



Head Start

American Recovery and Reinvestment Act Implementation Plan

A. Funding Table

(Dollars in millions)

Program/ Project/Activity	Total Appropriated	FY 2009 Actual Obligations	FY 2010 Estimated Obligations
<i>COLA/Quality</i>	475.0	474.0	1.0
<i>HS/EHS Expansion</i>	400.0	94.0	306.0
<i>State Advisory Councils</i>	100.0	0.0	100.0
<i>Technical Assistance</i>	25.0	2.0	23.0
Total	1,000.0	570.0	430.0

B. Objectives and Public Benefits

Under the American Recovery and Reinvestment Act (Recovery Act), \$1 billion will be provided to the Office of Head Start to promote the school readiness of low-income children, including children on federally-recognized reservations and children of migratory farm workers, by enhancing their cognitive, social and emotional development of low-income children, through the provision of comprehensive health, educational, nutritional, social and other services and to involve parents in their children’s learning and to help parents make progress toward their educational, literacy and employment goals. Head Start also emphasizes the significant involvement of parents in the administration of their local Head Start programs.

C. Activities

Recovery Act funds must be used in a manner consistent with the detailed requirements for the allocation of funds included in the Head Start Act. Additionally, Conference report language that accompanied the Recovery Act bill stated: *The conferees expect the Department of Health and Human Services (HHS) to work with Head Start grantees in order to manage these resources in order to sustain fiscal year 2009 awards through fiscal year 2010.*

D. Characteristics

The Recovery Act appropriates \$1 billion to be allocated according to the funding formula set out in the Head Start Act. In order to determine the distribution of the funding provided in the Recovery Act, the Recovery Act must be considered in the context of the FY 2009



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Appropriation. With an appropriation of \$7.1 billion in FY 2009, the funds will be distributed in the following manner:

Purpose	Type of Award	Funding Amount	Recipients
Cost of living allowance (COLA) (4.9%)	Supplemental funding to existing grantees	\$122 million in FY 2009 in Recovery Act funds and \$204 million from FY 2009 appropriation	Existing Head Start grantees
Quality funds	Supplemental funding to existing grantees	\$354 million in FY 2009 in Recovery Act funds	Existing Head Start grantees
Head Start expansion	Competitive grants involving existing grantees	\$100 million in FY 2009 and \$100 million in FY 2010 in Recovery Act funds	Existing Head Start grantees
Early Head Start expansion	Competitive discretionary grants	\$100 million in FY 2009 and \$100 million in FY 2010 in Recovery Act funds	Competitive grant process open to all entities eligible under statute, including all current Head Start/Early Head Start grantees
State Advisory Councils	Awarded to states following submittal of application with a 3-year plan	\$100 million in FY 2009 in Recovery Act funds	State governments
Training and technical assistance (T/TA)	Supplemental funding to existing grantees and competitive grants to existing grantees	\$10 million in FY 2009 in Recovery Act funds, \$6 million from FY 2009 appropriation, and \$15 million in FY 2010 in Recovery Act funds	Head Start grantees
TOTAL = \$1 billion			

COLA and quality funds will be awarded through supplemental funding to existing grantees. Head Start expansion funding will be awarded through a competitive grant process involving existing grantees and will be distributed by formula to each state (including DC, Puerto Rico, and Trust Territories [i.e. Guam, Palau, American Samoa, the Northern Mariana Islands and the Virgin Islands]). The State Advisory Council funds will be awarded to those states that submit acceptable applications, consistent with the requirements of Section 642B of the Head Start Act.



Training and technical assistance funds will be provided to supplement existing Head Start grantees and to fund Office of Head Start (OHS) technical assistance contracts.

The funds for Head Start expansion, quality improvement, and COLA will be awarded to current Head Start grantees, including community-based organizations, local governments, Indian tribes and higher education institutions. The funds for State Advisory Councils will be awarded to state governments.

E. Delivery Schedule

- Issue program instruction on how to apply for COLA and quality – completed (April 2, 2009)
- Synopsis of Grant Opportunity for Head Start expansion funds published online – within one week after approval by OMB – completed (April 2, 2009)
- Expansion announcement published in grants.gov – completed (May 8, 2009)
- Begin issuing COLA, and quality funds to grantees – completed (June - September, 2009)
- Expansion applications due – June 26, 2009
- Panel reviews – completed (July 2009)
- Award Head Start expansion grants and T/TA funds – completed (September 2009)
- Award State Advisory Council grants to states – December 2009-August 2010¹ (in progress - awarded on rolling basis as soon as applications are submitted by Governors and reviewed)
- Announcement of Head Start Expansion Fund availability (in 11 states and the Territories) – applications due by March 8, 2010. Anticipate awarding expansion and T/TA funds in May 2010.
- Award competitive T/TA grants to existing Head Start programs – July-August, 2010
- Award second year expansion and T/TA funds – August-September, 2010

F. Environmental Review

The distribution of Head Start funds as a result of the Recovery Act is categorically excluded from environmental review based on Category 2 section F - Functional Exclusion: Grants for Social Services under Chapter 30-20-30 of the HHS General Administration Manual. By definition, the use of these funds: (1) mitigates social and environmental impacts; (2) does not include construction or alterations of the human environment; and (3) have no anticipated individual or cumulative significant effect on natural or cultural assets. Any funding that includes construction or alterations will not fall under this categorical exclusion and will be subject to an environmental assessment. To date, there have been 2,078 Environmental Assessments completed for Head Start grantees receiving Recovery Act funds. All reviews and documents

¹ OHS received seven applications by mid May; five applications are under review totaling \$8.5 million and two applicants have been awarded funding totaling \$6.6 million.



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were completed, and have been finalized in the Section 1609(c) report form for ACF under the National Environmental Protection Act (NEPA).



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G. Measures²

Please note that the additional children being served in Early Head Start as a result of the \$1 billion funding increase are shown in the Early Head Start Recovery Act Implementation Plan. Targets for the following performance measures have been developed based on historical data, analysis of current trends in Head Start programs, and the projected impact of Recovery Act funds. The first three measures will be reported on quarterly, thus quarterly projections are provided for relevant ARRA funding years. The fourth measure is an annual outcome measure, thus only annual targets are provided.

Table 1:

Outcome / Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End
Number of additional classrooms used to serve the increased Head Start enrollment. <i>(Quarterly Output)</i>	# class-rooms	TARGET		175	580	700	825	n/a	n/a	n/a	n/a	n/a
		ACTUAL		221	653							
Number of Head Start children served by Recovery Act funds. <i>(Quarterly Output)</i>	# HS kids	TARGET		3,000	10,000	12,000	13,000	n/a	n/a	n/a	n/a	n/a
		ACTUAL		3,500	10,375							
Increase the	%	TARGET	75%	n/a	n/a	n/a	85%	n/a	n/a	n/a	100%	n/a

² All Head Start expansion grantees will receive two awards – the first to expand and the second to sustain that expansion. Target, will be achieved after the first award and then sustained with the second award made in September 2010



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percentage of teachers with AA, BA, Advanced Degree, or a degree in a field related to early childhood education. ³ (Annual Outcome)		ACTUAL	77.1%	n/a	n/a	n/a	Data avail. Jan-11	n/a	n/a	n/a	Data avail. Jan-12	n/a
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Table 2:

Data Source	Data Validation
Program Information Report (PIR)	Data collection for the PIR is automated to improve efficiency in the collection and analysis of data. Head Start achieves a 100 percent response rate annually from 2,600 respondents. The Office of Head Start also engages in significant monitoring of Head Start grantees through monitoring reviews of Head Start and Early Head Start grantees, which examine and track Head Start Program Performance Standards compliance at least every three years for each program. Teams of ACF Regional Office and Central Office staff, along with trained reviewers, conduct more than 500 on-site reviews each year. The automated data system provides trend data so that the team can examine strengths and weaknesses in all programs.

The Office of Head Start (OHS) will, through quarterly risk management calls with its grantees, track the above output measures related to the number of new children enrolled, the number of new jobs created and the number of new centers opened. This information will be updated and available on the OHS website (<http://www.acf.hhs.gov/programs/ohs/>).

³ This is an existing performance measure that is calculated based on all Head Start staff, which includes both Head Start and Early Head Start teachers.



H. Monitoring/Evaluation

All Recovery Act programs will be assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's circular A-123 "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

ACF's risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. ACF's Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, ACF has presented its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act program and address the obstacles and risks that could impact on their success.

The Office of Head Start (OHS) will follow its existing internal control structure in implementing the new discretionary grants. The expenditure of these funds will be carefully monitored by OHS regional staff and by OA grants specialists with strong oversight from the national office. On-going Risk Management Meetings conducted with each grantee at a minimum once each year will focus on the use of these funds and the frequency of these meetings will be increased to quarterly for all grantees receiving any recovery funds. All Head Start programs are subject to on-site monitoring reviews at least once during every three year period where their records, including fiscal records will be carefully reviewed to assure an appropriate use of these funds. Additionally, new grantees are reviewed on-site after their first year of operation. OHS also conducts targeted reviews in response to information obtained from the field or if there are concerns. OHS is beginning to revise the fiscal monitoring tool, taking into consideration aspects that need to be revised, such as cost allocation to ensure the separation of Recovery Act and appropriated funds. In addition, all Head Start grantees must submit an annual audit to the Office of Head Start. The Head Start Enterprise System provides management reports that will assure that grants are being awarded on time and consistent with the requirements of the Head Start Act.

I. Transparency

ACF is open and transparent in all of its grant competitions and regulations depending on what is appropriate for program activities that involve spending of Recovery Act funding consistent



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with statutory and OMB guidance. ACF ensures that recipient reports required by Section 1512 of the Recovery Act are submitted and reviewed for material omissions and significant errors that would mislead or confuse the public. ACF informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. In addition, ACF provides key award information to recipients and other technical assistance to grantees and contractors and fully utilizes Project Officers to ensure compliance with reporting requirements.

The Office of Head Start (OHS) will post on its website (<http://www.acf.hhs.gov/programs/ohs/>) quarterly information about the spending of Recovery Act funds, including updates on the output measures from Table 1, including how many new children are being served, how many new staff have been hired, and how many additional centers have been established to serve new Head Start participants. Annual performance results are available in the annual ACF Budget Justification and Online Performance Appendix (available at: <http://www.acf.hhs.gov/programs/olab/budget/index.html>).

J Accountability

The Office of Head Start (OHS) is legislatively required to perform reviews of each Head Start program every three years. Erroneous Payment reviews are conducted to determine whether documentation demonstrated that a Head Start child was income eligible. In the case of errors, Head Start grantees are required to develop corrective action plans. ACF has also issued a memorandum reminding all grantees of documentation requirements, developed a standard signed statement template form, increased oversight of documentation activities being performed by ACF Regional Offices, and increased grantee emphasis for on-going monitoring through training and development of a monitoring protocol to review management systems. Head Start Regional Program managers are charged with assuring all programs in their regions are providing appropriate services to enrolled children and families and using their grants funds as required by statute and regulation. Grantees that are not must correct their problems or face de-funding.

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, ACF has built upon and strengthened existing processes. Senior ACF and Head Start officials will meet regularly (at least once a month) with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system also incorporates Recovery Act program stewardship responsibilities for program and business function managers. Managers are held accountable for assuring quality grantee performance through their Performance Management Appraisal Program (PMAP) plans. PMAP plans define clear expectations for managerial performance related to ACF-wide goals, the HHS Strategic Plan, and other key performance measures.

K. Barriers to Effective Implementation

None identified.



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L Federal Infrastructure

Not applicable.

Summary of Significant Changes:

Provided timely updates regarding funding levels and performance results.