

# Fiscal Year 2024 Recommendation

## Head Start & Early Head Start | HHS – ACF – OHS

	FY22 Enacted	FY23 Enacted	President's FY24 Budget	NHSA's FY24 Recommendation
<b>Cost-of-Living Adjustment (COLA)</b>	+\$234,000,000	+\$596,000,000	+\$440,200,000	<b>+\$767,797,000</b>
<b>Workforce Compensation Adjustment</b>	\$0	\$0	\$0	<b>+\$2,701,926,000</b>
<b>Quality Improvement Funding (QIF)</b>	+\$52,000,000	+\$262,000,000	+\$574,500,000	<b>+\$1,000,000,000</b>
<b>Tribal Colleges &amp; Universities-Head Start Partnership Program</b>	+\$2,000,000	+\$2,000,000	\$0	<b>+\$2,000,000</b>
<b>Total Enacted/Requested<sup>1</sup></b>	\$11,036,820,000	\$11,996,820,000	\$13,111,586,000	<b>\$16,466,557,000<sup>2</sup></b>

### Consequences of Reductions to Head Start Funding

In this challenging FY24 budget environment, the drumbeat for reductions to non-defense discretionary spending has grown. Proposed cuts to Head Start from 10% to 22% or more would have catastrophic impacts. Children living in poverty, in foster care, or experiencing homelessness—all of whom benefit from the comprehensive education, health, and nutrition services provided by Head Start—would suffer. And parents and caregivers, who also benefit from those services, in addition to employment and educational support, would suffer as well. Even modest reductions would be devastating. **A year-long continuing resolution for FY24, when factoring in inflation, would result in over 49,000 fewer children served.**

According to the U.S. Department of Health and Human Services (HHS), “funding Head Start at FY 2022 enacted levels would eliminate at least 170,000 slots for children. A 22% reduction would eliminate more than 200,000 slots. As a result, low income children would begin school ill prepared to learn and less likely to succeed academically and socially, according to numerous studies.” Families would lose access to wraparound services Head Start provides, such as job support and child care while parents or caregivers are at work. This would have dramatic economic impacts on low-wage earners, students, and employers in the manufacturing, service, and farming industries. **Our economy is already struggling to attract and retain an adequate workforce, and reductions in funding would remove critical workers, wages and taxable income.**

### Head Start's Dynamic Impact and Wise Investment

**Dozens of independent studies validate Head Start's goal-oriented model of lifting children, families, and communities out of the cycle of poverty.**<sup>3</sup> A 2022 study<sup>4</sup> found that children who participated in Head Start saw increases in educational attainment as well as decreases in teen parenthood and criminal engagement. The study also found the cost-benefit analyses of Head Start underestimate the benefits of the program by ignoring the transmission of positive effects across generations.

More can be gained by wisely investing in proven Head Start programs that deliver value to taxpayers. **NHSA recommends a top-line funding level in FY24 of \$16.47 billion to maximize the role Head Start plays in supporting our country's most vulnerable children and their families.** This increased investment will sustain and support the Head Start workforce; provide flexibility to address local quality improvement priorities; address the epidemic of childhood trauma; and restore critical purchasing power while addressing deferred maintenance issues and facility constraints.

## NHSA's Recommendations for FY24:

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### Stabilization of the Workforce — \$767,797,000

All Head Start programs struggle to hire and retain quality staff. The high staff turnover rate directly impacts both quality of services and continuity of care. For several years, Congress has graciously allotted year-over-year COLAs for Head Start although not all were in line with inflation. The Head Start community was extremely grateful for Congress's adjustment of 5.6%—or \$596 million in FY23. Unfortunately, inflation remains high and we believe it's critical to provide Head Start staff a COLA in line with the rate of inflation, rather than the 3.7% COLA included in the President's Budget Request. **Based on the January 2023 CPI-U of 6.4%, NHSA recommends \$767,797,000 for a COLA in FY24.**

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### Workforce Compensation Adjustment — \$2,701,926,000

Strong outcomes for children and families receiving Head Start services depend on well-qualified staff; and attracting and retaining well-qualified staff comes at a cost. Currently, compensation for the early childhood workforce, including Head Start, ranks in the lowest 10% of all professions. This threatens the stability and ability of Head Start programs to properly serve a maximum number of children. The pay gap—both with the public schools and private-sector jobs in retail, manufacturing, and the service industry—has resulted in an unprecedented turnover in the Head Start workforce.

Data from the Bureau of Labor Statistics and HHS indicates a difference between the median annual salary for a kindergarten teacher and an equally-qualified Head Start teacher is just over \$25,000. While it will not address the low pay for other Head Start staff, the teacher salary deficit must be addressed immediately. While the President's Budget Request calls for \$574.5 million in wage increases through Quality Improvement Funds, we know that more must be done to address the issue of Head Start teacher pay. **NHSA recommends \$2,701,926,000 for Workforce Compensation Adjustment in FY24 to equal that median salary.**

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### Expand Quality Improvement Funding — \$1,000,000,000

While inadequate compensation is driving quality teachers out of Head Start, conditions in the classroom are increasingly challenging due to a surge in discipline and behavior issues, largely attributable to childhood trauma. Recent surveys of Head Start programs indicated that child behavior was the second leading cause of staff departure. Quality Improvement Funds (QIF) can be purposed to address this very real issue that requires a localized and strategic approach. The President's Budget Request, however, only provides QIF resources to improve compensation for staff. While increased compensation is critical, QIF is used to provide critical flexibility that adapts to local needs including the above examples, as well as improving facilities, classroom environments, and transportation safety. **NHSA recommends \$1,000,000,000 in FY24 Quality Improvement Funding to provide flexibility to address childhood trauma and other critical local priorities.**

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### Recruit & Develop Staff for American Indian/Alaska Native Programs — \$2,000,000

The percentage of Head Start teachers in American Indian/Alaska Native (AI/AN) programs with the access and resources to receive their bachelor's degree lags significantly behind Head Start teachers with bachelor's degrees nationwide. As the ideal catalysts for filling this gap, the Tribal Colleges and Universities–Head Start Partnership Program expands the number of qualified teachers who are best suited, culturally and linguistically, to address the growing need for Head Start and Early Head Start services in AI/AN communities. **NHSA recommends an additional \$2,000,000 in FY24 to provide grants to help Tribal Colleges and Universities develop the staff necessary to address the growing need to staff AI/AN Head Start and Early Head Start programs.**

<sup>1</sup> Totals include training and technical assistance, and research, among other administrative costs, per the Head Start Act. Early Head Start-Child Care Partnerships funding is reflected in the total.

<sup>2</sup> All funds appropriated to Head Start in FY24 should include a minimum of 4.5% set aside for Migrant and Seasonal programs & 3% for American Indian/Alaska Native programs, per the Head Start Act.

<sup>3</sup> Bauer, L., & Schanzenbach, D. (2016). The Long-Term Impact of the Head Start Program. The Hamilton Project, The Brookings Institution.

<sup>4</sup> Barr, A., & Gibbs, C. R. (2022). Breaking the Cycle? Intergenerational Effects of an Antipoverty Program in Early Childhood. Journal of Political Economy.