



## The Head Start Designation Renewal System

### *Quality, Standards and Re-competition*

#### The Designation Renewal System (DRS)

Prior to the Improving Head Start for School Readiness Act of 2007, Head Start agencies received continuous grant funding for their programs for an indefinite period, except in cases of extremely poor performance.<sup>1</sup> Effective December 9, 2011, the 2007 legislation limits the grant funding period to five years, with continued funding contingent upon program performance. Head Start programs are evaluated during the fourth year of their grant on the following criteria: school readiness goals and actions, classroom quality (evaluated by the [Classroom Assessment Scoring System, \(CLASS\)](#), an observational tool for assessing classroom interactions that facilitate student learning), license revocation, suspension, debarment, or bankruptcy. Only agencies with high performing programs are eligible for a renewed five year grant without competition.<sup>2</sup> Agencies that do not meet one or more of the criteria are required to re-compete for renewal of their five year grant. Re-competition does not necessarily lead to a loss of funding.

An agency's criteria scores are determined independently of other agencies' scores, with the exception of the CLASS quality criteria. Re-competition is required for grantees that have an average CLASS score in the lowest tenth percentile of all agencies, unless the score satisfies a pre-specified standard of excellence. This relative threshold makes it likely that at least 10% of agencies will re-compete each period. As of December 2013, two batches of grantees have been reviewed under the DRS. In December 2011 the Department of Health and Human Services notified the first cohort of 125 grantees that they were required to re-compete for funding. Of these, 25 were replaced by new grantees, and 14 forfeited a portion of their funds, splitting them among new and old providers.<sup>3</sup> In January 2013, the second cohort of 122 grantees was notified that they would be required to re-compete.<sup>4</sup> The results from this second round of re-competition have yet to be released. For more information about the DRS, [click here](#).

Regional offices will provide specialized management systems technical assistance (related to including governance, reporting, funding issues, etc.) as well as education and parental engagement related technical assistance to grantees who are required to re-compete, as these grantees will continue to serve children until the grant awards are determined.<sup>5</sup>

#### Historical significance:

The DRS is the first competitive process of performance review and grant funding for Head Start since its creation in 1965.<sup>6</sup> When the first Head Start grants were awarded to agencies to establish and run new centers, their applications were not vetted for quality. As with most new programs, there was considerable pressure to begin service delivery, and application reviewers "were not looking for quality indicators..."<sup>7</sup> At that time, the presumption was that once the programs were

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running, they could be more carefully examined and those of poor quality would be terminated. However, this process proved minimal, and over the following decades an emphasis was placed on increasing enrollment rather than improving program quality. It was not until the 1990s that a substantial number of programs were closed due to quality issues. By 1996 around 40 Head Start programs were terminated as a result of performance issues, yet there was still no organized process of quality accountability.<sup>8</sup>

The DRS incorporates grant competition and accountability in a systematic fashion. However, the system is very new and has been phased in over the course of three years, so its effects – either positive or negative – have yet to be seen. In an effort to be sensitive to the challenges inherent in establishing this new system, the Office of Head Start commissioned a study that will examine the role of DRS in improving quality (Evaluation of the Head Start Designation Renewal System [DRS]). This study will also evaluate the validity of the criteria used to differentiate higher and lower performing programs.

#### Sources & notes:

<sup>1</sup> Zigler, E. & Styfco, S.J. (2010). *The hidden history of Head Start*. New York, NY: Oxford University Press

<sup>2</sup> Basis for determining whether a Head Start agency will be subject to an open competition. *Head Start Program Performance Standards*, 45 CFR 1307.3. Retrieved from <http://eclkc.ohs.acf.hhs.gov/hslc/standards/Head%20Start%20Requirements/1307#1307.7>.

<sup>3</sup> U.S. Department of Health and Human Services. (2013, April 3). *Head Start providers improve quality through new competitions, greater accountability*. Retrieved from <http://www.acf.hhs.gov/node/16359>.

<sup>4</sup> U.S. Department of Health and Human Services. (2013, January 17). *Head Start continues quality reforms with second group of competitions: Head Start continues quality reforms with second group of competitions*. Retrieved from <http://www.acf.hhs.gov/press/head-start-continues-quality-reforms-with-second-group-of-competitions>.

<sup>5</sup> Office of Head Start, personal communication, January 31, 2014.

<sup>6</sup> U.S. Department of Health & Human Services. (2010, September 21). *HHS announces national effort to reshape and raise quality in Head Start programs*. Retrieved from <http://www.hhs.gov/news/press/2010pres/09/20100921a.html>

<sup>7</sup> Zigler, (2010), op.cit. (pg 59).

<sup>8</sup> Ibid. (pg 269).