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

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

URGENT

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.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield
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Date: ~~10/22~~ 10/23 Retry Total number of pages sent: 6

Comments:

200 Independence Avenue, S.W., Bldg. HHH, Room 647-D, Washington, D.C. 20201

10/22/97

NOTE TO JEN KLEIN –

FYI -- I just wanted to make sure you knew that tomorrow morning there will be a press conference in the Dirksen senate office building announcing 5 new rural Head Start centers through a public/private partnership with USDA, HHS, LISC, Freddie Mac, and other private organizations.

Participants include: Secretary Glickman, Sarah Greene of the National Head Start Association, Bruce Morrison of the Federal Housing Finance Board, and Members of Congress. Ann Linehan from the Head Start Bureau will attend representing HHS. I've attached the information my office has received.

The following quote by the Secretary will be in the press release:

> "With over 30 percent of Head Start children living in rural communities, this innovative partnership makes an important investment for America's low income rural families in providing quality full-day full year services," said HHS Secretary Donna E. Shalala. "Head Start is proven to help children grow smarter and healthier while their parents learn to be better parents and achieve self-sufficiency."

Melissa Skolfield

LISC
Local Initiatives Support Corporation

NEWS RELEASE
For Release October 23, 1997

DRAFT

Contact:
Michael Patterson (LISC) 212/455-9849
TK (RHS)
TK (HHS)
TK (FHFB)
TK (FHLB)
TK (NHSA)
TK (Freddie Mac)

Press Conference:
8 AM, October 23, 1997
Dirksen Senate Office Building, Rm 138

A '*Head Start*' for America's Rural Poor

Helping Hundreds of Parents Find Affordable Child Care

Washington, DC (October 23, 1997) Hundreds of poor rural families -- many impacted by welfare reform -- will benefit from a new child care program announced today on Capitol Hill. In an unprecedented public/private collaborative, five new Head Start child care facilities will be built in rural communities across the country.

Transforming a room in the Dirksen Senate office building into a festive playground, rural parents and children helped Agriculture Secretary Daniel R. Glickman unveil the new initiative. The announcement precedes today's White House conference on child care hosted by President Clinton and the First Lady.

Quote from Agriculture Secretary Glickman

The partners include the US Department of Agriculture/Rural Housing Service (RHS), the US Department of Health and Human Services (HHS)/Head Start Bureau and the Federal Housing Finance Board (FHFB) and the Federal Home Loan Bank System (FHLB) who have joined forces with the Local Initiatives Support Corporation (LISC), the nation's leading community development support organization, and the National

Head Start Association (NHSA). Private sector seed money for this initiative has been provided by Freddie Mac.

"As welfare reform begins to impact local communities, the need for quality, affordable child care is imperative for families moving toward economic self-sufficiency," said Paul S. Grogan, president of LISC. "This program demonstrates a creative partnership with federal agencies collaborating in new ways -- a real example of more flexible federal involvement in the needs of American families," said Grogan.

SECRETARY ?

Quote from Head Start Bureau//HHS and National Head Start Association

The five community development corporation partners that will receive financial and technical assistance in building facilities include: CAP Services, Inc. (Wisconsin); Crowley's Ridge Development Council (Arkansas); Garrett County Community Action Committee, Inc. (Maryland); Northeast Kansas Community Action Program (Kansas); and the Red Cliff Band of Lake Superior Chippewas (Wisconsin).

Quote from FHFB and FHLB

The goal of the demonstration program is to expand and improve Head Start and child care services, while creating jobs and making it possible for parents to work. The program will place some 350 children in new child care facilities, creating and supporting nearly one-hundred jobs.

Quote from Freddie Mac

Quote from Garrett County Community Action Committee

Formed in 1995, Rural LISC has invested more than $8.5 million in 38 states and Puerto Rico. Within four years, the program will develop 2,000 affordable homes and 250,000 square feet of commercial space. In collaboration with the National Head Start Association (NHSA), the National Child Care Initiative combines the real estate experience of CDCs with early childhood programs to create new high quality child care facilities in low-income communities across the country.

LOCAL INITIATIVES SUPPORT CORPORATION
1825 K STREET. N.W., SUITE 1100, WASHINGTON, D.C. 20006
TEL: (202) 785-2908
FAX: (202) 835-8931

MEMORANDUM

DATE: October 9, 1997

TO: Melanne Veveer

FROM: Bonnie Berry (USDA/RHS)
Stephanie Mathews O'Keefe (LISC)

RE: Rural Child Care Announcement

CC: John Podesta, Bob Nash, Patrick Steele, Olivia Golden, Joan Lombardi, Jill Long Thompson, Helen Taylor, Bruce Morrison, Ann Lewis

We understand the White House has scheduled a conference on child care for Thursday, October 23, 1997. We would like to bring to your attention a new national program that illustrates the Administration's success in providing quality early childhood facilities and employment opportunities for low-income families across the country, and ask that you consider including the announcement of the program as a part of your child care conference.

In an unprecedented public/private partnership, the U.S. Department of Agriculture/Rural Housing Service (RHS), the U.S. Department of Health and Human Services (HHS)/Head Start Bureau and the Federal Housing Finance Board/Federal Home Loan Banks have joined forces with the Local Initiatives Support Corporation (LISC), the nation's leading community development support organization, and the National Head Start Association (NHSA). Private sector seed money for this initiative was provided by Freddie Mac.

The five community development corporation partners in this venture that will receive financial and technical assistance in building facilities include: CAP Services, Inc. (Wisconsin); Crowley's Ridge Development Council (Arkansas); Garrett County Community Action Committee (Maryland); Northeast Kansas Community Action Program (Kansas); and the Red Cliff Band of Lake Superior Chippewas (Wisconsin).

The goal of the demonstration program is to combine the resources and expertise of the partners to finance the development of five new Head Start child care facilities in low-income rural communities. These projects will provide early childhood development and education services as well as job training and placement for rural families moving towards self-sufficiency.

As you can see, the groups range from the Mississippi Delta to Chippewa, Wisconsin, providing an excellent illustration of the diversity of rural America.

The need for quality child care facilities is not just an urban or suburban issue. The rural child care announcement demonstrates a creative partnership with federal agencies collaborating in new ways -- a real example of more flexible federal involvement in the issues and needs of American families.

We envision an event showing the many faces of rural America -- the children and families from across the country who will benefit from this unique program. This will be communicated through testimonials of parents and local community leaders from the five sites. We might include photographs, thank you notes, and tokens of appreciation from the children, reflecting the rich culture of their respective communities. We would also propose involving members of Congress who represent these communities, showing the true bipartisan nature of this child care initiative.

For your reference, we have included fact sheets on the Rural Head Start/Child Care Demonstration, information on LISC, and the community partners.

We hope you will seriously consider including this announcement in your agenda.

Bonnie Berry and Stephanie Mathews O'Keefe will follow-up with you on this proposal within the next few days.

Draft Demonstration Description

RURAL HEAD START/CHILD CARE FACILITIES DEMONSTRATION

To address the considerable need for new Head Start and child care facilities in distressed rural communities, a national partnership has been formed with the Local Initiatives Support Corporation (LISC), the U.S. Department of Agriculture/Rural Housing Service, the U.S. Department of Health and Human Services/Head Start Bureau, the Federal Housing Finance Board/Federal Home Loan Bank system and the National Head Start Association.

The Rural Head Start/Child Care Facilities Demonstration is the result -- an unprecedented public/private initiative designed to provide a new financing mechanism for the creation of early childhood facilities in distressed communities in rural America. Through the development of six new facilities, this demonstration will improve access to quality child care and early education services, and support employment opportunities for low-income rural families moving towards self-sufficiency.

The overall goal of this demonstration program is to combine the resources and expertise of the national partners to support poor families with children in underserved rural communities across the country. To make this goal a reality, the national partners have committed the following combination of financial and technical resources to the Demonstration:

- Long-term, low interest loans and long-term loan guarantees from the U.S. Department of Agriculture/Rural Housing Service Community Facilities Program
- Grant funds from the U.S. Department of Health and Human Services/Head Start Bureau
- Long-term first mortgages using the Community Investment Program (linked to the USDA/RHS guarantee) from the Federal Home Loan Bank system and its local member financial institutions
- Up-front predevelopment financing from LISC
- Technical assistance on all aspects of facility design, development and financing from LISC and the National Head Start Association

7/25/97