



HHS' Historical Approach to Head Start Regulation Following the 2007 Statutory Reauthorization has Increased Costs and Reduced Access, without Substantial Quality Gains

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KEY POINTS

- Head Start was last reauthorized in 2007 in the Improving Head Start for School Readiness Act (PL 110-134).
- The Head Start Program Performance Standards (HSPPS) underwent comprehensive revisions in 2016 and 2024. These revisions described a tradeoff between cost, access, and quality: higher regulatory costs were expected to reduce funded enrollment absent offsetting resources with the goal of improving quality. Combined, the two rulemakings were estimated to reduce funded slots by 228,000.
- Since the 2016 regulation, average spending per slot has increased and number of funded slots has decreased, but there has not been a substantial increase in quality as measured by the Classroom Assessment Scoring System (CLASS), with scores generally plateauing.
- From Fiscal Years 2015 to 2024 (FY15 to FY24), average spending per slot for Early Head Start increased from \$16,042 to \$21,175 and for Head Start Preschool from \$10,575 to \$15,752 in 2024 dollars. Spending outpaced inflation by 32 percent in Early Head Start and 49 percent in Head Start Preschool.
- The number of slots reduced from FY15 to FY25 by 277,658 slots, or a 29 percent decrease.

BACKGROUND

Project Head Start was created in 1965 as part of President Lyndon B. Johnson's War on Poverty to give preschool children from families with low-income access to a comprehensive program to support their education and meet their nutritional, health, social, and emotional needs.^{1,2} In its first year of funding, Head Start served 561,000 children through an eight-week summer program, with \$96 million in federal funding. The Head Start Program Performance Standards (HSPPS), the federal regulations that detail guidelines and standards for serving Head Start programs, were originally published in 1975.

Head Start was last reauthorized in 2007 in the Improving Head Start for School Readiness Act (PL 110-134).³ The reauthorization included several provisions intended to strengthen Head Start quality, including aligning Head Start school readiness goals with state early learning standards; requiring higher qualifications for Head

Start teachers; increasing accountability through strengthened monitoring and oversight, including a review of child outcomes and annual financial audits; and developing the Designation Renewal System (DRS) that establishes whether Head Start grants meet program, quality, and financial requirements for continued funding.⁴ The law also instructed the Secretary of the Department of Health and Human Services (HHS) to modify the HSPPS.

Subsequent to reauthorization, in 2016, the HSPPS underwent their first comprehensive revision since their original publication. The Final Rule⁵ explained its intent to incorporate advancements in research and data to improve the quality of Head Start services. The Final Rule asserts that streamlining and reorganizing the regulatory structure will “improve regulatory clarity and transparency so that existing grantees can more easily run a high-quality Head Start program.”

In 2024, the HSPPS were revised to include new requirements for staff wages, benefits, and wellness supports; integrate mental health into all aspects of program delivery; and improve the quality of services across other service areas. The 2024 Final Rule text notes it “enhances and clarifies the performance standards across a variety of areas, codifies certain essential best practices, and streamlines processes for programs implementing the standards, with the goal of further improving the quality of Head Start services.”⁶

The stated philosophy in the 2016 and 2024 rulemakings was to use additional regulation to improve program quality, even when the added requirements increase operating costs. This means that HHS accepted higher program costs and fewer funded slots in exchange for expected quality gains, based on the hypothesis that expected quality gains for children who remain enrolled could outweigh the benefits lost by children who no longer have access to the Head Start program. This is succinctly explained in the 2016 Final Rule text: “The total benefit to society of the rule would depend upon the relative size of the benefits to children who receive greater exposure to high-quality early learning experiences compared to the lost benefits for children who no longer have access to Head Start.”⁷

The Head Start Actⁱ requires the monitoring process to include “a valid and reliable research-based observational instrument...that assesses classroom quality, including assessing multiple dimensions of teacher-child interactions that are linked to child development and later achievement. The Administration for Children and Families (ACF) identified the Classroom Assessment Scoring System (CLASS[®])ⁱⁱ as the instrument that best met statutory intent.”⁸

The CLASS is an observational tool that measures the quality of the teacher-child interaction in center-based preschool classrooms across three domains: Emotional Support, Classroom Organization, and Instructional Support.⁹ The Notice of Proposed Rulemaking (NPRM)¹⁰ in June 2015 explained the rationale behind increasing regulations around quality, stating

“...we believe with improvements in quality, Head Start can have an even greater impact...Data from standardized classroom observations find some elements of teaching practices score very low, on average. For example, Instructional Support scores [from CLASS] in 2013 were approximately 3 points lower on a 7 point scale. This...reflects a clear need for improvement. We intend for the implementation of our proposed revision of the education and child development provisions to improve teaching practices and education service delivery across our programs and help ensure every

ⁱ Section 641A(c)(2)(F)

ⁱⁱ Pianta, R. C., La Paro, K. M., & Hamre, B. K. (2008). *Classroom Assessment Scoring System™: Manual Pre-K*. Paul H. Brookes Publishing Co. <https://teachstone.com/class/>

child in Early Head Start and Head Start receives high quality early learning experiences.”ⁱⁱⁱ

Further, research has shown that children in classrooms with higher CLASS scores are more likely to have stronger outcomes across a variety of developmental domains.^{11,12,13} However, there are important limitations of the CLASS as a measure of quality; specifically, early evaluations of the DRS raised concerns about the precision of CLASS as a measure of grantee-level quality and its ability to identify lower-performing programs.¹⁴

ESTIMATED IMPACT OF 2016 AND 2024 FINAL REGULATIONS

Both the 2016 and 2024 rulemakings described a tradeoff between cost, access, and quality: higher regulatory costs were expected to reduce funded enrollment absent offsetting resources, with the goal of quality gains. Combined, the two rulemakings were estimated in the rules to reduce funded slots by about 228,000, with reductions of about 13 percent and 14 percent, respectively (Table 1). Both regulations also aimed to achieve quality improvements, but neither the NPRMs nor Final Rules quantified the expected gains in quality.

The 2016 Head Start Performance Standards Final Rule¹⁵ estimated that total costs would be \$1.003 billion, with additional costs borne by other parties (estimated at \$46.5 million) and opportunity costs (estimated at \$4.2 million), for a net total cost to society of \$1.054 billion over ten years. The Final Rule estimated that these changes would reduce funded enrollment (927,725 slots in FY14) by 123,614 slots in that same time period.

The 2024 Supporting the Head Start Workforce and Consistent Quality Programming Final Rule¹⁶ estimated that by 2031, at full implementation when all policies are in effect, the regulation would require an increase in expenditures of about \$2.3 billion. The Final Rule estimated that these changes would reduce funded enrollment (750,000 projected in FY24) by 104,764 slots in that same time period.

Table 1. Finalized Major Head Start Rules Since 2007: Estimated Enrollment and Cost Impacts Included in the Rules

Proposed Rule	Final Rule	Final Rule Estimates		
		Slot Impact	Slot Change (% of Funded Enrollment)	Net Cost/Fiscal Impact
Head Start Performance Standards				
80 FR 35430 (2015)	81 FR 61294 (2016)	-123,614 slots HS: -121,226 EHS: -2,388	-13.3%	+\$1.054 billion net total cost over 10 years
Supporting the Head Start Workforce and Consistent Quality Programming				
88 FR 80818 (2023)	89 FR 67720 (2024)	-104,764 slots ^a	-13.9%	+\$2.3 billion in expenditures at full implementation in 2031

^a The 2024 Final Rule did not disaggregate slot loss by Head Start Preschool and Early Head Start.

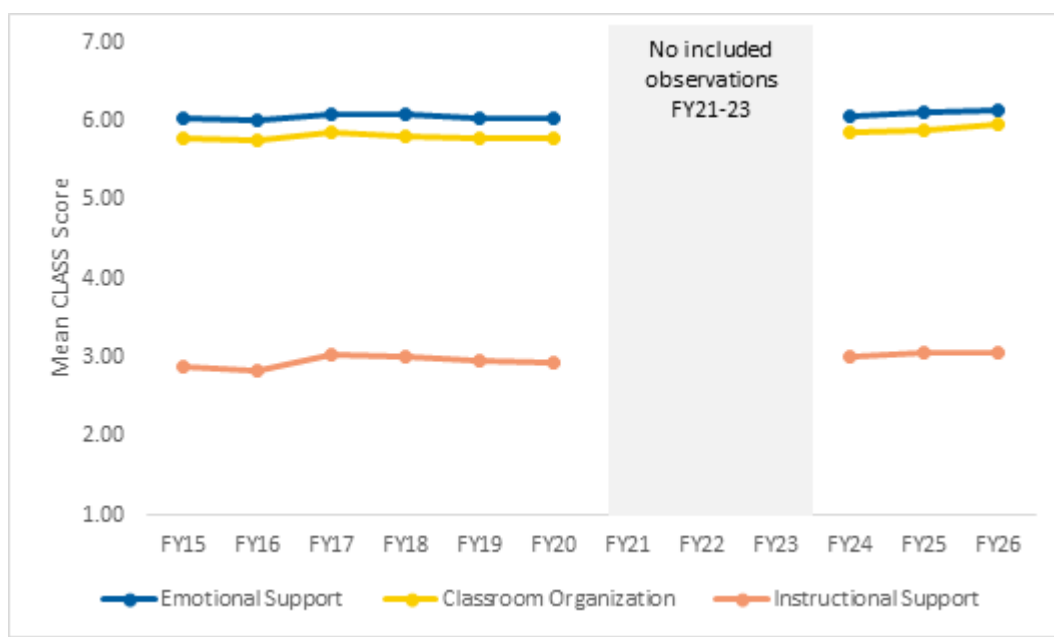
ⁱⁱⁱ CLASS thresholds that determine whether grants are required to recompete were subsequently revised in a Final Rule on Designation Renewal System Changes (85 FR 53189).

ACTUAL IMPACT OF 2016 AND 2024 FINAL REGULATIONS

Impact on Quality

Using the CLASS as the ACF-identified measure of quality in the rule, the trends shown below do not indicate a substantial increase in quality after the 2016 Final Rule and generally represent a plateau. Changes in quality were statistically significant though extremely small in magnitude. Across all three domains – Emotional Support, Classroom Organization, and Instructional Support – scores were practically flat between FY15 and FY26.

Figure 1. CLASS Domain Mean Scores, FY15 to FY26



Note: Data reflect annual means. FY21 to 22 reviews were paused due to COVID-19; FY23 pilot data were excluded.

Impact on Spending

The average spending per slot for Early Head Start and Head Start Preschool increased between FY15 and FY24 (Table 2). In FY15, average nominal cost per slot was \$12,189 in Early Head Start and \$8,035 in Head Start Preschool.^{iv} In 2024 dollars, the average FY15 cost per slot equated to \$16,042 in Early Head Start and \$10,575 in Head Start Preschool.^v

By FY24, the average spending per slot was \$21,175 in Early Head Start and \$15,752 in Head Start Preschool.^{vi} Spending per slot varies widely across both programs, as well as both across and within states. Cost of living explains some – but not all – of the variation in spending per slot.¹⁷ After accounting for rising costs, spending

^{iv} Average cost per slot in FY15 was reported in the 2016 Head Start Performance Standards Final Rule. Detailed methodology of how these estimates were derived was not provided in the Final Rule.

^v Estimates were cost-adjusted to 2024 dollars to account for inflation using Consumer Price Index (CPI) annual averages from the Bureau of Labor Statistics.

^{vi} These averages are unpublished estimates from prior ASPE analysis. A 2026 ASPE brief published estimates of *median* spending per slot (\$20,294 in Early Head Start and \$14,532 in Head Start Preschool).

across both programs grew more than inflation alone would predict. Spending outpaced inflation by 32 percent in Early Head Start and 49 percent in Head Start Preschool.

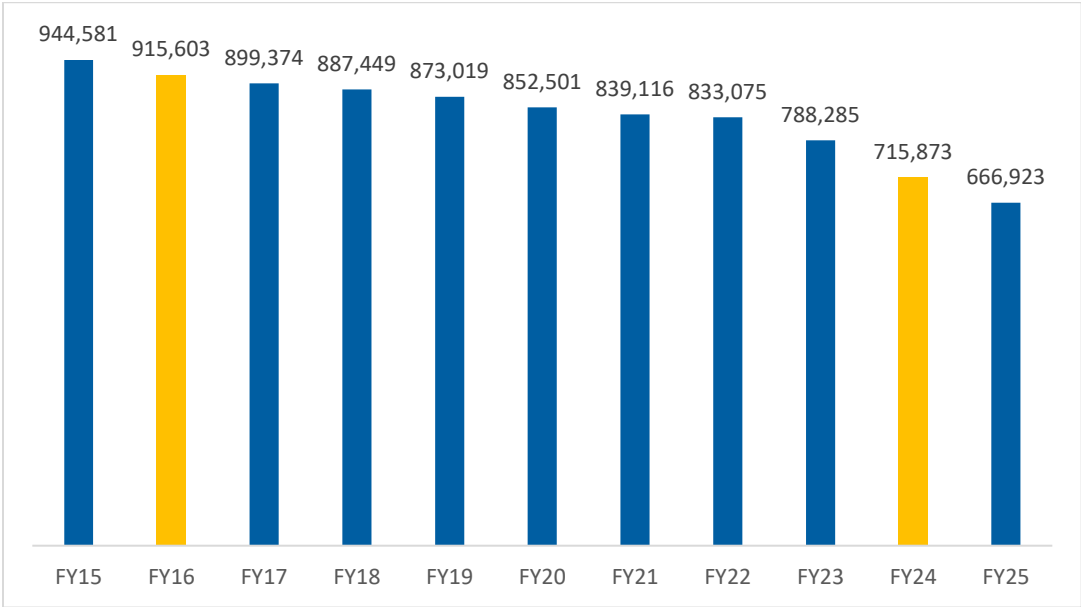
Table 2. Average Spending Per Slot, FY15 and FY24 (adjusted to 2024 dollars)

	Early Head Start	Head Start Preschool
FY15	\$16,042 (FY24 dollars)	\$10,575 (FY24 dollars)
FY24	\$21,175	\$15,752

Impact on Slots

The number of funded slots has steadily decreased, from 944,581 funded slots in FY15 to 666,923 funded slots in FY25 (see Figure 2). This represents a reduction of 277,658 slots, or a 29 percent decrease from FY15. If funded enrollment had remained steady at FY15 levels, the Head Start program could potentially have served an additional 1,174,592 children through FY25.

Figure 2. Head Start Funded Enrollment, FY15 to FY25



CONCLUSION

Since the 2016 Final Rule that revised the HSPPS, spending per slot has increased, funded slots have decreased, and there has been no substantial impact on quality as measured by the sole measure identified by ACF – CLASS. Given the arguments provided in the 2016 Final Rule that quality gains would outweigh the downside of lost slots, 10 years later, the regulation has failed to meet its objectives.

This does not mean that Head Start is ineffective or that it does not provide high-quality early education and family support services. Research has consistently shown positive, long-term outcomes for children who participate in Head Start programs.^{18,19} Rather, the available data does not demonstrate the anticipated quality improvements in CLASS that were used to justify the higher costs and fewer funded slots under the prior regulatory approach.

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