluation of Head Start effects. However, both of these recommended strategies have serious flaws and would not provide useful evidence on the central question of Head Start's effectiveness. Delaying/accelerating Head Start treatment would presumably involve serving some children as 3-year-olds and others as 4-year-olds. It would be difficult to draw appropriate comparisons between outcomes from these different forms of Head Start treatment, given the varying capacities of children of different ages and the correspondingly different expectations of appropriate outcomes for these different sets of participants. Such a delayed entry control design would, in most localities, change the fundamental way in which programs are operating. For example, current recruitment and enrollment patterns indicate that programs serving three year olds may select them according to special criteria (including being at greater risk than four-year-olds, and deemed by the program to be in need of services for a longer period).

The proposed design of partial vs. full versions of Head Start would contend with many of the same complications as the treatment/no-treatment design, given that parents would be unlikely to be satisfied with assignment to the "watered-down" or partial versions of Head Start and could choose not to participate. In addition, this design would not produce answers to the central questions of outcomes and payoff of the existing comprehensive Head Start program that drive the call for more research.

The current body of research on early childhood interventions does achieve consensus on some points. When studying program effects, it is imperative to take into account such factors as family and neighborhood characteristics, culture and language, quality and intensity of services received (including observation of classrooms and caregive-child interaction), as well as parent participation in and satisfaction with the program. There is less consensus about the best methodolgy for answering questions about program effectiveness. Some researchers advocate using comparisons to nationally normed instruments or large-scale studies, while others insist that random assignment designs are the standard, however difficult to carry out in real-life situations. Given this divergence of opinion on such an important question, perhaps the best recourse would be to seek consensus and advice from experts called together by an external scientific organization, such as the National Academy of Sciences.

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

June 24, 1998

The Honorable James M. Jeffords
Chairman
Committee on Labor and Human Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

We take this opportunity to inform you of the Department's views on S. 2206, the Human Services Reauthorization Act of 1998. The Administration supports the work of your Committee to gain enactment of bipartisan legislation to reauthorize the Head Start program, the Low-Income Home Energy Assistance Program (LIHEAP) and the Community Services Block Grant (CSBG) program this year as well as to create a demonstration program for Individual Development Accounts (IDA). Based on our understanding of the provisions included in S.2206, which you have sponsored with Senators Kennedy, Coats and Dodd, we support the improvements that the bill makes to these essential human services programs.

Head Start

We are pleased that your bill maintains the critical improvements to the Head Start program initiated by the historic bipartisan legislation enacted in 1994 and incorporates many of the Administration's proposals submitted this year. We fully support the five-year reauthorization of the program contained in S. 2206 and its specific authority to increase the exciting new Early Head Start program over the next five years. We support provisions in your bill that build upon the promising efforts begun in 1994 and provide greater emphasis on collaboration with States and other providers of preschool services; full-day, full-year services; school readiness, literacy training and related teacher qualifications; and services for children with disabilities.

We also fully support efforts to learn more about the Head Start program and measure the outcomes for Head Start children. Since 1994, we have undertaken a wealth of new initiatives and systems to promote stronger accountability and program quality, including the Head Start Quality Research Consortium and the ground-breaking Family and Child Experiences Study (FACES). As you know, FACES is an ambitious effort to assess the performance of the Head Start program on an ongoing basis through a national longitudinal study of a representative sample of Head Start children and families. We look forward to convening the expert panel of researchers and reviewing their recommendations on the best approach to carry out the research initiatives outlined in your bill.

We will work with the Committee to address remaining issues relating to the Head Start title of the bill.

CSBG

We commend your efforts to strengthen accountability in the Community Services Block Grant program by improving the program's existing performance measurement system. We also appreciate your commitment to a fundamental aspect of the Community Services Block Grant program: the tripartite governing board. The tripartite board has been an important way for low-income persons to participate in planning services and activities to improve the conditions in which they live. Your bill expands the role of private, nonprofit organizations in a number of ways but we have concerns about ensuring the essential and historic role of the existing community services network and preserving the role of low-income persons in the planning and administration of the programs administered by these funds. We also have technical concerns, including concerns with the provision for the designation and redesignation of eligible entities in unserved areas, and the time frame for reviewing determinations by State agencies. We look forward to working with your staff on these and other issues.

LIHEAP

We support the reauthorization of the LIHEAP program. We believe that the bill's increased availability of resources for the administration of the program in the smaller States, Tribes and territories will make the program more effective. Additionally, the increased resources for technical assistance, training, and compliance reviews will also be crucial to improving the effectiveness of the program.

IDA

We also are pleased that the bill includes a new demonstration project designed to encourage low-income persons to establish individual development accounts for the purpose of accumulating assets to be used for postsecondary education, home ownership and micro enterprise development expenses. The Clinton Administration has supported the concept of individual development accounts and looks forward to the increased utilization of such accounts that this legislation would create. The Administration will continue its discussions with the Committee about provisions regarding this new effort.

We greatly appreciate the leadership and cooperation with which your Committee and staff have approached the reauthorization of these vital programs, and will provide you with further comments as we continue to review S. 2206. We hope to work with you in the weeks ahead to gain Senate approval and final passage of legislation that takes Head Start, Community Services and the Low-Income Home Energy Assistance programs into the 21st century.

The Office of Management and Budget has advised that there is no objection to the transmission of this letter from the standpoint of the Administration's program.

Sincerely,

Donna E Shalala

Donna E. Shalala

Dodd amendment
at markup

Dodd Amendment (as worked out) on For-profit participation in the Head Start Program

on page 28 after line 2 add a new (B) and renumber accordingly:

(B) by inserting at the end of (c), "If the Secretary determines that a non-profit and a for profit have submitted applications of equivalent quality, the Secretary may give priority to the non-profit."

FACSIMILE TRANSMISSION
Office of the Assistant Secretary
The Administration for Children and Families

DATE: March 24, 1998

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Number of Pages (excluding cover): 2

FROM: **Samara Weinstein**
Special Assistant to the
Assistant Secretary for Children and Families

Telephone: (202)401-6953
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MESSAGE:

Jen:

As per your request to Olivia, attached please find the cleared CCDP fact sheet. The best responses to the questions are one that were directly lifted from the fact sheet. As you know, when the report was issued at the end of January, HHS relied on the fact sheet as both public information and internal q&a's.

Please call me if you need more information.

January 30, 1998

Contact: Michael Kharfen
(202) 401-9215

Evaluation of the Comprehensive Child Development Program

In 1988, Congress, concerned about extremely at-risk low-income young children and families, created the Comprehensive Child Development Program (CCDP). As implemented, the CCDP tested whether a newly designed community service delivery program that identified family needs and referred families to different services would result in improved developmental outcomes for children and self-sufficiency for families. HHS, which administered the program, released an evaluation with the finding that the CCDP did not produce the results sought. Though the final evaluation was issued today, HHS had preliminary reports of the less than successful program results. HHS has already incorporated important lessons from CCDP, especially that of the need to provide intensive services that directly affect young children's developmental experiences, into the design of the new Early Head Start and the revised performance standards of the entire Head Start program to assure better outcomes for young children and their families.

What is the CCDP?

Between 1989 and 1993, 34 demonstration projects were funded, with 21 the subject of evaluation research by Abt Associates and CSR, Inc. Case managers linked families to specific services in their communities or programs created services within their agencies to meet particular family needs. In general, the families were comprised of young, largely minority, very low-income mothers with low educational attainment who tended to be single, unemployed and dependent on public assistance. The evaluation randomly assigned over 4,000 families to either an experimental or control group. In 1994, Congress directed a phased closing of the projects by 1998.

No significant results compared to other families

Both interim and final evaluation results of the CCDP showed that there were no consistent differences for families participating in the program as compared to families who did not. The Abt Associates' evaluation did find that "changes were observed in the lives of CCDP families (e.g., increases in children's achievement scores, in the percentage of mothers in the labor force, and in average household income). However, exactly the same kind of changes observed in CCDP families also occurred in control group families." The evaluation offered several possible reasons for the results of the program, including initial difficulties in implementing the projects, in some cases project families may have been unintentionally referred to services of low or poor quality, the project relied on indirect efforts (such as primarily focusing on helping parents improve their parenting skills) which could not directly improve child outcomes on their own, and some families were resourceful enough to find services in their own community. However, the most compelling finding was that the program did not provide sufficiently direct intensive child development services to be effective.

- More -

Intensive early childhood services work

The most productive result of the demonstration is a clear understanding that intensive, focused services provided directly to children and linked to distinctly defined outcomes are critical to success. As the evaluation asserted, several recent studies confirm that early childhood programs achieve important benefits and the most impressive long-term effects on children's cognitive development and on mothers' parenting skills and behaviors when the families participated in intensive early childhood programs. The evaluation confirms, "...the best way to achieve positive effects is to provide intensive services directly to the individuals that you hope to affect."

Early Head Start and Head Start already focus on direct intensive child services

Already, the lessons from the CCDP have been incorporated into the policies and designs of Early Head Start and the newly revised performance standards for the entire Head Start program to provide more effective interventions for young children and families in poverty. In both Early Head Start and Head Start, intensive learning and developmental services are provided directly to children and their families, combined with connections to other community services to meet family needs. For Early Head Start, which serves children aged 0 to 3, the key program elements are intensive child development, engaging parents as partners in the developmental process of their children and supporting them in improving their self-sufficiency. These principles are also included in the new Head Start Performance Standards guiding the programs serving three- and four-year-old children. Those Standards now more clearly define appropriate and necessary linkages of the program's central child development mission to community-based health, mental health, social service and employment services. The Head Start combination of direct intensive services to children and referrals to supplemental services reflect the best research and evaluation of how to achieve effective and long-term results for children and their families. In 1998, Head Start will benefit approximately 830,000 children and their families, including about 38,000 low-income infants and toddlers in Early Head Start. With the Balanced Budget Act of 1996, Head Start will reach President Clinton's goal of serving 1 million children in 2002.

PRIORITY

FACSIMILE TRANSMISSION

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MESSAGE:

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Roy Romer
Governor

Governor's Office

Fax Transmittal

Date: 3-23-96

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Number of pages (including cover): ~~3~~ 4

Notes: Per Alan Salazar: JOHN, Gov. Romer has been asked to testify on 3/26 -- I want to know if there is anything here to cause 'heartburn'. I will call you.

Head Start Testimony
March 26, 1998

Necessary greetings, etc.

Thank you for inviting me to share the state perspective on the Head Start program. I am not here to debate the value of the program or its success in helping low-income children and their families. My remarks will focus on state efforts to build coordinated, comprehensive early care and education systems and the difficulty we are experiencing in coordinating these efforts with the Head Start program.

For the past two years the National Governors' Association has focused on the importance of early childhood development and the compelling evidence that early investments in children will reduce future expenses in remedial education, juvenile crime, teenage pregnancy, and welfare. We know that children who spend their earliest years in a nurturing, stimulating environment are more likely to become self-sufficient, successful adults. In order to improve outcomes for young children many Governors are working to create coordinated, comprehensive early childhood programs that support families with young children. The intent is to create a system that is more responsive to the needs of all parents, and that supports opportunities for children to participate in high-quality programs.

Despite a number of federal and state initiatives to integrate early care and education services for young children, barriers to these collaborative efforts remain.

One of the main barriers to collaboration among different programs for young children is the different visions or missions adhered to by the various programs. In Colorado I have worked with business leaders, early childhood professionals, parents, and legislators to coordinate the multiple programs that touch young children's lives. We have developed a strategic plan for an integrated system called "Building Bridges for Colorado's Young Children and Their Families" that empowers local communities to assess and design programs that meet their needs. Parallel efforts are happening in many other states. In Ohio the coordinating initiative is called Ohio Family and Children First, in North Carolina it's Smart Start, and in Indiana it's Step Ahead. (Patty – are there other strategic states on the committees we should name??)

Head Start was around long before any of these state efforts at coordination and it has maintained itself as a separate, and in many cases isolated system. Head Start grantees have no incentive to collaborate. Their funding is secure and support for their work is strong. In some cases they fear collaboration will dilute the Head Start program, in other cases they are hesitant to combine funding streams from various early childhood programs when they do not know what will be acceptable to the auditors and administrators. Why change a good thing? Why risk failure?

We have worked very hard with Head Start grantees to show the benefits of collaboration, and that improving services for children does not mean diluting services for low-income three- and four-year-olds. This has been a very time-consuming effort that requires one-on-one consultation with each individual Head Start grantee and we have been only mildly successful. Now the growth of the Early Head Start program increases the number of grantees we must persuade and adds another funding stream we must coordinate. The Early Head Start program recognizes the need to provide the same high-quality services to children below the age of three, but it moves us farther away from our goal of coordinating services for children.

Recommendations

The nations Governors have adopted bipartisan policy recommendations to improve the relationship between Head Start and the states.

First, the Administration for Children, Youth, and Families should reinforce requirements in current law that Head Start grantees must actively collaborate with state and local planning processes in order to better meet the needs of children and families and develop a systematic way to assess the degree to which collaboration is occurring.

The Governors commend the work thus far of the Administration for Children, Youth, and Families in trying to send a strong message to both individual grantees and regional offices about the importance of collaboration, but we believe more must be done to ensure that this happens. This message must also be shared with fiscal staff so that a fear of auditing does not impair collaborative efforts. At a minimum we recommend the reauthorization legislation include language that gives priority to new Head Start grantees that collaborate with state and local efforts to provide full-day, full-year services for children.

States should play a role in the selection, monitoring, and refunding of grantees.

To ensure that Head Start programs are an integral part of the larger early care and education systems, states should have an opportunity to provide direct input on decisions about funding new grantees or refunding or expanding existing grantees. With movement toward blended classrooms and programs and consolidated applications, monitoring activities should also be shared and coordinated.

Allow grantees (states??) to seek waivers from current Head Start regulations for the purpose of creating a more coordinated early care and education program.

Grantees must be given the opportunity to seek waivers to conduct business outside of traditional Head Start protocols.

(I need input on how this could work.)

Head Start provides a vision of comprehensive services that all early childhood programs can benefit from, including a focus on the entire family, links to health and social services, and well-developed training system for staff. Governors want to build on this vision and bring it to all children starting from the moment they are born. The momentum to build a coordinated system of care for young children is growing in the states and I am hear because Governors want Head Start to be a part of that system. I hope you can help us make that happen.

NATIONAL GOVERNORS' ASSOCIATION

George V. Voinovich
Governor of Ohio
Chairman

Thomas R. Carper
Governor of Delaware
Vice Chairman

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Date: 3/24/98 Time: 5:22:19 PM Pages: 8

To: Sally Vogler Fax Number: +1 (303) 8662635

From: Helene Stebbins

Subject:

Note:

To: John Monahan

* 202/401-4678
* 202/362-9214

Head Start Testimony
March 26, 1998

Good Morning:

Thank you for the opportunity to testify before this historic joint House and Senate Subcommittee hearing. I appreciate the chance to share the perspectives of the nation's Governors on the Head Start program. I am not here to debate the value of the program or its success in helping low-income children and their families—I think we all believe that this programs has helped many children and their families and it should be reauthorized. My remarks will focus on state efforts to build coordinated, comprehensive early care and education systems and the difficulty states are experiencing in coordinating these efforts with the Head Start program.

The National Governors' Association has a long history of focusing on children's issues. In the past two years we have examined the importance of early childhood development and the compelling evidence that early investments in children will reduce future expenses in remedial education, juvenile crime, teenage pregnancy, and welfare. We know that children who spend their earliest years in a nurturing, stimulating environment are more likely to become self-sufficient, successful adults, than those who do not have that benefit. To give our children the best possible start in life, many Governors are working to create coordinated, comprehensive early childhood programs that support families with young children. The intent is to create a system that is more responsive to the needs of all parents and provides opportunities for children to participate in high quality programs.

Despite a number of federal and state initiatives to integrate early care and education services for young children, barriers to these collaborative efforts remain.

One of the main barriers is the different visions or missions adhered to by the various programs. In Colorado I have worked with business leaders, early childhood professionals, parents, and legislators to coordinate the multiple programs that touch young children's lives. We have developed a strategic plan for an integrated system called "Building Bridges for Colorado's Young Children and Their Families" that empowers local communities to assess and design programs that meet their needs. Parallel efforts are happening in many other states. In Ohio the coordinating initiative is Ohio Family and Children First, and in Indiana it is Step Ahead.

Head Start was around long before any of our state efforts at coordination, and it has maintained itself as a separate, and in many cases isolated, system. Head Start grantees have no incentive to collaborate. Their funding is secure and support for their work is strong. In some cases they fear collaboration will dilute the Head Start program, in other cases they are hesitant to combine funding streams from various early childhood programs when they do not know what will be acceptable to the auditors and administrators. Why change a good thing? Why experiment with new ideas?

Let me tell you why. Over the past decade several major changes have occurred -- the influx of mothers into the paid workforce, devolution of major federal programs such as welfare, child care, and children's health insurance, and the development of early care and education systems at the state and local levels. These trends threaten to marginalize Head Start unless collaboration occurs between the states and Head Start grantees. We have worked very hard with grantees to demonstrate the benefits of collaboration, and that improving services for children does not mean diluting services for the three- and four-year-olds who benefit from the Head Start program. This has been a very time-consuming effort that requires one-on-one consultation with each individual Head Start grantee, and we have been only mildly successful. The recent growth of the Early Head Start program is increasing the number of grantees we must persuade and adds another funding stream we must coordinate. The Early Head Start program recognizes the need to provide the same high-quality services to children below the age of three, but it moves us farther away from our goal of providing a coordinated continuum of services for children. In its current form the Early Head Start program is too often just another program island with very little connection to other existing programs for young children.

Recommendations

The nation's Governors have adopted bipartisan policy recommendations to improve the relationship between Head Start and the states. I will leave copies of that policy for you, but let me highlight a few recommendations that we would like to emphasize.

First, **the Administration for Children, Youth, and Families should reinforce requirements in current law that Head Start grantees must actively collaborate with state and local planning processes in order to**

better meet the needs of children and families and develop a systematic way to assess the degree to which collaboration is occurring.

The Governors commend the work thus far of the Administration for Children, Youth, and Families in trying to send a strong message to both individual grantees and regional offices about the importance of collaboration, but we believe statutory changes are necessary to ensure that this happens. This message also must be shared with fiscal staff so that a fear of auditing does not impair collaborative efforts. At a minimum the Governors recommend that the reauthorization legislation include language that gives priority to new Head Start grantees that collaborate with state and local efforts to provide full-day, full-year services for children.

Second, **states should play a role in the selection, monitoring, and refunding of grantees.**

To ensure that Head Start programs are an integral part of the larger early care and education systems, states should have an opportunity to provide direct input on decisions about funding new grantees, or refunding or expanding existing grantees. With movement toward blended classrooms and programs and consolidated applications, monitoring activities also should be shared and coordinated.

Finally, NGA **would like to work with designated staff from the two committees to draft language that creates state or regional pilot programs designed to encourage Head Start flexibility and experimentation.**

The current Head Start regulations do not prevent grantees from participating in many of the collaborative activities we are designing. Still, many grantees are hesitant to collaborate without the approval of the regional Head Start offices, and some regional offices are hesitant to approve anything that is not strictly authorized by the legislation. The purpose of the pilots will be to remove the barriers Head Start grantees perceive as preventing them from collaborating. This should include access to technical assistance and oversight to assure grantees that experiments such as blended funding streams at the local level and shared responsibility will not jeopardize their grant. We hope this will change the culture to one that says "do it if the legislation doesn't forbid it," instead of "don't do it unless the legislation explicitly requires it."

Head Start provides a vision of comprehensive services that all early childhood programs can benefit from, including a focus on the entire family, links to health and social services, and well developed training systems for staff. The Governors want to build on this vision and bring it to all children starting from the moment they are born. The momentum to build a coordinated system of care for young children is growing in the states. I am here today because the nation's Governors want Head Start to be a part of that system. I hope you can help us make that happen.

OMB passback

Transmittal letter

Insert A:

the effectiveness of

to evaluate

- undertake a study ~~of~~ the program's quality investment set-aside ~~so that we can learn more about the types of investments we are making and the types of investments that~~ best imrpove program quality and help to improve outcomes for children.

evaluate

to understand each existing investments

to improve and examine strategies to improve outcomes for children.

Bill language

item 2)

Sec. 639(b)(2) ~~not more than \$3,000,000~~ \$12,000,000 for fiscal year 1999, and such sumsas may be necessary for each of the fiscal years 2000 through 2002, to carry out ~~longitudinal~~ research, demonstrations and evaluation activities and longitudinal studies under section 649(b) and (e).

to strengthen the program and

New Section:

item 3)

Sec. X

(a) STUDY. -- The Secretary of Health and Human Services shall conduct a study regarding the use and effects of the quality improvement funds under Sec. 640(a)(3) since 1991.

(b) REPORT. -- The Secretary shall prepare a report not later than September 1999 ~~containing the results of the study, including~~-- on

(1) the types of activities funded with quality improvement funds;

(2) the extent to which quality improvement funds accomplish the goals of Sec. 640(a)(3)(B);

(3) the effect of quality improvement funds on teacher training, salaries, benefits, recruitment and retention;

(4) the effect of quality improvement funds on the cognitive and social development of Head Start children.

(5) examination of other approac

on improving outcomes for children

Dear Senator/Rep:

I am writing to offer the Administration's strong support for a prompt and bipartisan reauthorization of the Head Start program. I have outlined below the few significant statutory changes that we believe are necessary to continue to provide quality Head Start services for the next four years.

As you know, Head Start is America's premier early childhood development program and it has made a major difference in the lives of more than 16 million children and families since 1965. One of the program's key reasons for success has been the ability of the Administration and Congress to work hand in hand to make the continued expansion and improvement of Head Start a top priority. Together in 1994, we engaged in an historic effort that critically reexamined every feature of the program. The Congress enacted bipartisan reauthorization legislation that created a blueprint for quality and expansion of the program, and established a solid foundation for moving Head Start into the 21st century.

Since the last reauthorization, we have aggressively followed the blueprint, combining strong leadership and tough management with top notch expertise and technical assistance to programs. Among many achievements, program quality has improved, new performance standards are in place, and an exciting new Early Head Start program is operating in communities in all 50 States. This year, a strengthened Head Start program will serve 830,000 low-income children, including up to 39,000 children under age three in Early Head Start. The President's FY 1999 budget proposes funding for additional children, moving toward our goal of enrolling a million children in Head Start by 2002 -- including double the number of children in Early Head Start.

We urge the Congress to enact bipartisan reauthorization legislation that maintains the strong foundation set down in 1994. First, we recommend extending the authorization for another four years, through FY 2002, at "such sums as may be necessary". Second, we urge the Congress to build upon the innovative Early Head Start program established in 1994 by gradually increasing the authorized set aside to 10 percent by 2002. Based upon the mounting evidence that the earliest years are critically important to children's growth, we believe this increase is essential to bring the vital Head Start experience to more at-risk infants and toddlers in the years ahead.

In addition to this one important change in the Head Start statute, we also suggest the following more technical changes:

- modify the funding allotments to update the hold harmless date for State allocations from 1981 to 1998;

- increase the amount of funds the Secretary may reserve for the highly successful Head Start Fellowship program, which enables local Head Start staff and others in the field of child development to expand their knowledge and experience while making significant contributions to the Head Start program; and

- replace outdated references throughout the Act, such as references to the completed Head Start Transition, Parent-Child Center, and Comprehensive Child Development Center initiatives.

Insert A here

We believe this straightforward approach to reauthorization reaffirms the bipartisan consensus for program quality and accountability combined with community flexibility in program planning, implementation and decision making. Further, it retains the promising new improvements including performance outcome measures and a variety of research and evaluation initiatives.

My staff and I are eager to work with you on this important reauthorization and would be happy to provide legislative or technical assistance to ensure that Head Start continues to make a difference for America's children and families.

The Office of Management and Budget has advised that there is no objection to this transmittal to the Congress, and that enactment of legislation pursuant to it would be in accord with the program of the President.

Sincerely,

Donna E. Shalala

A BILL

To extend and amend programs under the Head Start Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Head Start Act Amendments of 1998".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 639(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended by striking "1995 through 1998" and inserting "1999 through 2002".

(b) ELIMINATION OF EARMARKS FOR HEAD START TRANSITION AND LONGITUDINAL RESEARCH.—

(1) IN GENERAL.—Section 639 of that Act (42 U.S.C. 9834) is amended—

(A) by striking "(a)" after "Sec. 639."; and

(B) by striking subsection (b).

(2) CONFORMING AMENDMENT.—Section 640(a)(4) of that Act (42 U.S.C. 9835(a)(4)) is amended by striking "Subject to section 639(b), the" and inserting "The".

SEC. 3. ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE.

From 2 here

"families with children under age 3" and inserting a semicolon;

(3) in subsection (d), by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(4) by striking subsection (e);

(5) in subsection (f), by striking all that precedes "the Secretary shall award grants" and inserting "From the amounts specified in section 640(a)(6),";

(6) in subsection (h)--

(A) by striking all that follows "(h)" through the paragraph designation "(3)" and adjusting the left margin accordingly;

(B) by striking "balance" and inserting "amount"; and

(C) by striking "(f)" and inserting "(e)"; and

(7) by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

SEC. 7. STAFF QUALIFICATIONS AND DEVELOPMENT.

(a) Head Start Fellowships.—Section 648A(d)(6) of the Head Start Act (42 U.S.C. 9843(a)) is amended by striking "$1,000,000" and inserting "$2,000,000".

item 3 here

ED's comments for HHS

OMB passback

March 13, 1998

Department of Education recommendations for additional amendments to the Head Start Act

Section 637 (42 U.S.C. 9832), definitions

Paragraph (11), definition of "local educational agency". As of the 1994 overhaul of the ESEA by P.L. 103-382, the term "local educational agency" is defined, as used throughout that Act, in section 14101(18), 20 U.S.C. 8801(18). HHS may want to update the Head Start provision to cite this particular section, although it may want to cite only to subparagraphs (A) and (B) of that section. Subparagraph (C) is an oddly worded inclusion of schools funded by the Bureau of Indian Affairs, most of which would not otherwise qualify as LEAs.

Section 640 (42 U.S.C. 9835), allotment of funds

Subsection (a)(3)(B)(ii): Add the underlined text:

> (ii) Ensuring that such programs have adequate qualified staff, and that such staff are furnished adequate training, including developing skills in working with children with non-English language background[s], special needs children, and homeless children, when appropriate.

~~Subsection (a)(3)(B)(iv): Add the underlined text:~~

> ~~(iv) ..., and to assist with the implementation of career development programs and systems that serve the staff of Head Start programs.~~

Insert (A) here

Subsection (a)(3)(C)(vi): Replace the reference to "dysfunctional families" with "families under significant stress", and add references to children who experience chronic violence in their homes and to homeless children, so that the clause reads,

> (vi) ... other services necessary to address the problems of children participating in Head Start programs, including children from families under significant stress, children who experience chronic violence in their communities or in their homes, children who experience substance abuse in their families, and homeless children.

> Note: Research indicates that homeless children have difficulty obtaining Head Start services.

Subsection (a)(5)(C)(i)(II): Add the underlined text so that the individual serves as a liaison between--

> (I) agencies and individuals carrying out Head Start programs in the State, and

Insert (A)

Section 640 (42 U.S.C. 9835), allotment of funds

Subsection (1) (3) (B) (iv): Add the underlined text:

..., and to assist with the implementation of career development programs *that serve the staff of Head Start programs and the integration of those programs with state early childhood career development systems.*

(II) agencies (including local educational agencies) and entities serving low-income children and families, including Even Start programs under part B of title I of the [ESEA].

Subsection (a)(5)(C)(iii): Include the underlined text so that the clause relating to collaboration and the State liaison says,

(iii) ensure that the individual holds a position with sufficient authority and access to ensure that the collaboration described in subparagraph (B) is effective and involves a range of State agencies, including the State educational agency;

Subsection (a)(5)(C)(iv): expand the requirement relating to collaboration to include services for the homeless, as well as employment and economic development services.

Policies and procedures relating to homeless children. Add, probably in section 640, a new subsection, along the lines of subsection (d) (children with disabilities), but without any percentage requirement, directing the Secretary to establish policies and procedures to ensure that enrollment opportunities in each State are available for homeless children in sufficient numbers to meet their needs.

Section 641 (42 U.S.C. 9836), designation of Head Start agencies

In subsections (d)(3) and (d)(4)(C), update the reference to the Even Start program. As revised by P.L. 103-382, that program is now Part B of Title I of the ESEA, 20 U.S.C. 6361 *et seq.* (There are no longer "chapters" within Title I, and the U.S. Code cite has changed.) This change also should be made in section 642(b)(5) and 642(c).

Section 641A (20 U.S.C. 9836a), quality standards; monitoring of Head Start agencies and programs

Subsection (a)(3)(B)(ii) and (vi): Add underlined text, so that the standards take into consideration,

(iii) developments concerning best practices with respect to child development and early learning, transition to school, children with disabilities, family services, program administration, and financial management; ...

(vi) changes in the population of children who are eligible to participate in Head Start programs, including the language background, family structure, parental employment status, and homelessness of such children, Subsection (b)(1): Add experts in early learning to the categories of experts the Secretary consults in developing the Head Start performance measures.

<u>Section 642 (42 U.S.C. 9837), powers and functions of Head Start agencies</u>

Subsection (b)(8): To encourage Head Start projects to consider assisting young siblings to obtain early childhood development services from other sources, revise paragraph (8) by adding the underlined text:

> (8) consider providing services to assist siblings of children participating in its Head Start program to obtain health <u>and early childhood development</u> services from other sources<u>, if the Head Start agency does not operate a program for infants and toddlers under section 645A of this Act</u>;

Subsection (c): Add a specific reference to migrant education programs under Part C of Title I of the ESEA to the programs that Head Start agencies must coordinate with.

Subsection (d), transition coordination with schools: Amend paragraph (2)(D) to read,

> (D) organizing and participating in joint professional development and transition-related training activities that include staff from Head Start, Even Start, ESEA Title I, and State-funded preschool programs, and kindergarten through third grade teachers, to support continuity among those programs.

Subsection (d)(3): Change "may" to "shall", so that coordination with the local schools is required. This will mirror section 1112(b)(4) of the ESEA, which requires school districts to coordinate with Head Start programs.

<u>Section 645A (20 U.S.C. 9840a), programs for families with infants and toddlers</u>

Subsection (b)(2), level of services: Add underlined text, so paragraph reads,

> (2) ensure that the level and <u>scope</u> of services provided to families responds to their needs and circumstances;

Subsection (b)(6), linkages with other programs: Add underlined text:

> (6) ensure formal linkages with local Head Start programs, <u>Even Start programs, and preschool programs funded under</u>

part A of title I of the ESEA, in order to provide for continuity of services for children and families;

Section 648A (42 U.S.C. 9843a), staff qualification and development

Subsection (b), mentor teachers: Add a paragraph (3) relating to the qualifications of mentor teachers.

Subsection (d)(4), selection of Head Start Fellows: add early learning to the fields from which Fellows may be selected.

Subsection (e), model staffing plans: Were these developed?

Insert (B) here

Insert (B)

(Page 26-27) Section 648A Staff qualifications and development
(B) Mentor Teachers

For purposes of this subsection, the term "mentor teacher" means an individual *with proven expertise* responsible for observing and...

Source: The Center for the Child Care Workforce, which operates a national early childhood mentoring program for practitioners recommends the use of stringent criteria for deciding the qualifications of mentors. The criteria are meant to provide an indication of a level of proven expertise which this language would support.

Starting Position

- Provide quality funds on a noncompetitive basis in FY99; phase-in a competitive process for quality funds, requiring grantees to compete for 10% of funds in FY00, 25% in FY01, and 50% in FY02.
- Authorize appropriations for a COLA at the Secretary's discretion, not to exceed the levels currently authorized.
- Remove requirement that at least 50 percent of quality funds must go to salary and benefit improvements.
- Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.
- Keep earmark for research activities, raise it to $12 m in FY99 and "such sums" thereafter.

Fall-back Position

- Remove requirement that at least 50 percent of quality funds must go to salary and benefit improvements.
- Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.
- Keep earmark for research activities, raise it to $12 m in FY99 and "such sums" thereafter.

Issues
- the $35 million is in the base for transition activities. Continuing the earmark doesn't add new money, it just maintains the commitment to transition activities. Otherwise, it is a freebie.
- 13% secretarial reserve pot grows by $130 million over FY98. They propose that the money continue to go for indians, migrants, disabled, territories, and monitoring, but that it also go for research. Will they max out on the amount for indians and migrants, or will they always need $6.7%? If the max out, this will give a huge pot of $ for research. Keeping it at "such sums" means they need to propose and defend research plans. Putting it under the 13% gives it to them automatically. If we don't put research under the 13%, and some set-asides can max out (indians, migrants, territories) then should we consider trying to lower the reserve pot?

Will this give them a huge pot of money for reseach (now have $12 million), or will the ?

Nicole R. Rabner

03/12/98 02:19:48 PM

Record Type: Record

To: Jennifer L. Klein/OPD/EOP

cc:

Subject: Head Start options

Let's talk sometime before our meeting with Elena to discuss.

--------------------- Forwarded by Nicole R. Rabner/WHO/EOP on 03/12/98 01:20 PM ---------------------------

Emil E. Parker
03/10/98 08:00:49 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP

cc:

Subject: Head Start options

What do you think of these puppies? Let me know.

Option Three (NEC)

Eliminate the requirement that at least 50 percent of the quality dollars be devoted to increases in compensation.

Limit the COLA to the lesser of 1) the change in the CPI or 2) the COLA provided to Federal employees (not including locality pay adjustments, etc.).

Do not include in the Head Start funding base, for purposes of calculating the next year's COLA, quality dollars used for purposes other than compensation increases.

Require HHS to use, e.g., Secretarial reserve funds to conduct a multi-year study on the impact of the quality funds on child outcomes. HHS could also be required to conduct a study comparing the compensation of Head Start staff with that of comparable (e.g., same level of education) staff in public school-based preschool programs.

Option Four (NEC)

Same as Option Three, except for the following:

Do not include any quality dollars, whether used for compensation increases or not, in the Head Start funding base for purposes of calculating the next year's COLA.

Estimate the percentage of total Head Start funding (e.g., three-year average) devoted to salaries and benefits; limit the COLA to the product of 1) the lesser of the CPI increase or the COLA provided to Federal employees and 2) the percentage of Head Start funding devoted to compensation.

OPTIONS FOR HEAD START REAUTHORIZATION

The FY99 President's budget increases Head Start $3.8 billion over the five year period FY99 to FY03. This funding level is sufficient to meet the President's goal of serving 1 million children by 2002, including 80,000 children in Early Head Start. The budget provides for a full inflation adjustment and "quality" set-aside in FY99. However, because outyear policy was deferred to the reauthorization cycle, less than the full current law amounts for the traditional COLA or set-aside are in the budget for the outyears. The amounts for quality and COLA for FY 2000 to 2003 are between $40 to $260 million.

Policy was deferred because the effectiveness of the quality set-aside and COLA in raising quality is not clear. HHS argues that the salary and benefit increases and the new staff paid for with the "quality" money help to improve student-to-teacher ratios and increase staff retention, and that these are proxies for quality. However, important points to consider when discussing Head Start quality are:

- There is no evidence indicating that these funds have lowered student-to-teacher ratios or improved staff retention. Furthermore, there is a significant body of research showing that improved teacher salaries do not result in improved educational outcomes for children.
- The Head Start Performance Standards set required student-to-teacher ratios that are designed to ensure a uniform level of program quality. These standards can be met within current funding levels.
- Head Start providers currently earn $9 to $16 per hour, well above the average child care worker's hourly wage of $6 to $7.
- COLA increases have been given in Head Start every year of the Clinton Administration. Given the size of the base appropriation, even freezing participation requires a COLA increase of over $100 million annually. Grantee staffs in other programs in HHS' Administration for Children and Families, and very few social programs, if any, receive COLAs by statute. In particular, neither the COPS program nor the new Class Size Reduction Initiative include provisions that provide automatic COLAs.
- Even if these funds do improve quality, one can argue that there is still no need to continue the set-aside because these funds have permanently increased the average amount spent per child. Since 1993, this Administration has invested over $600 million in new quality activities. When we consider that each year these funds go into the base and then get inflated in subsequent years, we have cumulatively spent over $1.2 billion on quality activities since 1993. Therefore, there are already sufficient funds in the base to continue activities previously funded with the "quality" investment set-aside.

The debate comes down to one of slots versus automatic set-asides, and as the discretionary caps become tighter in the outyears, it becomes increasingly necessary to prioritize.

Providing the current law COLA and set-aside would add $1.6 to $1.8 billion to the cost of Head Start expansion from FY00 to FY03. Roughly $550 to $750 million is due to the set-aside; $900 to $1,000 million is due to the COLA; and the remainder is due to interactions between the COLA and the set-aside. The costs are high because there is a compounding effect, i.e., each year the current law COLA and quality set-aside go into the base and then get inflated in subsequent years.

OPTIONS

Option 1

- Authorize appropriations for quality set-aside and COLA at the Administration's discretion, not to exceed the levels currently authorized.
- Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.

Pros:
- Provides flexibility to make funding decisions on a year-by-year basis, resulting in potentially large savings. This flexibility allows the Secretary the choice of maintaining the FY99 budget path.
- Results in valuable information on meritorious uses of the quality set-aside.

Cons:
- Some argue that this option may upset Congressional consensus on Head Start; may be seen as an inconsistent position on quality, thereby jeopardizing the Child Care Initiative; and can be seen as compromising the President's commitment to Head Start.
- Puts pressure on the Administration to debate this issue every year when making funding decisions.

Option 2

- Structure quality set-aside so that it continues to be 25 percent of the Head Start increase, but provide quality funds for one-time expenditures, such as facilities improvements, salary bonuses based on merit, purchase of educational materials, playground equipment, teacher training, transportation services, etc. Since funds go for one-time purchases, the amounts do not need to go into the base.

- Require grantees to apply for quality funds on a competitive basis.
- Remove requirement that at least 50 percent of quality funds must go to salary and benefit improvements.
- Require HHS to use part of the quality funds to track the use of quality dollars and evaluate the effects of these investments on outcomes for children.
- Authorize appropriations for a COLA at the Secretary's discretion, not to exceed the levels currently authorized.

Pros:
- By redirecting quality funds to one-time improvements/purchases, eliminates need for quality funds to go into the base and get inflated. The increase over the FY99 budget caused by this policy is $600 million less than the increase caused by providing the current law COLA and quality set-aside.
- Results in obtaining timely information on actual uses and net impact of the quality set-aside.
- Provides opportunity to refine the quality set-aside and target dollars to activities that have more clear cut benefits.
- Rewards grantees that propose uses for quality funds that have proven merit.
- Maintains quality investment as a set-aside equaling 25 percent of the program's increase.
- Provides flexibility to make funding decisions regarding the size of the COLA on a year-by-year basis.

Cons:
- Makes public the concern with the current structure.
- Flexibility to lower COLA may be seen as a threat to teacher retention.
- Removes guarantee that every grantee will receive quality funds.
- Elimination of compounding effect for quality set-aside reduces rate of long term Head Start spending, considered by some to be an independent goal.

Total Pages: 12

LRM ID: MDH147

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Monday, March 9, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO:	Legislative Liaison Officer - See Distribution below
FROM:	Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT:	Melinda D. Haskins PHONE: (202)395-3923 FAX: (202)395-6148
SUBJECT:	**HHS Draft Bill on Head Start Reauthorization**
DEADLINE:	10 AM Friday, March 13, 1998

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Please review the attached HHS draft bill, transmittal letter, and section-by-section on the Department's Head Start proposals in support of the President's FY 1999 Budget. Note that the Senate Labor and Human Resources Subcommittee on Children and Families will hold a hearing on March 26th regarding reauthorization of the Head Start Act.

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LRM ID: MDH147 **SUBJECT:** HHS Draft Bill on Head Start Reauthorization

RESPONSE TO
LEGISLATIVE REFERRAL
MEMORANDUM

If your response to this request for views is short (e.g., concur/no comment), we prefer that you respond by e-mail or by faxing us this response sheet. If the response is short and you prefer to call, please call the branch-wide line shown below (NOT the analyst's line) to leave a message with a legislative assistant.

You may also respond by:
(1) calling the analyst/attorney's direct line (you will be connected to voice mail if the analyst does not answer); or
(2) sending us a memo or letter
Please include the LRM number shown above, and the subject shown below.

TO: Melinda D. Haskins Phone: 395-3923 Fax: 395-6148
Office of Management and Budget
Branch-Wide Line (to reach legislative assistant): 395-7362

FROM: ______________________ (Date)

______________________ (Name)

______________________ (Agency)

______________________ (Telephone)

The following is the response of our agency to your request for views on the above-captioned subject:

_____ Concur

_____ No Objection

_____ No Comment

_____ See proposed edits on pages _____

_____ Other: ______________________

_____ FAX RETURN of _____ pages, attached to this response sheet

Dear Senator/Rep:

I am writing to offer the Administration's strong support for a prompt and bipartisan reauthorization of the Head Start program. I have outlined below the few significant statutory changes that we believe are necessary to continue to provide quality Head Start services for the next four years.

As you know, Head Start is America's premier early childhood development program and it has made a major difference in the lives of more than 16 million children and families since 1965. One of the program's key reasons for success has been the ability of the Administration and Congress to work hand in hand to make the continued expansion and improvement of Head Start a top priority. Together in 1994, we engaged in an historic effort that critically reexamined every feature of the program. The Congress enacted bipartisan reauthorization legislation that created a blueprint for quality and expansion of the program, and established a solid foundation for moving Head Start into the 21st century.

Since the last reauthorization, we have aggressively followed the blueprint, combining strong leadership and tough management with top notch expertise and technical assistance to programs. Among many achievements, program quality has improved, new performance standards are in place, and an exciting new Early Head Start program is operating in communities in all 50 States. This year, a strengthened Head Start program will serve 830,000 low-income children, including up to 39,000 children under age three in Early Head Start. The President's FY 1999 budget proposes funding for additional children, moving toward our goal of enrolling a million children in Head Start by 2002 -- including double the number of children in Early Head Start.

We urge the Congress to enact bipartisan reauthorization legislation that maintains the strong foundation set down in 1994. First, we recommend extending the authorization for another four years, through FY 2002, at "such sums as may be necessary". Second, we urge the Congress to build upon the innovative Early Head Start program established in 1994 by gradually increasing the authorized set aside to 10 percent by 2002. Based upon the mounting evidence that the earliest years are critically important to children's growth, we believe this increase is essential to bring the vital Head Start experience to more at-risk infants and toddlers in the years ahead.

In addition to this one important change in the Head Start statute, we also suggest the following more technical changes:

- modify the funding allotments to update the hold harmless date for State allocations from 1981 to 1998;

- increase the amount of funds the Secretary may reserve for the highly successful Head Start Fellowship program, which enables local Head Start staff and others in the field of child development to expand their knowledge and experience while making significant contributions to the Head Start program; and

- replace outdated references throughout the Act, such as references to the completed Head Start Transition, Parent-Child Center, and Comprehensive Child Development Center initiatives.

We believe this straightforward approach to reauthorization reaffirms the bipartisan consensus for program quality and accountability combined with community flexibility in program planning, implementation and decision making. Further, it retains the promising new improvements including performance outcome measures and a variety of research and evaluation initiatives.

My staff and I are eager to work with you on this important reauthorization and would be happy to provide legislative or technical assistance to ensure that Head Start continues to make a difference for America's children and families.

The Office of Management and Budget has advised that there is no objection to this transmittal to the Congress, and that enactment of legislation pursuant to it would be in accord with the program of the President.

Sincerely,

Donna E. Shalala

A BILL

To extend and amend programs under the Head Start Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Head Start Act Amendments of 1998".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—Section 639(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended by striking "1995 through 1998" and inserting "1999 through 2002".

(b) ELIMINATION OF EARMARKS FOR HEAD START TRANSITION AND LONGITUDINAL RESEARCH.—

(1) IN GENERAL.—Section 639 of that Act (42 U.S.C. 9834) is amended—

(A) by striking "(a)" after "Sec. 639."; and

(B) by striking subsection (b).

(2) CONFORMING AMENDMENT.—Section 640(a)(4) of that Act (42 U.S.C. 9835(a)(4)) is amended by striking "Subject to section 639(b), the" and inserting "The".

SEC. 3. ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE.

(a) SECRETARY'S RESERVED FUNDS AVAILABLE FOR COSTS OF TERMINATION PROCEEDINGS.—Section 640(a)(2)(D) of the Head Start Act (42 U.S.C. 9835(a)(2)(D)) is amended by striking "activities related to" and all that follows and inserting "activities under 641A(d) related to correction of deficiencies and proceedings to terminate the designation of Head Start agencies.".

(b) SECRETARY'S RESERVED FUNDS AVAILABLE FOR COSTS OF RESEARCH AND EVALUATION.—Section 640(a)(2) of the Head Start Act (42 U.S.C. 9835(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting "; and"; and

(3) by inserting after subparagraph (D) the following new subparagraph:

"(E) payments for research, demonstration, and evaluation activities, including longitudinal studies, under section 649.".

(c) UPDATED HOLD HARMLESS FOR STATE ALLOTMENTS.—Section 640(a)(4)(A) of that Act (42 U.S.C. 9835(a)(4)(A)) is amended by striking "1981" and inserting "1998".

(d) INCREASED SET-ASIDES FOR INFANTS AND TODDLERS PROGRAMS.—Section 640(a)(6) of that Act (42 U.S.C. 9835(a)(6)) is amended by striking all that follows "equal to" and inserting "7.5 percent for fiscal year 1999, 8 percent for fiscal year 2000, 9 percent for fiscal year 2001, and 10 percent for fiscal year 2002, of the amount appropriated pursuant to section 639(a).".

(e) ENROLLMENT PRIORITY ADDED FOR INFANTS AND TODDLERS WITH DISABILITIES; CORRECTION OF REFERENCE TO DEFINITION IN IDEA.—Section 640(d) of that Act (42 U.S.C. 9835(d)) is amended—

(1) by striking "section 602(a)" and inserting "section 602(3)"; and

(2) by inserting "and infants or toddlers with disabilities (as defined in section 632(5) of that Act)" after "Act)".

SEC. 4. QUALITY STANDARDS.

(a) UPDATED PERFORMANCE STANDARDS.—Section 641A(a)(3)(C) of the Head Start Act (42 U.S.C. 9836a) is amended—

(1) in clause (i), to read as follows:

"(C)(i) review and revise as necessary the performance standards in effect under this section; and";

(2) in clause (ii), by striking "November 2, 1978" and inserting "the date of enactment of the Head Start Act Amendments of 1998".

(b) ELIMINATION OF TIME LIMIT; CONTINUATION OF PERFORMANCE MEASURES.—Section 641A(b)(1) of that Act (42 U.S.C. 9836a(b)(1)) is amended, by striking "Not later than 1 year after the date of enactment of this section, the Secretary" and inserting "The Secretary".

SEC. 5. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

(a) WELFARE REFORM CONFORMING AMENDMENT.—Section 642(c) of the Head Start Act (42 U.S.C. 9837(c)) is amended by striking "section 402(g) of the Social Security Act" and inserting "the State program under the Child Care and Development Block Grant Act of 1990".

(b) REPEAL OF AUTHORITY FOR COMPLETED DEMONSTRATION.—Section 642(d)(5) of that Act (42 U.S.C. 9837(d)(5)) is repealed.

SEC. 6. PROGRAMS FOR FAMILIES WITH INFANTS AND TODDLERS.

ELIMINATION OF REFERENCES TO TIME-LIMITED PRIORITY FOR PARENT-CHILD CENTERS AND COMPREHENSIVE CHILD DEVELOPMENT CENTERS.—Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) in subsection (a)(2), by striking all that follows "entities carrying out programs" and inserting "under this section and evaluation of such programs.";

(2) in subsection (c)(2), by striking all that follows

"families with children under age 3" and inserting a semicolon;

(3) in subsection (d), by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(4) by striking subsection (e);

(5) in subsection (f), by striking all that precedes "the Secretary shall award grants" and inserting "From the amounts specified in section 640(a)(6),";

(6) in subsection (h)--

(A) by striking all that follows "(h)" through the paragraph designation "(3)" and adjusting the left margin accordingly;

(B) by striking "balance" and inserting "amount"; and

(C) by striking "(f)" and inserting "(e)"; and

(7) by redesignating subsections (f), (g), and (h) as subsections (e), (f), and (g), respectively.

SEC. 7. STAFF QUALIFICATIONS AND DEVELOPMENT.

(a) Head Start Fellowships.—Section 648A(d)(6) of the Head Start Act (42 U.S.C. 9843(a)) is amended by striking "$1,000,000" and inserting "$2,000,000".

THE "HEAD START ACT AMENDMENTS OF 1998"

Section-by-Section Summary

SEC. 1. SHORT TITLE.

This section provides that the bill, if enacted, shall be cited as the "Head Start Act Amendments of 1998".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 2(a) amends section 639(a) of the Head Start Act (the Act) to extend the authorization of appropriations for four years, through FY 2002.

Section 2(b) eliminates section 639(b), which earmarked funding for Head Start Transition projects and for longitudinal research.

SEC. 3. ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE.

Section 3(a) amends section 640(a)(2)(D) of the Act to make the Secretary's reserved funds available for costs of proceedings to terminate designation of Head Start agencies.

Section 3(b) adds to section 640(a)(2) of the Act a new subparagraph (E), providing that any remainder of the Secretary's reserved funds may be used for costs of research, demonstration, and evaluation, including longitudinal studies.

Section 3(c) amends section 640(a)(4)(A) of the Act to update the hold harmless base year for State allotments from FY 1981 to FY 1998.

Section 3(d) amends section 640(a)(6) of the Act to increase the percentage set-asides for the Early Head Start program under section 645A of the Act to 7.5 percent for fiscal year 1999, 8 percent for fiscal year 2000, 9 percent for fiscal year 2001, and 10 percent for fiscal year 2002, of the amount appropriated pursuant to section 639(a).

Section 3(e) amends section 640(d) of the Act (which provides for enrollment priority for children with disabilities) (1) to conform the reference to the definition "child with a disability" in the Individuals with Disabilities Education Act (IDEA) to that definition as renumbered by the 1997 amendments (P.L. 105-17); and (2) to add infants and toddlers with disabilities, as defined in IDEA, as children to whom the Head Start enrollment priority applies.

SEC. 4. QUALITY STANDARDS.

Section 4(a) amends section 641A(a)(3)(C) of the Act (1) to delete an obsolete deadline for revision of Head Start performance standards, and (2) to update the performance standards benchmark date from November 2, 1978 to the date of enactment of this bill.

Section 4(b) amends section 641A(b)(1) of the Act to delete an obsolete deadline for initial development of performance measures.

SEC. 5. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 5(a) amends section 642(c) of the Act to substitute a reference to the Child Care and Development Block Grant Act of 1990 for a reference to the Aid to Families with Dependent Children (AFDC) program repealed by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

Section 5(b) amends section 642(d)(5) of the Act to repeal the requirement for evaluation, information dissemination, and technical assistance related to the now completed Head Start Transition Project.

SEC. 6. PROGRAMS FOR FAMILIES WITH INFANTS AND TODDLERS.

Section 6 amends section 645A of the Act to delete provisions concerning the time-limited priority for Parent-Child Centers and Comprehensive Child Development Centers, and makes conforming changes. This authority expired at the end of FY 1997.

SEC. 7 STAFF QUALIFICATIONS AND DEVELOPMENT.

Section 7 amends section 648A of the Act to increase from $1,000,000 to $2,000,000 the maximum amount of discretionary payments for the Head Start Fellowship program that may be made from amounts reserved for the Secretary under section 640(a)(2)(D).

John Monaghan
362-3461
Alan Salazar
Travis Barry

LRM ID: RJP231 **SUBJECT:** HHS Testimony on HHS Draft Bill on Head Start Reauthorization

Total Pages: 22

LRM ID: RJP231

URGENT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Washington, D.C. 20503-0001

Friday, March 20, 1998

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer - See Distribution below

Janet R. Forsgren

FROM: Janet R. Forsgren (for) Assistant Director for Legislative Reference
OMB CONTACT: Melinda D. Haskins
PHONE: (202)395-3923 FAX: (202)395-6148
SUBJECT: **HHS Testimony on HHS Draft Bill on Head Start Reauthorization**

DEADLINE: **Noon Monday, March 23, 1998**

In accordance with OMB Circular A-19, OMB requests the views of your agency on the above subject before advising on its relationship to the program of the President. **Please advise us if this item will affect direct spending or receipts for purposes of the "Pay-As-You-Go" provisions of Title XIII of the Omnibus Budget Reconciliation Act of 1990.**

COMMENTS: Joint hearing before Senate Labor and Human Resources/House Education and the Workforce Subcommittees on Thursday, March 26th. Olivia Golden is the HHS witness.

Committee staff have requested the HHS statement by March 23rd.

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TESTIMONY OF OLIVIA GOLDEN

Assistant Secretary
Administration for Children and Families

before the

Children and Families Subcommittee
Senate Labor and Human Resources Committee

and the

Early Childhood, Youth and Families Subcommittee
House Education and the Workforce Committee

March 26, 1998

I am pleased to appear before you today to offer the Administration's strong support for prompt and bipartisan reauthorization of the Head Start program. This joint hearing exemplifies the cooperative spirit that Congress and the Administration have traditionally committed to America's premier early childhood development program.

Together in 1994, we engaged in an historic effort that critically reexamined every feature of the Head Start program. Following this review, the Congress enacted bipartisan legislation that created a blueprint for quality and expansion of the Head Start program and established a solid foundation for moving Head Start into the 21st century.

Today, I would like to urge you to enact a bipartisan reauthorization that maintains the strong foundation set down in 1994. We recommend extending the authorization for another four years at such sums as may be necessary. We also urge the Congress to build upon the innovative Early Head Start program you initiated in 1994 by gradually increasing it to 10 percent of program funds by 2002. By keeping the core provisions of the

1994 legislation, and making these and a few other small changes, we can reaffirm the bipartisan consensus for program quality and accountability, combined with community flexibility in program planning, implementation and decision making. Further, this straightforward approach to reauthorization retains promising new improvements, including performance outcome measures and a variety of research and evaluation initiatives.

AN OVERVIEW OF THE HEAD START PROGRAM

Head Start's mission is to help prepare young economically disadvantaged children for success in school and life through a comprehensive program of early education, health and nutrition services. In addition, programs work hard to educate, support, and advance the economic and social progress of Head Start parents. This year, 830,000 children will attend Head Start in more than 16,000 community-based centers and 595 home-based programs. They come from low-income families; 60 percent of Head Start families earn less than $9,000 per year and 45 percent receive benefits under the Temporary Assistance for Needy Families program.

Head Start is very much "locally owned and operated". Over 1,400 public and private non-profit community agencies manage Head Start programs, guided by a common framework of national standards and policies. There are 42,200 Head Start classes meeting across the country every day. Head Start agencies have considerable flexibility in designing programs to meet the needs of local families and to mesh with the efforts of other community early childhood agencies and programs.

Most importantly, research is showing that Head Start works. Data from our new Head Start Family and Child Experiences Survey, the Department of Education's National Household Education Survey, and the Bureau of Labor Statistics' National Longitudinal Study of Youth, show that:

Head Start children are more advanced in early literacy and verbal skills compared to similar children who have not attended early childhood programs;

Parents are involved at high levels in Head Start activities and in supporting their children's learning at home; and

There are long-term positive effects of participation in Head Start on academic achievement and reduction in grade repetition.

This pattern of positive outcomes is further bolstered by conclusions of the Packard Foundation's Center for Children's recent analysis of nearly 150 studies of high quality early intervention programs in the U.S. and other nations, including Head Start.

Since its inception in 1965, one of the key reasons for Head Start's success has been sustained, bipartisan support for the program and the ability of leaders from the Administration and Congress to work hand in hand to make continued program expansion and improvement a top priority. This support was clearly demonstrated in Secretary Shalala's Advisory Committee on Head Start Quality and Expansion where we worked together to develop a set of recommendations for the future of the Head Start program. The Committee concluded that Head Start of the 21st century must:

Ensure quality and strive to attain excellence in every local program;

Respond flexibly to the needs of today's children and families, including those currently unserved; and

Forge new partnerships at the community, state, and federal levels, renewing and recrafting these partnerships to fit the changes in families, communities, and state and national policy.

This vision of Head Start formed the basis of the 1994 reauthorization and since that time we have worked to successfully implement the key provisions of this legislation.

IMPLEMENTATION OF THE 1994 HEAD START REAUTHORIZATION

I would now like to summarize some of our key accomplishments over the past four years to expand and strengthen the quality of this program across the nation.

Enhancing Program Quality

We have taken four important new steps to promote continuous improvement and a stronger focus on outcomes in every local Head

Start program. The first step called for in the 1994 legislative mandates was to complete the first revision in 20 years of Head Start's Program Performance Standards, our template for holding programs accountable for delivering high quality services to every child and family. The revised standards, effective January 1, 1998, are clearer and easier to use, provide valuable new guidance on quality practices in program management and in serving infants and toddlers, and reflect the latest research on the best ways to work with young children and their families.

A second important provision in the 1994 reauthorization was support for tough enforcement to make sure that every agency lives up to the Performance Standards. We have taken a new tough stance whenever our on-site program monitoring teams found serious deficiencies in program compliance with the Performance Standards. We have replaced 90 grantees that were unable to correct performance problems promptly, in each instance making arrangements to continue services through another local agency. In many other cases, grantees targeted as deficient were successful in making substantial improvements in management and program practices and moving back into compliance with Head Start standards. Taken together, these efforts led to significant improvements in the relatively small proportion of agencies with quality problems.

Step three in our quality initiative was to complete the design and initial implementation of a new system to define, measure and track progress on the key outcomes of Head Start services. Our performance measures encompass outcomes in key areas from enhancing children's health and learning, to strengthening families as the primary nurturers of their children, to ensuring that Head Start is a well-managed program that involves parents in decision-making. We established four new Quality Research Centers to develop and field test a system to assess and track these outcomes. And we have completed collection and analysis of pilot data on a nationally representative sample of 2,400 children and families from 40 Head Start programs across the country through our Family and Child Experiences Survey (FACES). Initial results from FACES show that the quality in Head Start classrooms is good; no classrooms are rated in the poor range. Perhaps most importantly, program quality -- including small class sizes, favorable child:adult ratios, a variety of learning materials, and more sensitive and responsive teaching -- is positively related to child outcomes in vocabulary, prewriting skills, and knowledge of numbers. Data on parent involvement is equally impressive; 80 percent or more are attending parent-teacher conferences and observing in their child's classroom, more than 70 percent are volunteering in the classroom, and one-third are involved in program planning and decision-making.

Fourth, we made program quality a priority in the way we fund programs. Based on Congressional mandates, a portion of each year's funding increase has been allocated to locally-designed quality improvement initiatives and investments in staff salaries and fringe benefits. Over the last four years agencies hired additional family service workers to work more intensively with parents on adult literacy, job training, parenting education, and substance abuse treatment. These additional staff members will be a vital asset in supporting Head Start parents as they participate in new welfare reform initiatives.

An increasing body of research on early childhood and child care programs shows that success for children depends on stable, well-trained teams of staff members in classrooms. Toward this end, local agencies have made small but steady improvements in salaries and fringe benefits for Head Start's more than 145,000 staff members. Average salaries for teachers increased from $14,600 in 1992 to approximately $17,800 in 1997, the proportion of Head Start grantees providing retirement benefits increased by 24 percent, and virtually all agencies are now providing comprehensive health insurance. These investments helped Head Start maintain an annual staff turnover rate of less than 8 percent, much lower than the estimated 33 percent annual turnover rate in child care centers that lack the resources to provide adequate salaries and fringe benefits.

Expanding Head Start Services

Over the past five years, steady increased investment in Head Start has allowed a total of nearly 175,000 more children to receive Head Start's comprehensive health, nutrition, and high quality early childhood education services while their parents also participate, volunteer and learn. At the same time, Head Start agencies are also working to provide more high quality full-day, full-year services to meet the needs of parents moving from welfare to work. This successful expansion has put us on track to achieve the President's goal, supported by the Balanced

Budget Act of 1997, of serving 1 million children by 2002.

In addition to enrolling more preschool children, Head Start has expanded to serve infants and toddlers. Prompted by compelling new research on brain development in very young children, the 1994 reauthorization created the Early Head Start program, extending the benefits of Head Start's comprehensive quality services to this younger age group. We successfully launched this nationwide initiative through a series of open national competitions that funded Early Head Start programs in 173 communities in the 50 states, the District of Columbia and Puerto Rico to serve 22,000 children birth to age three. This year we will be making awards to establish approximately 200 additional programs to extend Early Head Start services to up to 39,000 children in total. This initiative also includes a state-of-the-art research strategy to learn in a systematic way about the long-term outcomes of this program and to assess what types of program strategies are most effective.

<u>Forging New Partnerships</u>

Since its inception in 1965, Head Start has drawn on community resources and contributions. Last year over 1.3 million volunteers worked in Head Start, and local citizens, health professionals, businesses, and voluntary organizations donated everything from eyeglasses to computers to space for classrooms in support of local programs. However, in recent years, Head Start has stepped up to new levels of collaboration with both public and private sector partners.

One rapidly growing area of partnerships is between Head Start and state-funded early childhood programs. In part based on the example and success of Head Start, more than 32 states are now investing to expand and improve child care, prekindergarten and other preventive initiatives. For instance, Ohio has increased funding to expand Head Start services from less than $20 million in 1992 to more than $83 million this year, and Minnesota has boosted its support from $6.5 million to $37.5 million in the same period.

We have worked closely with these and other states to create full-fledged cooperative approaches to joint funding, program monitoring, staff training and technical assistance. Similarly, sparked by the example of Early Head Start, states such as Kansas and Oklahoma are adding state funds to expand services to very young children, using our Performance Standards as guidelines for their state funding.

To enhance our partnerships with states, we have created a network of 52 Head Start-State Collaboration Offices to connect local Head Start programs with state initiatives in areas such as child care, health, family literacy, welfare reform and public education. In Washington State, the Collaboration Office and the Administration for Children and Families Regional Office have brokered a creative partnership with the Costco and Washington Works Corporations to help Head Start parents who are looking for a job. Head Start parents in Costco's Wholesale Retail Internship Program participate in a comprehensive, 10-month program of paid work experience, employment training and community college courses which lead to 45 academic credits and a certificate that qualifies them for further job opportunities at Costco and other companies. Head Start agencies help families with child care, transportation and other needs.

In an important Head Start-private sector partnership, Johnson and Johnson, Inc. for the past seven years has co-sponsored an advanced management training program for Head Start Directors through the John E. Anderson Graduate School of Management at the University of California at Los Angeles. An exciting new five-year, $16 million joint venture with the Conrad N. Hilton Foundation will provide special training to Head Start staff in working with infants and toddlers with disabilities and their families.

In another significant partnership, Head Start has made a commitment to link with local child care agencies to help meet growing needs of low-income families for quality child care. The majority of Head Start programs provide part-day classroom services, but report that many Head Start families are employed or moving into welfare-to-work initiatives. Therefore, we set a priority in last year's competition for expanding Head Start enrollment to encourage Head Start agencies to join forces with local child care providers to provide high quality, full-day services. The outcome was a dramatic shift in the pattern of new services -- more than 30,000 new children will be served in full-day forms of Head Start and more than 400 Head Start agencies will be partnering with other community child care and early childhood agencies and resources. We believe these new models will help young children prepare for school as well as support parents as they move into employment.

We have continued to strengthen Head Start research, launching several new long-term studies in collaboration with other federal partners. The Department of Education's Early Childhood Longitudinal Study will follow a nationally representative sample of 25,000 kindergarten children, including a substantial subsample of children who attended Head Start. Head Start is also contributing to the National Institute of Child Health and Human Development's (NICHD) seven-year longitudinal Study of Early Child Care which will track the cognitive, health, and social development of over 1,200 infants in a variety of child care and Head Start centers and informal care arrangements. Other new research partnerships include projects with the National Institute of Mental Health on mental health needs and services for Head Start families, and, with NICHD, a special study of how fathers in Early Head Start are involved with their children.

THE AGENDA AHEAD

What I hope to have portrayed today through these vivid examples is that, as a result of the solid base provided by the 1994 reauthorization, Head Start today is bigger, better, more accountable, more diverse and effective in its forms and functions, and better connected to significant state and local partners than at any time in its history. We've created a base of stronger local agencies, updated management systems and significant new forms of service to our nation's most needy children, families, and communities.

However, Head Start also faces a number of significant challenges in the years ahead. First, despite strong public support and recent funding increases, Head Start only serves roughly 40 percent of the eligible preschool children and a tiny fraction of the eligible infants and toddlers. Second, while we've improved staff compensation and invested in quality improvements, Head Start staff still earn less than comparably trained and experienced workers in other occupations and local agencies are hard pressed to maintain quality as they respond to the growing needs of families for full-day, full-year services. Third, Head Start must fulfill its historic role as the national laboratory for America's child care, early childhood, and parent support system through research, development, and outreach efforts. To accomplish this task, Head Start must further expand its promising partnerships with other early childhood agencies to create more quality child care services by combining the best of Head Start's model of comprehensive services and well-trained classroom staff with the best of child care's heritage of supporting working families with full-day, full-year and other forms of flexible service.

We can address these challenges by working toward another bipartisan reauthorization that maintains and builds on the strong foundation set down in 1994. Specifically, we urge your committees to extend the authorization for the Head Start program for another four years through 2002, with only a few limited modifications. It is essential to maintain the important existing provisions that support program improvement and accountability, including challenging and comprehensive performance standards and outcome measures; a strong system for monitoring and enforcement; and sustained, targeted investment in quality improvements, staff compensation and professional development, and technical assistance.

The one key change which must be made in the Head Start statute is to build on the innovative Early Head Start program established in 1994 by gradually increasing the authorized set aside to 10 percent by 2002, meeting the President's goal to double the number of children in Early Head Start. Continued expansion of Early Head Start is a vital investment for three reasons. First, we now understand as a result of research how early experiences with parents and caregivers shape brain development, language acquisition, and a host of related physical, cognitive, and social capacities in infants and toddlers. Second, we know how to translate this knowledge into a solid program strategy that meets the needs of, and makes a difference for, both children and their families. Third, as more parents with infants and toddlers are working to support their families, Early Head Start is becoming a vital catalyst to inspire other public and private investment for very young children and a crucial model of quality services that will guide program development and front-line staff practice in a wide range of other agencies and programs.

In addition to this one fundamental change, we would recommend an increase in the amount of funds the Secretary may reserve for the highly successful Head Start Fellowship program. This program enables local Head Start staff and others in the field of child development to expand their knowledge and experience while making significant contributions to the Head Start program. We think it would be extremely beneficial to the Head Start program to offer this opportunity to a greater number of Head Start staff and other child development specialists across the nation. Finally, we would suggest a few technical adjustments to eliminate or correct now-outdated provisions of the Act.

We believe this straightforward approach to reauthorization will reaffirm the bipartisan consensus of support for Head Start as our nation's flagship early childhood program and provide the right framework for continued expansion and improvement efforts. These recommendations will allow Head Start to continue expanding enrollment with a more diverse mix of full-day/full-year and infant/toddler options, strengthen our efforts to improve programs with a new set of tools, and help Head Start in moving into even more substantial working partnerships with states and communities as they manage and fund other early childhood, welfare, health, and public education services.

CONCLUSION

I appreciate this opportunity to speak with you and look forward to working with the Congress as we take Head Start into the 21st century. My staff and I are available to work with your committees on this important reauthorization and to provide any assistance needed to ensure that Head Start continues to make a difference for America's children and families.

I would be happy to respond to your questions.