Issues for Emil
Benchmarks
Challenge grants v. formula
CCDBG allocation

Early Learning Fund
December 31, 1997

Funding levels (mandatory):

FY 1999:	$400 million
FY 2000:	$500 million
FY 2001:	$600 million
FY 2002:	$700 million
FY 2003:	$800 million

Five-year total: $3 billion

Federal role: ~~Distribute~~ funding to States by formula--either an existing formula such as the CCDBG allocation or a new formula placing a greater emphasis on a poverty measure. One percent of the funds would be set aside for a national evaluation of State and local efforts funded under this initiative. There would also be a tribal set-aside (between one and two percent, probably two percent, similar to the tribal set-aside within the mandatory child care funds).

State role: Set benchmarks, in consultation with HHS, in the areas of early learning and child care quality. Benchmarks could include, for example, increasing the percentage of centers which are accredited, boosting the percentage of at-risk children who receive early intervention services (including home visits and parent education), increasing the percentage of providers with training in child development, or reducing average group sizes or child:staff ratios.

If the benchmarks have real bite & the states have the ability to choose their own benchmarks aren't you asking them to choose the easiest benchmarks to accomplish & the loosest ones? (Congress argues in favor of federally set benchmarks vs. benchmarks.)

Continued funding would be contingent on progress toward the benchmarks; a State that fell well short of the benchmarks would have to develop a corrective action plan in cooperation with HHS. States that failed to make progress pursuant to the plan would have their formula grants reduced (e.g., by up to 10 percent). These dollars would be reallocated, for that fiscal year only, to other States that submitted applications describing how extra funds would be used to exceed the previously established benchmarks. a little complicated

States would distribute at least 90 percent of the funds to communities on either a competitive or formula basis, generally for purposes consistent with the State-level benchmarks. In either case, ***States would be required to use a measure of poverty as one of the major factors in distributing the dollars*** (e.g., by giving additional points in a competitive process to poorer localities). States could reserve up to 9 percent of the funds for technical assistance and research, as well as State administrative costs.

So are states going to do something fundamentally different w/ the money than will be accomplished by the federal research program.

There would be a 20 percent State (cash) match requirement--one dollar of State funds for every four dollars of Federal funds. Matching dollars could be provided by local or private sources (as well as the State).

Local role: As a condition of receiving funds, each community would have to develop, in conjunction with the State, a plan for expenditure of early learning funds that would both meet local child development needs and help achieve the State-level targets. These plans would in general be crafted by local collaboratives consisting of, for example, representatives of public agencies, business and community-based organizations such as Head Start programs, as well as local elected officials and parents of young children. Alternately, States could accept plans from existing entities that include a broad cross-section of the community and provide proof of extensive consultation with other interested parties. The local plans would detail how efforts under the new program would be coordinated not only with the existing local child care delivery system but also with other programs such as WIC, Parents as First Teachers and HIPPY.

The allowable activities would include (i.e., be limited to?) the following:

1) Basic training to child care providers, including first aid and CPR and training in child development;

2) Family day care networks (e.g., connecting individual child care providers to centers for education and support) and consumer education;

3) Home visits and parent education;

4) Helping child care providers to meet accreditation and licensing requirements (e.g., providing dollars needed to, for example, bring the physical plant up to minimum standards);

5) Linkages between child care providers and health professionals (e.g., for health and developmental screenings and follow-up care); and

6) Reductions in group sizes and child:staff ratios.

The Fund for the Improvement of Health, Safety, and Learning in Child Care

Purpose: To provide funds to communities to address the improvement of health, safety, and learning of infants and toddlers in child care settings.

Eligible grantees: Funds would be provided to States that apply on a formula basis. Tribes would be eligible for a one percent set-aside on a competitive basis. The funding reserved for any State that does not apply will be reallocated among those States that apply. To be eligible for funding, Grantees must agree to establish, monitor, and report on a set of benchmarks designed to improve the health, safety, and learning of infants and toddlers in child care settings. Grantees must provide their definition of a community and their plans for allocating the funding with evidence that at least 50 percent of the funding will be targeted to areas containing high concentrations of poverty. A minimum of 85 percent of funds must go to communities. Grantees may reserve 15 percent of funds to provide technical assistance to communities and for special innovations.

States may provide funding to communities on a formula basis or through a competitive process. To be eligible for funding, the community must submit to the State a plan to make progress toward the State benchmarks for health, safety, and learning of infants and toddlers in child care settings. The plan must have been developed by a community planning and monitoring group composed of, at a minimum, representatives from local government, health care providers, business leaders, child care providers, and parents. The plan will identify how the funding will be spent and the timelines for action. The community must also agree to monitor and report on the status of infant and toddler child care in a manner specified by the State. States will determine whether communities are making sufficient progress toward their benchmarks to allow continued receipt of funding.

Eligible Uses of Funding:

- In-Service or Pre-Service Health, Safety, and Child Development Training
- Improvement and Enforcement of Licensing Programs
- Creation and Support of Family Child Care Networks and/or Family Child Care Home Visiting Programs
- Healthy Child Care America Activities, including Health and Mental Health Consultation
- Parent/Consumer Education

Construction is not an allowable activity.

Differences Between the Fund for the Improvement of Health, Safety and Learning and the CCDF Quality Set-Aside

- The Fund will allow States to specifically target the quality of life for infants and toddlers in child care. With the increased demands for child care subsidies, especially among parents leaving or avoiding welfare, many States have been forced to use only the minimum amount of quality funds (4%) from the Child Care and Development Fund, in spite of increasing demands from parents, licensing specialists, trainers, and providers to improve quality for all children.
- By law these minimum set-aside CCDF funds must focus on children from birth to age 13, rather than solely on infants and toddlers, the most vulnerable group of children whom research demonstrates are more likely to be in poor quality care.
- Currently, there are no funds specifically targeting quality child care in communities. States currently have many needs for state-level focused activities which may force smaller, community-level projects into a lower place on their list of priorities. The Fund would require resources to be passed through to communities, with decisions made at the community level.
- This is the first Federal source of funding specifically for state-level technical assistance activities to communities for the development of quality initiatives
- This is the first initiative to require States to make a commitment to setting and measuring benchmarks in order to receive funding. This effort, which is consistent with GPRA and the Administration's commitment to results, will ensure a focus that will have a high level impact on our youngest children.
- This fund will be targeted on an age group and a set of activities that will give the Administration and States a real opportunity to influence results for children. As the "Rationale" section emphasizes, and as the White House Conference on Early Childhood Development and Learning demonstrated, this age group is very vulnerable and at the same time offers real opportunity for positive influences. The allowable activities are the ones for which we have the best research and practice evidence.
- The Fund makes visible the Administration's commitment to health, safety, and learning for babies and toddlers -- following up on the promise of the White House Conference on Early Childhood Development and Learning and the child care focus groups held this fall (convened to gather information for the White House Conference on Child Care). The Fund will make it possible for us to hold States accountable; to challenge other actors, public and private, to make their own contributions to this agenda; and to promote innovation and creativity directed at this critical goal. By contrast, the set-aside represents in large part, the dollars States were already spending on quality; it is already committed in many States and not easily redirected without losses elsewhere; and it does not send a signal about accountability, innovation, or the Administration's clear commitment to infants and toddlers.

- By making a substantial amount of funds available ONLY if a State commits to serious benchmarks for child care quality, the Fund demonstrates a serious commitment to safety, quality, and standards while maintaining State flexibility and avoiding the serious concerns about rigidity that have been associated with Federal standards.

Rationale

Child Care and the Workforce

There have been dramatic changes in the workforce. At one time, many mothers worked in their own homes and cared for their children. Today, with a growing number of women in the workforce, more mothers are working outside the home, both in two-parent and single parent families. Additionally, more single parent men are becoming custodial parents with child care needs. More recently, welfare reform will move even more parents into the workforce and more very young children into child care.

- Child care is becoming an ever increasing fact of life. More women stay in the workforce after they have children, and there is an increase in the number of single parents. In 1980, according to U.S. census data, 38 percent of mothers, ages 18-44, with infants under one year of age, worked outside the home. By 1990, this percentage has climbed to 50 percent, and has remained stable since. ("*Mother-Child Interaction and Cognitive Outcomes Associated with Early Child Care,*" NICHD, 1997)
- More than half of all mothers return to the workforce within a year of their baby's birth; many of these infants and toddlers spend thirty-five or more hours per week in **substandard** child care. (Starting Points, Carnegie Foundation, 1996)

Impact on Infants

- In 1993, the National Educational Goals Panel reported that nearly half of our infants and toddlers start life at a disadvantage and do not have the supports necessary to grow and thrive. A significant number of children under three confront one or more major risk factors, including substandard child care.
- The first three years of life appear to be a crucial "starting point"--a period particularly sensitive to the protective mechanisms of parental and family support. Parents and experts have long known that how individuals function from the preschool years all the way through adolescence and even adulthood hinges, to a significant extent, on the experiences children have in their first three years. Babies raised by caring, attentive adults in safe, predictable environments are better learners than those raised with less attention in less secure settings. Recent scientific findings corroborate these observations. (Starting Points, Carnegie Foundation, 1996)

Quality of Care for Infants and Toddlers

Research is showing us what elements are important for the growth, development, and learning of infants and toddlers:

> Evidence is emerging that across a wide range of child care settings, quality child care, as defined by positive caregiving and language stimulation is positively related to early cognitive and language development. (*"Mother-Child Interaction and Cognitive Outcomes Associated with Early Child Care,"* NICHD, 1997)

- "[T]he quality of child care for very young children does matter for their cognitive development and their use of language. In addition, quality child care in the early years, meaning care with a high degree of positive interaction between caregivers and children, can also lead to better mother-child interaction." (*"Mother-Child Interaction and Cognitive Outcomes Associated with Early Child Care,"* NICHD, 1997)

Child Care for Infants and Toddlers in America

Center and Large Group Care Settings:

- In a 1994 Inspector General Study, "Nationwide Review of Health and Safety Standards at Child Care Facilities," more than 1,200 violations were found in 169 child care facilities in five States. Among the hazards found were fire code violations, toxic chemicals, playground hazards, and unsanitary conditions.
- Almost half of the infants and toddlers in child care centers studied as part of the "Cost, Quality, and Child Outcomes in Child Care Centers" study (University of Colorado at Denver,1995) were in rooms having less than minimal quality. This means that the care did not have basic sanitary conditions for diapering and feeding; that safety problems existed in the room; that warm, supportive relationships with adults were missing; and that the rooms did not contain books and toys required for physical and intellectual growth.

Home-Based Child Care Settings:

- Many infants and toddlers of working parents are cared for in home-based child care settings with 33 percent of children under 5 being cared for in homes.
- Only 10-18 percent of home-based caregivers are regulated by state authorities. (National Center for Children in Poverty)
- In a Rhode Island study of subsidized in-home and relative caregivers, 42 percent of homes had safety problems and 44 percent of the children were exposed to at least one safety hazard. Eighty-five percent of the homes with safety hazards were in urban areas.
- In a 1994 study of family child care providers in three communities (Charlotte, Dallas/Ft. Worth, and San Fernando/Los Angeles), only 9 percent of the homes in the study were rated as good quality while 56 percent were rated as adequate/custodial, and 35 percent are rated as inadequate.
- In a 1996 License Exempt Provider Survey in Los Angeles, CA, only 44 percent of responding providers reported that they were interested in working with children as a career. Twenty-two percent of the respondents had been providing care for less than one year. Only 19 percent had taken courses related to child development. However, 71 percent were interested in training.

- The Study of Children in Family Child Care and Relative Care (1994) reported that 65 percent of parents who looked for alternate child care believed they had no choices, and twenty-eight percent reported they would use other care if it were available.

Improving the Quality of Care: What Works?

- Training has an impact on the quality of child care in family child care. According to the Family Child Care Training Study, children are observed to behave in ways that indicate they feel more securely attached to their providers, after their providers receive training. Feeling safe and secure with their providers frees children to explore, play and learn about themselves and the world.
- Infants are more vulnerable to injuries and infections. Their rapid changes in behavior make regular or frequent visits by a health consultant extremely important. Linking health care and mental health specialists to child care settings can help develop healthy policies and inspect and provide technical assistance to sites for reducing safety and infection control hazards. (**Caring for Our Children: Guidelines for Out-of Home Child Care Programs**, American Public Health Association and American Association of Pediatricians)
- Consumer education can help parents choose and monitor the quality of child care for their children.
- Family child care providers are often isolated from other providers due to the nature of their work setting. Networks and home visiting programs can help provide support and professional development through sharing of health and safety practices, learning activities for children, and developmentally appropriate discipline techniques that work. They can also provide substitute care for training opportunities.
- In a 1994 report, the Inspector General recommended that States utilize such practices for improving child care as:
    - ✓ Inspector training
    - ✓ Prioritizing inspections based on previous performance
    - ✓ Financial incentives to encourage the recruitment and retention of licensed or registered providers
    - ✓ Parental involvement
    - ✓ Training and technical assistance for providers
    - ✓ Developing evaluation and ranking systems to measure the degree of compliance with health and safety standards
    - ✓ Developing a provider self-appraisal system

NEC EARLY CHILDHOOD EDUCATION PROPOSAL
November 26, 1997

Education has been at the center of both the President's domestic and economic policy strategy. Investing in people creates opportunity for those taking responsibility and also increases growth and productivity of he economy. In addition to his focus on improving quality and accountability of K-12, the President's college opportunity proposal stressed creating a new national norm of two years of higher education for all Americans. Another vital economic and domestic imperative is a new national norm that the President and First Lady can help to create is that all children -- regardless of their accident of birth -- should have quality early learning (at least two years) starting at birth.

Mrs. Clinton and the President have long spearheaded national concern on early learning: from pioneering of the HIPPY program in Arkansas, to his critical investments in Head Start and WIC, to their stressing the importance of early childhood education and this year's Conference on Early Learning and the Brain. To build on the foundation the President and First Lady have laid, we should have a separate focus on early learning from 0-5. This initiative would have two components: (1) Expanding Early Head Start and (2) A Zero to Five Early Education Fund to invest in Success Challenge Grants. This initiative would in addition to our other child care initiatives.

1. ***Expand Early Head Start.***

   Increase the Early Head Start (children 0-3) set-aside from the 5 percent under current law to 10 percent by 2002, combined with an overall increase in Head Start funding to ensure that boosting the set-aside does not reduce the resources available for children 3-5. Doubling the set-aside would allow more than 50,000 additional children to receive Early Head Start services in 2002 (relative to current law). Early Head Start funds activities other than child care, such as parent training in child development, home visits and family support services (e.g., counseling). If the Administration's Head Start reauthorization proposal is not developed in time for particular provisions to be included in the FY 99 budget, **the budget should still feature broad commitments to, for example, at least double Early Head Start funding**.

   Five-year cost: $500 million

2. ***A Zero to Five Early Education Fund -- Invest in Success Challenge Grants***

   We believe that we should focus on challenge applications for promoting zero to five initiatives-- both statewide and local -- than can expand on success. We are not locked into any one specific allocation, but believe strongly that there needs to be an avenue for mayors, local communities, and non-profits to be successful applicants. Two options that could be considered include the following:

Option a) Combined local/State early childhood education funding.
Under this initiative, 50 percent of the funds would be passed through to local collaboratives and 50 percent would be State discretionary dollars; both the State and local funds would be devoted to addressing the needs of pre-school children.

Each local collaborative would submit an application to the State administering agency describing how the community would use funds to meet the developmental needs of young children. **The local funds could be allocated by formula or through a competitive process, but States would be required in either case to use child poverty as one of the major factors in distributing the dollars**. Local collaboratives and the State would agree upon goals, and States would be encouraged to make continued funding contingent on meeting these targets. The funds could be used for a wide range of activities, including but by no means limited to home visits, courses for parents in child development, improvements in educational and other aspects of center-based and family (pre-kindergarten) child care, speech therapy, and developmental screenings. **These early childhood education activities in most cases would benefit both working and stay-at-home parents**.

The local collaboratives would consist of, for example, representatives of public agencies, business and community-based organizations such as Head Start programs, as well as local elected officials and parents of young children.

States would also have considerable flexibility with regard to their 50 percent of the funds. **They would, however, as a condition of receiving the State funds, have to set benchmarks concerning child care standards in the areas of education, health and/or safety**; e.g., provider educational qualifications, compensation/reimbursement rates, staff-child ratio, condition of the physical plant, licensing requirements (which providers, especially family child care homes, must be licensed) and frequency of licensing inspections. States could establish benchmarks in a wide range of areas, but continued State-level funding would be contingent on fulfilling these commitments (or making substantial progress in that direction). States would have the option of setting outcome goals--for example, significant improvement in overall quality as measured by an impartial evaluator.

(NOTE: The State dollars would not have to be devoted entirely to achieving the benchmarks. **Provided the commitments were fulfilled, States could use the funds for early childhood education efforts other than improvements in child care quality**)

There would be a modest (e.g., 20 percent) cash match for the State funds; the match could be provided by local or private sources. There would be no match for the local funds. **States that declined to set benchmarks or provide the match would still receive the local dollars to pass through to communities, but would not receive the State funds**. The program would also include a small set-aside (1 percent or less) for a national evaluation of State and local efforts funded under the initiative. **This funding should be on the mandatory side if at all possible**.

Suggested funding levels:

FY 1999:	$200 million
FY 2000:	$400 million
FY 2001:	$800 million
FY 2002:	$1 billion
FY 2003:	$1.2 billion
Five-year cost:	**$3.6 billion**

Option b) *Separate State and local pools of early childhood education funding.*
Similar to Option (a), except that the State and local funding would be separate. Communities would apply directly to a Federal administering agency for the local funds, which could be allocated by formula or on a competitive basis (or through a combination of the two). Intermediate goals would be mutually arrived at by each community and the Federal agency, and continued funding would be dependent on progress toward those goals.

The State funds would be provided through a separate funding stream, for example, a CCDBG set-aside. States would still be required to set and achieve benchmarks with regard to child care educational, health and/or safety standards. The match would be limited to the State pool, and the set-aside for evaluation would be limited to the local funding stream.

Five-year cost: **$3.6 billion** (same as Option 2)

NEC EARLY CHILDHOOD EDUCATION AND CHILD CARE PROPOSAL
November 25, 1997

I. Early Childhood Education

1. *Early Head Start*. Increase the Early Head Start (children 0-3) set-aside from the 5 percent under current law to 10 percent by 2002, combined with an overall increase in Head Start funding to ensure that boosting the set-aside does not reduce the resources available for children 3-5. Doubling the set-aside would allow more than 50,000 additional children to receive Early Head Start services in 2002 (relative to current law). Early Head Start funds activities other than child care, such as parent training in child development, home visits and family support services (e.g., counseling). If the Administration's Head Start reauthorization proposal is not developed in time for particular provisions to be included in the FY 99 budget, **the budget should still feature broad commitments to, for example, at least double Early Head Start funding**.

Five-year cost: $500 million

and either of the following options:

2. *Combined local/State early childhood education funding*. Under this initiative, 50 percent of the funds would be passed through to local collaboratives and 50 percent would be State discretionary dollars; both the State and local funds would be devoted to addressing the needs of pre-school children.

Each local collaborative would submit an application to the State administering agency describing how the community would use funds to meet the developmental needs of young children. **The local funds could be allocated by formula or through a competitive process, but States would be required in either case to use child poverty as one of the major factors in distributing the dollars**. Local collaboratives and the State would agree upon goals, and States would be encouraged to make continued funding contingent on meeting these targets. The funds could be used for a wide range of activities, including but by no means limited to home visits, courses for parents in child development, improvements in educational and other aspects of center-based and family (pre-kindergarten) child care, speech therapy, and developmental screenings. **These early childhood education activities in most cases would benefit both working and stay-at-home parents**.

The local collaboratives would consist of, for example, representatives of public agencies, business and community-based organizations such as Head Start programs, as well as local elected officials and parents of young children.

States would also have considerable flexibility with regard to their 50 percent of the funds. **They would, however, as a condition of receiving the State funds, have to set benchmarks concerning child care standards in the areas of education, health and/or safety**; e.g., provider educational qualifications, compensation/reimbursement rates, staff-child ratio, condition of the physical plant, licensing requirements (which providers, especially family child

care homes, must be licensed) and frequency of licensing inspections. States could establish benchmarks in a wide range of areas, but continued State-level funding would be contingent on fulfilling these commitments (or making substantial progress in that direction). States would have the option of setting outcome goals--for example, significant improvement in overall quality as measured by an impartial evaluator.
NOTE: The State dollars would not have to be devoted entirely to achieving the benchmarks. **Provided the commitments were fulfilled, States could use the funds for early childhood education efforts other than improvements in child care quality**.

There would be a modest (e.g., 20 percent) cash match for the State funds; the match could be provided by local or private sources. There would be no match for the local funds. **States that declined to set benchmarks or provide the match would still receive the local dollars to pass through to communities, but would not receive the State funds**. The program would also include a small set-aside (1 percent or less) for a national evaluation of State and local efforts funded under the initiative. **This funding should be on the mandatory side if at all possible**.

Suggested funding levels:

FY 1999:	$200 million
FY 2000:	$400 million
FY 2001:	$800 million
FY 2002:	$1 billion
FY 2003:	$1.2 billion
Five-year cost:	**$3.6 billion**

3. *Separate State and local pools of early childhood education funding.* Similar to Option 2, except that the State and local funding would be separate. Communities would apply directly to a Federal administering agency for the local funds, which could be allocated by formula or on a competitive basis (or through a combination of the two). Intermediate goals would be mutually arrived at by each community and the Federal agency, and continued funding would be dependent on progress toward those goals.

The State funds would be provided through a separate funding stream, for example, a CCDBG set-aside. States would still be required to set and achieve benchmarks with regard to child care educational, health and/or safety standards. The match would be limited to the State pool, and the set-aside for evaluation would be limited to the local funding stream.

Five-year cost: **$3.6 billion** (same as Option 2)

II Affordability

Child and Dependent Care Tax Credit. Raise the top child and dependent care credit (DCTC) rate to 50 percent and move the phase-out range from $10,000-$28,000 (current law) to $30,000-$59,000, and index it for inflation thereafter.

Presently, the DCTC phases down from a high of 30 percent at $10,000 or less of income to 20 percent at more than $28,000 (a phase-out rate of one percentage point per $2,000 of income). Under this option, the credit would phase out at a rate of 1 percentage point per $1,000 of income, from a high of 50 percent at $30,000 or less of income to 20 percent at more than $59,000.

Five-year cost: **Probably about $3 billion** (to be scored by Treasury)

Child Care and Development Block Grant. Increase CCDBG funding by $700 million per year. To access the additional funds, States would be required to set benchmarks concerning, for example, eligibility and priority (i.e., targeting) levels, copayments and reimbursement rates. States would have considerable flexibility regarding the benchmarks, but these benchmarks would not be simply guidelines. Continued access to the additional funds would be contingent on progress toward the benchmarks.
NOTE: States that expanded eligibility (as a benchmark) would also be expected to serve a non-negligible number of families at these higher income levels, rather than simply broadening eligibility on paper.

Five-year cost: **$3.5 billion**

III After-school care

21st Century Learning Centers. Expand the Department of Education's 21st Century Learning Centers program (which is designed to increase use of school facilities during non-school hours) to provide funds to school-community partnerships for after-school programs in high-need urban, rural and suburban communities. Before-school activities could also be funded with these dollars, but the program would be primarily for after-school efforts. By increasing the funding level from $40 million to $400 million annually and targeting the dollars to higher-poverty local education agencies (LEAs), the program could provide funding to 4,300 LEAs with 60 percent of the nation's poor children. There would be a one-to-one local match, although this requirement might be phased in over several years. [This is the Education proposal].

Five-year cost: **$2 billion**

TOTAL FIVE-YEAR COST FOR INITIATIVE: **$12-13 BILLION**

Barry White
11/21/97 06:47:06 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message
Subject: The Evidence on effects of Head Start quality investments

Following the last Deputies meeting, in response to HHS' statement that they have evidence of the positive effect of the Head Start quality investments on Head Start quality, I asked my staff to obtain from HHS the evidence to which HHS referred. HHS did not have a document to share, but did hold a lengthy conference call with my examiners. This is a report of that call.

In sum, HHS does not have data demonstrating that the investments in "quality" and the related COLAs since the law was revised in 1994 have resulted in a higher quality program.

What they do have is the first round of findings from an evaluation ("FACES" -- Family and Child Experiences Survey), which provides some indication that Head Start projects are of "minimal to good quality." (They did not find any "inadequate" programs.)

The programs were evaluated on the "ECERS" (Early Childhood Environmental Rating Scale): it measures the use of materials, scheduling, facilities, interaction between teachers/staff and children. This is a tool in general use for assessing child care centers. Eventually this longitudinal study will report on the children's experiences in kindergarten.

OMB is insisting that HHS carry the study into lower grades to try to get a handle on whether Head Start affects learning in school, but HHS is resisting strongly. We aren't sure why.

They do not have data showing a causal relationship between quality and investments in quality, because they did not establish baseline data for the evaluation or from the period before the new law.

The contractors (Westat and Abt) will eventually try to find a correlation between quality and the higher salaries and benefits, more education for staff, length of teacher time in the programs. HHS had not planned to do this any time soon, but given the OMB (and working group) interest, HHS will now try to produce this data in the next few months.

They did find some correlation (not clear how strong) between new teachers and quality program, vs. the quality of programs with longer tenured teachers. This suggests that newly trained teachers may have a greater benefit for students.

This provides some preliminary support for our new teacher preparation scholarship.

In the conversation, it came up that since 1992, average Head Start salaries have increased from $10,000 to $17,000, an increase of 70%. The Head Start Director asserts, however, that this salary level is a "moral disgrace."

This report does not provide a ringing endorsement for spending more money on child care in the

same ways in which it is spent in Head Start if, in fact, we want to do something serious about improving the quality of child care. It also isn't much support for Head Start's set-asides.

OMB staff would much prefer investing in directed State monitoring of health and safety conditions, State publication of "report cards" on child care center quality, giving the States money to help centers meet accreditation standards by the national body (NAEYC), and otherwise supporting specific activities to correct flaws found by the monitoring. $50 m/year, $250 m over 5, might be sufficient to get States to engage more aggressively in such activity.

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