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Subcommittee on Labor, Health and Human Services, Education and Related Agencies
Department of Health and Human Services, Office of Head Start

Chairman Harkin, Ranking Member Shelby, thank you for allowing the National Head Start Association (NHSA) submit testimony in support of funding for Head Start and Early Head Start in Fiscal Year 2013 (FY13). Head Start is a national commitment to provide critical early education, health, nutrition, child care, parent involvement and family support services in return for a lifelong measurable impact on the low-income children and families. Today, as our nation's children face greater obstacles than ever, there is a significant need to prepare the next generation for success in school and later in life, and Head Start has a proven track record of accomplishing this. NHSA is grateful that Congress and the President made a solid commitment to quality early childhood education in Fiscal Year 2012 by providing funding to maintain services for children currently served by Head Start and Early Head Start programs.

Quality early education prepares the nation's youngest children for a lifetime of learning. In fact, studies show that for every one dollar invested in a Head Start child, society earns at least \$7 back through increased earnings, employment, and family stability; and decreased welfare dependency, crime costs, grade repetition, and special education. But the economy has taken a toll on the program as well. During this most recent recession, Head Start and Early Head Start directors have experienced rapidly rising operating costs that may eventually affect their ability to maintain program size.

NHSA hopes that this Subcommittee will support the Administration's drive to improve accountability, as well as account for the rising cost of maintaining programs. Though we appreciate the President's request for an \$85 million increase over the FY12 enacted level, after extensive conversations and input from the field we recognize that it is not enough. The Head Start community is proposing an increase of \$325 million over FY12 to provide the funding necessary to ensure that Head Start centers can meet the rising costs of service for an additional school year, improve access for vulnerable infants, and meet the requirements of the 2007 Head Start Reauthorization Act.

Head Start Fixed Costs Rising

Though funding for Head Start has increased significantly in recent budget years, the cost of serving families has risen at a much faster pace. When surveyed, a full 83% of Head Start centers reported that their costs have increased just over the past year—in fact, 25% of those who responded report that their fixed costs, including maintenance, transportation, and insurance, have increased by more than 11% over the last twelve months. In some areas, rent on facilities alone has gone up between 5-10%. It is an enormous task to keep costs low for what is a very comprehensive model.

Though center directors have some flexibility to streamline and try to be more efficient, there are limits to how far they can go. Most centers have already laid off staff, closed facilities and consolidated programs to save costs, and are leaning more than ever on other community partners to help provide health, employment, and other services that are required by the model. The Head Start community is reaching its limit on how far it can take this practice, given statutory quality standards. The only logical next step for many programs may in fact be to change their service delivery method which can result in moving from full-day to part-day service, or worse, reducing the number of children it can enroll.

Energy costs have gone up significantly, and an overwhelming majority of programs are finding it difficult to keep up with fuel costs for the transportation of kids to and from the center. This is particularly

challenging in rural areas. One Idaho Tribal Head Start program spends an astonishing \$1,000 per month on gasoline. They believe that they must continue to provide transportation because, as the director says, “Many of our families can barely afford gas for work, let alone transport their child to Head Start.”

Deferred maintenance of Head Start centers poses its challenges as well. At one Western Iowa Head Start, they spent \$53,000 on one bus that only holds 16 kids—to replace one of their buses among a fleet that is nearly 20 years old. Many other centers, operating in older facilities, hope the roof will hold out one more year, or that the playground equipment will remain solid and safe. Most programs must wait until the end of a program year to decide what can be fixed within the budget. Regardless, the centers are judged by frequent monitors who have the ability to demand change when they see a potential hazard—with the additional funds being requested, Head Start directors could do more to *prevent* potential safety hazards.

Head Start programs also need to adapt to changing regulations. The Consumer Product Safety Commission released new rules regarding crib safety and Early Head Start programs must now replace all their cribs. Head Start centers also must implement new data systems that will track more nuanced child outcomes data. Even the smallest programs report costs upwards of \$5,000 just for the tracking software. The City of Chicago Head Start program is spending an unexpected \$12,000 on new cribs this year, and has spent a staggering \$3,000,000 on new data collection systems.

Finally, Head Start centers must provide health insurance for staff. These costs have increased rapidly. In Louisiana, the Iberville Parish Council Head Start, which serves 360 children and employs 61 teachers and staff at 6 centers, has struggled to make ends meet because of rising health insurance and other costs. Ultimately, the Parish Council voted to relinquish control of the program entirely and turn it over to the federal government rather than tell families they could not serve their children because it, as a local entity, could not afford to continue subsidizing the increasing costs. The director said of the decision, “The federal government wants you to run a Cadillac program on Chevrolet prices.”

Head Start Salaries Are Noncompetitive

Another pressing cost concern that is directly related to a child’s progress is the quality of teachers. Five years ago, a bipartisan Congress passed, and President George W. Bush signed, the Improving Head Start for School Readiness Act of 2007 (P.L. 110-134). Included in this reauthorization were a number of welcomed quality improvement measures for Head Start and Early Head Start programs; particularly, requirements for more-qualified teachers.

Specifically, by September 30, 2013, at least 50% of Head Start teachers nationally are required to have a Bachelor’s Degree, an Advanced Degree, or an equivalent degree in a field related to early childhood education. I am pleased to share that the Head Start community has already met this requirement.

In order to achieve compliance, Head Start directors encouraged their staff to obtain degrees. When possible they helped supplement tuition and costs in order to ensure that staff would stay on once the degree was obtained. But the market for early childhood teachers with college degrees is very competitive and it has become extremely difficult to keep these credentialed employees in place. Qualified staff comes at a price, a price the Head Start budget does not easily afford.

According to data collected by the PIR, in 2010, a Head Start teacher with a CDA made on average \$22,329 per year; a teacher with a graduate degree \$35,194. The average across all Head Start teachers is \$27,880. This is, according to the Center for Law and Social Policy, considerably less than the average

salary for a preschool teacher in elementary in secondary schools, which was \$42,150 in 2010. Young graduates of education schools, moreover, are not choosing early education as a viable career path.

A Bachelor's degree qualifies them for any number of jobs outside of early education. Some employees leave to work for the local bank or another business, where the salaries and benefits much more competitive and better for their families. After all, many of these newly credentialed individuals were once Head Start parents themselves, due to the early focus on "parents as teachers." We cannot and do not fault them for rising out of poverty to make a better life for themselves and their families.

This constant turnover is disruptive to Head Start children and families, and is another burden on center directors who must find qualified individuals to take their place, complete background checks and have them fully oriented to the complicated expectations of the program. With noncompetitive salaries, this is very difficult. In rural areas, it is nearly impossible—the labor pool is limited, and relatively unchanging.

Designation Renewal System

One of the most anticipated provisions of the 2007 Head Start Act will require Head Start grantees designated as low-performing to compete for the continuation of their grant. Different from the Head Start grant termination process, this additional accountability measure, the Designation Renewal System, is an enormous undertaking for the Office of Head Start (OHS) and will certainly require additional funds to execute. NHSA supports the Administration for Children and Families' request for additional staff to ensure that the renewal competitions are executed in a fair, transparent, and effective manner.

Last December, OHS began the first stages of the DRS by informing an initial 132 grantees that would re compete for their funding. We are very concerned with the potential impacts of transitioning a Head Start program from one organization to another, in particular the impact on children and families.

We therefore appreciate the Administration's request for \$40 million as a "rainy day fund" and understand these funds may indeed be necessary. However, we hope that if any of these funds are not utilized that they will be reinvested in the training and technical assistance activity funds available to grantees. During this time of change in the program, especially as new organizations may become Head Start grantees; it will be helpful to assist everyone in our continued drive to sustain excellence and remain compliant with all of the more than 1700 separate Head Start regulations.

The Gap Between Early Head Start and Head Start

When NHSA talks to the dedicated Head Start directors across the country about how they could better serve their communities, so many of them say they wish they could get to more children earlier. Across all Head Start programs, centers are only able to serve less than three percent of eligible infants.

The waiting lists are increasingly long, especially as the economy continues to present significant challenges to the poor. Today, one in five children are born into poverty—and eligible for Early Head Start. In one center in Burien, Washington, the Early Head Start program serves 30 infants, ten of which are homeless, and seven of which are "special needs" children. There are currently over 50 families on the waitlist. Knowing all we know about the effectiveness of intervention in these early years, NHSA strongly supports even a small investment in increasing access to Early Head Start.

Centers of Excellence

Lastly, the National Head Start Association supports continued investment in the now 20 Centers of Excellence in Early Childhood that were named, but only partially funded, over the last two years—in the following localities: Greensburg, PA; Baltimore, MD; Mount Vernon, OH; Houghton, MI; Owensboro,

KY; Morganton, NC; Birmingham, AL; Denver, CO; Albuquerque, NM; Dunkirk, NY; Laguna, NM; Rock Island, IL; Reno, NV; Modesto, CA; Marshalltown, IA; Elmsford, NY; Tulsa, OK; Hugo, OK; Mayaguez, PR; and Chattanooga, TN. The resources and tools these Centers have designed and provided to the Head Start community are effective, well-designed, and serve as models for other Early/Head Start programs to emulate. Their innovative practices and peer-learning approaches will be much more in demand as practitioners adjust to the requirements of the 2007 law.

Head Start Works

Since 1965, Head Start (and now Early Head Start as well) has been providing a proven, evidence-based comprehensive program to prepare at-risk children and families for a stable, successful life. Head Start improves the odds and the options for at-risk kids for a lifetime. Research shows that Head Start has genuine cost benefits—conservatively, it is estimated to yield a benefit-cost ratio as large as \$7 to \$1.ⁱ

Head Start saves hard-earned tax dollars by decreasing the need for children to receive special education services in elementary schools.ⁱⁱ Data analysis of a recent Montgomery County Public Schools evaluation found that a MCPS child receiving full-day Head Start services when in Kindergarten requires 62 percent fewer special education services and saves taxpayers \$10,100 per child annually.ⁱⁱⁱ States can save \$29,000 per year for each person that they don't need to incarcerate because Head Start children are 12% less likely to have been charged with a crime.^{iv}

A study released by the National Bureau of Economic Research shows that Head Start parents are more actively engaged in their children's academic careers long after the child has entered kindergarten, a key ingredient of a learning environment that leads to future success.^v The Baltimore Education Research Consortium (BERC) released findings in March 2012 related to chronic absenteeism in Kindergarten—which studies have shown to relate to poorer overall academic achievement as late as 5th Grade. BERC's research shows that students who had attended Head Start showed the highest attendance rates in kindergarten and the lowest level of chronic absence in first through third grades.^{vi} These non-test-score findings help illustrate the long-term viability of the program—today, the more than 27 million Head Start graduates are working every day in our communities to make our country and our economy strong.

Head Start families with their increased health literacy also show immediate health care benefits, including lower Medicaid costs—on average \$232 per family. The program has also reduced mortality rates from preventable conditions for 5-to 9-year olds by as much as 50%.^{vii} Studies have shown that the program reduces health care costs for employers and individuals because Head Start children are less obese,^{viii} 8% more likely to be immunized,^{ix} and 19 to 25% less likely to smoke as an adult.^x

The Head Start community understands the budgetary pressures the federal government is facing and is so very grateful for the commitment shown by this Congress and the President to keep early learning, and Head Start in particular, a priority. The research shows that the “achievement gap” is apparent as early as the age of 18 months - we will spend substantially more downstream if these same young people are not prepared to graduate high-school, attend college and lead prosperous lives. We urge the Subcommittee to fully invest in Head Start and Early Head Start to improve accountability, increase access, and ensure that we have a stable and prosperous workforce for generations to come.

ⁱ Ludwig, J. and Phillips, D. (2007). The Benefits and Costs of Head Start. *Social Policy Report*, 21 (3-4); Meier, J. (2003, June 20). Interim Report. Kindergarten Readiness Study: Head Start Success. Preschool Service Department, San Bernardino County, California.

ⁱⁱ Barnett, W. (2002, September 13). The Battle Over Head Start: What the Research Shows. Presentation at a Science and Public Policy Briefing Sponsored by the Federation of Behavioral, Psychological, and Cognitive Sciences.

ⁱⁱⁱ NHPA Public Policy and Research Department analysis of data from a Montgomery County Public Schools evaluation. See Zhao, H. & Modarresi, S. (2010, April). *Evaluating lasting effects of full-day prekindergarten program on school readiness, academic performance, and special education services*. Office of Shared Accountability, Montgomery County Public Schools.

^{iv} Reuters. (2009, March). Cost of locking up Americans too high: Pew study; Garces, E., Thomas, D. and Currie, J. (2002, September). Longer-term effects of Head Start. *American Economic Review*, 92 (4): 999-1012.

^v National Bureau of Economic Research. (2011, December). Children's Schooling and Parents' Investment in Children: Evidence from the Head Start Impact Study (Working Paper No. 17704). Cambridge, MA: A. Gelber & A. Isen.

^{vi} Baltimore Education Research Consortium (2012, March). Early Elementary Performance and Attendance in Baltimore City Schools' Pre-Kindergarten and Kindergarten. Baltimore, MD: F. Connelly & Olson, L.

^{vii} Ludwig, J. and Phillips, D. (2007) Does Head Start improve children's life chances? Evidence from a regression discontinuity design. *The Quarterly Journal of Economics*, 122 (1): 159-208.

^{viii} Frisvold, D. (2006, February). Head Start participation and childhood obesity. Vanderbilt University Working Paper No. 06-WG01.

^{ix} Currie, J. and Thomas, D. (1995, June). Does Head Start Make a Difference? *The American Economic Review*, 85 (3): 360.

^x Anderson, K.H., Foster, J.E., & Frisvold, D.E. (2009). Investing in health: The long-term impact of Head Start on smoking. *Economic Inquiry*, 48 (3), 587-602.