HEAD START

Opportunities Exist to Better Align Resources with Child Poverty

Accessible Version

Report to Congressional Committees

February 2024
GAO-24-106077
United States Government Accountability Office

GAO Highlights

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Highlights of GAO-24-106077, a report to congressional committees
February 2024

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Opportunities Exist to Better Align Resources with Child Poverty

Why GAO Did This Study

In 2021–2022, Head Start served nearly 790,000 young children, primarily from low-income families. However, HHS estimates that far more children are eligible than can be served due to limited resources, heightening the importance of targeting services effectively.

House Report 117-96 includes a provision for GAO to review the nationwide distribution of Head Start resources and what could help better align funding with need.

This report examines the extent to which (1) Head Start resources align geographically with child poverty; (2) statutory provisions support aligning resources with need; and (3) OHS uses its grantmaking authority to align resources with need.

GAO analyzed Head Start enrollment data from 2022 and Head Start funding and Census child poverty data from 2006 and 2021 (most recent available comparable data), interviewed OHS officials and stakeholder organizations, such as the National Head Start Association; and reviewed relevant federal laws and agency documents.

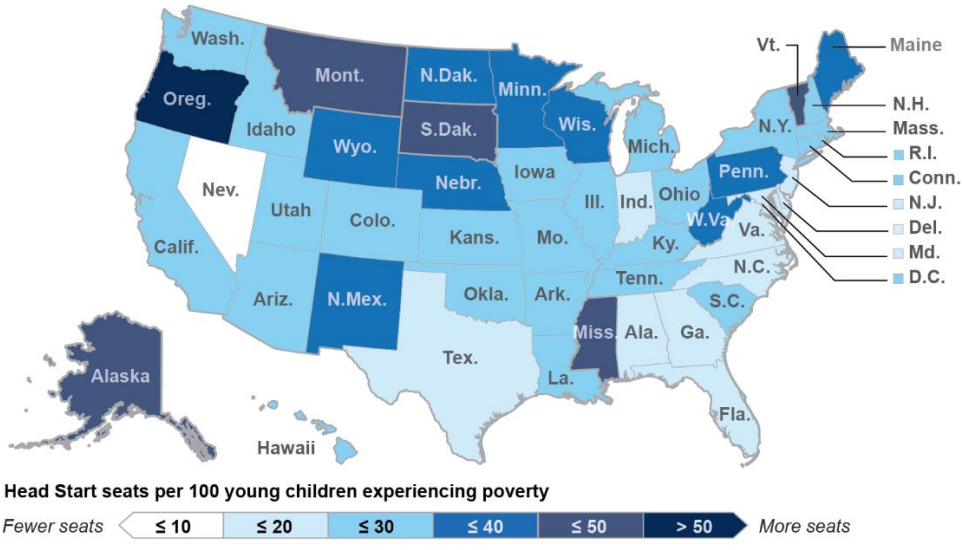
What GAO Recommends

GAO is recommending two matters for congressional consideration to review and revise, as appropriate, annual Head Start funding and expansion funding provisions. GAO is also making two recommendations to HHS to use its existing authority to consider Head Start resource distribution across communities in its competitive grant awards and use the data it already collects to inform those decisions. HHS agreed with the recommendations.

What GAO Found

Administered by the Department of Health and Human Services' (HHS) Office of Head Start (OHS), Head Start aims to promote school readiness for young children in poverty. However, Head Start availability varies widely across states and counties and does not closely align with child poverty. GAO found that the number of Head Start seats for every 100 young children in poverty ranged from nine in Nevada to 53 in Oregon in 2022. This high degree of variability persisted even when accounting for state and county child poverty rates. Further, the Head Start statutory formula, by which annual funding is provided to grant recipients, is not responsive to changes in child poverty. As a result, grant recipients in states with rising child poverty can generally serve a lower proportion of income-eligible children.

Head Start Seats Available for Every 100 Young Children in Poverty, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Accessible data for Head Start Seats Available for Every 100 Young Children in Poverty, Fall 2022

- ≤ 10: Nevada
- ≤ 20: Maryland, Texas, Georgia, North Carolina, Indiana, Alabama, Delaware, Virginia, Florida, and New Jersey
- ≤ 30: Arkansas, South Carolina, Arizona, New York, Tennessee, Missouri, Connecticut, Idaho, Kentucky, Illinois, Louisiana, Kansas,

Colorado, Ohio, Utah, District of Columbia, Massachusetts, New Hampshire, California, Oklahoma, Rhode Island, Washington, Michigan, Iowa, and Hawaii

- ≤ 40: Pennsylvania, New Mexico, Nebraska, Wisconsin, Maine, Minnesota, West Virginia, North Dakota, and Wyoming
- ≤ 50: Montana, Vermont, Mississippi, South Dakota, and Alaska
- > 50: Oregon

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Current statutory provisions do not support the alignment of Head Start resources with need. These provisions include the annual funding formula and those governing the distribution of expansion funding, which Congress periodically provides to expand Head Start's reach. GAO found that provisions intended to target additional expansion funding to states with relatively low access to Head Start services, if applied today, would result in nearly all states qualifying to receive this funding. Federal grants may be designed in a variety of ways, depending on the purpose Congress wishes to achieve. Congress has an opportunity to review these provisions to ensure Head Start resources are directed toward its highest priorities.

Within the existing statutory provisions, OHS has authority to consider the distribution of Head Start services when competitive grant funding is available to award. However, OHS rarely uses this authority. Doing so—and leveraging agency data to inform its grantmaking decisions—would help OHS better achieve its goal of targeting services to places most in need.

Contents

Abbreviations

ACF	Administration for Children and Families
ACS	American Community Survey
AIAN	American Indian and Alaska Native
ASPE	Assistant Secretary for Planning and Evaluation
CV	coefficient of variation

HHS	Department of Health and Human Services
OHS	Office of Head Start
MSHS	Migrant and Seasonal Head Start
SAIPE	Small Area Income and Poverty Estimates

U.S. GOVERNMENT ACCOUNTABILITY OFFICE
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Congressional Committees

The U.S. Department of Health and Human Services' (HHS) Office of Head Start (OHS) administers and oversees Head Start, which provided early learning services to nearly 790,000 young children in 2021–2022 through grants to approximately 1,600 organizations nationwide. However, the number of children eligible for Head Start far exceeds the number who can be served with existing resources, according to HHS estimates.[1] For example, fiscal year 2020 funding was sufficient to serve only about half of income-eligible preschool-age children and only about one in 10 income-eligible infants and toddlers. Given these limited resources, it is particularly important for Head Start to be available in areas where services are most needed. However, there are widely recognized barriers to access for income-eligible families, including mismatches between where eligible children live and where Head Start services are located.[2]

The House report accompanying the Departments of Labor, Health And Human Services, and Education, and Related Agencies Appropriations Bill, 2022 includes a provision for GAO to review issues related to how Head Start resources are distributed across communities and what flexibility could be used to better align Head Start funding with need.[3] This report addresses (1) the extent to which Head Start resources align with the geographic distribution of children in poverty; (2) the extent to which Head Start statutory provisions support aligning resources with need; and (3) the extent to which OHS uses its grant-making authority to ensure that Head Start grants are distributed to areas with the greatest need.

To assess the extent to which Head Start resources align with the geographic distribution of children in poverty, we used Head Start data on the location of Head Start centers and number of Head Start seats at each center as of September 2022. We compared these data to 2021

[1]Department of Health and Human Services, Administration for Children and Families, *Report to Congress on Head Start Eligibility* (Washington, D.C.: Mar. 2022).

[2]National Head Start Association*, Head Start United: Removing Barriers to Access for Children and Families* (Alexandria, VA: Apr. 2022).

[3]H.R. Rep. No. 117-96, at 219 (July 19, 2021).

U.S. Census Bureau estimates of the number of young children in poverty by state and county.[4] We also compared Head Start state funding allocations to Census estimates of the number of young children experiencing poverty in each state in 2006 and 2021.[5] We assessed the reliability of these data by reviewing technical documentation, interviewing agency officials, and testing the data (e.g., for missing data, outliers, and obvious errors). We determined that they were sufficiently reliable for the purposes of assessing the alignment of Head Start with the distribution of young children experiencing poverty. In addition, to understand how Head Start resources are distributed, we interviewed officials from OHS and two of 12 Head Start regional offices, which we selected based on variation in Head Start availability and geographic diversity. We also interviewed officials from HHS's Office of Planning, Research, and Evaluation and Office of the Assistant Secretary for Planning and Evaluation (ASPE) as well as stakeholder organizations, such as the National Head Start Association.

To assess the extent to which statutory provisions governing Head Start funding allocation and OHS's use of its grant-making authority support the alignment of resources with need, we reviewed relevant federal laws, regulations, and documentation. In addition, we interviewed officials from OHS and two Head Start regional offices regarding the extent to which OHS uses its competitive grant authority to align Head Start resources with areas in need when awarding grants. We also assessed how OHS

[4]These data include the number of enrollment slots by program (e.g., Head Start, Early Head Start) and program option (e.g., center-based, home-based). We refer to enrollment slots as "seats" throughout this report. Some Head Start services are provided in home-based settings; we included home-based enrollment slots in our analysis. We also included all four Head Start programs—Head Start, Early Head Start, American Indian and Alaska Native (AIAN) Head Start, and Migrant and Seasonal Head Start (MSHS)—in this analysis. We used county-level estimates of children under age 5 experiencing poverty from Census's American Community Survey 5-year estimates, 2017–2021, the most recent estimates available at the time of our review. Some children may attend Head Start programs based on eligibility criteria other than poverty, including experiencing homeless or foster care, being an American Indian or Alaska native, or being the child of a migrant or seasonal farmworker. (See background for more information on Head Start eligibility criteria.) We did not estimate the percent of children in states or counties that met these other Head Start eligibility criteria. For more information on data used for this report, see app. I.

[5]We used 2021 state-level estimates of young children experiencing poverty from Census's Small Area Income Poverty Estimates (SAIPE) program for our funding analysis, the most recent estimates available at the time of our review. Because state funding allocation data are not available for the AIAN or MSHS programs, we did not include them in this analysis. For more information on data used for this report, see app. I.

uses available data to help guide its distribution of those grants. For more information on our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from June 2022 to February 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Head Start Programs and Eligibility

Established in 1965, Head Start aims to promote school readiness by supporting the comprehensive development of children in poverty through educational, nutritional, health, social, and other services. The Head Start preschool program (Head Start) serves children ages 3 to school age, while the Early Head Start program (Early Head Start) serves infants and toddlers under the age of 3.[6] Head Start programs are commonly carried out in classroom settings, known as Head Start centers.

To enroll in Head Start or Early Head Start, children and families must generally meet one of the following eligibility criteria:[7]

- the child's family earns income at or below the federal poverty line;
- the child's family is eligible, or in the absence of child care would potentially be eligible, for public assistance (e.g., Temporary Assistance for Needy Families);
- the child is in foster care; or,

[6]45 C.F.R. § 1302.12(b). In addition, Early Head Start provides services to pregnant women, including prenatal and postpartum information and education. 45 C.F.R. § 1302.12(c). Head Start also provides services to families through the AIAN program and services to farmworker children and families through the MSHS program. 45 C.F.R. § 1302.12(e), (f).

[7]The AIAN and MSHS programs have different allowances and eligibility requirements, respectively.

- the child is homeless.[8]

Head Start Grant Recipients

There are approximately 1,600 grant recipients in all 50 states, the District of Columbia, five territories, and Palau. These grant recipients include public and private nonprofit and for-profit organizations. OHS authorizes grant recipients to operate Head Start programs for 5-year terms, and provides funding for the grant recipient to offer a specified number of enrollment slots to eligible children.

Grant recipients must assess their community's needs at least every 5 years, with annual updates to reflect significant changes.[9] As a result of these assessments, a grant recipient may seek to change its program to better meet local needs—for instance, shifting service areas or converting Head Start slots to Early Head Start slots.[10]

In general, at the end of each 5-year period, grant recipients that demonstrate that they are delivering high-quality and comprehensive services are eligible to receive another grant noncompetitively.[11] However, grant recipients that fail to do so are required to compete for the next grant.[12] Further, grant recipients that do not meet their enrollment

[8]Head Start grant recipients may also fill up to 10 percent of their slots with children from families who do not meet any of the above criteria, but who would benefit from participation in the program. In certain cases, Head Start programs may also fill up to 35 percent of enrollment slots with children whose families have incomes of up to 130 percent of the federal poverty line. These grant recipients must have implemented policies and procedures to ensure that they are prioritizing pregnant women and children who meet Head Start eligibility criteria for enrollment and meeting those children's needs.

[9]The community needs assessment includes an analysis of data related to the needs and characteristics of Head Start-eligible children and families in a grant recipient's service area. Community needs assessments should include demographic information about eligible children and families as well as information about other child development services, child care centers, and family child care programs that serve eligible children, among other things.

[10]Grant recipients may also seek to reduce their number of funded enrollment slots so that they are not required to serve as many children with their federal funding allocation.

[11]See 45 U.S.C. § 9836; 45 C.F.R. Part 1304, Subpart B.

[12]A grant recipient may also be required to recompete for a grant for other reasons, including failure to establish and take steps to achieve school readiness goals and failure to maintain state licensure to operate a child care center.

obligations may have their funding reduced.[13] Grant recipients may also have their grant partially or fully terminated for other reasons, such as failing to meet eligibility requirements or no longer being financially viable.

Annual Funding for Existing Head Start and Early Head Start Programs

Each year, Congress appropriates funding for programs authorized under the Head Start Act (nearly $12 billion for fiscal year 2023). OHS allocates the large majority of Head Start and Early Head Start funding directly to existing Head Start grant recipients, according to a statutory formula.[14] Generally, a grant recipient's total award equals the amount of funding it received in the prior year (known as its base grant) plus funds for cost-of-living adjustments and other things (e.g., quality improvement).[15] In the following year, each grant recipient's cost-of-living adjustment becomes part of its base grant.[16]

[13]Generally, grant recipients whose actual enrollment is less than their funded enrollment for 4 consecutive months are subject to administrative processes to address underenrollment, including that they must develop a plan and timetable to reduce or eliminate underenrollment. Twelve months after being flagged as underenrolled, if grant recipients fall short of 97 percent of their funded enrollment levels, OHS has the authority to designate the agency as "chronically underenrolled." OHS may then take actions, such as recapturing, withholding, or reducing the annual funding and funded enrollment for that grant recipient. See 45 U.S.C. § 9836a(h).

[14]The Head Start Act requires OHS to provide to existing grant recipients an amount of base grant funding equal to what they received in the prior fiscal year. 42 U.S.C. § 9835(a)(2)(B)(i). For fiscal year 2022, the most recent year for which funding allocation data were available at the time of our review, OHS allocated $10.7 billion out of $11 billion directly to Head Start grant recipients.

[15]Under the formula, cost-of living adjustments are allocated proportionally based on the amount of each grant recipient's base grant. The formula also governs how funding should be allocated for set-asides (e.g., training and technical assistance) and quality improvement activities, among other things. See generally 42 U.S.C. § 9835(a)(2)(B).

[16]According to OHS officials, quality improvement funding may become part of the base grant for the following year, unless it is from one-time funding opportunities.

Competitive Grant Funding for Head Start and Early Head Start Programs

At times, Head Start funding is also available for competitive grants to support expanding Head Start or Early Head Start programs or for other reasons.

Head Start and Early Head Start expansion funding. At times, Congress appropriates additional funds to be awarded by OHS competitively. These funds have been commonly used to increase enrollment in Head Start or Early Head Start and are known as expansion funding.[17] OHS generally allocates expansion funding to states or regions, and then holds competitions to competitively award the funding to new or existing grant recipients within those states or regions. Further, certain statutory provisions govern how Head Start and Early Head Start expansion funding is to be distributed or awarded:

- **Head Start expansion.** A federal statutory formula provides for 45 percent of Head Start expansion funds to be distributed proportionally among all states, according to each state's share of children under age 5 from families whose incomes are below the poverty line. The remaining 55 percent of funds are to be distributed proportionally among states in which fewer than 60 percent of 3- to 4-year-olds from families whose incomes are below the poverty line are already served by Head Start.[18]
- **Early Head Start expansion.** Federal statute requires OHS to award grants in a manner that ensures an "equitable national geographic distribution of the grants."[19] Further, OHS must award grants to

[17]For instance, Congress appropriated $100 million in expansion funding for Head Start and Early Head Start in fiscal year 2023. According to OHS, Congress has provided funding for Early Head Start expansion, including Early Head Start-Child Care partnerships, several times over the last decade: $490 million in fiscal year 2014, $119 million in fiscal year 2016, $136 million in fiscal years 2018 and 2019, and $100 million in fiscal year 2020. However, prior to fiscal year 2023, Congress had not appropriated funding for Head Start expansion since the American Recovery and Reinvestment Act of 2009, according to OHS.

[18]42 U.S.C. § 9835(a)(4)(D)(iv). The expansion provision for Head Start does not apply to AIAN Head Start or MSHS.

[19]The statute does not further define "equitable national geographic distribution of the grants."

applicants proposing to serve rural communities, as well as applicants proposing to serve urban communities.[20]

Other competitive funding opportunities. OHS may announce a grant competition, for example, after an existing Head Start grant is terminated or to redistribute funding recaptured from grant recipients that are unable to meet enrollment obligations.[21]

Competitive Grant Announcements for Head Start and Early Head Start

When OHS makes a competitive Head Start or Early Head Start grant opportunity available, it issues a funding announcement that specifies the purpose of the funding (e.g., to establish a new Early Head Start program), the amount of funding available, and the geographic area from which applications will be considered. OHS also publishes the criteria upon which applicants will be evaluated in its announcements.[22] Among these criteria, applicants must specify the precise geographic boundaries they propose to serve (their service area) and justify the need for Head Start in that area. Prior to making the final award decision, OHS can negotiate aspects and confirm details of a grant applicant's proposal, for instance, to ensure that Head Start services will be in areas it deems as having "high need" (e.g., neighborhoods with high-needs children and families).

Head Start Availability and Funding Do Not Align Closely with Child Poverty

[20]42 U.S.C. § 9840a(f).

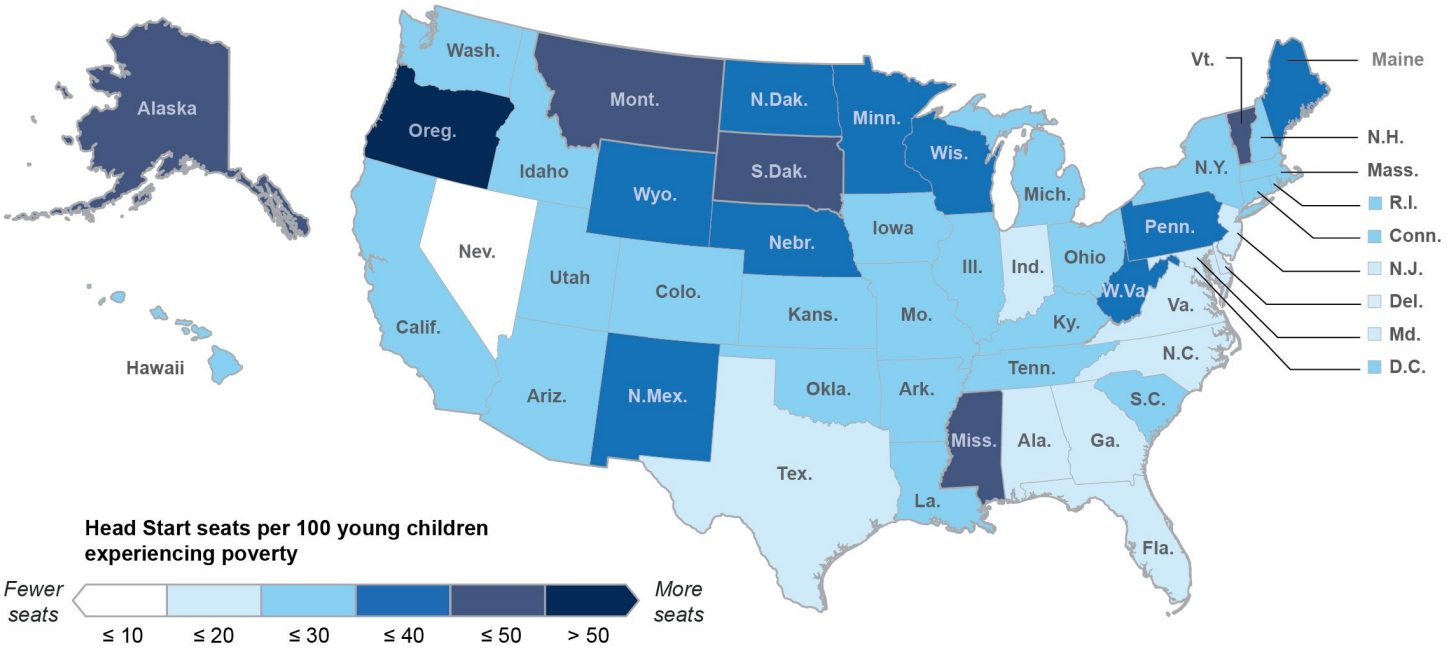
[21]Funding recaptured due to underenrollment can be competitively awarded anywhere within the state from which it was recaptured.

[22]OHS stated that these criteria generally reflect requirements in the Head Start Act.

Head Start Availability Varies Widely Across States and Counties and Does Not Closely Align with Child Poverty, Reflecting Several Contributing Factors

State-Level availability. Head Start availability varies widely across states and does not closely align with child poverty, according to our analysis of Head Start and Census data. The number of Head Start seats ranged from about nine for every 100 young children experiencing poverty in Nevada to 53 in Oregon (see fig. 1).[23] The average rate of Head Start availability among all states was 28 seats for every 100 young children in poverty.[24]

Figure 1: Head Start Availability per 100 Young Children in Poverty, by State, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

[23]For the purposes of this report, availability rate is calculated as the number of Head Start enrollment slots compared to every 100 children under age 5 experiencing poverty. The number of Head Start enrollment slots encompasses all Head Start programs, including Head Start, Early Head Start, AIAN Head Start, and MSHS. Our analyses included all 50 states and the District of Columbia. See app. I for more information.

[24]The margins of error for the Head Start availability rate for each state are no greater than plus or minus eight seats per 100 young children experiencing poverty at the 90 percent level of confidence.

Accessible data for Figure 1: Head Start Availability per 100 Young Children in Poverty, by State, Fall 2022

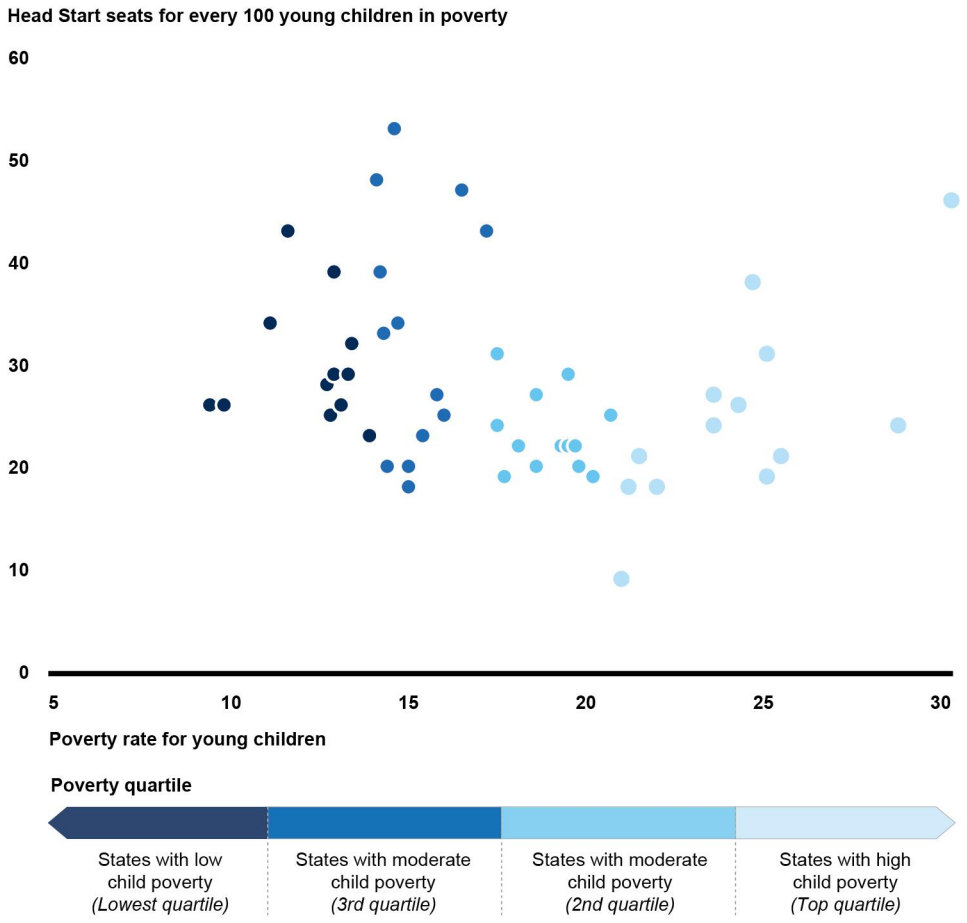
- ≤ 10: Nevada
- ≤ 20: Maryland, Texas, Georgia, North Carolina, Indiana, Alabama, Delaware, Virginia, Florida, and New Jersey
- ≤ 30: Arkansas, South Carolina, Arizona, New York, Tennessee, Missouri, Connecticut, Idaho, Kentucky, Illinois, Louisiana, Kansas, Colorado, Ohio, Utah, District of Columbia, Massachusetts, New Hampshire, California, Oklahoma, Rhode Island, Washington, Michigan, Iowa, and Hawaii
- ≤ 40: Pennsylvania, New Mexico, Nebraska, Wisconsin, Maine, Minnesota, West Virginia, North Dakota, and Wyoming
- ≤ 50: Montana, Vermont, Mississippi, South Dakota, and Alaska
- > 50: Oregon

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Note: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census's Small Area Income Poverty Estimates for 2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

When we compared Head Start availability in states in the lowest and highest quartiles of child poverty, we found that states with the lowest child poverty rates had an average of about 31 Head Start seats for every 100 young children in poverty (see fig. 2). In contrast, states with the highest child poverty rates had an average of about 26 seats for every 100 young children in poverty. These differences were not statistically significant.

Figure 2: Poverty Rates for Young Children and Head Start Availability by State, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Accessible data for Figure 2: Poverty Rates for Young Children and Head Start Availability by State, Fall 2022

State	Availability rate for Head Start services	Percent of children under 5 in poverty	Quartile
New Hampshire	26	9.4	lowest
Utah	26	9.8	lowest
Minnesota	34	11.1	lowest
Vermont	43	11.6	lowest
Washington	28	12.7	lowest
Colorado	25	12.8	lowest
Hawaii	29	12.9	lowest

State	Availability rate for Head Start services	Percent of children under 5 in poverty	Quartile
North Dakota	39	12.9	lowest
Massachusetts	26	13.1	lowest
Iowa	29	13.3	lowest
Nebraska	32	13.4	lowest
Connecticut	23	13.9	lowest
Alaska	48	14.1	3rd quartile
Wyoming	39	14.2	3rd quartile
Wisconsin	33	14.3	3rd quartile
Virginia	20	14.4	3rd quartile
Oregon	53	14.6	3rd quartile
Maine	34	14.7	3rd quartile
Maryland	18	15	3rd quartile
New Jersey	20	15	3rd quartile
Idaho	23	15.4	3rd quartile
California	27	15.8	3rd quartile
Kansas	25	16	3rd quartile
South Dakota	47	16.5	3rd quartile
Montana	43	17.2	3rd quartile
Illinois	24	17.5	2nd quartile
Pennsylvania	31	17.5	2nd quartile
Indiana	19	17.7	2nd quartile
Missouri	22	18.1	2nd quartile
Delaware	20	18.6	2nd quartile
Rhode Island	27	18.6	2nd quartile
Tennessee	22	19.3	2nd quartile
New York	22	19.5	2nd quartile
Michigan	29	19.5	2nd quartile
Arizona	22	19.7	2nd quartile
Florida	20	19.8	2nd quartile
North Carolina	19	20.2	2nd quartile
Ohio	25	20.7	2nd quartile
Nevada	9	21	top
Texas	18	21.2	top
South Carolina	21	21.5	top
Georgia	18	22	top
Kentucky	24	23.6	top

State	Availability rate for Head Start services	Percent of children under 5 in poverty	Quartile
Oklahoma	27	23.6	top
District of Columbia	26	24.3	top
West Virginia	38	24.7	top
Alabama	19	25.1	top
New Mexico	31	25.1	top
Arkansas	21	25.5	top
Louisiana	24	28.8	top
Mississippi	46	30.3	top

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

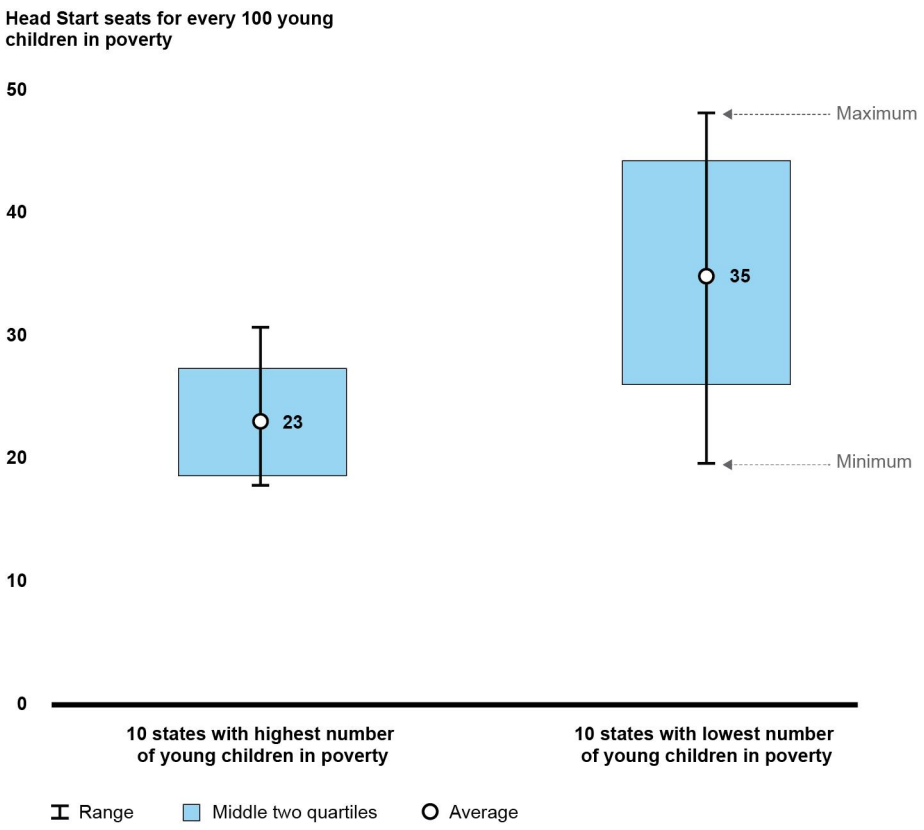
Note: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census's Small Area Income Poverty Estimates for 2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

Further, the ten states with the fewest young children in poverty had, on average, 35 Head Start seats for every 100 young children experiencing poverty.[25] (These states were generally small.) In comparison, the ten states with the greatest number of young children in poverty had fewer Head Start seats for every 100 young children experiencing poverty, at 23 (see fig. 3). These states were generally large and accounted for over half of all young children living in poverty nationwide.[26]

[25]These states, according to 2021 Census estimates, were Alaska, Delaware, Maine, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming, as well as the District of Columbia.

[26]These states, according to 2021 Census estimates, were California, Florida, Georgia, Illinois, Michigan, New York, North Carolina, Ohio, Pennsylvania, and Texas.

Figure 3: Comparing Average Head Start Availability Rates between States with the Highest and Lowest Numbers of Young Children in Poverty, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Accessible data for Figure 3: Comparing Average Head Start Availability Rates between States with the Highest and Lowest Numbers of Young Children in Poverty, Fall 2022

	10 states with highest number of young children in poverty	10 states with lowest number of young children in poverty
Range	17.8 (Low), 30.69 (High)	19.57 (Low), 48.14 (High)
Average	23	35

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

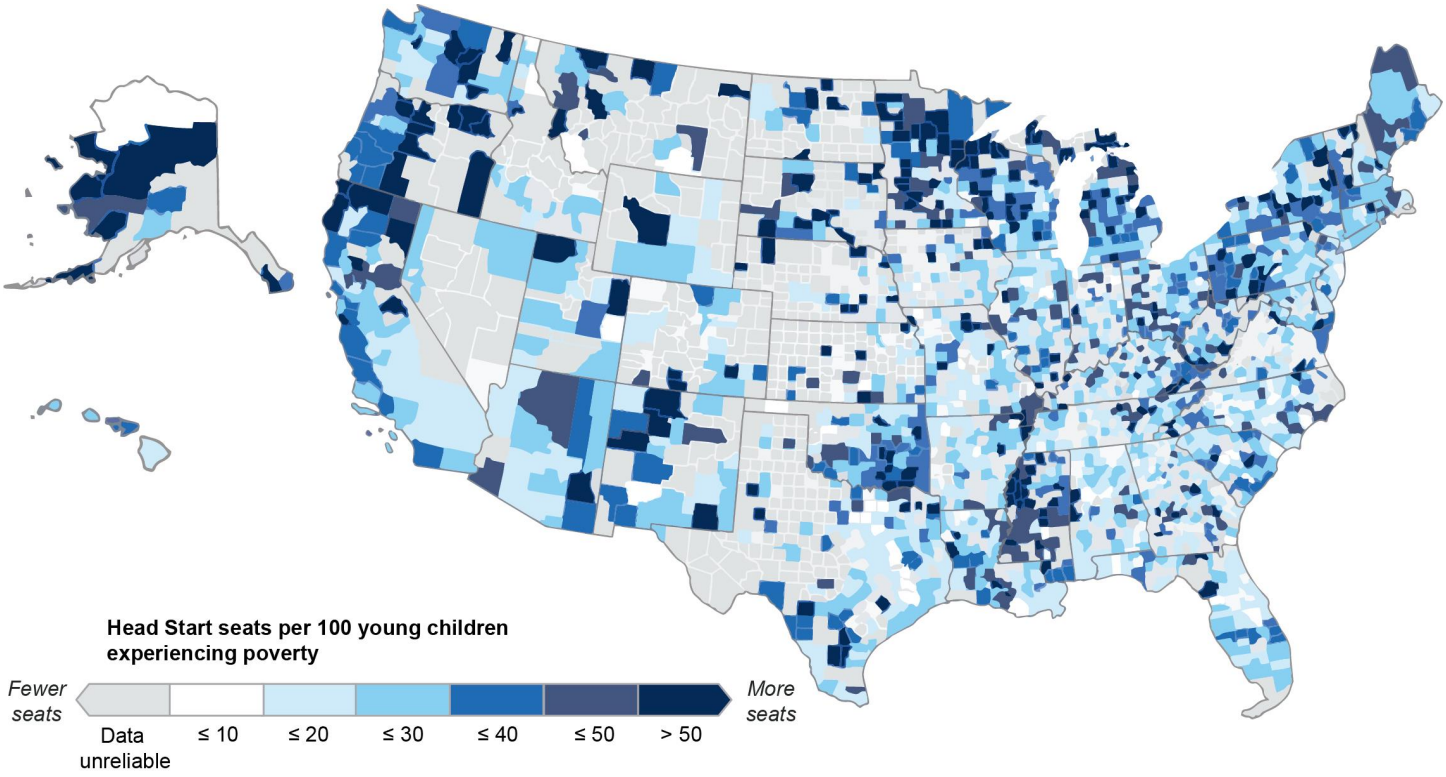
Notes: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census data, specifically the Small Area Income Poverty Estimates for 2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

The 10 states with the highest numbers of young children experiencing poverty, according to 2021 Census estimates, were California, Florida, Georgia, Illinois, Michigan, New York, North Carolina,

Ohio, Pennsylvania, and Texas. The 10 states with the fewest young children in poverty were Alaska, Delaware, Maine, New Hampshire, North Dakota, Rhode Island, South Dakota, Vermont, and Wyoming, as well as the District of Columbia.

County-Level availability. Head Start availability also varied widely across counties and did not closely align with child poverty, according to our analysis of data from the nearly two-thirds of counties with reliable poverty estimates.[27] These counties had an average of 30 Head Start seats for every 100 young children in poverty.[28] However, availability ranged widely among counties (see fig. 4).

Figure 4: Head Start Availability per 100 Young Children in Poverty, by County, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

[27]We excluded about 37 percent of counties from our analysis due to data reliability concerns, including certain Census estimates of young children in poverty—for more information, see app. I. Most of these counties were generally rural and home to fewer young children in poverty, accounting for less than 4 percent of all young children in poverty (about 126,160 young children in total).

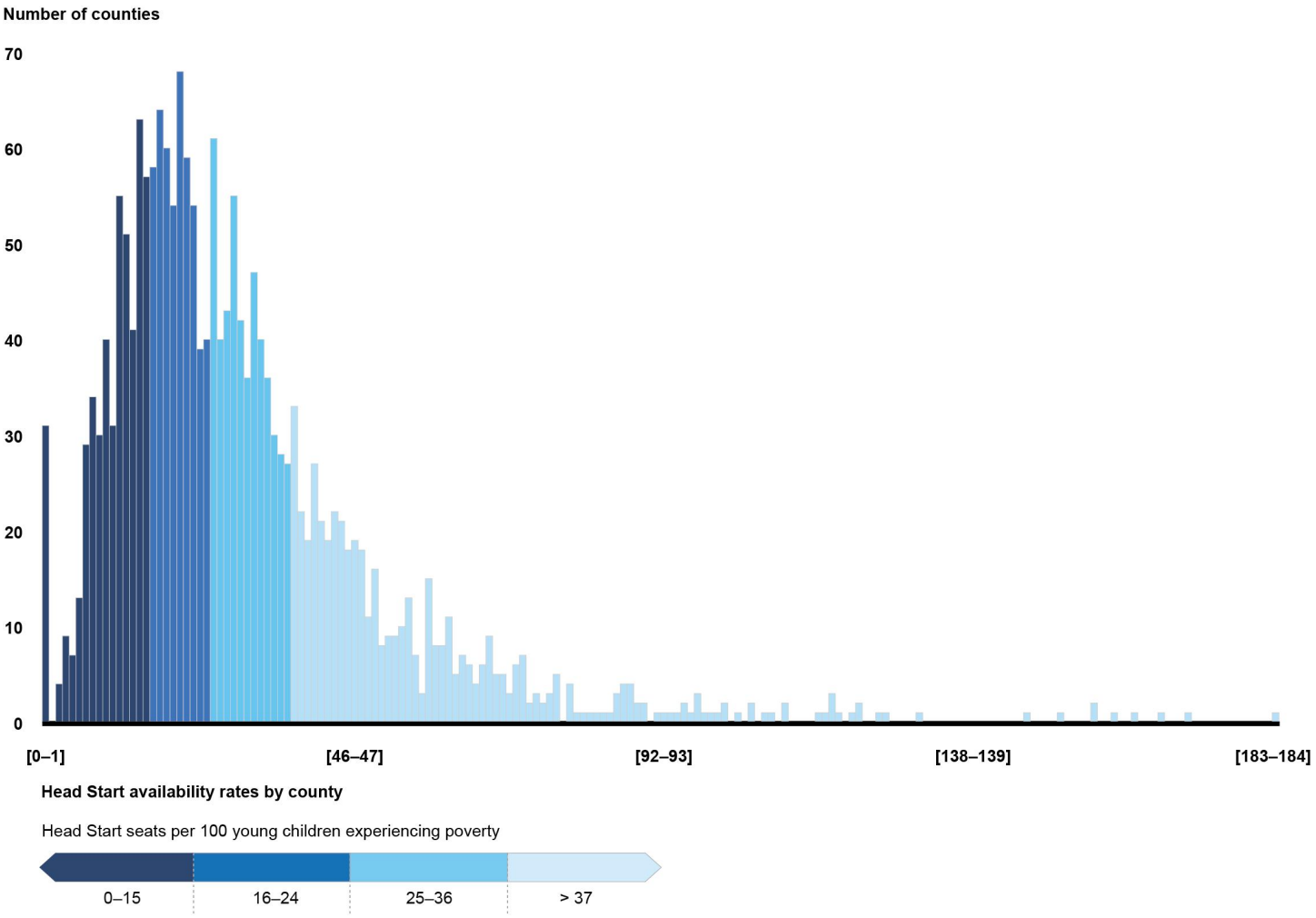
[28]All included counties had a 90 percent margin of error of 157 seats or less, and all but 297 included counties (about 15 percent) had a 90 percent margin of error of 45 seats or less.

Note: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census's American Community Survey 5-year estimates, 2017–2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

The range of Head Start availability across counties included in our analysis is illustrated in figure 5. The bottom quartile of these counties had fewer than 16 Head Start seats for every 100 young children in poverty. At the other end of the spectrum, the top quartile of counties had more than double that rate of Head Start availability—at about 37 seats and higher. Notably, the bottom 10 percent of counties—mostly in the South—had fewer than 10 Head Start seats for every 100 young children experiencing poverty. In contrast, the top 2 percent of counties had more Head Start seats than young children experiencing poverty.[29]

[29]Specifically, about 60 percent of counties with fewer than 10 Head Start seats for every 100 young children experiencing poverty (119 of 197) were in the South. These counties had an estimated 316,516 young children in poverty. In addition, 30 counties had more than 100 Head Start seats for every 100 young children in poverty; these were generally evenly distributed across the South, Midwest, and West. These counties had an estimated 8,187 young children in poverty.

Figure 5: Distribution of County Head Start Availability Rates, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Accessible data for Figure 5: Distribution of County Head Start Availability Rates, Fall 2022

BIN	RATE	QUARTILE
[0–1]	31	Q1
	0	Q1
	4	Q1
	9	Q1
	7	Q1
	13	Q1

BIN	RATE	QUARTILE
	29	Q1
	34	Q1
	30	Q1
	40	Q1
	31	Q1
	55	Q1
	51	Q1
	41	Q1
	63	Q1
[16–17]	57	Q1
	58	Q2
	64	Q2
	60	Q2
	54	Q2
	68	Q2
	59	Q2
	54	Q2
	39	Q2
[25–26]	40	Q2
	61	Q3
	40	Q3
	43	Q3
	55	Q3
	42	Q3
	36	Q3
	47	Q3
	40	Q3
	36	Q3
	30	Q3
	28	Q3
[37–38]	27	Q3
	33	Q4
	22	Q4
	19	Q4
	27	Q4
	21	Q4
	19	Q4

BIN	RATE	QUARTILE
	22	Q4
	21	Q4
	18	Q4
[46–47]	19	Q4
	18	Q4
	11	Q4
	16	Q4
	8	Q4
	9	Q4
	9	Q4
	10	Q4
	13	Q4
	7	Q4
	3	Q4
	15	Q4
	8	Q4
	8	Q4
	11	Q4
	5	Q4
	7	Q4
	6	Q4
	4	Q4
	6	Q4
	9	Q4
	5	Q4
	5	Q4
	3	Q4
	6	Q4
	7	Q4
	2	Q4
	3	Q4
	2	Q4
	3	Q4
	5	Q4
	0	Q4
	4	Q4
	1	Q4

BIN	RATE	QUARTILE
	1	Q4
	1	Q4
	1	Q4
	1	Q4
	1	Q4
	3	Q4
	4	Q4
	4	Q4
	2	Q4
	2	Q4
	0	Q4
	1	Q4
[92–93]	1	Q4
	1	Q4
	1	Q4
	2	Q4
	1	Q4
	3	Q4
	1	Q4
	1	Q4
	1	Q4
	2	Q4
	0	Q4
	1	Q4
	0	Q4
	2	Q4
	0	Q4
	1	Q4
	1	Q4
	0	Q4
	2	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
	1	Q4

BIN	RATE	QUARTILE
	3	Q4
	1	Q4
	0	Q4
	1	Q4
	2	Q4
	0	Q4
	0	Q4
	1	Q4
	1	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
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	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
[138–139]	0	Q4
	0	Q4
	0	Q4
	0	Q4
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	0	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4

BIN	RATE	QUARTILE
	0	Q4
	0	Q4
	2	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4
	0	Q4
	1	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
	0	Q4
[183–184]	1	Q4

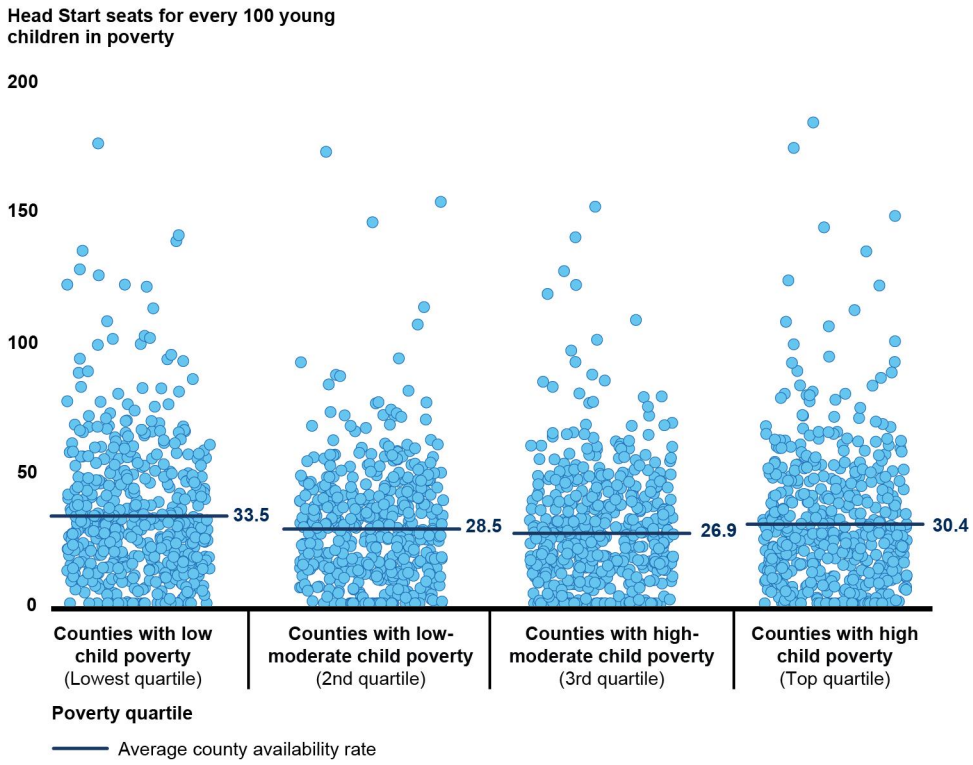
Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Note: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census's American Community Survey 5-year estimates, 2017–2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

Variation in availability of Head Start services at the county level also does not correspond to child poverty rates. Specifically, counties in each child poverty quartile had similar average rates of Head Start availability.

However, actual Head Start availability ranged widely among counties. Specifically, within each poverty quartile, availability rates for individual counties ranged from zero to over 150 seats per 100 young children in poverty (see fig. 6).

Figure 6: Head Start Availability Rates by County Across Poverty Quartiles, Fall 2022



Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Accessible data for Figure 6: Head Start Availability Rates by County Across Poverty Quartiles, Fall 2022

Poverty quartile:

- Counties with low child poverty (Lowest quartile): 33.5
- Counties with low-moderate child poverty (2nd quartile): 28.5
- Counties with high-moderate child poverty (3rd quartile): 26.9
- Counties with high child poverty (Top quartile): 30.4

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO 24-106077

Note: The Head Start availability rate is the number of Head Start seats available in each state for every 100 children under age 5 experiencing poverty. Child poverty estimates are from Census's American Community Survey 5-year estimates, 2017–2021. Head Start seats include all Head Start, Early Head Start, American Indian and Alaska Native Head Start, and Migrant and Seasonal Head Start seats reported by grant recipients in each state as of fall 2022.

When we analyzed Head Start availability by county urbanicity, we found that, among the approximately two-thirds of counties for which we had reliable data, Head Start services were more available in rural counties than metropolitan counties.[30] Specifically, rural counties (with 15 percent of all young children in poverty) had an average of 35 Head Start seats for every 100 young children in poverty. Conversely, we found that metropolitan counties had an average of 24 seats for every 100 young children experiencing poverty. The large majority of young children experiencing poverty in the United States (85 percent) live in metropolitan counties.

When asked about the factors contributing to the variation in Head Start availability at the state and county levels, OHS officials gave several reasons.

- Historical initial investments in states set a baseline for future investments to build on. In general, officials stated that Congress has not directed significant funding to address variation in available funding per child in poverty or in Head Start slots.
- Since Head Start programs are locally driven, programmatic offerings can vary widely to reflect the unique needs of the population served. Need for Head Start may vary depending on the availability of other community resources, such as public pre-kindergarten programs or subsidies for low-income families.
- Grant recipients' cost of providing services can also affect availability. For instance, grant recipients may have higher operating costs if they are open for longer hours, serve younger children, pay staff higher wages, have higher facility costs, or provide transportation services.[31] Grant recipients with higher costs would reach fewer children than grant recipients with lower operating costs, other things being equal.

[30]To define metropolitan counties, we used the Office of Management and Budget's 2020 standards for defining metropolitan statistical areas and micropolitan statistical areas. To define rural counties, we combined micropolitan and noncore counties into one category. For more information on these categories, see app. I.

[31]According to HHS, operating costs can also diverge over time across states and counties. For example, increased minimum wage laws in certain states could drive higher operating costs in those states.

- Population and poverty shifts can exacerbate existing discrepancies in Head Start availability. For example, regional office officials noted that recent wildfires led to outmigration and population declines in several California counties with high availability rates.

OHS officials also expressed their belief that Head Start program locations generally align with child poverty rates within states. They pointed to recent estimates produced by the Office of the Assistant Secretary for Planning and Evaluation (ASPE) in cooperation with OHS indicating that most 3- to 4-year-olds living in poverty across the United States are within 5 miles of a Head Start center.[32] However, we found insufficient evidence to conclude that ASPE's estimates reasonably reflect income-eligible children's geographic proximity to Head Start.[33] Further, ASPE's own study authors cautioned that the estimates they produced should not be used to assess how well Head Start services align with need. Moreover, a child's geographic proximity to a Head Start center does not indicate whether that child has access to Head Start. For instance, children living in a dense urban area may live near a Head Start center but may not be able to access the Head Start program if the number of eligible children far exceeds the number of offered seats.

Head Start Funding Distribution across States Does Not Align Closely with Changing Child Poverty

Head Start funding, which is largely divided among states by formula, varies widely by state and does not align closely with changes in child poverty, according to our analysis.[34] Under this formula, grant recipients generally receive funding for the number of enrollment slots specified in their grant award each year, regardless of whether the number of children

[32]R. Ghertner and A. Schreier, *Young Children's Geographic Access to Head Start Preschool Programs, 2022*, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services (Oct. 2022).

[33]For instance, the ASPE study included numerous improbable assumptions—including that unreliable Census tract and Census block data could be aggregated to the state level without introducing error into the estimates—and did not assess the magnitude of sampling error in its estimates.

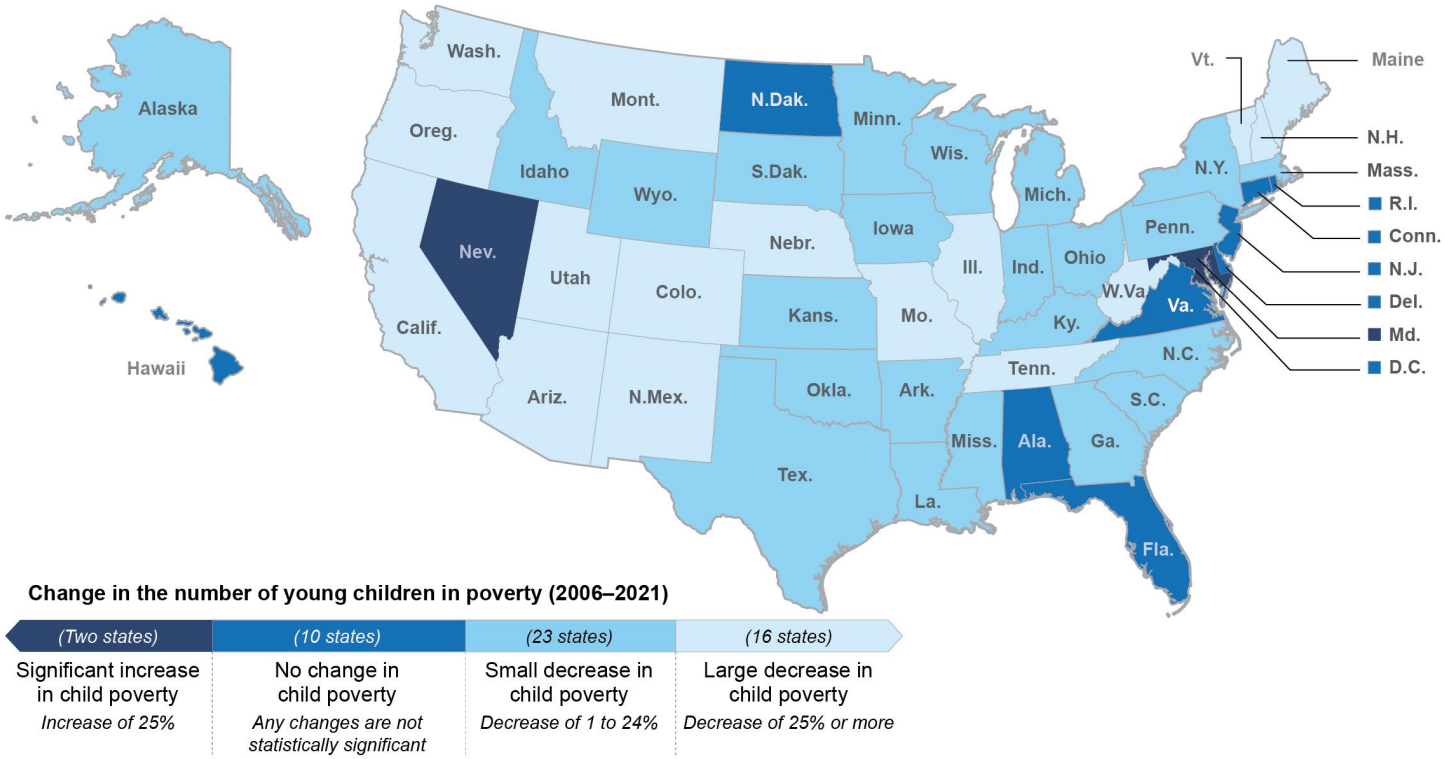
[34]We compared the amount of Head Start and Early Head Start funding allocated to grant recipients in each state to the number of young children in poverty in that state, referred to as per-child funding throughout the report. We did not include funding for AIAN Head Start and MSHS in these totals because data on funding for those programs is not available by state, nor is the funding distributed by state. We defined young children in poverty as those under age 5 living at or below 100 percent of the federal poverty line.

eligible for Head Start in the state rises or falls. As a result, in states where child poverty falls over time, grant recipients will generally have the capacity to serve a higher proportion of the state's income-eligible children. In contrast, in states where child poverty rises over time, grant recipients will generally have the capacity to serve a lower proportion of income-eligible children.

According to our analysis of Census estimates, child poverty declined significantly in more than three-quarters of states (39 states) over the 15 years from 2006 to 2021—the most recent period available with comparable data at the time of our review.[35] In 16 of these states, this decline was large—by 25 percent or more. In comparison, child poverty increased in two states— Maryland and Nevada —by about 25 percent (see fig. 7).

[35]Census began using a new methodology to measure child poverty in 2005. Estimates based on this methodology were only available 2006–2021 at the time of our review. According to Census guidance, estimates developed before 2006 should not be compared to estimates using its current methodology. For more information, see app. I.

Figure 7: Change in the Number of Children under Age 5 in Poverty by State, 2006–2021



Source: GAO analysis of data from the Census Bureau. | GAO 24-106077

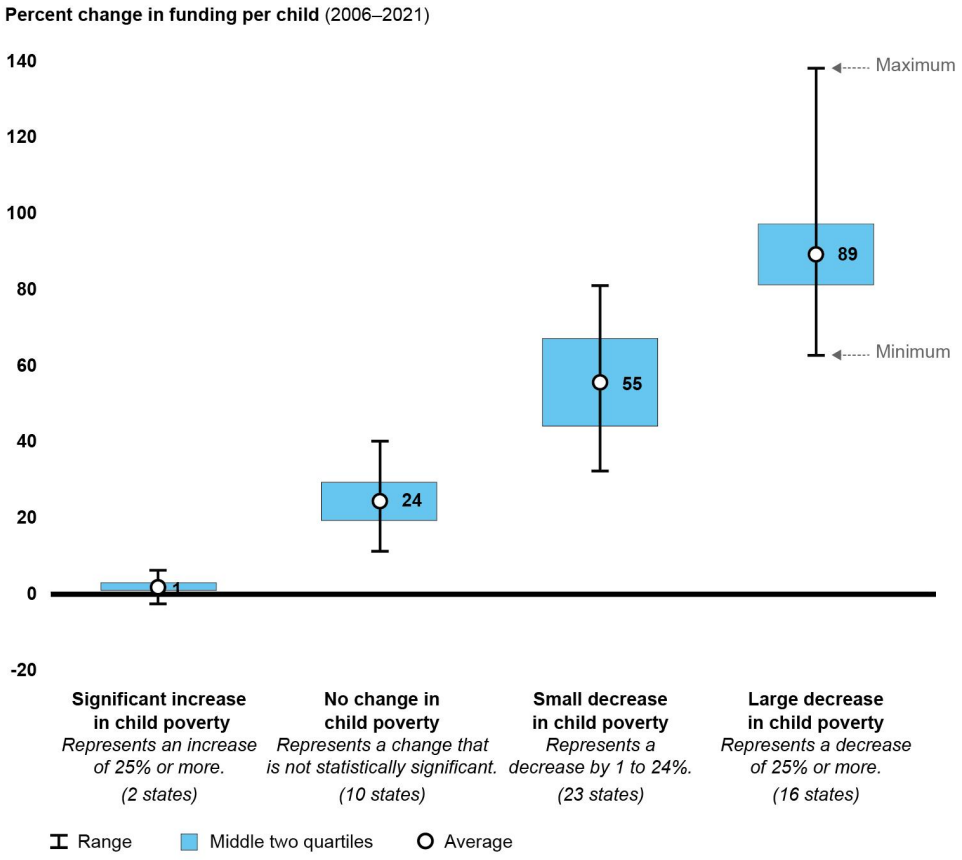
To understand the potential impact of population and poverty shifts on the reach of Head Start funding across states, we compared the total amount of Head Start funding for each state to the number of young children in poverty in each state to calculate "per-child funding." We found that per-child funding across all states increased by an average of around $1,100 from 2006 to 2021.[36] However, over this period there were growing differences in per-child funding provided to states with decreasing child poverty compared to those with increasing child poverty.[37] As figure 8 shows, states with large declines in child poverty nearly doubled their per-

[36]Over this period, Head Start funding grew from about $7.6 billion in 2006 to about $9.3 billion in 2021. (Funding amounts for 2006 were inflation-adjusted to 2021 dollars for this analysis.)

[37]The margins of error for funding per child in 2006 are no greater than plus or minus $386.23 at the 90 percent level of confidence. The margins of error for funding per child in 2021 are no greater than plus or minus $1,479.02 at the 90 percent level of confidence.

child funding.[38] At the top end of the range, Vermont saw its per-child funding increase by nearly $4,400. However, the only two states with statistically significant increases in child poverty—Maryland and Nevada—saw a negligible change in per-child funding over this period. Specifically, Maryland had a decrease of approximately $74 and Nevada had an increase of about $63.

Figure 8: State Changes in Head Start Funding per Young Child in Poverty, 2006–2021, by Category of State Change in Child Poverty



Source: GAO analysis of data from the Census Bureau and the Administration for Children and Families. | GAO 24-106077

[38]On average, states with large declines in child poverty saw their Head Start funding increase by about 89 percent.

Accessible data for Figure 8: State Changes in Head Start Funding per Young Child in Poverty, 2006–2021, by Category of State Change in Child Poverty

	Middle two quartiles (Number of states)	Minimum change in funding	Maximum change in funding	Average change in funding
Significant increase in child poverty. Represents an increase of 25% or more.	2	3%	5.8%	1.4%
No change in child poverty. Represents a change that is not statistically significant.	10	10.8%	39.7%	23.9%
Small decrease in child poverty. Represents a decrease by 1 to 24%.	23	31.9%	80.6%	55.2%
Large decrease in child poverty. Represents a decrease of 25% or more.	16	62.3%	137.8%	88.8%

Source: GAO analysis of data from the Census Bureau and the Administration for Children and Families. | GAO 24-106077

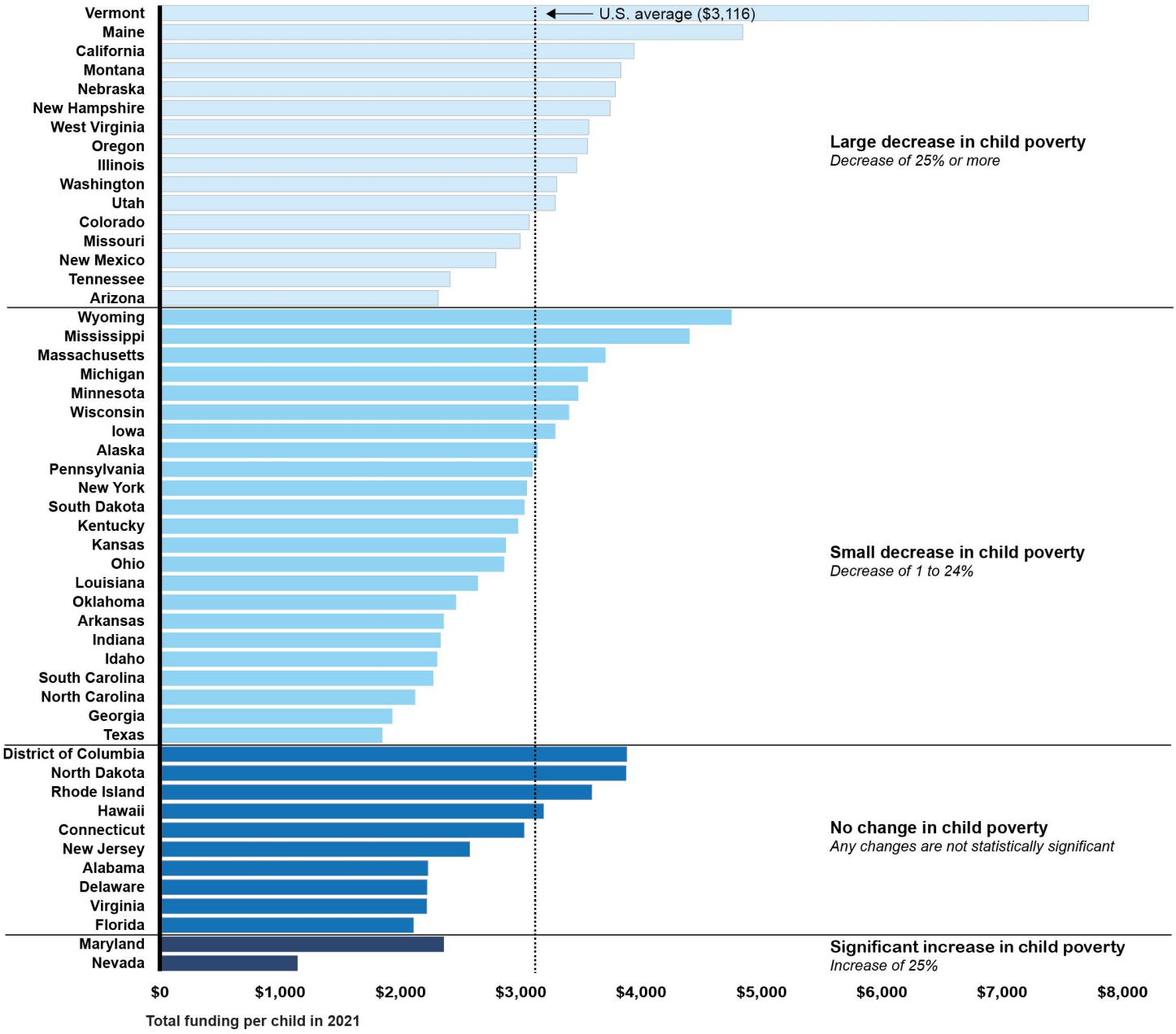
Notes: Head Start funding in 2006 was inflation-adjusted to 2021 dollars for this calculation.

Per-child funding refers to the amount of Head Start and Early Head Start funding allocated to a state, divided by the estimated number of children under age 5 in poverty in that state. Funding for American Indian and Alaska Native Head Start and Migrant and Seasonal Head Start were excluded from these totals because data on funding for those programs is not available by state.

A significant increase represents an increase of approximately 25 percent or more. No change in child poverty represents a change that is not statistically significant. A small decrease in child poverty represents a decrease by approximately 1 to 24 percent. A large decrease in child poverty represents a decrease of approximately 25 percent or more.

By 2021, the average amount of per-child Head Start funding across all states had risen to $3,116 (up from about $2,000 in 2006). However, states with growing child poverty over this 15-year period (Maryland and Nevada), had an average of just $1,752 in per-child funding. By contrast, states that experienced large declines in child poverty had the highest amount of funding per young child in poverty, at an average of $3,663 per child (see fig. 9).

Figure 9: Head Start Funding per Young Child in Poverty, by State, Fiscal Year 2021



Source: GAO analysis of data from the Census Bureau and the Administration for Children and Families. | GAO 24-10607

Accessible data for Figure 9: Head Start Funding per Young Child in Poverty, by State, Fiscal Year 2021 (U.S. Average: $3,116)

	State	Total funding per child in 2021
Large decrease in child poverty (Decrease of 25% or more)	Vermont	$7,717
	Maine	$4,845
	California	$3,940
	Montana	$3,832
	Nebraska	$3,786
	New Hampshire	$3,743
	West Virginia	$3,566
	Oregon	$3,554
	Illinois	$3,464
	Washington	$3,298
	Utah	$3,287
	Colorado	$3,071
	Missouri	$2,994
	New Mexico	$2,793
	Tennessee	$2,412
	Arizona	$2,313
Small decrease in child poverty (Decrease of 1 to 24%)	Wyoming	$4,751
	Mississippi	$4,402
	Massachusetts	$3,704
	Michigan	$3,556
	Minnesota	$3,476
	Wisconsin	$3,401
	Iowa	$3,287
	Alaska	$3,140
	Pennsylvania	$3,097
	New York	$3,051
	South Dakota	$3,030
	Kentucky	$2,978
	Kansas	$2,875
	Ohio	$2,861
	Louisiana	$2,643
	Oklahoma	$2,461
	Arkansas	$2,359
	Indiana	$2,333

	State	Total funding per child in 2021
	Idaho	$2,305
	South Carolina	$2,273
	North Carolina	$2,121
	Georgia	$1,932
	Texas	$1,849
No change in child poverty (Any changes are not statistically significant)	District of Columbia	$3,881
	North Dakota	$3,875
	Rhode Island	$3,590
	Hawaii	$3,190
	Connecticut	$3,029
	New Jersey	$2,575
	Alabama	$2,228
	Delaware	$2,221
	Virginia	$2,219
	Florida	$2,109
Significant increase in child poverty (Increase of 25%)	Maryland	$2,360
	Nevada	$1,145

Source: GAO analysis of data from the Census Bureau and the Administration for Children and Families. | GAO 24-10607

Notes: Per-child funding refers to the amount of Head Start and Early Head Start funding allocated to a state, divided by the estimated number of children under age 5 in poverty in that state. Funding for American Indian and Alaska Native Head Start and Migrant and Seasonal Head Start were excluded from these totals because data on funding for those programs is not available by state.

A large decrease in child poverty represents a decrease of approximately 25 percent or more. A small decrease in child poverty represents a decrease by approximately 1 to 24 percent. No change in child poverty represents a change that is not statistically significant. A significant increase in child poverty represents an increase of approximately 25 percent or more.

OHS officials described several benefits to the annual Head Start formula. According to Head Start officials, the annual Head Start funding formula's lack of sensitivity to shifting child poverty helps protect the continuity of Head Start services in the communities where they are located. Further, officials said it allows programs to invest in infrastructure and community relationships, and that there would be implications for staffing, physical infrastructure, and children and families if OHS reduced enrollment and shifted funds based on changes in poverty rates. However, Head Start

officials told us the disadvantage is a decreased ability to pivot when population and poverty shifts occur.[39]

Statutory Provisions May Hinder Efforts to Address Variation in Head Start Availability

While OHS officials acknowledged the wide variation in Head Start availability we identified, current statutory provisions do not support the alignment of resources with need in two key ways. First, as previously mentioned, the annual funding formula for Head Start is not responsive to shifts in child poverty. Second, current expansion funding provisions for Head Start and Early Head Start do not effectively direct additional resources to areas in need.

Annual funding. As the Congressional Research Service reported, recent annual appropriations acts have tended to target Head Start funding increases toward specific activities (such as prioritizing cost of living adjustments and funding new slots for Early Head Start) rather than distributing new funds by statutory formula.[40] This practice suggests that the statutory funding formula—which directs funding to existing grant recipients based on approved enrollment numbers—may not be fully responsive to current congressional needs. Grants may be designed in a variety of ways, depending on the purpose Congress wishes to achieve.[41] Reviewing the Head Start funding formula to ensure that it aligns with current congressional priorities and goals for Head Start could result in better allocation of scarce federal resources.

Expansion funding provisions for Head Start. The statutory provision that provides for about half of Head Start expansion funding to be distributed to states with relatively low access to services may not effectively target states with the lowest access. The statute provides for

[39]Head Start officials also noted that the Head Start Act provides a mechanism to address population and poverty shifts through the underenrollment process, if those shifts result in programs being unable to fill seats. However, recaptured funds must be reallocated within the same state, unless they are recaptured from the AIAN Head Start or MSHS program.

[40]Congressional Research Service, *Head Start: Overview and Current Issues* (Washington, D.C.: Dec. 2019).

[41]See, for example, GAO, *Federal Grants: Design Improvements Could Help Federal Resources Go Further,* GAO-97-7 (Washington, D.C.: Dec. 1996). Federal grant formulas can be designed to allocate funds according to, for example, programmatic needs, fiscal capacity, and service costs.

two streams of Head Start expansion funding, one shared by all states and the other reserved for states with relatively low access. Specifically,

- 45 percent of available expansion funding is allocated proportionally across all states according to their population of 3- and 4-year-olds in poverty; while
- the remainder (55 percent) is shared by states where Head Start programs serve fewer than 60 percent of 3- and 4-year-olds from families with incomes below the poverty line (which we refer to as "targeted funding").[42]

However, the last time funding was provided for Head Start expansion, the large majority of states (39 states) qualified for both streams of funding, according to OHS officials. As a result, the targeted funding was spread relatively thinly across those 39 states.[43] If the Head Start expansion funding provision were applied again today, we estimate that an even larger majority of states—45 states plus the District of Columbia—would qualify for both streams of funding.[44] Dividing the targeted funding among such a large group of states would do little to improve access in states with very low rates of access to Head Start. A lower threshold would result in fewer states qualifying for both streams of funding, with more funding going to each targeted state.[45]

Expansion funding provisions for Early Head Start. While the statute directs OHS to award Early Head Start grants, including expansion

[42]42 U.S.C. § 9835(a)(4)(D)(iv)(I)(aa).

[43]Specifically, in 2009, HHS allocated about $220 million of its appropriation for Head Start expansion. According to OHS officials, the 39 states that qualified for both funding streams increased Head Start enrollment by less than 2 percentage points on average. The 11 states (and the District of Columbia) that did not receive targeted funding increased enrollment by less than 1 percentage point on average.

[44]To identify the states who would qualify for additional funding, we estimated the percent of 3 to 4 year olds in poverty in each state that could be served by Head Start preschool programs operated in that state using 2021 child poverty rates from SAIPE, 2021 population estimates from ACS, and the number of enrollment slots reported by grant recipients in each state from Head Start center data, as of September 2022. See app. I for more information.

[45]For instance, we estimate that fewer than half of states (23) and the District of Columbia would qualify for targeted funding if the threshold for prioritization were lowered to include only those states serving fewer than 40 percent of 3- and 4-year-olds in poverty. That would drop even further (to just two states and the District of Columbia) if the threshold were lowered to include only states serving fewer than 30 percent of 3- and 4-year-olds in poverty.

grants, in a manner that ensures "equitable national geographic distribution of grants," it does not define what this phrase means.[46] Further, OHS interprets the statute in a way that limits its ability to consider relative need when awarding grants. OHS interprets the provision to mean that funds should be distributed equally across all states based on their number of young children in poverty—rather than, for example, to achieve parity in access to Early Head Start across states. OHS officials stated that the basis for their ongoing practice is direction from Congress regarding how a 2014 round of Early Head Start expansion funding was to be distributed.[47] OHS officials noted that, at the time Congress provided this direction, access to Early Head Start was relatively low across the country, and there was a need to expand the program nationwide. Currently there is wide variation across states in Early Head Start availability. Specifically, we estimate that availability ranges from about four seats for every 100 children in poverty under the age of 3 in Nevada to 33 in the District of Columbia.[48] Continuing to allocate Early Head Start expansion funding based on the number of young children in poverty in each state may ensure that proportional funding goes to all states. However, it will do little to address existing differences in access to Early Head Start services across states.

In light of the widely acknowledged scarcity in Head Start resources, reviewing the annual Head Start funding formula could help Congress better ensure that annual funding is distributed in a way that aligns with current priorities and could result in better allocation of scarce federal resources. Further, absent action from Congress, provisions governing the allocation of Head Start and Early Head Start expansion funding may

[46]42 U.S.C. § 9840a(f).

[47]160 Cong. Rec. H1040 (daily ed. Jan. 15, 2014). Specifically, the explanatory statement regarding the Consolidated Appropriations Act, 2014 stated that OHS should, among other things, "allocate these funds to States by considering the number of young children from families whose income is below the poverty line." Since 2014, OHS has allocated Early Head Start expansion funding based on the 2014 explanatory statement three other times. According to OHS officials, Congress provided $119 million in fiscal year 2016, $136 million in fiscal years 2018 and 2019, and $100 million in fiscal year 2020 for grant recipients to expand enrollment in Early Head Start.

[48]We estimated the percent of children under age 3 in poverty in each state that could be served by Early Head Start programs operated in that state using 2021 child poverty rates from SAIPE, 2021 population estimates from ACS, and the number of enrollment slots reported by grant recipients in each state from Head Start center data, as of September 2022. See app. I for more information.

not effectively target funding to states with the highest potential need for services.

OHS Is Missing Opportunities to Prioritize Relatively High-Need Areas for Competitive Grant Funding

Despite statutory limitations, OHS has not fully leveraged its competitive grant-making authorities to improve access to Head Start in high-need areas. OHS officials acknowledged that they have the authority to consider imbalances in the geographic distribution of existing Head Start resources when evaluating applicants for competitive grants. However, OHS officials said they generally only do so under rare circumstances—for instance, as a tiebreaker.[49] When asked why they take this approach, OHS officials said that they closely follow congressional intent when awarding grants and also seek to mirror presidential priorities in their own grant-making priorities.

Nevertheless, OHS has opportunities to fully leverage its authority to ensure that Head Start resources are targeted to children, families, and communities of greatest need, which is an agency priority.[50] Three such opportunities follow.

Funding recaptured due to underenrollment. OHS has authority to reallocate funding recaptured from chronically underenrolled grant recipients—such as the approximately $21 million that OHS recaptured from grant recipients in 14 states and announced a competition for in September of 2020. Under federal law OHS may redistribute recaptured funding anywhere within the state from which it was taken.[51] Considering existing access rates when awarding these competitive grants could help OHS better

[49]For example, officials said that if there are two top-ranking applicants proposing services in the same area and a third top-ranking applicant in a different area, OHS may fund one of the top two applicants, as well as the third, so as not to fund two programs operating in the same area.

[50]Office of Head Start, “Head Start Work Is Heart Work: OHS Priorities,” (Washington, D.C.: Sept. 18, 2023), accessed Jan. 29, 2024, https://eclkc.ohs.acf.hhs.gov/about-us/article/head-start-work-heart-work-ohs-priorities.

[51]See 42 U.S.C. § 9836a(h)(6).

ensure that it allocates funding to communities with relatively high need for services in the state.

Regional competitions for expansion funding. When awarding expansion funding, OHS officials said they use regional (as opposed to state-specific) funding competitions to maximize the impact of relatively small rounds of expansion funding and ensure that grants are large enough to support new programs.[52] Considering variation in access rates within the region could help OHS better ensure that these grants are not disproportionately awarded in states with already-high access rates.

Statutory exemptions. At times, appropriations act language has exempted OHS from statutory restrictions regarding the distribution of certain funding, which could present OHS with the opportunity to exercise some discretion. For instance, the fiscal year 2023 Head Start appropriation, which provided $100 million to expand Head Start and Early Head Start, exempted OHS from following statutory requirements regarding how it should allocate these funds.[53]

Current presidential priorities include advancing support for underserved communities. Specifically, in February 2023, the President directed federal agencies to use their grant-making functions to support agency-wide strategies to yield equitable outcomes for underserved communities.[54] OHS could further its and the administration's priorities by fully leveraging its authority to consider the distribution of Head Start resources across communities in its competitive grant-making processes.

[52]According to OHS officials, in the last decade, OHS has held regional funding competitions (instead of state-specific competitions) in three of four rounds of Early Head Start expansion.

[53]Pub. L. 117-328, 136 Stat. 4459, 4872 (2022). According to OHS officials, OHS does not have to apply the expansion funding provision as outlined in 42 U.S.C. § 9835(a)(4)(D) to this funding. Congress appropriated this funding in December 2022, and as of October 2023, OHS officials stated that they had not yet finalized the corresponding funding announcement.

[54]Exec. Order No. 14,091, § 3 (2023). This executive order notes that each agency shall support ongoing implementation of a comprehensive equity strategy that uses the agency's grant-making functions, among other things, to enable the agency's mission and service delivery to yield equitable outcomes for all Americans, including underserved communities.

Doing so could help ensure that children and families in communities with the greatest need are served by Head Start.

Moreover, to inform its competitive grant decisions, OHS could leverage the wealth of data it maintains to understand potential mismatches between available resources and need.[55] For instance, OHS could use these data to identify communities with exceptionally high rates of Head Start availability—such as the 2 percent of counties we identified with more Head Start seats than young children experiencing poverty. Further, it could use these data to identify communities with possible service gaps—like the 10 percent of counties we identified with fewer than 10 Head Start seats for every 100 young children in poverty.

Officials told us that they do not proactively use their own data to identify disparities in existing Head Start resource levels because of the limited opportunities they have to use such information in resource allocation decisions.[56] Further, they stated that they rely on applicants for competitive funding to describe community needs as part of the competitive grant application process.[57] However, applicants' descriptions of their own community's needs cannot speak to relative needs among communities.

Unlike applicants, OHS has the data needed to make such assessments and could use it inform how it awards competitive grants, such as those

[55]Among other data, OHS collects and maintains data on the geographic location of each Head Start center across the United States and the number of Head Start seats at each center, by program (e.g., Head Start, Early Head Start).

[56]In particular, they noted that they are bound by provisions that govern how Head Start funding is allocated to existing grant recipients. Under these provisions, an existing Head Start grant recipient's total award equals the amount of funding it received in the prior year (known as its base grant) plus funds for cost-of-living adjustments and other things (e.g., funds for staff training or quality improvement).

[57]For example, each applicant must justify the need for additional Head Start services in its proposed service area as a part of its application for funding. This justification forms part of the applicant's total score, which is used by OHS's application review panel to make preliminary award decisions. Applications for Head Start funding include numerous components that are scored and totaled by a nonfederal review panel, which makes preliminary award decisions. For instance, OHS's 2020 Early Head Start expansion grant announcement included six components; community needs was worth up to 20 of a possible 105 points. The community needs and objectives section of the application asked applicants to estimate the population of eligible children in their proposed service area, describe eligible children's access to other early childhood education programs, and analyze the quality of those programs, among other things.

awarded when expansion funding is made available.[58] Furthermore, doing so would align with ACF's strategic goal of taking a preventative and proactive approach to ensuring child and family well-being—using data (along with lived experiences) to predict and preempt needs.[59] Analyzing and using its own data to inform its grant-making decisions would better position OHS to align Head Start resources with need, furthering presidential priorities and agency goals.

Conclusions

Head Start is intended to promote school readiness of children experiencing poverty but, as we found, the ability of Head Start to reach such children varies widely across states and counties. Head Start funding, which is largely divided among states by formula, does not align closely with changes in child poverty. Under this formula, grant recipients generally receive funding for the number of enrollment slots specified in their grant award each year, regardless of whether the number of children eligible for Head Start in the state rises or falls. While the formula helps protect the continuity of services in communities with Head Start programs, it limits Head Start's ability to pivot when population and poverty shifts occur. Given limited federal resources, Head Start cannot serve all, or even most, eligible children. Congress has an opportunity to review and, as appropriate, revise the Head Start annual funding formula to direct limited resources toward its highest priorities for the program.

Similarly, by ensuring that statutory provisions regarding the allocation of Head Start and Early Head Start expansion funding match its current intentions, Congress could help ensure expansion funds support services in the areas it believes have the greatest need. As demonstrated in our analysis, the current statutory provision for distributing Head Start expansion funding has limited utility to address variation in Head Start access across states, despite targeting about half of expansion funding to states with relatively low access to services. In addition, absent Congress clarifying the statutory requirement for OHS to provide Early Head Start grants in a manner that ensures an "equitable national geographic distribution" of funding, OHS's decade-old distribution practices may

[58]According to OHS officials, Congress has appropriated expansion funding three times in the last six years.

[59]Department of Head and Human Services, Administration for Children and Families, *Administration for Children and Families Strategic Plan* (Washington, D.C.: Jan. 2022).

continue to prevent it from targeting funding to states with potentially the highest need for services.

Finally, despite statutory limitations, OHS does not fully leverage the opportunities it does have to strategically allocate competitive funds to places where Head Start services are most needed. Specifically, OHS does not fully leverage its existing grant-making authority to ensure Head Start competitive grants go to areas with the greatest need for services. Nor does it use the wealth of data it already collects to guide and inform how it awards them. Doing so could help OHS better understand where Head Start resources are located, where they are needed, and where mismatches exist between the two.

Matters for Congressional Consideration

We are recommending the following two matters for congressional consideration:

Congress should consider reviewing and revising, as appropriate, statutory provisions governing how annual Head Start funding is allocated to assure that they align with congressional priorities and goals for Head Start. (Matter for Consideration 1)

Congress should consider reviewing and revising, as appropriate, statutory provisions governing the allocation of Head Start and Early Head Start expansion funding to assure that they align with congressional priorities. For example, Congress could clarify the provision governing which states should receive a higher proportion of Head Start expansion funding and the provision governing how Early Head Start expansion funds should be allocated to achieve an “equitable national geographic distribution” of grants, as indicated in law. (Matter for Consideration 2)

Recommendations for Executive Action

We are making the following two recommendations to HHS:

The Secretary of Health and Human Services should direct OHS to use its existing grant-making authority to consider the geographic distribution of Head Start resources across communities when awarding competitive grants. (Recommendation 1)

The Secretary of Health and Human Services should direct OHS to use the data it already collects to assess relative rates of access to Head Start services and to help identify areas where additional services may be needed. (Recommendation 2)

Agency Comments and Our Evaluation

We provided a draft of this report to HHS for review and comment. We received written comments from HHS that are reproduced in appendix II. HHS agreed with our recommendations.

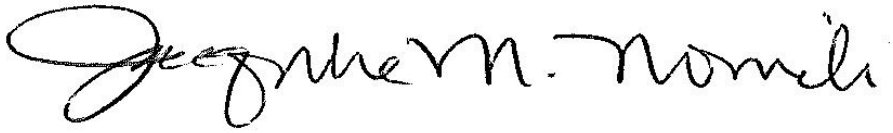
In its comments, HHS stated that our findings may be misconstrued to imply that there is no existing connection between program locations and poverty rates within state boundaries, and asserted that the ASPE brief referenced in this draft report shows that Head Start programs are located close to where children living in poverty are located. We disagree. First, we found insufficient evidence to conclude that ASPE's estimates reasonably reflect income-eligible children's geographic proximity to Head Start. For instance, the ASPE study included numerous improbable assumptions—including that unreliable Census tract and Census block data could be aggregated to the state level without introducing error into the estimates—and did not assess the magnitude of sampling error in its estimates. Second, the study's authors cautioned that the estimates they produced should not be used to assess how well Head Start services align with need. In addition, a child's geographic proximity to a Head Start center does not indicate whether that child has access to Head Start. For instance, children living in a dense urban area may live near a Head Start center but may not be able to access the Head Start program if the number of eligible children far exceeds the number of offered seats. We have updated our report to clarify these points.

HHS also provided technical comments, which we incorporated, as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Health and Human Services, and other interested parties. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or nowickij@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last

page of this report. GAO staff who made key contributions to this report are listed in appendix III.



Jacqueline M. Nowicki, Director
Education, Workforce, and Income Security Issues

List of Committees

The Honorable Tammy Baldwin
Chair
The Honorable Shelley Moore Capito
Ranking Member
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies
Committee on Appropriations
United States Senate

The Honorable Robert Aderholt
Chair
The Honorable Rosa DeLauro
Ranking Member
Subcommittee on Labor, Health and Human Services, Education
Committee on Appropriations
House of Representatives

Appendix I: Objectives, Scope, and Methodology

Our objectives were to review (1) the extent to which Head Start resources align with the geographic distribution of children in poverty; (2) the extent to which Head Start statutory provisions support aligning resources with need; and (3) the extent to which the Office of Head Start (OHS) uses its grant-making authority to ensure Head Start grants are distributed to areas with the greatest need. To address these objectives, we:

- compared 2022 Head Start center and enrollment slot data to U.S. Census Bureau child poverty estimates from 2021;[1]
- compared Head Start funding data to Census child poverty data for 2006 and 2021;
- interviewed OHS officials, officials from two of 12 Head Start regional offices (which we selected based on variation in Head Start availability and geographic diversity), officials from the U.S. Department of Health and Human Service's (HHS) Office of Planning, Research and Evaluation and Office of the Assistant Secretary for Planning and Evaluation, and stakeholder organizations, such as the National Head Start Association; and
- reviewed relevant federal laws, regulations, and agency documentation.

Head Start Availability Data Analysis

Data Used for Analysis

Head Start Center Locations and Enrollment Slot Data

To examine Head Start availability across and within states, we analyzed data from OHS's center locations dataset on the geographic locations of Head Start centers and the number of enrollment slots at each center as

[1]Specifically, Census child poverty data came from two products: Census's Small Area Income Poverty Estimates (SAIPE) program in 2006 and 2021 and Census's 2017–2021 5-year American Community Survey (ACS) estimates.

of September 2022.[2] This nonpublic data file, which was provided by OHS, captures the number of Head Start, Early Head Start, American Indian and Alaska Native (AIAN) Head Start, and Migrant and Seasonal Head Start (MSHS) slots reported at each center as of the date the data were accessed. This dataset includes the physical address and XY coordinates for each center, which allows enrollment slots to be aggregated by both county and state.

We ran several data reliability checks on Head Start center location and enrollment slot data.[3] First, we assessed the reliability of the center locations by looking for potential duplicates. We discussed our findings with OHS officials who provided us with several possibilities for potential duplicates, such as grant recipients incorrectly reporting classrooms separately when they should have been reported under the same center. We resolved duplicate records (84 of 19,971 centers) (e.g., records with identical addresses) and aggregated counts of slots reported under those duplicates. We further assessed reliability of center location data through electronic testing. Finally, we compared enrollment slot data in the nonpublic center locations dataset to OHS's Notice of Award data on enrollment slots.[4] Analyzing the center locations for potential duplicates, testing data reliability electronically, and comparing the center locations dataset to Notice of Award data assured us the enrollment slot data were reliable for analyzing the geographic locations of Head Start centers and the number of enrollment slots at each center.

[2]OHS's center locations dataset includes addresses and enrollment slot data for services provided at Head Start centers, through home-based services, and through family child-care providers, which provide Head Start services out of their homes. Our analyses included all 50 states and the District of Columbia. Puerto Rico and the other territories were excluded because Census data on young children in poverty were not sufficiently reliable at the appropriate geographical scale (or did not exist) and because there were no reliable data on center locations in some cases.

[3]We define Head Start seats as enrollment slots connected to a Head Start center or program. Enrollment slots represent a spot that is filled by a child and does not equate to the number of children or families served by a center or program. Typically, the number of children served by Head Start is higher than the number of Head Start enrollment slots due to turnover.

[4]OHS officials told us that the Notice of Award data were the most reliable to compare to center data. According to OHS officials, in general, programs determine their funded enrollment slots as part of their grant application based on their program budget and capacity to provide quality services. Once the grant application is approved, the enrollment slots are made final on the Notice of Award for the grant recipient.

Child Poverty Data

We also analyzed Census data on the geographic distribution of young children experiencing poverty—defined throughout the report as children under age 5 who are living at or below 100 percent of the federal poverty line. To identify the number of young children experiencing poverty in each state, we used publicly available estimates from Census's Small Area Income Poverty Estimates (SAIPE) program in 2021, the most recent data available at the time of our analysis.

To identify the number and percent of young children experiencing poverty in each county, we used publicly available estimates by county from Census's 2021 5-year American Community Survey (ACS) estimates. Because ACS is an ongoing survey based on a probability sample, we accounted for sampling error associated with survey estimates of the number of young children in poverty. To do so, we calculated the coefficient of variation (CV), which measures the relative amount of sampling error associated with the sample estimate.[5] We followed Census guidance that categorizes estimates with a CV of larger than 30 as unreliable and restricted our analysis to counties with reliable estimates for young children in poverty. As a result, we excluded 1,154 counties (about 37 percent of all counties) from our review. These counties were generally excluded because the sampling error was too large relative to the estimate or Census was unable to produce an estimate because there was an insufficient number of sample observations. On average, each excluded county had about one Head Start center and 46 enrollment slots. A quarter of excluded counties had no Head Start center at all. In total, excluded counties accounted for less than 7 percent of all Head Start enrollment slots (see table 1).[6]

Table 1: Excluded Counties by State, Fall 2022

State	Excluded counties (percent)	Excluded Head Start enrollment slots (number)	Excluded Head Start enrollment slots (percent)
Alabama	18%	894	7%
Alaska	57%	716	22%
Arizona	13%	223	1%

[5]The CV is calculated as the ratio of the standard error for an estimate to the estimate itself (and is typically expressed as a percent: sampling error divided by estimate then multiplied by 100).

[6]Each Head Start seat is equivalent to an enrollment slot at a Head Start center.

State	Excluded counties (percent)	Excluded Head Start enrollment slots (number)	Excluded Head Start enrollment slots (percent)
Arkansas	27%	972	10%
California	16%	695	1%
Colorado	67%	1,569	16%
Connecticut	0%	0	0%
Delaware	0%	0	0%
District of Columbia	0%	0	0%
Florida	19%	927	2%
Georgia	39%	3,536	14%
Hawaii	20%	0	0%
Idaho	52%	668	17%
Illinois	32%	1,201	4%
Indiana	37%	1,657	12%
Iowa	61%	1,945	28%
Kansas	68%	1,567	23%
Kentucky	32%	2,909	20%
Louisiana	16%	980	5%
Maine	6%	95	3%
Maryland	17%	510	6%
Massachusetts	14%	42	0%
Michigan	16%	928	3%
Minnesota	33%	1,214	10%
Mississippi	29%	3,399	14%
Missouri	31%	1,259	9%
Montana	71%	770	18%
Nebraska	77%	1,407	27%
Nevada	71%	222	7%
New Hampshire	20%	153	10%
New Jersey	5%	136	1%
New Mexico	36%	781	9%
New York	6%	512	1%
North Carolina	22%	1,149	5%
North Dakota	77%	879	35%
Ohio	10%	680	2%
Oklahoma	18%	431	3%
Oregon	39%	1,073	7%
Pennsylvania	7%	278	1%

State	Excluded counties (percent)	Excluded Head Start enrollment slots (number)	Excluded Head Start enrollment slots (percent)
Rhode Island	20%	74	3%
South Carolina	13%	572	5%
South Dakota	70%	1,130	26%
Tennessee	27%	1,554	9%
Texas	49%	5,324	8%
Utah	41%	201	3%
Vermont	36%	372	27%
Virginia	53%	3,287	24%
Washington	28%	685	5%
West Virginia	45%	1,765	22%
Wisconsin	8%	461	3%
Wyoming	65%	717	41%

Source: GAO analysis of data from the Census Bureau and the Office of Head Start. | GAO-24-106077

We incorporated county urbanicity into our analysis of ACS county data on young children in poverty to understand the relationship between urbanicity and Head Start availability. We used information from Centers for Disease Control and Prevention's National Center for Health Statistics' 2013 Urban-Rural Classification Scheme for Counties, which assigns each county one of six class designations based on its population, to inform how we defined rural and metropolitan areas. In our report, we defined rural areas to include all nonmetropolitan counties (described as micropolitan and noncore counties in Office of Management and Budget's 2020 standards).[7] We defined metropolitan areas to include all other counties. Our methodology was consistent with Centers for Disease Control and Prevention's own breakdown between metropolitan and nonmetropolitan counties.

Methods

To examine the availability of Head Start services at the state and county levels, we calculated estimated "availability rates," which we defined as the number of funded enrollment slots for every 100 young children in poverty—that is, the number of total funded slots divided by the estimated number of children under age 5 in poverty, then multiplied by 100. To account for the margin of error on the estimated number of young children in poverty, we calculated high and low availability estimates by adding and subtracting the provided margin of error (at the 90 percent confidence

[7]See 86 Fed. Reg. 37,770 (July 16, 2021).

level) to the estimated number of young children in poverty. We included these ranges when reporting on these calculations.

To understand how OHS targets states for Head Start expansion funding opportunities, we also examined the availability of Head Start and Early Head Start services separately at the state level by developing program-specific availability rates.[8] To do so, we first developed an estimate of the number of 3- and 4-year-olds in poverty and the number of children under age 3 in poverty, by using 2021 SAIPE and ACS data. Since neither SAIPE or ACS report on poverty rates for children at these specific age ranges, we calculated age-specific poverty rates as (1) the estimated number of 3- and 4-year-olds multiplied by the poverty rate of young children; and (2) the estimated number of children under age 3 multiplied by the poverty rate of young children.[9] These estimates assume that the distribution of poverty for young children is the same across each age range—3- and 4-year-olds and children under age 3. We calculated the margin of error and CV for our derived estimates following ACS guidance to account for the margins of error on both the number of children in each age group and the poverty rate of young children.[10] All states were determined to have reliable estimates for 3- and 4-year-olds in poverty as well as children under age 3 in poverty.

Limitations

Our analysis focuses on understanding the Head Start availability rate for children under age 5 living at or below 100 percent of the federal poverty line, but some limitations exist.

[8]We calculated program-specific availability rates in two ways. The Head Start availability rate was calculated as the number of funded Head Start enrollment slots divided by the number of 3- and 4-year-olds in poverty, then multiplied by 100. The Early Head Start availability rate was calculated as the number of funded Early Head Start enrollment slots divided by the number of children under age 3 in poverty, then multiplied by 100. We calculated program-specific availability rates at the state level using Head Start center data, as of September 2022.

[9]The estimated total number of 3- and 4-year-olds and children under age 3 come from the 2021 1-year ACS estimates. The poverty rate of young children comes from the 2021 SAIPE estimates.

[10]As previously mentioned, we categorize any estimate with a CV greater than 30 as unreliable.

- While there are additional ways for families and children to qualify for Head Start services, we chose to focus on poverty alone as it was the most common way for children to qualify, according to OHS.[11]
- We could not disaggregate children in poverty by race and ethnicity because ACS data does not include the poverty rate for young children broken down by race and ethnicity. So we included all Head Start programs—Head Start, Early Head Start, AIAN Head Start, and MSHS—in our analysis of Head Start availability.[12]
- We reviewed state and county data because these were the most granular geographic levels of data from which we could reliably obtain estimates on the population of young children in poverty. Even though there may be Head Start service areas that are geographically smaller than a county, ACS data did not include sufficiently reliable data on young children experiencing poverty at the Census tract or block level. Therefore, we could not reliably report on Census tract or block level data for this specific population.

Head Start Funding Data Analysis

To examine changes in Head Start funding over time as it relates to changes in young children in poverty, we first analyzed changes in child poverty across states. We used SAIPE data on the number of young children in poverty in each state. At the time of our analysis, 2021 data was the most recent data available. Under guidance from Census, we used 2006 population estimates because in 2005, Census started measuring child poverty using its current methodology, and thus the 2006 estimates were the oldest data we could use to reliably compare to 2021 estimates.[13]

[11]Families and children may also qualify for Head Start services if they are experiencing homelessness, have children in foster care, or are receiving Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, or Supplemental Security Income. Some programs may enroll children from families whose incomes are higher than the federal poverty level.

[12]Our calculations of program-specific availability rates—Head Start availability rate and Early Head Start availability rate—do not include enrollment slot data for AIAN Head Start and MSHS.

[13]The SAIPE estimates were based on the Current Population Survey's Annual Social and Economic Supplement through 2004, and the ACS starting in 2005.

Using 2021 and 2006 SAIPE data, we calculated the percent change in the estimated number of children under age 5 in poverty in each state over time and performed statistical testing to determine whether the difference between estimates was statistically significant at the 95 percent confidence level. We then categorized states by those with a significant increase, significant decrease, or a nonsignificant change. Since the majority of states experienced a significant decrease (39), we further defined states with a statistically significant decrease greater than 25 percentage points as a large decrease and a small decrease as a statistically significant decrease less than 25 percentage points.

To examine the amount of Head Start funding allocated to grant recipients in each state, we analyzed data from the Department of Health and Human Services' fiscal year 2023 congressional budget justification, which reported final Head Start funding allocations by state for fiscal year 2021. In addition, we pulled fiscal year 2006 final Head Start funding allocations by state from the agency's fiscal year 2008 congressional budget justification so we could compare funding across a 15-year time span, matching the review of data for young children in poverty over time.[14] These data include the amount of funding allocated to each state for both Head Start and Early Head Start. They do not include funding for AIAN or MSHS programs, which can span multiple states. We used the final amounts allocated to each state for Head Start competitive grants for fiscal years 2021 and 2006 and adjusted fiscal year 2006 amounts for inflation to 2021 dollars for comparison purposes. We assessed the reliability of these data by reviewing related documentation and interviewing HHS's Administration for Children and Families and OHS officials. We determined the data were sufficiently reliable for the purposes of describing final Head Start and Early Head Start funding allocations to each state.

For each fiscal year (2006 and 2021), we calculated the amount of Head Start funding per young child in poverty by dividing the Head Start funding allocation for each state by the estimated number of children under age 5 experiencing poverty in that state. We also calculated the change in per-child funding and percent change in per-child funding from 2006 to 2021. We used per-child funding as a measure to better understand the relative impact of population and funding changes on each state, regardless of its size, and compare these differences across states. This measure does

[14]These budget data were obtained from the HHS's Administration for Children and Families' publicly available congressional budget justifications for fiscal years 2023 and 2008.

not represent the amount of a funding that grant recipients receive to serve each child enrolled in Head Start. This amount can vary widely across programs.

We conducted this performance audit from June 2022 to February 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES — OFFICE OF THE SECRETARY

Assistant Secretary for Legislation
Washington, DC 20201

February 5, 2024

Jacqueline M. Nowicki
Director, Education, Workforce, and
Income Security Issues
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Nowicki:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, **"Head Start: Opportunities Exist to Better Align Resources with Child Poverty" (GAO-24-106077).**

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Melanie Anne Egorin

Melanie Anne Egorin, PhD
Assistant Secretary for Legislation

Attachment

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED – HEAD START: OPPORTUNITIES EXIST TO BETTER ALIGN RESOURCES WITH CHILD POVERTY (GAO-24-106077)

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report.

The Office of Head Start (OHS) is committed to supporting equitable access to Head Start services in urban, suburban, and rural areas across all 50 states, the District of Columbia, Puerto Rico, and U.S. territories, including communities served by American Indian and Alaska Native (AIAN) and Migrant and Seasonal Head Start (MSHS) programs.

When considering the geographic distribution of Head Start services, OHS recognizes that equitable access to Head Start services can be complex when considering 1) that historical initial investments in states set a baseline for access to Head Start services, upon which subsequent investments are built, and 2) there are various factors that contribute to the need for program services within and across communities. Head Start's federal-to-local model, by design, enables local leaders to create a Head Start experience that is responsive to the unique and specific needs of their communities. OHS requires that all Head Start grant recipients design a program that is informed by an assessment of their community needs and resources, including the consideration of other types of early childhood programs available to eligible families in those communities. Additionally, MSHS programs are funded to serve children ages birth to 5 from families engaged in agricultural work, including families who work seasonally or migrate with crop yields across geographic regions. AIAN Head Start programs are funded to serve children from federally recognized tribes and others in their communities.

Since its inception, Head Start has demonstrated a commitment to supporting chronically underserved populations, including recent efforts to facilitate the enrollment of families receiving public assistance and children and families experiencing homelessness. OHS is working to leverage its grant-making processes to incentivize innovative approaches to meeting the evolving needs of eligible children and families, and to further target Head Start resources to communities of greatest need. OHS looks forward to implementing the recommendations shared in this draft GAO report, while staying within statutory limitations and recognizing the underlying complexities of need for Head Start services across communities.

Recommendation 1
The Secretary of Health and Human Services should direct OHS to use its existing grant-making authority to consider the geographic distribution of Head Start resources across communities when awarding competitive grants.

HHS Response
HHS concurs with GAO's recommendation. OHS will explore methods, within the constraints of its current statutory authority, to incorporate geographic distribution of existing Head Start services and available measures of need to be considered in the competitive grant award process.

- As this draft report acknowledges, the current geographic variability in access to Head Start services is due, in part, to features of the Head Start statutory formula by which annual

- funding is provided to grantees. Because this statutory formula is not responsive to changes in child poverty, grantees in states with rising child poverty can generally serve a lower proportion of income-eligible children.
- Moreover, as described in the draft report, when Congress appropriates additional funds to be awarded by OHS competitively, certain statutory provisions govern how this Head Start and Early Head Start expansion funding is to be distributed or awarded (including the special expansion provisions for AIAN and MSHS programs when they applied). As such, the authority of OHS to consider the distribution of existing Head Start services when determining where to award competitive grants is limited by 1) the amount of expansion funding available, and 2) any statutory requirements that require grants to stay within the same service area(s) and maintain funding stable within state boundaries.
- Even while operating within these statutory constraints, OHS is taking meaningful steps to prioritize expansion funds for communities in need of services through its planning for the $100M in expansion funding appropriated by Congress in FY23.
- It is important to note that there are operational and programmatic implications of moving funds from one state to another, or certain communities to others, from one year to the next in response to shifting poverty rates. For example, smaller states such as Vermont, the Dakotas, Iowa, etc. would be subject to more drastic shifts in funding in that scenario. Addressing these shifting poverty rates in a meaningful way would need to occur over time, with safeguards in place to ensure neither enrolled children and families nor staff are displaced due to instability in funding.
- Additionally, while OHS has a role in considering available measures of need in the competitive grant award process, there will still be a level of dependency on applicants to further assess and target areas of greatest need within their own communities. In making these assessments, grant recipients may look at factors beyond poverty rates alone. For example, if state pre-k programs are already well-represented in a certain section of a community that OHS identifies as low in Head Start access and high in poverty, there could still be a justification to expand Head Start services elsewhere.

Recommendation 2
The Secretary of Health and Human Services should direct OHS to use the data it already collects to assess relative rates of access to Head Start services and to help identify areas where additional services may be needed.

HHS Response
HHS concurs with GAO's recommendation. OHS will explore methods to use data it already collects to help identify areas where additional services may be needed.

- OHS acknowledges that when comparing state to state, there are significant differences in relative rates of access to Head Start services. However, the findings in this draft report may be misconstrued to imply that there is no existing connection to where programs are located and poverty rates within state boundaries. Although the brief from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) referenced in this draft report has limitations for state-level estimates, it does show that Head Start programs are located close to where children living in poverty are located. According to the ASPE brief, nearly 9 in 10 income-eligible children live within 5 miles of a Head Start center, and nearly 7 in 10 income-eligible children live within 2 miles of a Head Start center.
- Central to the Head Start federal-to-local model is the community needs assessment. All grant applicants must consider data demonstrating why a geographic area is in high need

of Head Start services, including information regarding the availability of and access to other early childhood education programs and services. Additionally, existing grant recipients are required by regulation to review and update their community assessment (CA) periodically and plan services based on any new data gathered through the CA.

- OHS is also committed to using program data it already collects to identify communities and geographic areas where additional services may be warranted. This includes data on the geographic location of existing Head Start service locations across the United States and the number of Head Start and Early Head Start funded slots at these locations.

Accessible text for Appendix II: Comments from the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES OFFICE OF THE SECRETARY
Assistant Secretary for Legislation
Washington, DC 20201

February 5, 2024

Jacqueline M. Nowicki
Director, Education, Workforce, and Income Security Issues U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. Nowicki:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, **"Head Start: Opportunities Exist to Better Align Resources with Child Poverty**" (GAO-24-106077).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Melanie Anne Egorin, PhD
Assistant Secretary for Legislation

Attachment

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE GOVERNMENT ACCOUNTABILITY OFFICE'S DRAFT REPORT ENTITLED – HEAD START: OPPORTUNITIES EXIST TO BETTER ALIGN RESOURCES WITH CHILD POVERTY (GAO-24-106077)

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity from the Government Accountability Office (GAO) to review and comment on this draft report.

The Office of Head Start (OHS) is committed to supporting equitable access to Head Start services in urban, suburban, and rural areas across all 50 states, the District of

Columbia, Puerto Rico, and U.S. territories, including communities served by American Indian and Alaska Native (AIAN) and Migrant and Seasonal Head Start (MSHS) programs.

When considering the geographic distribution of Head Start services, OHS recognizes that equitable access to Head Start services can be complex when considering 1) that historical initial investments in states set a baseline for access to Head Start services, upon which subsequent investments are built, and 2) there are various factors that contribute to the need for program services within and across communities. Head Start's federal-to-local model, by design, enables local leaders to create a Head Start experience that is responsive to the unique and specific needs of their communities. OHS requires that all Head Start grant recipients design a program that is informed by an assessment of their community needs and resources, including the consideration of other types of early childhood programs available to eligible families in those communities. Additionally, MSHS programs are funded to serve children ages birth to 5 from families engaged in agricultural work, including families who work seasonally or migrate with crop yields across geographic regions. AIAN Head Start programs are funded to serve children from federally recognized tribes and others in their communities.

Since its inception, Head Start has demonstrated a commitment to supporting chronically underserved populations, including recent efforts to facilitate the enrollment of families receiving public assistance and children and families experiencing homelessness. OHS is working to leverage its grant-making processes to incentivize innovative approaches to meeting the evolving needs of eligible children and families, and to further target Head Start resources to communities of greatest need. OHS looks forward to implementing the recommendations shared in this draft GAO report, while staying within statutory limitations and recognizing the underlying complexities of need for Head Start services across communities.

Recommendation 1

The Secretary of Health and Human Services should direct OHS to use its existing grant-making authority to consider the geographic distribution of Head Start resources across communities when awarding competitive grants.

HHS Response

HHS concurs with GAO's recommendation. OHS will explore methods, within the constraints of its current statutory authority, to incorporate geographic distribution of existing Head Start services and available measures of need to be considered in the competitive grant award process.

- As this draft report acknowledges, the current geographic variability in access to Head Start services is due, in part, to features of the Head Start statutory formula by which annual funding is provided to grantees. Because this statutory formula is not responsive to changes in child poverty, grantees in states with rising child poverty can generally serve a lower proportion of income-eligible children.
- Moreover, as described in the draft report, when Congress appropriates additional funds to be awarded by OHS competitively, certain statutory provisions govern how this Head Start and Early Head Start expansion funding is to be distributed or awarded (including the special expansion provisions for AIAN and MSHS programs when they applied). As such, the authority of OHS to consider the distribution of existing Head Start services when determining where to award competitive grants is limited by 1) the amount of expansion funding available, and 2) any statutory requirements that require grants to stay within the same service area(s) and maintain funding stable within state boundaries.
- Even while operating within these statutory constraints, OHS is taking meaningful steps to prioritize expansion funds for communities in need of services through its planning for the $100M in expansion funding appropriated by Congress in FY23.
- It is important to note that there are operational and programmatic implications of moving funds from one state to another, or certain communities to others, from one year to the next in response to shifting poverty rates. For example, smaller states such as Vermont, the Dakotas, Iowa, etc. would be subject to more drastic shifts in funding in that scenario. Addressing these shifting poverty rates in a meaningful way would need to occur over time, with safeguards in place to ensure neither enrolled children and families nor staff are displaced due to instability in funding.
- Additionally, while OHS has a role in considering available measures of need in the competitive grant award process, there will still be a level of dependency on applicants to further assess and target areas of greatest need within their own communities. In making these assessments, grant recipients may look at factors beyond poverty rates alone. For example, if state pre-k programs are already well-represented in a certain section of a community that OHS identifies as low in Head Start access and high in poverty, there could still be a justification to expand Head Start services elsewhere.

Recommendation 2

The Secretary of Health and Human Services should direct OHS to use the data it already collects to assess relative rates of access to Head Start services and to help identify areas where additional services may be needed.

HHS Response

HHS concurs with GAO's recommendation. OHS will explore methods to use data it already collects to help identify areas where additional services may be needed.

- OHS acknowledges that when comparing state to state, there are significant differences in relative rates of access to Head Start services. However, the findings in this draft report may be misconstrued to imply that there is no existing connection to where programs are located and poverty rates within state boundaries. Although the brief from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) referenced in this draft report has limitations for state-level estimates, it does show that Head Start programs are located close to where children living in poverty are located. According to the ASPE brief, nearly 9 in 10 income-eligible children live within 5 miles of a Head Start center, and nearly 7 in 10 income-eligible children live within 2 miles of a Head Start center.
- Central to the Head Start federal-to-local model is the community needs assessment. All grant applicants must consider data demonstrating why a geographic area is in high need of Head Start services, including information regarding the availability of and access to other early childhood education programs and services. Additionally, existing grant recipients are required by regulation to review and update their community assessment (CA) periodically and plan services based on any new data gathered through the CA.
- OHS is also committed to using program data it already collects to identify communities and geographic areas where additional services may be warranted. This includes data on the geographic location of existing Head Start service locations across the United States and the number of Head Start and Early Head Start funded slots at these locations.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Jacqueline M. Nowicki, (202) 512-7215 or nowickij@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Ellen Phelps Ranen (Assistant Director), Liz Spurgeon (Analyst in Charge), Cynthia Nelson, and Miranda Richard made key contributions to this report. Also contributing to this report were Breanne Cave, Daniel Concepcion, Denise Cook, Sherri Doughty, Kristy Kennedy, Serena Lo, Abigail Loxton, Carly McCann, Afsana Oreen, Jessica Orr, James Rebbe, Almeta Spencer, Curtia Taylor, Jeff Tessin, and Adam Wendel.

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