Head Start Funding Cycles

Head Start funding is awarded to grantees on the basis of two funding cycles: the five-year project period and the one-year budget period. Under the new Designation Renewal System, Head Start grantees are awarded grants for a five-year project period. Prior program performance (including classroom quality, school readiness goals, lack of compliance with critical program performance standards, license revocation, etc.) determines whether a grantee will have to compete with other agencies for a new five-year award or not.

Competitive five-year grant applications
Grantees required to re-compete through the Designation Renewal System must submit a competitive grant application for a five-year award. The application must cover topics such as community need for child development and health services, staff qualifications and experience, organizational capacity and governance, past performance, budget, school readiness goals, plans and outcomes. Based on the results of the competition, an agency may or may not be awarded a new five-year grant.

Non-competitive five-year grant applications
Grantees eligible for a non-competitive five-year award are required to submit a non-competitive five-year funding application to their Regional Office three months before the beginning of the new project period. The application is comprehensive and must include goals for the five years (such as anticipated school readiness outcomes, long and short term objectives), a community assessment, quality enhancement plans and measures of program progress.

Grantees awarded five-year grants (either through the competitive or non-competitive process) must comply with several post-award requirements in the domains of governance, health and safety, school readiness, and audits. For example, grantees must conduct a governance and leadership capacity screening within two months of the start of the project period, conduct health and safety screenings of the centers or homes where services are provided within 45 days, participate in school readiness progress meetings with their Regional Office, and participate in an audit webinar within six months of the beginning of the project period. The five-year awards are conditional upon a grantee’s compliance with these requirements.

Within the five-year project period, grantees must submit noncompetitive refunding applications to their Regional Offices annually to receive funding for years two through four (budget periods). The refunding application focuses on grantee progress towards goals, outcomes and impacts delineated in their competitive or non-competitive five year application. Grantees are expected to use program data to assess progress and provide evidence of program impacts on children, families, and communities.

Therefore, Head Start uses the five-year and one-year funding cycles not only for funding allocation purposes, but also as opportunities to assess the quality, performance and progress of grantees. Consideration of program goals, outcomes, quality and progress play an important role both the longer-term project period and shorter-term budget period. In this way, Head Start has built quality improvement and program assessment into its recurring funding cycles.