Traditional\(^1\) Head Start and Early Head Start Funding Allocation Formula

\[ \text{Base Grant} + \text{Training and Technical Assistance} + \text{Cost of Living Increase}^2 + \text{Quality Improvement Funding}^2 + \text{Expansion Funding}^2 = \text{Total Traditional and Early Head Start Agency Funding} \]

**Base Grant**
- Same amount as the base grant received the prior year, originally set in 1981.

**Training and Technical Assistance**
- Distributed based on the ratio of enrolled children at each agency compared to enrollment at all agencies.\(^3\)
- Also considers cost differential between Early Head Start vs. Head Start and full- vs. part-day programs offered by agencies. These increases may be written into the following year’s base grant.

**Cost of Living Increase**
- Calculated by applying the percent change in the Consumer Price Index (CPI) for all Urban Consumers to each agency’s base grant. These increases are usually written into the following year’s base grant.

**Quality Improvement Funding**
- Only if there are remaining funds

**Expansion Funding**
- Only if there are remaining funds

**Total Traditional and Early Head Start Agency Funding**
- Split evenly between Head Start and Early Head Start agencies.

**Traditional Head Start**
- Allocation based on ratio of enrolled children at agency compared to at all agencies.\(^3\)

**Early Head Start**
- Allocation determined as a percentage of the total grant, which can vary by year.\(^4\)

The portion reserved for Head Start agencies is allocated as follows:
- 55% distributed among states serving less than 60% of 3-4 year-olds in families earning under the poverty line based on the ratio of young low-income children in each state compared to all under-serving states
- 45% distributed among all states based on the ratio of young low-income children in each state compared to all states
- These increases may be written into the following year’s base grant.
There are four types of programs within Head Start: Head Start programs, Early Head Start programs, Migrant & Seasonal Head Start programs or American Indian/Alaska Native Head Start programs. Head Start programs constitute the largest of the four types of programs, and serve children aged three to mandatory school age (usually five). Throughout diversitydatakids.org, Head Start programs are often referred to as 'traditional' Head Start programs when juxtaposed with any of the other types of programs, for clarity.

Cost of Living Adjustments (COLA), Quality Improvement funding and Expansion funding are determined each fiscal year and are only allocated to grantees if Congress has authorized sufficient Head Start funding in its annual appropriations. If, in a given year, appropriations are only sufficient to allocate base grants and TA funding, Head Start grantees will not receive any funds for COLA, quality improvement or expansion. There are multiple years in which grantees have not received funds for COLA, quality improvement and/or expansion.
