

March 2011

## **HOLDING BACK HEAD START**

### *Proposed Cuts Would Affect Thousands of Low-Income Iowa Kids*

Since its inception in 1965, 27 million low-income children have gained access to quality preschool education through Head Start.<sup>1</sup> Hundreds of thousands more low-income pregnant women and their infants have received pre- and neo-natal care and advice through Early Head Start, since it was created as a partner program in 1994. Future impacts are in doubt as Congress considers major budget cuts.



#### **Head Start in Iowa**

Based on Head Start internal reports, Head Start provided 8,137 Iowa children with quality preschool education in the 2009 program year. An additional 1,771 pregnant women and their children under age 3 benefited from Early Head Start programs.<sup>2</sup>

In addition to providing low-income children with quality preschool, Head Start/Early Head Start means jobs in Iowa. Head Start funding provides jobs for 2,411 Iowa workers, including nearly 500 teachers.<sup>3</sup>

#### **Head Start Programs Funding**

Head Start/Early Head Start is a jointly funded program, in which the federal government awards grants to preschool providers that meet quality standards set forth in the Head Start Act;<sup>4</sup> grant recipients must make a 25 percent funding match from either state or local sources.

In federal Fiscal Year 2009, Congress appropriated \$7.1 billion to Head Start; \$53.3 million of that came to Iowa.<sup>5</sup> The 2009 American Recovery and Reinvestment Act (ARRA) chipped in an additional \$2.1 billion over Fiscal Years 2009, 2010 and 2011 to Head Start programs across the country.<sup>6</sup> These additional Recovery Act funds created slots for 61,000 more children to enroll in Head Start.<sup>7</sup>

#### **Proposed Cuts Would Harm Head Start**

Proposals in Congress call for severe cuts to the federal budget. Head Start/Early Head Start would not be exempt from cuts. House Resolution 1 would cut Head Start/Early Head Start funding by nearly \$1.1 billion.<sup>8</sup> H.R. 1 has already passed the House; a House-Senate compromise may soon emerge.

While the proposed \$1.1 billion cut to Head Start/Early Head Start represents 15 percent of its current budget, it does not capture all of the impact upon Head. In addition to a 15 percent cut in the regular budget, the additional ARRA monies expire at the end of September 2011.

#### **Cuts Would Affect Hundreds of Thousands of Children**

The impact of the expiration of ARRA funds along with the proposed cuts of \$1.1 billion would

cut services to hundreds of thousands of children. By one estimate, if the proposed cuts were implemented by reducing enrollment rather than reducing the amount per child, about 157,000 children would lose Head Start/Early Head Start.<sup>9</sup>

In Iowa, the cuts proposed by H.R. 1 together with the lapse of ARRA funds would eliminate nearly 1,800 Head Start and Early Head Start slots. In addition, these H.R. 1 cuts come as Iowa attempts to rebound from the recent recession. More than 500 teachers, teachers' assistants, administrative staff, and other Head Start/Early Head Start workers would become unemployed. Throughout the state, 145 Head Start/Early Head Start classrooms would be shuttered.<sup>10</sup>

## **Conclusion**

In recent years, a growing body of research shows that the investment in early childhood education has a significant return to state and federal budgets.<sup>11</sup> In a letter to the National Commission on Fiscal Responsibility and Budget Reform, Professor James Heckman, a leading scholar on human capital, wrote, "throughout the course of their lives, Head Start graduates tend to be more persistent in their education, more inclined to healthy behaviors and less inclined to be involved in criminal activity. Early Head Start and Head Start are programs on which to build and improve — not to cut."<sup>12</sup>

Iowans must recognize while engaging in and evaluating fiscal discussions, budget cuts may also come with a cost.

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<sup>1</sup> Head Start Program Fact Sheet, U.S. Department of Health and Human Services, Administration for Children & Families (ACF), Accessed March 28, 2011. <<http://www.acf.hhs.gov/programs/ohs/about/fy2010.html>>.

<sup>2</sup> Head Start Program Information Reports, U.S. Department of Health and Human Services, Administration for Children & Families (ACF), Accessed March 28, 2011. <<http://www.eclkc.ohs.acf.hhs.gov/pir>>.

<sup>3</sup> CLASP DataFinder, Accessed March 28, 2011. <<http://www.clasp.org/data>>.

<sup>4</sup> 42 U.S.C. 9843a. <[http://www.acf.hhs.gov/programs/ohs/legislation/HS\\_act.html#648A](http://www.acf.hhs.gov/programs/ohs/legislation/HS_act.html#648A)>.

<sup>5</sup> Head Start Program Fact Sheet, ACF.

<sup>6</sup> Head Start Program Fact Sheet, ACF.

<sup>7</sup> James Horney, Danilo Trisi, and Arloc Sherman, "House Bill Means Fewer Children in Head Start, Less Help for Students to Attend College, Less Job Training, and Less Funding for Clean Water," Center on Budget and Policy Priorities, March 1, 2011. <<http://www.cbpp.org/cms/index.cfm?fa=view&id=3405>>.

<sup>8</sup> 112<sup>th</sup> Congress, House Resolution 1. <<http://thomas.loc.gov/cgi-bin/query/z?c112:H.R.1>> and Horney, Trisi and Sherman.

<sup>9</sup> Horney, Trisi and Sherman.

<sup>10</sup> Impacts of H.R. 1 Fact Sheet, Every Child Matters, March 8, 2011.

<<http://www.everychildmatters.org/storage/documents/docs/clc/hr1impactecm.pdf>>.

<sup>11</sup> James J. Heckman and Dimitri Masterov, "The Productivity Argument for Investing in Young Children," Working Paper 5, Invest in Kids Working Group, Committee for Economic Development, October 4, 2004. <[http://jenni.uchicago.edu/human-inequality/papers/Heckman\\_final\\_all\\_wp\\_2007-03-22c\\_jsb.pdf](http://jenni.uchicago.edu/human-inequality/papers/Heckman_final_all_wp_2007-03-22c_jsb.pdf)> and Arthur J. Rolnick and Rob Grunewald, "Early Childhood Development: Economic Development with a High Public Return," Federal Reserve Bank of Minneapolis, December 2003. <[http://www.minneapolisfed.org/publications\\_papers/pub\\_display.cfm?id=3832](http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=3832)>.

<sup>12</sup> James J. Heckman, Letter to National Commission on Fiscal Responsibility and Budget Reform, Accessed March 29, 2011. <[http://www.heckmanequation.org/system/files/Federal-Commission\\_2.10.11FINAL.pdf](http://www.heckmanequation.org/system/files/Federal-Commission_2.10.11FINAL.pdf)>.

## **The Iowa Policy Project**

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