Feature **Education**

As Congress prepares to expand program, questions about cost and quality linger

Head Start Is Growing, But Is It Improving?

By Sue Kirchhoff

A sign at the Head Start center on the outskirts of Washington, D.C. spells "math and science" in six languages, reflecting the mosaic of nationalities hard at play in its sunny classrooms. Though divided by culture, the chattering preschoolers are united by a common bond: They come from needy families who rely on the full-day, full-year education, health and social services provided at the Gum Springs Head Start Children's Center through a complex patchwork of state, county and federal funds.

As Congress begins writing legislation to reauthorize Head Start, Gum Springs is an example of the direction in which many lawmakers and the Clinton administration want to move the 33-year-old federal program, designed to give disadvantaged children an extra boost as they prepare for school.

Head Start now typically operates only part-time, serving primarily 4-year-olds. As more women enter the labor force — a process accelerated by tougher welfare laws — there is a push under way to pair Head Start with other programs to provide full-time care. With new research showing the importance of early brain development, policy-makers also want to expand services to infants and toddlers.

"Head Start is going to change as more and more women are working. The mechanics are going to change. The philosophy, the respect [for families] is not," said Judith Rosen, director of the Fairfax County, Va., Office for Children, which oversees the Gum Springs center.

The idea sounds simple, but making it work could be tough. Pairing Head Start with other social programs would require cutting through layers of bureaucracy to integrate longstanding practices and policies that were not designed to mesh.

The Senate ~~Labor and~~ Human Resources Committee on June 24 approved a five-year reauthorization ~~bill (S 2206)~~ that would boost funding for Early Head Start, which covers children up to age 3, and would give centers

Quick Contents

As Congress considers reauthorizing a program designed in 1965, lawmakers face questions about the best way to update it. Policies moving women from welfare to work, new research on early brain development and the need for quality improvements are all part of a mix of questions about the best direction for Head Start.

CQ PHOTO / DOUGLAS GRAHAM

Teacher Saeeda Minhas helps preschooler Nancy Campos during art class at the Gum Springs center.

Riggs Intends To Get His Head Start Before His Big Finish

In the final reel, a tough job done, the action over, the lonely rider moseys quietly into the west as the sun sinks low on the horizon.

Not Rep. Frank Riggs, R-Calif., who seems to have confused opening scenes with closing credits and is instead leaving Congress with both guns still blazing at big government policies.

After giving up his House seat for what would become an abortive — some say unwise — bid for the California Republican Senate nomination, Riggs will not be on any ballot this November.

Rather than spending his time raising money and endorsements, he is concentrating on forcing House votes on a host of politically contentious issues from his perch as chairman of the Education and the Workforce Subcommittee on Early Childhood, Youth and Families.

Drafting legislation to reauthorize the popular Head Start program, Riggs has been pushing for a pilot program to provide preschool vouchers for low-income children — a move that has met with resistance from fellow Republicans. He is also supporting an effort to require mothers to cooperate in establishing the paternity of their children as a condition for aid.

In the end, however, a bipartisan agreement on the popular Head Start program is expected.

Riggs in May persuaded the House Republican leadership to support his amendment to the Higher Education Act reauthorization (HR 6) to bar affirmative action in public college admissions. It failed, 171-249, and split the GOP. (CQ Weekly, p. 1228)

On June 4, the Education and the Workforce Committee, on a party-line vote, approved Riggs' bill (HR 3892) to turn federal bilingual and migrant education programs into block grants that states could use to fund alternative instruction, such as English immersion. The measure comes on the heels of California's approval of Proposition 227 requiring students to move into mainstream classes after one year of intensive language instruction. (CQ Weekly, p. 1521)

Riggs, going out with his guns blazing, is forcing votes on a host of politically contentious issues.

CQ FILE PHOTO / DOUGLAS GRAHAM

Riggs signed off on a June 23 policy rider to the fiscal 1999 Labor, Health and Human Services appropriations bill that would make it easier to discipline disabled students who are disruptive. In return, he persuaded Appropriations Committee Chairman Robert L. Livingston, R-La., to offer an amendment to the bill designed to resolve a feud between California and the Department of Education over aid to disabled individuals in prisons. (Spending bill, p. 1758)

"It's my job, and I want to do it as well as I can to the very end," Riggs said June 23, explaining his shoot-'em-up approach.

In a quirk of politics, another departing lawmaker, Sen. Daniel R. Coats, R-Ind., who is retiring at the end of this session, drafted the Senate Head Start bill (S 2206).

Coats' bill was approved by committee with little debate or controversy. One of the only amendments, passed by voice vote, renamed the bill the Community Opportunities Accountability Training (and Education) Services Act of 1998 — the COATS Act. (Head Start, p. 1743)

Goodbye Again

Representing California's North Coast, a longtime timber region that is home to hundreds of wineries and volatile political crosswinds, Riggs was first elected in 1990, defeated in 1992 and elected again in 1994 and 1996.

He was criticized for a 1997 incident in which police swabbed and sprayed pepper spray in the faces of environmentalists who had chained themselves together in his Eureka office to protest logging policies. Riggs, whose background is in law enforcement, defended the police tactics.

In 1997, Riggs surprised lawmakers by giving up a seat on the Appropriations Committee to assume a subcommittee chairmanship on Education and the Workforce, a committee he concedes is not in great demand among Republicans.

But the GOP has increasingly been activist on education issues, and Riggs has been at the forefront.

"In one way or another I will stay involved in these issues," he said. "It's a lifelong commitment."

Riggs has not decided what he will do next year, but he has made noisy exits before, only to reappear.

"By the time we leave this fall, we'll have a good education agenda on which to campaign, though I'm not out there stumping — at least this time around."

— *Sue Kirchhoff*

incentives to follow Gum Springs' lead in offering comprehensive services. The House Committee on Education and the Workforce will consider its version after the July Fourth recess.

The emphasis on full-time care is just one component of a wider plan to improve Head Start, one of the most popular achievements of President Lyndon B. Johnson's "war on poverty." An equally important effort is improving the program's educational basis.

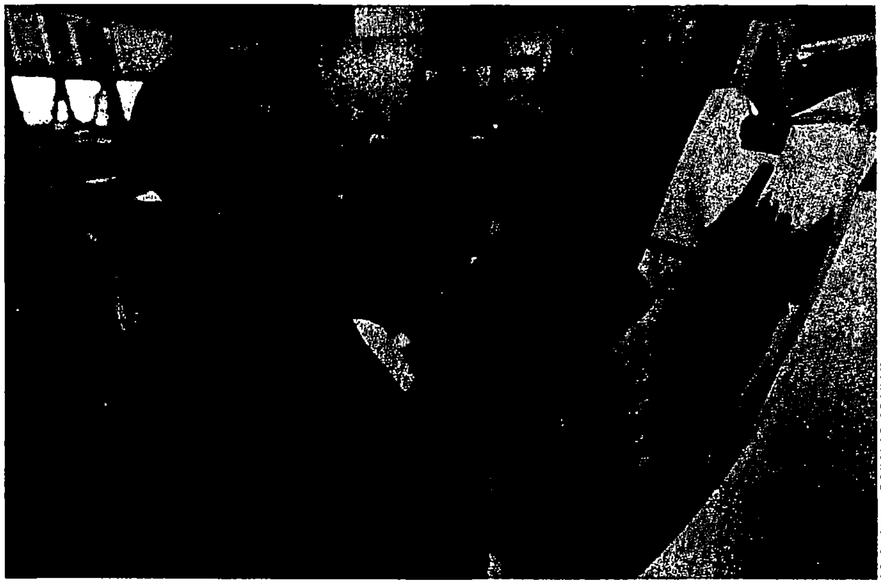
Despite tougher standards imposed by a 1994 reauthorization (PL 103-252) — including improved education and social services — and a push by the Department of Health and Human Services (HHS) to eliminate sub-par programs, there is concern that the quality of services is far too uneven across the country. *(Reauthorization, 1994 Almanac, p. 369)*

There are also charges that Head Start, which costs about $5,000 annually per student, is too expensive compared with private preschools. Bill Goodling, R-Pa., chairman of the House education panel, wants to aim the bulk of future funding increases at quality improvements such as better training for Head Start instructors — only half of whom have college degrees — rather than at program expansion.

Over the past several years, Congress and the White House have increased the program's funding, from $2.2 billion in fiscal 1992 to $4.4 billion in fiscal 1998. President Clinton's goal is to enroll 1 million children in Head Start by 2002 and double the Early Head Start program, which serves infants and toddlers, to 80,000.

The Senate bill includes Clinton's plan to expand Early Head Start funding, but House Republicans are skeptical. It would build on the 1994 reauthorization by requiring new standards to ensure children are ready for school; improve literacy training, and teaching and access for the disabled; and require assessments of individual programs. It also steps up efforts to help children make the transition to kindergarten to minimize a fade-out effect, in which educational gains diminish after two or three years in elementary school.

"Conservatives, liberals, Democrats, Republicans and everyone in between . . . can say this is something we can unite on," said Sen. Daniel R. Coats, R-Ind., chief author of the bill, adopted 18-0 by the Labor Committee. Sponsors expect a full Senate vote soon after the Fourth of July recess.



CQ PHOTO / DOUGLAS GRAHAM

Dominique Brundidge, age 5, paints during art class at the Gum Springs Center, where federal, state and county programs are combined to provide full-day, full-year care.

Mimicking a provision in the 1996 welfare overhaul, House Republicans may require mothers to cooperate in establishing paternity for their children before receiving aid.

Demographics and Destiny

Head Start is based on the premise that early intervention with disadvantaged children and their parents will improve their chances for academic success and family self-sufficiency. The program offers more than day care or most other preschool programs do. It includes social services such as dental screening and mental health referrals, an education program, and it requires considerable parental involvement.

When Head Start began in 1965, about 40 percent of American women were in the labor force. Because many states did not even have kindergarten programs, it stood alone on the frontier of early childhood development.

Times have changed. There has long been a recognition that Head Start, which is usually run as a half-day program that closes down in the summer, needed to become more responsive to a growing number of families in which both parents work, as well as to single-parent households.

That does not mean lawmakers want to turn the program into glorified day care or even use Head Start funds for full-time services. Rather, the push is to combine Head Start with existing child care and a growing host of state programs for families who work, and allow coordination of the expanding universe of early childhood efforts.

The push to provide comprehensive care has taken on new urgency in light of state and federal welfare laws that move people quickly into jobs.

The 1996 welfare law (PL 104-193) requires states to have 50 percent of welfare recipients working by 2002. Nationwide last year, nearly half the children in Head Start came from families on welfare. *(1996 Almanac, p. 6-3)*

"Both welfare reform and the trend to mothers working have increased the need for full-day services," said Olivia Golden, principal deputy assistant secretary for children and families at HHS. Head Start has always focused on helping parents as well as children.

"What matters to children is that their parents succeed," she said.

HHS last year focused millions of dollars on collaboration projects in which Head Start centers worked with state and local governments to provide expanded care. Of the roughly 37,000 additional children who entered the program in 1997, 30,000 received full-time care. Overall, about 10 percent of Head Start programs are full-time, though studies show about 40 percent of its families need full-time care.

In Virginia, which has a two-year time limit on cash benefits, welfare recipients must be in jobs or volunteer work after 90 days.

Fairfax County is in the unusual position of having one central agency oversee a host of child care and development programs. Gum Springs has long been a full-time center where the other state and local funds have been used to "wrap around" Head Start and extend services.

Nearly 150 children, from infants on, attend the Gum Springs center, located in a community settled in the early 1800s by West Ford, a former slave at George Washington's nearby Mount Vernon plantation. In recent years, this area of Fairfax County has been a magnet to immigrants.

Parents help hire teachers at Gum Springs and help develop the curriculum. Anne Goode, the center's director, said Head Start's requirement for family input has prompted parents to become more involved as their children enter school. The center runs a program encouraging fathers to take a more active role. Welfare reform has forced even more flexibility.

"We now have parent meetings on Saturdays," Goode said, adding the center is examining the possibility of weekend child care.

More recently, the county has been able to use other funds, including increased federal child care money under the welfare law, to deliver Head Start services to low-income children in several nonprofit day care centers.

Because Head Start requires more stringent training for teachers, a richer educational emphasis and wider mix of social services, combining the programs had the effect of improving services to low-income children in day care who are not formally enrolled in Head Start.

The logistics of meshing aid can be formidable, since most programs have different rules and funding streams. Day care can require a fee while Head Start is free. Parents may lose government-subsidized day care if they do not comply with welfare rules, though it would not affect Head Start eligibility. Coordination, Fairfax County's Rosen jokes, requires a Ph.D. in government finance.

According to the National Head Start Association, welfare changes have increased the need for flexibility in the program's income standards. Head Start is aimed at the poorest of the poor, children under 100 percent of the national poverty line, which is an annual income of $16,450 for a family of four.

As parents move from welfare into jobs, even at minimum wage, they may lose eligibility for Head Start, but are still the working poor and need the services and continuity the program provides, the group argues. It wants to exempt 25 percent of children from income rules, up from 10 percent. The Clinton administration and Congress are leery, since the program serves only 40 percent of eligible children.

"If you make your pot of eligible children and families much bigger, then it looks like we're not serving as many," said Townley Hritz, director of the Head Start Association's government affairs division. "We're saying down the road . . . things may look completely different in five years."

The Senate reauthorization bill tried to address some of the logistical problems by letting agencies charge Head Start students a fee for the portion of the day they spent in other child care programs and making it easier for children to continue in Head Start even if family earnings increase. It allows private, nonprofit entities to deliver services and provide funding incentives for full-day care.


CQ FILE PHOTO / DOUGLAS GRAHAM

Coats was chief architect of the Senate's Head Start reauthorization legislation.

Quality vs. Quantity

The 1994 reauthorization focused squarely on quality. HHS Secretary Donna E. Shalala appointed a 47-member commission to recommend long-term changes. The findings were incorporated into the law in the form of the performance standards.

Yale University psychology professor Edward Zigler, who helped create the original program and was a member of Shalala's 1994 group, told the House education panel earlier this month that Head Start was improving but more must be done. He suggested boosting teacher salaries, which average $17,000 a year compared with $28,000 for elementary school teachers, and said policy-makers should experiment with a national curriculum.

Others also say that the program, which is run by 1,500 local organizations, does not have a clear enough instructional mandate.

"Head Start has lost interest in educational results," argues Diane Ravitch, an education expert with New York University and the Brookings Institution. "It's a kind of bizarre situation of a federal program that responds to local control to the nth degree."

In one sign of a greater emphasis on quality, more than 80 Head Start programs have lost funding or left the program in the past five years.

Another question is whether Head Start is worth the average $5,000 per pupil. Rep. Frank Riggs, R-Calif., drafting the House reauthorization, had been promoting a pilot program to provide federal vouchers for low-income children to attend private preschools. *(Riggs, p. 1744)*

"I'm not sure that would survive, but it's important we clearly indicate what the Republican version of Head Start ideally might be," he said.

Childhood Emphasis

Head Start may still be setting the pace, but it is no longer alone. Governors, many of whom have the luxury of comfortable budget surpluses, are pumping billions of dollars into their own early childhood programs, spurred by recent research showing the importance of brain development from birth to age 3.

Last year, 21 states increased aid for pre-kindergarten or Head Start, the Children's Defense Fund said.

Republican Gov. George V. Voinovich of Ohio will spend about $80 million this year on that state's Head Start program. As chairman of the National Governors' Association, Voinovich, along with vice chair Gov. Thomas R. Carper, a Delaware Democrat, has asked Congress to give states a voice in running Head Start.

In a June 12 letter to Congress, they said that with states taking greater responsibility for welfare, child care and other formerly federal programs, Head Start cannot afford to be a "separate and isolated" system. The Senate bill would include some of the governors' suggestions, including more input into grants. ◆

Preliminary Head Start Cost Estimates

Line 1 reflects the numbers contained in the FY99 budget. Lines 2 and 3 show the cost of meeting the participation goal of 1 million children (including 80,000 Early Head Start slots) by 2002 under OMB and HHS assumptions. Lines 3 and 4 show the cost of meeting the participation goal with full COLA and quality in the outyears under OMB and HHS assumptions.

OMB and HHS numbers diverge due to different assumptions regarding: (1) number of slots added in FY98 and FY99; and (2) use of the $35 million transition money.

All dollars in millions.

		1999	2000	2001	2002	2003	5 Year
1)	FY99 Budget	4,660	4.997	5,182	5,375	5,375	25,587
2)	OMB: 1 million goal	4,660	4,886	5,111	5,332	5,332	25,321
	Left over for Cola and Quality		110	71	43	43	266
3)	HHS: 1 million goal	4,660	4,900	5,135	5,381	5,381	25,459
	Left over for Cola and Quality		7	47	-6	-6	42
4)	OMB: Full COLA and Quality	4,660	5,064	5,488	5,935	6,071	27,254
	Increase over FY99 budget		67	306	560	696	1630
5)	HHS: Full Cola and Quality	4,660	5,080	5,519	6,002	6,139	27,400
	Increase over FY99 budget		84	337	628	764	1815

Call ~~Jack~~

Wait for Jack

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

DEC 19 1997

MEMORANDUM FOR THE FIRST LADY

I am writing to let you know why I believe it is critical to restore to the FY 1999 Head Start budget the $145 million that the Office of Management and Budget (OMB) has proposed to remove. OMB has proposed to remove this money by eliminating from the Head Start statute the quality improvement funds and staff support that have been the hallmarks of the Clinton Head Start expansion. It is critically important to restore the money and maintain these key provisions of the bipartisan reauthorization. They are central to the President's legacy of expansion with quality and they are critical to our ability to enact the President's program in child care and Head Start.

- The quality provisions that OMB has proposed for elimination are critical to the credibility of the Head Start program, the bipartisan consensus on Head Start -- and bipartisan action on the President's FY 1999 agenda for Head Start and child care.

In 1993, when the President first announced his commitment to Head Start expansion, there was serious and widespread criticism of Head Start's quality and effectiveness. The Administration acted forcefully to restore Head Start's credibility by convening a distinguished Advisory Committee; accepting the Advisory Committee's approach to expansion and quality improvements by combining tough enforcement with resources set aside for quality improvement in local programs; and enacting reauthorization legislation embodying these principles in FY 1994, with the bipartisan support of the Congress.

If the Administration were to remove these critical provisions, the credibility of the Head Start program, the Administration's credibility as a champion of quality in programs for young children, and the bipartisan consensus around Head Start would be undercut. This would seriously affect our ability to work with Congress on a bipartisan Head Start reauthorization, and it would also affect our ability to persuade the Congress that a major initiative for quality child care deserves serious consideration.

- The quality provisions, coupled with our record of tough enforcement, have successfully improved quality in Head Start and produced results for children.

The hallmark of the Administration's successful approach to Head Start has been the assurance of high quality and effectiveness in programs across the country. For example, Head Start grantees have shown steady improvement in meeting the tough performance standards that the program imposes. The percentage of grantees with serious deficiencies, for example, has been reduced by 20%. The resources set aside for quality and staff support in the statute have been used to train staff, improve facilities, hire workers for critical gaps, reduce class size, attract and retain qualified staff who can make a difference for children's development, and ensure safe facilities and transportation. For example, turnover in Head Start programs nationwide has been kept at under 8%, far below annual rates of 30-40% in child care.

- While much has been done, we must do more.

As Head Start programs expand to meet the President's goal of 1 million children by the year 2002, we must continue setting aside resources for critical quality improvements and staff support if we are to ensure positive results for children. As the Advisory Committee found, the needs of Head Start children and families are increasingly difficult: for example, nearly 20% of enrolled children were born outside the United States, 9% are homeless, 13% are disabled, and 60% of families earn less than $9000/year. If Head Start is to keep producing results for these children, it must continue to focus on training, attracting, and retaining high quality staff; keeping class sizes at quality levels; maintaining low turnover; and ensuring a range of comprehensive services. This task is not complete: today, despite increases in teacher salaries, a Head Start teacher earns only $17,500, a teacher aide only $11,876. Teachers with BA degrees and substantial experience earn well below the national salary average for workers with only a high school diploma.

- Only quality programs can assure children's early learning, development, and school readiness and meet the President's vision for Head Start.

The real payoff to quality, and the Administration's most critical legacy, is children who get that critical helping hand early in life and reach school ready to learn. As the research cited at the Early Learning and Child Care conferences shows, along with countless other studies and our own recent research at Health and Human Services on Head Start and on child care, children who are cared for in high quality settings have better results and reach school more ready to learn.

Please let me know if I can answer any further questions. I cannot say too strongly how important I believe this budget decision is to the Administration's agenda and legacy.

Donna E. Shalala

HEAD START - QUALITY
TALKING POINTS

- OMB is proposing to reduce HHS' FY 1999 Head Start request by $145 million. This reduction will be accomplished by amending the Head Start Act to eliminate the critical quality set-aside funds and the staff support that have been the hallmarks of the Clinton Head Start expansion.

- If the Administration were to remove these critical provisions, the credibility of the Head Start program, the Administration's credibility in speaking for quality in programs for young children and the bipartisan consensus around Head Start would be undercut.

- The quality and COLA funds, coupled with the Administration's record of tough enforcement have worked. Programs are better now than they were in 1994. New staff have been hired in critical areas, classroom staff are better trained and less likely to leave the program, facilities are in better shape and buses are safer and more dependable

HOWEVER: We need to continue.

- Staff are still paid low wages, teachers make, on average, only $17,500 per year. Problems which Head Start families face are more complicated and the needs of Head Start children and families are increasingly difficult. Nearly 20% of Head Start children were born outside the United States, 9% are homeless, 13% are disabled and 60% of families earn less than $9,000 per year.

- Only high quality programs can assure children's early learning development and make children ready for school, meeting the President's vision for Head Start.

- This Administration's Head Start legacy must be one of a high quality program serving 1 million children and families by the year 2002. To do so, we must continue setting aside the resources to make this happen.

Additional information:

Background

In the early 90's Head Start received large funding increases, but the emphasis was on serving as many children as possible, exacerbating an already existing problem of inadequate quality in many local Head Start programs.

By FY 1993 Head Start was in trouble; quality had declined as programs were forced to serve more and more kids and not given adequate resources to do so. Head Start's problems were being discussed on the Hill and being written about in national newspapers.

A bi-partisan advisory Committee was formed to propose solutions to Head Start's problems. A commitment to insisting on high quality services throughout Head Start was a cornerstone of the Committee's recommendations.

HHS would no longer accept sub-standard programs. Agencies with serious problems were told to fix them or lose their grant. 65 programs have been terminated since 1994, scores of others have turned themselves around.

Quality funding and program accountability has produced results:

* On-site monitoring of more than 250 performance standards shows steady improvement: the percentage of grantees with serious deficiencies (more than 50 non-compliance items) has been reduced 20% (from 10% to 8% of all grantees). Similarly, the average # of non-compliance items across all grantees has improved 22% from 9 to 7 items.

* The caseloads of family service staff has been reduced by 29%, from nearly 70 families/worker to fewer than 50 per staff member, remedying a weakness targeted in the 1993 Advisory Committee.

* Class size has been reduced from 18 to 17 children.

* Average teacher salaries have increased from $14,000 to 17,500; teacher aides from $8,674 to $11,876.

* Staff turnover is under 8%, far below annual rates of 30-40% in child care, and this was done in a period of rapid expansion of other early childhood programs.

* Improved salaries have helped programs attract and retain well-trained staff members: we have increased the proportion of teachers with degrees or CDAs by 11% between '91 & '97, from 82% to 91% (more than 1/3 have BA or AA degrees).

* 96% of grantees now provide health insurance, an increase of 10% from '91; percentage of grantees offering retirement benefits increased 20% over the same period, from 68% to 82%.

<u>Despite improvements, we must continue to stress quality and provide adequate resources to make it possible</u>

* The average teacher salary of $17,500 is barely above the poverty level of $16,000 for a family of 4.

* HS Teachers with BA degrees and substantial experience earned $18,642 on average in 1994, while average male and female civilian workers with a high school diploma earned $26,280 and $19,168 respectively.

* Head Start continues to serve America's most needy children & families. Nearly 20% were born outside the U.S., 9% are homeless, 13% of children are disabled, 60% of families earn less than $9000/year. These families require a committed and well trained staff.

* Quality funds will be a key resource as grantees design programs to support working families and parents involved in welfare reform. 33% of current parents receive welfare benefits and 58% are employed, indicating a growing need for quality child care, yet 90% of current children receive only a part-day/part-year program. Quality funds will enable local programs to convert part-day slots to full-day without reducing enrollment.

<u>Improved program quality is clearly linked to better outcomes for children & families:</u>

* A new study of quality in representative national sample of 415 classrooms, using well-known observational instruments, rated HS quality as better than similar studies in other child care and school-based early childhood programs. Particular areas of strength were parent involvement, provision for children with disabilities, and classroom atmosphere.

* Initial new assessment data on 2400 children show overall development & school readiness scores within the central range of scores for all preschoolers and from 4-8 points higher than ratings for low-income children that had not attended preschool.

* This study established clear linkages between the quality of HS classrooms and staffing and outcomes for children. Classrooms with higher ratings on specific aspects of program quality, including class size, had significantly high scores in areas of child assessment.

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o <u>While much has been done, we must do more.</u>

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Donna E. Shalala

- Head Start Slots versus Pay Raises (i.e., "Quality" set-aside). Funding for Head Start has increased by 23 percent since the 1994 reauthorization, but the number of slots available to serve more children has only increased by 11 percent.

- The 1994 reauthorization of included a "quality" set-aside of 25 percent of all new funds (real increases). 50 percent of the set-aside must be spent on salary and benefit increases. Of the remainder, approximately 25 percent goes for additional staff and 25 percent is spent on equipment, transportation, extended hours and training. The Act also authorizes, but does not require a full COLA for staff, a provision virtually unique among domestic programs. Head Start staff salaries have grown to $12 to $17 per hour, more than double the average salary of a child care provider.

- Passback recognizes the substantial increases in staff salaries achieved and notes agency inability to demonstrate real quality improvement equal to the cost, and thus would focus more of the new funds on serving more children. The tentative agreement provides a $284 million increase over FY 1998, for a total of $4,639 billion, providing for nearly 70,000 new slots as well a partial COLA, but no further "quality" set-asides.

- HHS argues that maintaining the quality set-aside and full COLA is warranted on political and substantive grounds. The bipartisan agreement that resulted in the 1994 legislation was led by Democrats including Kennedy, Dodd, Clay and others. It produced the quality set-aside and the COLA policies. HHS asserts that the Administration will be viewed as "abandoning the field" on quality at the very time (FY 1998) the program is reauthorized. HHS also maintains that higher staff salaries result in improved program quality (unfortunately, longitudinal data available to date do not demonstrate a link between the "quality" set-aside and COLA increases, on the one hand, and improved outcomes for children, on the other hand.)

- Alternative proposal. The current COLA costs approximately $100 million, of which the half COLA or $50 million is already in Passback. Of the FY 1999 increase of $284 million the full "quality" set-aside would cost $54 million; the full COLA another $50 million. In the Budget and the Administration's proposal for reauthorization: (1) provide the 50 percent COLA; (2) provide a $40 million targeted quality fund, for things like new equipment, training for improving cognitive development in children, and related matters. Remaining funds would support an increase of 60,000 slots, 10,000 fewer than Passback, but 16,000 more than the HHS level.