

Public  
Policy  
Institute of  
California



FEDERAL FORMULA GRANTS  
AND CALIFORNIA

# Head Start

---

Tim Ransdell  
Shervin Bolorian

**The Public Policy Institute of California** (PPIC) is a private operating foundation established in 1994 with an endowment from William R. Hewlett. The Institute is dedicated to improving public policy in California through independent, objective, nonpartisan research.

PPIC's research agenda focuses on three program areas: population, economy, and governance and public finance. Studies within these programs are examining the underlying forces shaping California's future, cutting across a wide range of public policy concerns, including education, health care, immigration, income distribution, welfare, urban growth, and state and local finance.

PPIC was created because three concerned citizens—William R. Hewlett, Roger W. Heyns, and Arjay Miller—recognized the need for linking objective research to the realities of California public policy. Their goal was to help the state's leaders better understand the intricacies and implications of contemporary issues and make informed public policy decisions when confronted with challenges in the future.

David W. Lyon is founding President and Chief Executive Officer of PPIC. Raymond L. Watson is Chairman of the Board of Directors.

---

Copyright © 2003 by Public Policy Institute of California  
All rights reserved  
San Francisco, CA

Short sections of text, not to exceed three paragraphs, may be quoted without written permission provided that full attribution is given to the source and the above copyright notice is included.

PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

Research publications reflect the views of the authors and do not necessarily reflect the views of the staff, officers, or Board of Directors of the Public Policy Institute of California.

## About This Series

### Federal Formula Grants and California

The federal government uses formula grants to distribute nearly \$300 billion annually to state and local governments to help them implement federal policies in such areas as health, transportation, and education. How much each government receives is determined by complex formulas that consist of many factors such as state population growth and per capita income. This series of reports provides detailed information on California's current and historical funding under the major federal grants and on the formulas used to determine California's share of funding under various specific grants.

All reports are posted on the PPIC website at [www.ppic.org](http://www.ppic.org).



# Head Start

---

Tim Ransdell and Shervin Bolorian

September 2003

## Overview

The federal Head Start program was launched in 1965 as a short-term plan to prepare low-income preschool children for elementary school. After having served more than 20 million children, the program has evolved over the years and today offers a comprehensive array of early childhood development services, including literacy training, health and nutrition services, and social development and parental support services for low-income children and their families.<sup>1</sup> Incorporating recent advances in child development and early education research, Head Start remains an innovative and respected program.

Passed initially as the Head Start Act,<sup>2</sup> the program was revised substantially by Congress in the Omnibus Budget Reconciliation Act of 1981.<sup>3</sup> Among other things, that legislation added a “hold harmless” provision to mitigate funding reductions from one year to the next. With the Head Start Act Amendments of 1994, Congress expanded the program—initially intended to serve families with preschoolers ages 3 and 4—to include coverage for prenatal care and for children through age 4, thus adapting its mission to include provision of services to the youngest infants as well as pregnant mothers with physical and educational needs.<sup>4</sup> That legislation also tightened performance standards, requiring that some grant recipients alter service delivery practices and forcing others out of the program entirely. Congress last overhauled the program with its passage of the Head Start Amendments of 1998,<sup>5</sup> which changed the base year for guaranteed funds distribution, based funds distribution on preschool-age poverty, and renewed the program’s authorization through September 30, 2003. Head Start is

---

<sup>1</sup>Crisis intervention, language instruction, marriage counseling, and health and parenting education services are available to Head Start parents in California.

<sup>2</sup>42 U.S.C. 9801 et seq.

<sup>3</sup>Public Law 97-35 (8/13/81).

<sup>4</sup>Children ages 0–2 and their parents receive services under section 645A of the Head Start Act (42 U.S.C. 9840A), the Early Head Start Programs for Families with Infants and Toddlers.

<sup>5</sup>The reauthorization act was included as a portion of the Coats Human Services Amendments of 1998, Public Law 105-285 (10/27/98).

administered and funds are distributed to grantees by the Head Start Bureau at the Administration for Children and Families (ACF), which is part of the U.S. Department of Health and Human Services (HHS).<sup>6</sup>

During the period covered by the most recent reauthorization, funding for local projects and support activities grew by more than one-third, from \$4.37 billion in 1998 to \$6.67 billion in 2003.<sup>7</sup> Over the course of the past two decades, Head Start funding has grown rapidly relative to that of other federal programs, rising at an average rate of 11 percent per year since 1980. California's share of Head Start funds remained fairly constant throughout the last reauthorization's lifetime, remaining at approximately 12.2 percent of total program appropriations between 1998 and 2003.

This paper examines the workings and results of the distribution method used to determine the allocation of Head Start funds to the states. As with other federal programs already discussed in this publication series, Head Start is treated as a formula grant because it awards funds geographically on the basis of a mathematical construct—a formula. However, Head Start differs from many other formula programs insofar as its formulaic directives are paired with unusually wide discretion that Congress has given to the federal agency distributing program funds. As might be expected, this hybridized authority and wide administrative latitude complicates prediction of future funding distribution.

## Program Function

The mission of Head Start is to help low-income children gain vocabulary, writing, arithmetic, and other school readiness skills and to encourage family development and community collaboration in achieving school readiness. More than 1,500 Head Start providers nationwide offer language, literacy, mathematics, health, nutrition, and social services to low-income families through nonprofit, educational, community, and faith- and government-based facilities and organizations. In 2002, centers receiving program funding served 912,000 children in the United States, with 99,000 of them located in California.

Unlike most formula grants that distribute federal dollars to state and local government entities as block grants, Congress devised Head Start so that HHS

---

<sup>6</sup>45 CFR 1301 et seq.

<sup>7</sup>When Congress passed the Omnibus Appropriations Act of 2003 in January 2003, most domestic discretionary programs received an across-the-board spending cut of 0.65 percent. Head Start was explicitly spared this reduction.

distributes funds directly to public and private service providers, primarily at the local level.<sup>8</sup> Local service providers are sustained by direct intergovernmental grant transfers from federal sources (often without the input or resources of states) to support center-based, home-based, or a mixed combination of services on a full-time or part-time basis.<sup>9</sup> Head Start services for Indian and migrant and seasonal workers and their families are managed from the HHS main office.<sup>10</sup> Congress has maintained Head Start administration by HHS rather than the U.S. Department of Education, despite the program's significant education-related components, in large part because of the program's broad service scope.

## Program Structure

As noted above, Head Start authorizing legislation affords HHS considerable discretion in determining how funds are allotted.<sup>11</sup> That said, Congress provides a primary formula framework that includes a number of set-asides before geographic allotment—a hold harmless provision set to a fixed base year,<sup>12</sup> an inflation adjustment from the preceding year, and an allotment of remaining funds based on child poverty counts.

In years during which total program appropriations exceed those of the prior year, formula language implies that HHS should provide all grantees a cost-of-living adjustment (COLA) to defray the effect of inflation on Head Start services. The COLA is determined by comparing the consumer price index for all urban consumers (CPI-U) for one year to the same period for the prior year. In practice, HHS typically compares the September CPI-U for the most recent year with that of the prior year.

---

<sup>8</sup>As discussed below in conjunction with program structure, HHS must ensure that the geographic distribution of funds meets specified state-by-state requirements, but the state government is not the primary recipient of these funds.

<sup>9</sup>Once a proposed project meets program performance criteria, grantees must demonstrate the ability to provide a 20 percent non-federal share of individual program costs before qualifying for federal grants, although the agency may request a waiver of this requirement from HHS. Nevertheless, a number of states support their own preschool and school-readiness programs.

<sup>10</sup>The Migrant Head Start program provides services identical to those of the primary program, with greater emphasis on younger children who might otherwise be cared for in the fields or left in the care of young siblings while parents are working, and with preference given to grantees serving families that move more frequently. Indian Head Start programs integrate various Native American languages and cultures into their curriculum and program goals.

<sup>11</sup>For Head Start, HHS uses the term allotment when referring to the amounts distributed to states, whereas other federal agencies use synonymous terms such as disbursement, allocation, and distribution.

<sup>12</sup>Hold harmless provisions slow the shift of formula funding allotments from one state or jurisdiction to another by limiting the amount or percentage by which funds may be reduced relative to funds of the previous year or to a set base year. See Tim Ransdell, *Federal Formula Grants and California: Factors Determining California's Share of Federal Formula Grants*, Public Policy Institute of California, San Francisco, California, December 2002.

The first statutory set-asides are relatively small. From the total amount Congress appropriates for Head Start (\$6.67 billion in fiscal year 2003), HHS must use up to \$35 million of total funds to help local education agencies with school transition costs, \$5 million for a national impact study on Head Start, and an unspecified amount for additional research, demonstration, and evaluation (RD&E) projects.<sup>13</sup>

In addition to these initial set-asides, separate language requires that HHS use 13 percent of total funds for a number of specified activities. In Congressionally delineated priority order, these include

- Head Start programs for Indian children and their families, migrant and seasonal worker families, and children with disabilities (no less than in the program's base year);
- Head Start programs in U.S. territories;<sup>14</sup>
- Training and technical assistance activities focused on program expansion and program and management improvement (a minimum of 2 percent of total appropriations);
- Discretionary payments to defray provider costs for quality reviews, provider disciplinary action, and program oversight; and
- Additional funds to supplement activities funded by the RD&E set-aside noted above.

Whereas funds for Indian and migrant programs and for programs in the territories are delineated as separate budget items, HHS commingles many of the other discretionary funds from this 13 percent set-aside with formula-based state allotments.

If total Head Start appropriations exceed the rate of inflation, the formula requires that HHS use additional funds for a wide variety of activities identified under the heading of Quality Improvement (QI).<sup>15</sup> Congress statutorily sets a minimum percentage of excess (after adjustment for inflation) funds that must be used for QI activities—25 percent in 2003<sup>16</sup>—but HHS is given leeway to use up to 100 percent of any excess funds for QI activities.

---

<sup>13</sup>Additional research projects related to Head Start evaluation are supported by set-aside language, with funding of \$12 million in 1999 and unspecified amounts as determined by HHS for every year thereafter.

<sup>14</sup>Territories include Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

<sup>15</sup>Specified QI activities include staff development, salary increases, performance enhancements, community planning, learning environment improvements, and language and literacy promotion.

<sup>16</sup>With its 1998 amendments, Congress raised the minimum percentage of excess (above inflation) funds that must be used for QI activities from 25 percent in 1997 (under the prior law) to 60 percent of excess funds in 1999, 50 percent in 2000, 47.5 percent in 2001, 35 percent in 2002, and 25 percent for 2003.

After the set-asides, COLA, and QI, funds are allotted by state, although the recipients generally are not states but individual grantees.<sup>17</sup> First, funds are allotted to ensure that no state's grantees receive less than was received during the statutory base year. The base year concept was established in 1981, and Congressional passage of the 1998 amendments changed the base year to fiscal year 1998 for allotments in fiscal years 1999 through 2003. Because HHS typically begins the allotment process with an inflation adjustment for all continuing grantees, the base-year hold harmless provision typically does not alter state allotment levels.

After base-year funding is ensured, any remaining excess funds are allotted to states according to their relative percentage of children below age 5 living in families with income below the federal poverty line.<sup>18</sup> For fiscal year 2002 and prior-year allotments, HHS used weighted sample data from the Current Population Survey (CPS). For 2003 allotments, HHS would have been able to use poverty data from the 2000 Decennial Census, but the agency elected instead to distribute all excess funds pro rata on a percentage basis, mirroring the COLA increases already applied.<sup>19</sup> Thus, no funds were allotted according to child poverty percentage shares in 2003.

The distributive discretion Congress has afforded HHS is not unlimited. Whereas the agency may use 100 percent of above-inflation funds for QI activities, the law requires that it allot at least 80 percent of these QI funds to grantees in states in the same proportion as the state formula allotment, i.e., according to preschool-age child poverty. Only the remaining 20 percent of QI funds may be distributed to states, agencies, and Indian and migrant providers at the full discretion of the agency.

The breadth of administrative discretion limits precise tracking of funds during years in which total appropriations growth between one year and the next is great, such as between 2000 and 2001. In years characterized by minimal program growth, the task of following the Head Start money is considerably less tenuous.

Although Head Start's direct allocation method largely bypasses state governments, the governing law provides two primary avenues for significant state participation in the program, with funding amounts taken from each state's

---

<sup>17</sup>The Head Start Act defines the term *state* to include the District of Columbia and Puerto Rico.

<sup>18</sup>Poverty is defined as below 100 percent of the poverty level as determined by the U.S. Census Bureau.

<sup>19</sup>The inflation rate assumption for 2002 to 2003 was 1.57 percent, whereas total program appropriations grew by 2.0 percent. HHS allotted the remaining 0.4 percent to grantees by the same percentage growth method it used for the COLA adjustment.

formula allotment. The law requires that the Early Head Start program (focused on infants and toddlers ages 0–2) must receive 10 percent of geographically distributed Head Start appropriations for fiscal year 2003.<sup>20</sup> In addition, Congress gives HHS the discretion to provide to states so-called collaboration grants to enhance administrative coordination and programmatic planning among state and local programs governed by state lead agencies and other groups.

## Program Funding

State and local governments often view Head Start favorably in part because it imposes no maintenance-of-effort requirements on public coffers.<sup>21</sup>

In California, Head Start services are provided in 5,081 classrooms in 1,945 centers in economically disadvantaged communities across nearly every county, but demand for services continues to outstrip supply. According to data for 1998 through 2000 compiled by the child advocacy organization Children Now, 53 percent of California children below age 5 attend preschool compared to 64 percent nationwide, and 41 percent of eligible children are enrolled in Head Start compared to 58 percent nationwide. By some estimates, Head Start serves approximately 40 percent of the nation's eligible children.

In fiscal year 2003, total federal appropriations for Head Start were \$6.67 billion, an increase of 67.5 percent from 1997, when the total appropriation was slightly less than \$4 billion (see Table 1). Funds distributed geographically (i.e., to Head Start programs in states and territories and those serving Indian children and children of migrant and seasonal farmworkers) grew by 66.5 percent during that period.

Head Start allotments to California grew somewhat more quickly than did funding in the nation as a whole.<sup>22</sup> In fiscal year 2003, California received \$817.6 million, or 12.3 percent, of the nation's Head Start appropriation. The total represents growth of 78.2 percent from the state's \$458.8 million allotment in 1997.

---

<sup>20</sup>The Early Head Start takedown requirement is graduated: 7.5 percent for fiscal year 1999, 8 percent for 2000, 9 percent for 2001, and 10 percent for both 2002 and 2003.

<sup>21</sup>The 20 percent local matching requirement is generally imposed on local grantees, although in some instances state or local government funds may be used to satisfy the match. Some states operate their own preschool programs and others provide state funds to supplement Head Start.

<sup>22</sup>Most of the state's increased share was attributable to funding changes between 1997 and 1998.

**Table 1**  
**Head Start Funding, Fiscal Years 1997–2003, California and United States**

Fiscal Year	California Total (\$)	U.S. Total (\$)	California as a % of U.S. Total	U.S. Total (States Only) (\$)	California as a % of U.S. States
1997	458,841,000	3,980,546,000	11.53	3,592,449,000	12.77
1998	528,339,000	4,347,431,000	12.15	3,931,847,000	13.44
1999	554,366,000	4,658,151,097	11.90	4,186,863,000	13.24
2000	642,512,000	5,266,211,000	12.20	4,731,695,000	13.58
2001	758,590,509	6,199,123,000	12.24	5,562,622,567	13.64
2002	801,429,541	6,536,570,000	12.26	5,861,884,413	13.67
2003	817,556,305	6,667,533,000	12.26	5,979,840,165	13.67

***Percentage Share of Funding***

In 1997, California grantees received 11.5 percent of the nation’s Head Start funds. The state’s share rose to 12.2 percent in 1998 and, with the exception of 1999, has remained at or near that percentage since then. Between 1998 and 2003, California’s share of the nation’s total Head Start appropriations grew negligibly, by less than 1 percent. California ranked 21st among states in the extent to which funding rose between 1998 and 2003. As shown in Table 2, states experiencing substantial increases in funding share included Wyoming, Nevada, Utah, and Idaho, whereas those experiencing substantial decreases included the District of Columbia, Wisconsin, Michigan, and New Jersey.

California’s 12.3 percent share of total 2003 Head Start appropriations is slightly above the state’s 12.2 percent share of the nation’s total population. Moreover, when the state’s allotment is compared only to those of the other states—thereby excluding funds for administration, the territories, and Indian

**Table 2**  
**Ten States Experiencing Greatest Increases and Decreases in Head Start Funds Between 1998 and 2003**

% Growth in Head Start Allotment for Fastest-Growing States		% Reduction in Head Start Allotment for Most Sharply Declining States	
Wyoming	23.09	District of Columbia	-12.32
Nevada	16.67	Wisconsin	-8.52
Utah	11.03	Michigan	-7.68
Idaho	10.35	New Jersey	-6.78
North Dakota	9.72	Mississippi	-6.60
Arizona	9.23	Ohio	-6.57
Montana	8.86	Massachusetts	-5.93
South Dakota	8.45	Connecticut	-5.67
Texas	8.06	Pennsylvania	-5.39
Nebraska	7.90	Minnesota	-5.29

and migrant programs—California’s allotment represents 13.67 percent of the total. It is interesting to note that, according to data from the 2000 Decennial Census, California housed exactly 13.67 percent of the nation’s children below age 5 living in poverty—the target population for Head Start. In fact, the 2003 Head Start funding percentage tracks more closely with the preschool poverty percentage in California than in any other state.

For some states, the difference between these two shares is very large. As shown in Table 3, Vermont’s share of Head Start funds exceeds its share of 2000 Census poor preschoolers by 77 percent, and Mississippi’s share of funds exceeds its population share of target children by 64 percent.

At the other end of the spectrum, Table 4 demonstrates that Nevada’s share of poor children ages 0–4 exceeded its share of Head Start funds by 48 percent, and Arizona’s relative shortfall was almost 25 percent.

### ***Child Poverty Data***

The 2000 Decennial Census counted 489,256 poor children below age 5 in California out of a national total of 3,579,535, thus resulting in California’s 13.67 percent share. In California, 20.4 percent of preschool-age children were in poverty in 1999<sup>23</sup> compared to an 18.8 percent rate nationwide. Thus, California’s preschool poverty rate exceeded the national rate by nearly 20 percent.

**Table 3**  
**Ten States with Greatest Relative Excess of 2003 Head Start Share**  
**Versus Share of Preschool Children in Poverty**

	% of U.S. Head Start Funds	% of Preschool Children in Poverty	% by Which Head Start Funds Share Exceeds Poor Preschool-Age Child Share
Vermont	0.22	0.13	77.67
Mississippi	2.65	1.61	64.74
Maine	0.45	0.31	45.13
North Dakota	0.27	0.19	44.34
District of Columbia	0.41	0.29	41.32
Michigan	3.84	2.87	34.00
Wyoming	0.20	0.15	33.16
Nebraska	0.59	0.45	32.42
Massachusetts	1.78	1.35	31.33
Connecticut	0.85	0.69	23.98

<sup>23</sup>The 2000 Census assessed the 1999 income and poverty status of families queried.

**Table 4**  
**Ten States with Greatest Relative Shortfall of 2003 Head Start Funds Share**  
**Versus Share of Preschool Children in Poverty**

	% of U.S. Head Start Funds	% of Preschool Children in Poverty	% by Which Head Start Funds Share Exceeds Poor Preschool-Age Child Share
Nevada	0.34	0.64	-47.57
Arizona	1.65	2.20	-24.90
Texas	7.75	9.94	-22.01
Idaho	0.37	0.46	-19.89
Arkansas	1.04	1.25	-16.39
New Mexico	0.84	0.98	-14.66
Puerto Rico	4.00	4.68	-14.59
North Carolina	2.26	2.64	-14.39
Indiana	1.51	1.72	-12.14
Oklahoma	1.31	1.49	-11.72

By their nature, demographic data often shift considerably from decade to decade and even from year to year. At the time of the 1990 Decennial Census,<sup>24</sup> California's preschool-age child poverty rate (19.3 percent) was below the national rate (19.7 percent).<sup>25</sup> However, the early 1990s recession affected the economy of California more harshly than that of the nation as a whole. By the late 1990s, California's preschool poverty rate was estimated to be well above the national average. According to the *Current Population Survey: 2000 March Supplement*, which measured income status in 1999 based on an ongoing sample survey unrelated to the 2000 Decennial Census, California's preschool poverty rate was 23.1 percent, compared to the national rate of 19.5 percent, and the state housed 15.9 percent of the nation's poor children under age 5. The preschool-age poverty numbers in the 2000 Decennial Census were thus significantly below those in recent years' sampled levels, raising the question whether they may represent an aberration or a temporary decline commensurate with the state's strong economic situation in 1999.

Before the 1998 reauthorization, which linked excess fund allotment solely to preschool-age poverty, above-inflation increases in Head Start funding were distributed to states based two-thirds on poor preschool child counts and one-third on counts of children under age 18 in households receiving welfare benefits under the Aid to Families with Dependent Children (AFDC) program, the

<sup>24</sup>Income and poverty information from the 1990 Census reported family status in 1989.

<sup>25</sup>The 1990 Decennial Census thus found that the state housed 12.3 percent of the nation's poor preschoolers, whereas it housed 12.5 percent of all children below age 5. California's 1990 preschool child poverty rate was less than 98 percent of the national average.

predecessor to the current Temporary Assistance for Needy Families (TANF) block grant.

The AFDC child count helped to increase California's share of Head Start funding somewhat. Relative to other states, California's welfare program during the early 1990s was generous.<sup>26</sup> In 1993, 17 percent of the nation's welfare-recipient families resided in California; by 1999—when the Head Start formula was altered to remove the welfare data factor—the state's share of welfare families exceeded 23 percent.

The 1998 deletion of the welfare count from the Head Start formula can be expected to reduce the growth in California's Head Start funding share below what would have been expected if the factor had been retained. However, California's share of poor preschool children for purposes of recent Head Start funding allotments has also remained relatively high (118 percent of the national average in the *2000 March Supplement*), thereby mitigating much of that reduction. Because the Census Bureau did not release the data until very recently, HHS did not begin using the 2000 Decennial Census count—with its lower share for California—to allot funds to states until fiscal year 2003. As noted above, by then California's share of Head Start allotments had risen to 13.67 percent.<sup>27</sup>

### ***Formula Funding and Discretionary Authority***

For fiscal years 2001 through 2003, each state's share of Head Start allotments has changed little if at all. Recent funding history indicates that HHS prefers to distribute funds in a manner that maximizes uniform increases among grantees, and the authorizing statute affords the agency great authority to do so. The Head Start Act's requirement that preschool-age poverty data be used to allot funding among states is largely trumped by separate QI language giving HHS authority to use 20 percent of program funding increases at its discretion.<sup>28</sup> As a result, in 2002 and 2003, the agency allotted funds so that every grantee first received an inflationary increase, and it then allotted all remaining funds in identical proportion. In other words, after allotting funds according to the

---

<sup>26</sup>For additional information, see Tim Ransdell and Shervin Bolorian, *Federal Formula Grants and California: TANF and Welfare Programs*, Public Policy Institute of California, San Francisco, California, December 2002.

<sup>27</sup>A separate, longstanding issue regarding the widespread use of poverty data as a factor in various formulas is the poverty line's blindness to geographic variations; the cost of living (especially housing) fluctuates considerably throughout the nation and is typically higher in California than in the rest of the nation. Thus, until a geographically stratified poverty rate is developed, recipients in California and other higher-cost states may receive less actual value from federal funding than their counterparts in lower-cost states.

<sup>28</sup>In addition to these QI funds, HHS may use other Head Start discretionary funding sources, discussed above, to further supplement allotments as it sees fit.

formula, HHS used its discretionary funding to award proportional increases to states that would otherwise have received a smaller growth amount.

Discretion over 20 percent of growth funds gives HHS sufficient authority to compensate for—and thereby blunt, if it so chooses—nearly all formula-based funding changes. Even a reduction in authority from 20 percent to 10 percent would still produce similar results. Only if the scope of the agency’s discretionary authority should fall below 5 percent of the total appropriations would half of funding growth be mandated for incontrovertible allotment according to the formula.

Of course, HHS may elect to allot future funding according to other criteria, or according to the formula itself. For purposes of this analysis, however, we assume that the agency will continue to use the percentage growth approach it has favored in recent funding cycles.

### ***Predicted Allotments for Fiscal Years 2004 and 2005***

With the caveats that agency discretion and Congressional action may significantly affect distribution, this study uses a spreadsheet-based model to estimate future allotments of Head Start funding. Appendix A provides a detailed narrative breakdown of our formula allocation mechanics, with corresponding assumptions regarding appropriations levels and economic indicators.

In Appendix C, we present hypothetical funding allotments among states, territories, Indian and migrant programs, and HHS program administration based on specific appropriations totals for fiscal years 2004 and 2005. We show four allotment arrays displayed in separate columns. The percent-only method—which was used by HHS to allot 2003 funding—assumes that all non-administrative funds are allotted a pro rata increase from the prior year. The COLA-then-formula method first assumes initial inflation-rate (COLA) increases for all recipients, then formula-based allotments for remaining funds, with the assumption that HHS will use its discretionary authority over QI funding to equalize growth rates for states. The hypothetical formula-only method assumes use of the statutory formula’s base-year hold harmless provision only, with no automatic COLA, and with the balance allotted by formula. The hypothetical poverty-only method assumes allotment of all state-level funds on the basis of preschool-age child poverty, with no COLA or hold harmless provisions of any kind (with state allotments permitted to fall below the preceding year and the base year). Both the formula-only and

poverty-only methods would require Congressional action to change Head Start formula language.<sup>29</sup>

As this report goes to print, appropriations measures for fiscal year 2004 are moving through both the House and Senate. To date, both chambers have agreed to use the Head Start funding total, \$6.8 billion, originally included in President Bush's budget proposal. The amount would represent a 2.2 percent increase from the program's 2003 appropriation. Appendix Table C.2 displays a predicted allotment of this proposed fiscal year 2004 amount.

Using this fiscal year 2004 funding total and predicted allotment as a base, Appendix Tables C.3 and C.4 estimate allotments of fiscal year 2005 funding based on two hypothetical funding amounts—a \$1 billion increase, to \$7.8 billion (Appendix Table C.3), and a 5 percent increase, to \$7.2 billion (Appendix Table C.4).

As is apparent from the tables, California's percentage share of the nation's Head Start appropriations relative to that of other states is unlikely to change significantly in the near future. Nearly every scenario tested would retain California's 13.67 percent share of total funds to states. In fiscal year 2004, the currently proposed Head Start appropriation would yield \$836 million for California, a 2.2 percent increase from the state's \$818 million allotment in 2003. The fact that the state's share of current funding tracks so closely with its share of poor children results in virtually no change in the state's share under any of the alternative allotment methods. In addition, the small (2.2 percent) growth in total program funding leaves little room for changes in allotment shares for any other states under the COLA-then-formula approach, and the assumed change in the formula's hold harmless base year to 2003 results in no change under the formula-only approach. Only the poverty-only approach, which makes the unlikely assumption of no hold harmless base year, would cause substantial state funding shifts.

Assuming that HHS again uses the percent-only method to allot 2004 Head Start funds, California's share of funds for 2005 will remain at 13.67 percent. The hypothetical \$1 billion appropriation increase to a total of \$7.8 billion (Appendix Table C.3) would yield a California allotment of approximately \$962 million, a share that would not change substantially regardless of formula method. Likewise, a 5 percent increase to \$7.2 billion (Appendix Table C.4) would result in \$878 million for the state.

---

<sup>29</sup>Neither approach is presently under active consideration; the allotments are presented for reference to assess the effect of formula functions and to aid discussion of alternatives.

At larger appropriations totals and in later years, allotments for some other states would change substantially under the hypothetical formula schemes. For example, a \$1 billion increase in total appropriations would yield \$116 million for Arizona under the percent-only method and \$117 million under the COLA-then-formula method. But the formula-only method would raise Arizona's allotment to \$122 million and the poverty-only allotment would increase it to \$155 million. Likewise, Texas's hypothetical allotment would rise by \$22 million with the formula-only approach and by \$154 million with a poverty-only approach. At the other end of the spectrum, Mississippi's hypothetical allotment would change from \$186 million under the COLA-based plans to \$175 million with the formula-only method and \$113 million with the poverty-only method.

## Current Reauthorization Proposals

With the authorization for Head Start scheduled to expire on September 30, 2003, a number of measures have been proposed to renew the program for fiscal years 2004 through 2008. In his fiscal year 2004 budget submission to Congress in February 2003, President Bush unveiled a plan to shift Head Start administration from HHS to the U.S. Department of Education. In addition, he sought to replace the current system of direct grants to local organizations with a state-administered block grant option, similar to that conferred upon states by welfare reform and the President's No Child Left Behind education program. Neither of these sweeping proposals has been incorporated into primary reauthorization legislation, although committee leaders adopted many other administration suggestions, such as strengthened academic standards and authorization to begin limited experimentation with state-level program administration.

The current House reauthorization proposal is the "School Readiness Act of 2003," H.R. 2210, authored by House Education Reform Subcommittee Chairman Michael Castle (DE). It would authorize \$35.6 billion over five years for Head Start—\$6.9 billion in 2004 (slightly more than currently appears in both the House and Senate Appropriations bills), \$7 billion for 2005, \$7.1 billion for 2006, \$7.2 billion for 2007, and \$7.4 billion for fiscal year 2008.<sup>30</sup> The House Education Reform Subcommittee approved the bill by an 11 to 9 party-line vote on June 12, and the full Committee on Education and the Workforce approved the measure on June 19 by a vote of 27 to 20.

---

<sup>30</sup>Specific authorization totals in the House bill are \$6,870,000,000 for fiscal year 2004, \$6,988,750,000 for 2005, \$7,106,500,000 for 2006, \$7,245,000,000 for 2007, and \$7,427,000,000 for 2008.

The Senate is expected to commence committee action on its reauthorization proposal in September 2003, with debate again focusing on policy alternatives rather than the flow of federal funds.

The House plan would change the base year for calculating funds distribution from 1998 to 2003, but most other formula aspects would be changed little if at all. The bill would increase initial funding set-asides from 13 percent to 14 percent,<sup>31</sup> alter language and provide specific direction regarding use of technical assistance funds, add homeless family outreach to the list of approved QI goals, and change the reservation of state funding for collaboration grants from discretionary to mandatory.<sup>32</sup>

Non-formulaic provisions in the House bill include an increase in teaching standards, whereby 50 percent of Head Start instructors would be required to hold at minimum a bachelor's degree by 2008, and 75 percent of teachers would need a minimum associate's degree by 2005.<sup>33</sup> The bill also proposes an eight-state pilot program for state-level administration of Head Start funds.<sup>34</sup> Billed as an effort to increase coordination, efficiency, and accountability across Head Start and with non-Head Start preschool programs presently administered by states and other entities, the demonstration program would require that states and local governments match federal funds dollar-for-dollar and would give Head Start centers in good standing a three-year hold harmless guarantee, ensuring no funding reductions in participating states until at least 2006. A recent HHS report<sup>35</sup> found that children in Head Start still significantly lag their peers in literacy and math, that the current Head Start delivery system contributes to the shortfalls by exempting local Head Start agencies from the scrutiny and uniformity of state standards, and that state administration would narrow the achievement gap. Head Start advocates dispute these findings and

---

<sup>31</sup> One-fourth of the additional 1 percent would be used to expand services for migrant and seasonal farmworker families, and 60 percent of the additional funds would be used to expand QI.

<sup>32</sup> Although collaboration grants would become mandatory under HR 2210, the bill does not provide an independent funding stream.

<sup>33</sup> Section 648A(a)(2) of the 1998 law had required that by September 2003, at least half of Head Start teachers nationwide hold at least an associate's degree in early childhood education or development or else a degree in a related field combined with experience teaching preschool children.

<sup>34</sup> A staff member at the House Education and the Workforce Committee recently commented that states likely to qualify for the proposed demonstration program as currently drafted include Ohio, Delaware, Colorado, Connecticut, Georgia, Kentucky, New York, and North Carolina.

<sup>35</sup> U.S. Department of Health and Human Services, *Strengthening Head Start: What the Evidence Shows*, Washington, D.C., 2003, available at <http://aspe.hhs.gov/hsp/StrengthenHeadStart03/>.

charge that the proposed reorganization would shift responsibility and cost to states without sufficient financial resources.<sup>36</sup>

Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Judd Gregg (NH) is expected to introduce a Head Start reauthorization bill without President Bush's eight-state pilot program, although the administration plan is likely to be offered as an amendment when the bill is debated on the Senate floor. (No legislative language was available as this report went to press.) On July 29, Senate HELP Committee Democrats introduced an alternative measure, S. 1483, which would sharply increase Head Start funding, providing \$62 billion for the program over five years.<sup>37</sup> The Democrats' bill, entitled the Head Start School Readiness and Coordination Act, would increase initial set-asides from 13 percent to 16 percent of total appropriations.<sup>38</sup>

## Conclusion

Without Congressional action, authorization for the Head Start program will expire on September 30, 2003. Current reauthorization proposals make few changes to the formula that allots federal funds among states. Congress conferred considerable authority over funding delivery upon the administering agency, which uses that authority to alter the distributive results that would take place in the absence of its intervention. The operation of the program's formula is thus somewhat limited. The effect is greatest when year-over-year growth in total funding is small.

At present, California receives a share of state-level Head Start dollars that closely matches the state's share of poor preschool-age children, the formula's target population. As a result, changes in future funding amounts are unlikely to significantly alter the state's share of total funds.

Whereas California's share of funding appears equitable, other states find themselves with a relative surplus or deficit when funding is compared to population. Moreover, if California's child poverty numbers return to their

---

<sup>36</sup>In a letter to House Education and the Workforce Ranking Member George Miller (Martinez), among others, California Governor Gray Davis expressed concern about the proposed funding structure and a lack of financial support, and he communicated the state's preference to maintain the current system. Governors of other states, including Colorado, Connecticut, and Alabama, have embraced the state option plan.

<sup>37</sup>The Senate Democrats' alternative would authorize \$8,570,000,000 for fiscal year 2004, \$10,445,000,000 for 2005, \$12,384,000,000 for 2006, \$14,334,000,000 for 2007, and \$16,332,000,000 for 2008.

<sup>38</sup>At least 4 percent of total funds would be spent on Indian Head Start programs and at least 5 percent on programs for migrant and seasonal farmworker families. The bill would increase minimum spending for training and technical assistance from 2 percent to 3 percent, with at least half of those funds slated for compliance with performance standards.

recent perch, substantially above the national average and above the state's share of total Head Start funding, California again could be faced with the challenge of reconciling need and dollars.

## Appendix A

---

### Methodology

Payments distributed for Indian Head Start programs, services for children with disabilities, and migrant and seasonal Head Start programs result in additional federal dollars within states. However, these amounts are not attributed in state allotment calculations to the states in which the recipient organization is located. For formula allotments, Head Start treats the Commonwealth of Puerto Rico and the District of Columbia as states. Preschool-age child poverty counts for fiscal year 2003 allotments derive from the 2000 Decennial Census, whereas counts for 2002 and prior years derive from HHS calculations based on the *Current Population Survey: March Supplement*, also published by the U.S. Census Bureau.

As discussed in the text, the wide discretion afforded HHS makes precise prediction of future HHS allotments impossible. To make rough predictions of future allotments, however, we make a number of behavioral and economic assumptions, and we employ a spreadsheet-based program to calculate approximate state totals.

We assume that the amount of funding for HHS administration and program support activities will increase by the lesser of the rate of inflation or the percentage growth in total funding from one year to the next. (Actual inflation for fiscal year 2003 allotments was 1.6 percent; current estimates for 2004 allotments are 2.2 percent, and for hypothetical 2005 allotments 3.0 percent.) For fiscal year 2004 and subsequent allotments, we assume that Congress will adopt current proposals to change the formula's hold harmless base year from 1998 to 2003. For future years, we hold constant states' child poverty share from the 2000 Census; we make no assumptions regarding future changes.

Starting from a selected funding total for all states, the model subtracts an inflation-adjusted administrative set-aside estimate; applies a uniform growth percentage to funds for territories and for Indian and migrant programs; increases all grant amounts by the rate of inflation; reserves the maximum allowable portion of above-inflation program growth for QI activities at the discretion of HHS; ensures that no state receives less than was allotted in the base year (assumed to be 2003, as proposed in current reauthorization bills); allots 80 percent of remaining funds to grantees according to each states' share of children

under age 5 living in poor households; and assumes that HHS will use its discretionary authority over the remaining 20 percent of above-inflation funds to equalize, as uniformly as possible, the percentage growth of all grantees.

Table A.1 shows a step-by-step functional narrative of this model's distributive process, and it shows estimated funding levels for corresponding categories for fiscal years 2003, 2004, and 2005.

Table A.1

Head Start: Formula Allotment Model Narrative

	Fiscal Year	
	2004	2005 <sup>a</sup>
To approximate Head Start allotments for a given fiscal year ...	213,917,000	218,445,605
... multiply the previous year's funds for HHS administration ...	1.572%	3.000%
... by the lesser of the inflation rate from the prior year ...	2.117%	14.672%
... and the percentage change ...	2.220%	7,815,570,000
... in total Head Start funds in the current year ...	6,815,570,000	6,815,570,000
... in comparison to the preceding year ...	6,667,533,000	6,815,570,000
... to estimate an amount for HHS administration.	218,445,605	224,998,973
Then multiply ...		
... the percentage change ...	2.012%	15.059%
... in remaining funds for geographic distribution ...	6,453,616,000	7,590,571,027
... in comparison to that amount for the preceding year ...	6,326,314,750	6,597,124,395
... by the prior year's total for territory, Indian, and migrant programs ...	464,430,337	484,311,140
... to estimate an initial amount for territory, Indian, and migrant programs.	473,775,835	557,242,502
Then take ...		
... the remainder after HHS, territory, Indian, and migrant funding ...	5,979,840,165	7,033,328,525
... and subtract the comparable amount from the previous year ...	5,861,884,413	6,112,813,255
... to determine initial growth in funding for states.	117,955,752	920,515,269
If this amount is more than would be expected because of inflation ...	92,157,644	183,384,398
... then multiply the excess above the inflation adjustment ...	25,798,108	737,130,872
... by the statutorily required minimum QI percentage ...	25.00%	60.00%
... to determine the minimum amount that must be used for QI.	6,449,527	442,278,523
However, assuming that HHS will use <i>all</i> funds possible ...	25,798,108	737,130,872
... for QI activities, take 80 percent of these funds ...	20,638,487	589,704,697
... and allot them to states by their share of poor preschool children, and ...	5,159,622	147,426,174
... give to HHS the remaining 20 percent of these funds ...		
... for discretionary grants to maximize growth evenness for all grantees,		
... ensuring that every state receives at least what it did in the base year ...		
... and redistributing any funds on a pro rata basis if necessary.	0	0

<sup>a</sup>Appropriation for 2005 represents a hypothetical increase of \$1 billion from 2004. The inflation rate is assumed to be 3 percent.



## Appendix B

---

**Head Start: Funding Allotments and Percentage Shares, Fiscal Years 1997–2003, and Enrollments, 1997 and 2002**

**Table B.1**  
**Head Start: Funding Allotments, Fiscal Years 1997–2003**

	1997	1998	1999	2000	2001	2002	2003
U.S. total (all)	3,980,546,000	4,347,431,000	4,658,151,097	5,266,211,000	6,199,123,000	6,536,570,000	6,667,533,000
U.S. total (states, territ., Ind., migr.)	3,876,680,000	4,232,431,000	4,513,620,000	5,102,907,000	6,004,717,000	6,326,314,750	6,453,616,000
U.S. total (states 50 + D.C., PR)	3,592,449,000	3,931,847,000	4,186,863,000	4,731,695,000	5,562,622,567	5,861,884,413	5,979,840,165
Alabama	65,970,000	67,517,000	71,983,000	82,414,000	95,375,529	100,154,494	102,169,853
Alaska	7,581,000	8,209,000	8,786,000	9,738,000	11,656,051	12,104,386	12,347,956
Arizona	53,478,000	59,017,000	62,444,000	73,697,000	89,629,094	96,912,656	98,862,781
Arkansas	36,396,000	39,367,000	43,449,000	48,379,000	57,380,784	61,023,626	62,251,574
California	458,841,000	528,339,000	554,366,000	642,512,000	758,590,509	801,429,541	817,556,305
Colorado	40,902,000	42,368,000	46,602,000	52,226,000	61,804,681	65,716,131	67,038,504
Connecticut	32,985,000	35,244,000	37,906,000	41,674,000	47,930,594	49,984,520	50,990,333
Delaware	8,314,000	8,446,000	8,873,000	9,820,000	11,830,730	12,286,428	12,533,662
District of Columbia	17,361,000	18,276,000	19,201,000	20,926,000	23,202,665	24,090,814	24,575,581
Florida	144,663,000	159,055,000	169,996,000	195,696,000	236,056,455	252,369,803	257,448,114
Georgia	96,295,000	105,423,000	112,040,000	126,281,000	151,340,480	161,740,120	164,994,735
Hawaii	12,632,000	13,983,000	15,786,000	18,199,000	21,165,615	21,977,038	22,419,271
Idaho	12,529,000	13,058,000	14,122,000	16,098,000	20,157,609	21,662,707	22,098,615
Illinois	170,193,000	182,050,000	192,580,000	214,965,000	248,854,680	259,780,216	265,007,643
Indiana	55,293,000	61,337,000	65,226,000	72,467,000	85,240,767	88,666,972	90,451,173
Iowa	28,458,000	33,451,000	36,038,000	40,714,000	47,381,413	49,494,840	50,490,800
Kansas	28,815,000	31,299,000	32,958,000	37,061,000	44,950,595	47,909,093	48,873,144
Kentucky	65,587,000	71,283,000	76,409,000	85,198,000	99,053,896	103,472,617	105,554,744
Louisiana	87,261,000	94,565,000	100,196,000	110,318,000	128,483,678	135,048,223	137,765,730
Maine	15,536,000	17,233,000	18,695,000	20,378,000	24,769,885	26,661,319	27,197,811
Maryland	47,688,000	51,664,000	54,966,000	61,920,000	71,713,437	74,928,894	76,436,650
Massachusetts	68,913,000	73,664,000	78,544,000	85,917,000	99,674,529	104,182,066	106,278,469
Michigan	150,074,000	162,316,000	171,121,000	186,842,000	215,873,226	225,290,497	229,823,904
Minnesota	43,536,000	48,909,000	51,740,000	56,401,000	65,522,896	69,643,329	71,044,727
Mississippi	103,523,000	110,564,000	117,375,000	129,843,000	149,606,362	155,259,338	158,383,544
Missouri	66,763,000	73,482,000	78,622,000	93,475,000	108,304,517	113,255,841	115,534,831
Montana	11,500,000	12,292,000	13,839,000	15,267,000	18,944,492	20,117,436	20,522,249
Nebraska	19,037,000	21,318,000	23,890,000	26,660,000	32,141,653	34,580,417	35,276,261
Nevada	9,942,000	11,280,000	11,484,000	12,369,000	18,366,961	19,785,629	20,183,765
New Hampshire	7,430,000	8,512,000	9,114,000	9,838,000	12,387,680	12,860,678	13,119,467
New Jersey	82,650,000	89,319,000	94,945,000	104,743,000	120,245,137	125,175,590	127,694,435
New Mexico	33,971,000	32,470,000	35,363,000	38,374,000	45,918,602	49,185,413	50,175,146
New York	261,514,000	286,961,000	304,283,000	342,136,000	398,522,297	418,238,532	426,654,536
North Carolina	80,559,000	87,978,000	93,979,000	104,684,000	124,579,740	132,667,143	135,336,737
North Dakota	8,733,000	9,721,000	10,561,000	11,973,000	15,749,932	16,036,018	16,358,703
Ohio	155,354,000	168,724,000	178,271,000	196,684,000	226,942,460	236,999,439	241,768,460
Oklahoma	45,865,000	50,997,000	54,422,000	61,555,000	72,189,686	76,909,804	78,457,421
Oregon	34,466,000	37,909,000	40,118,000	46,071,000	54,784,581	57,105,005	58,254,100
Pennsylvania	142,973,000	154,046,000	165,674,000	181,844,000	209,346,239	219,114,506	223,523,637
Rhode Island	13,135,000	13,901,000	15,330,000	17,378,000	20,412,042	21,184,290	21,610,571
South Carolina	51,714,000	52,826,000	56,280,000	64,060,000	74,963,147	78,506,579	80,086,327
South Dakota	10,139,000	11,088,000	12,708,000	14,045,000	17,512,687	18,078,512	18,442,297
Tennessee	69,365,000	76,803,000	81,387,000	92,040,000	107,145,843	112,343,511	114,604,143
Texas	253,186,000	279,640,000	299,891,000	361,846,000	429,075,102	454,292,444	463,433,942
Utah	20,132,000	21,728,000	23,185,000	27,840,000	35,858,291	36,270,290	37,000,139
Vermont	8,433,000	8,900,000	9,691,000	10,514,000	12,553,205	13,022,989	13,285,044
Virginia	54,571,000	61,960,000	66,246,000	74,487,000	89,889,625	95,366,343	97,285,352
Washington	59,644,000	64,841,000	69,601,000	78,359,000	92,257,118	97,246,982	99,203,834
West Virginia	31,064,000	33,349,000	36,062,000	39,842,000	46,712,650	48,624,566	49,603,014
Wisconsin	58,550,000	63,218,000	67,582,000	72,177,000	83,337,143	86,940,813	88,690,279
Wyoming	5,814,000	6,421,000	7,546,000	8,187,000	10,759,887	11,882,457	12,121,562
Puerto Rico	143,121,000	155,526,000	165,387,000	185,563,000	216,475,690	234,303,518	239,018,290
Indian tribes	113,920,000	117,227,558	130,191,000	144,768,000	171,289,090	181,794,159	185,452,311
Migrant programs	153,788,000	166,248,442	178,122,000	206,391,000	246,904,899	257,814,769	263,002,646
Outer Pacific	9,963,000	10,297,000	11,279,000	12,356,000	14,381,145	14,942,945	15,243,634
U.S. Virgin Islands	6,560,000	6,811,000	7,165,000	7,697,000	9,519,299	9,878,464	10,077,243
Program support/ HHS administration	103,866,000	115,000,000	144,531,097	163,304,000	194,406,000	210,255,250	213,917,000

SOURCES: <http://www.acf.dhhs.gov/programs/olab/budget/budget.htm>; <http://w3.access.gpo.gov/usbudget/>.

Table B.2

## Head Start: Percentage of Allotments, Fiscal Years 1997–2003, and Enrollments, 1997 and 2002

	Percentage of Head Start Funding							Enrollment (No.)		Enrollment (% of U.S.)	
	1997	1998	1999	2000	2001	2002	2003	1997	2002	1997	2002
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	793,809	912,449	100.00	100.00
Alabama	1.66	1.55	1.55	1.56	1.54	1.53	1.53	14,979	16,529	1.89	1.81
Alaska	0.19	0.19	0.19	0.18	0.19	0.19	0.19	1,212	1,839	0.15	0.20
Arizona	1.34	1.36	1.34	1.40	1.45	1.48	1.48	10,561	13,297	1.33	1.46
Arkansas	0.91	0.91	0.93	0.92	0.93	0.93	0.93	9,637	10,930	1.21	1.20
California	11.53	12.15	11.90	12.20	12.24	12.26	12.26	79,929	98,687	10.07	10.82
Colorado	1.03	0.97	1.00	0.99	1.00	1.01	1.01	8,952	9,872	1.13	1.08
Connecticut	0.83	0.81	0.81	0.79	0.77	0.76	0.76	6,190	7,224	0.78	0.79
Delaware	0.21	0.19	0.19	0.19	0.19	0.19	0.19	2,077	2,231	0.26	0.24
District of Columbia	0.44	0.42	0.41	0.40	0.37	0.37	0.37	3,273	3,403	0.41	0.37
Florida	3.63	3.66	3.65	3.72	3.81	3.86	3.86	29,523	35,610	3.72	3.90
Georgia	2.42	2.42	2.41	2.40	2.44	2.47	2.47	20,505	23,414	2.58	2.57
Hawaii	0.32	0.32	0.34	0.35	0.34	0.34	0.34	2,539	3,073	0.32	0.34
Idaho	0.31	0.30	0.30	0.31	0.33	0.33	0.33	2,213	3,347	0.28	0.37
Illinois	4.28	4.19	4.13	4.08	4.01	3.97	3.97	33,924	39,619	4.27	4.34
Indiana	1.39	1.41	1.40	1.38	1.38	1.36	1.36	12,415	14,145	1.56	1.55
Iowa	0.71	0.77	0.77	0.77	0.76	0.76	0.76	6,341	7,620	0.80	0.84
Kansas	0.72	0.72	0.71	0.70	0.73	0.73	0.73	6,355	8,013	0.80	0.88
Kentucky	1.65	1.64	1.64	1.62	1.60	1.58	1.58	14,828	16,190	1.87	1.77
Louisiana	2.19	2.18	2.15	2.09	2.07	2.07	2.07	19,998	22,136	2.52	2.43
Maine	0.39	0.40	0.40	0.39	0.40	0.41	0.41	3,392	4,002	0.43	0.44
Maryland	1.20	1.19	1.18	1.18	1.16	1.15	1.15	9,514	10,527	1.20	1.15
Massachusetts	1.73	1.69	1.69	1.63	1.61	1.59	1.59	11,499	13,040	1.45	1.43
Michigan	3.77	3.73	3.67	3.55	3.48	3.45	3.45	32,440	35,269	4.09	3.87
Minnesota	1.09	1.13	1.11	1.07	1.06	1.07	1.07	9,117	10,331	1.15	1.13
Mississippi	2.60	2.54	2.52	2.47	2.41	2.38	2.38	24,693	26,742	3.11	2.93
Missouri	1.68	1.69	1.69	1.77	1.75	1.73	1.73	14,899	17,646	1.88	1.93
Montana	0.29	0.28	0.30	0.29	0.31	0.31	0.31	2,510	2,982	0.32	0.33
Nebraska	0.48	0.49	0.51	0.51	0.52	0.53	0.53	4,088	5,252	0.51	0.58
Nevada	0.25	0.26	0.25	0.23	0.30	0.30	0.30	2,019	2,754	0.25	0.30
New Hampshire	0.19	0.20	0.20	0.19	0.20	0.20	0.20	1,267	1,632	0.16	0.18
New Jersey	2.08	2.05	2.04	1.99	1.94	1.92	1.92	13,746	15,262	1.73	1.67
New Mexico	0.85	0.75	0.76	0.73	0.74	0.75	0.75	7,187	7,749	0.91	0.85
New York	6.57	6.60	6.53	6.50	6.43	6.40	6.40	43,716	49,493	5.51	5.42
North Carolina	2.02	2.02	2.02	1.99	2.01	2.03	2.03	16,825	19,202	2.12	2.10
North Dakota	0.22	0.22	0.23	0.23	0.25	0.25	0.25	2,121	2,307	0.27	0.25
Ohio	3.90	3.88	3.83	3.73	3.66	3.63	3.63	35,441	38,081	4.46	4.17
Oklahoma	1.15	1.17	1.17	1.17	1.16	1.18	1.18	11,631	13,460	1.47	1.48
Oregon	0.87	0.87	0.86	0.87	0.88	0.87	0.87	5,222	9,199	0.66	1.01
Pennsylvania	3.59	3.54	3.56	3.45	3.38	3.35	3.35	27,515	30,986	3.47	3.40
Rhode Island	0.33	0.32	0.33	0.33	0.33	0.32	0.32	2,676	3,150	0.34	0.35
South Carolina	1.30	1.22	1.21	1.22	1.21	1.20	1.20	10,822	12,248	1.36	1.34
South Dakota	0.25	0.26	0.27	0.27	0.28	0.28	0.28	2,374	2,827	0.30	0.31
Tennessee	1.74	1.77	1.75	1.75	1.73	1.72	1.72	14,553	16,507	1.83	1.81
Texas	6.36	6.43	6.44	6.87	6.92	6.95	6.95	54,624	67,664	6.88	7.42
Utah	0.51	0.50	0.50	0.53	0.58	0.55	0.55	4,419	5,527	0.56	0.61
Vermont	0.21	0.20	0.21	0.20	0.20	0.20	0.20	1,379	1,573	0.17	0.17
Virginia	1.37	1.43	1.42	1.41	1.45	1.46	1.46	11,480	13,772	1.45	1.51
Washington	1.50	1.49	1.49	1.49	1.49	1.49	1.49	9,387	11,167	1.18	1.22
West Virginia	0.78	0.77	0.77	0.76	0.75	0.74	0.74	6,858	7,650	0.86	0.84
Wisconsin	1.47	1.45	1.45	1.37	1.34	1.33	1.33	12,556	13,489	1.58	1.48
Wyoming	0.15	0.15	0.16	0.16	0.17	0.18	0.18	1,395	1,803	0.18	0.20
Puerto Rico	3.60	3.58	3.55	3.52	3.49	3.58	3.58	32,221	36,920	4.06	4.05
Indian tribes	2.86	2.70	2.79	2.75	2.76	2.78	2.78	21,019	23,837	2.65	2.61
Migrant programs	3.86	3.82	3.82	3.92	3.98	3.94	3.94	36,458	33,850	4.59	3.71
Outer Pacific	0.25	0.24	0.24	0.23	0.23	0.23	0.23	5,849	6,209	0.74	0.68
U.S. Virgin Islands	0.16	0.16	0.15	0.15	0.15	0.15	0.15	1,446	1,161	0.18	0.13
Program support/ HHS administration	2.61	2.65	3.10	3.10	3.14	3.22	3.21				

SOURCES: <http://www.acf.dhhs.gov/programs/olab/budget/budget.htm>; <http://w3.access.gpo.gov/usbudget/>.



## Appendix C

---

### Head Start: Predicted Funding Allotments and Percentage Shares, Fiscal Years 2003–2005

Table C.1

Head Start: Funding Allotment, Fiscal Year 2003

	Percent-Only Method		COLA-Then-Formula		Formula-Only Method	
	\$	%	\$	%	\$	%
Initial appropriation and set-asides						
Total Head Start appropriation for fiscal year	6,667,533,000		6,667,533,000		6,667,533,000	
Percentage change in total funds from prior year	2.004%		2.004%		2.004%	
Assumed percentage inflation rate (CPI-U) from prior year	1.572%		1.572%		1.572%	
Amount for HHS administration and program support	213,917,000		213,917,000		213,917,000	
Funding for distribution by geographic area						
Remainder after administration	6,453,616,000		6,453,616,000		6,453,616,000	
Percentage change in funds for geographic distribution	2.012%		2.012%		2.012%	
Initial amount to territories and to Indian and migrant programs	473,775,835		471,731,881		473,801,986	
Remainder to states after HHS, territories, and Indian and migrant programs	5,979,840,165		5,982,240,340		5,980,170,235	
Growth in funding for states from prior year	117,955,752		120,355,927		118,285,822	
QI funding calculation						
Inflation-adjusted program funding change	92,157,644		92,157,644		92,157,644	
Excess amount above inflation adjustment	25,798,108		28,198,284		26,128,178	
Required minimum percentage of excess for QI usage	25.00%		25.00%		25.00%	
Minimum QI amount	6,449,527		7,049,571		6,532,045	
Maximum QI portion at full HHS discretion	5,159,622		5,639,657		5,225,636	

	Base Year Funding: Actual Allotments, Fiscal Year 1998		Prior Year Funding: Actual Allotments, Fiscal Year 2002		Target Population: 2000 Decennial Census Child Poverty Ages 0-4		Percent-Only Allotments (All Recipients Increased Evenly by Nationwide Growth Percentage)		COLA-Then-Formula Allotment (Inflation Increases, Remainder by Formula, Hold Harmless Enforced)		Formula-Only Allotment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)	
	\$	% Total	\$	% States	No.	%	\$	%	\$	%	\$	%
U.S. total (all U.S.)	4,347,433,000	100.00	6,536,570,000	100.00			6,667,533,000		6,667,533,000		6,667,533,000	
Total (state, territ., Ind./migr.)	4,232,431,000	97.35	6,326,314,750	96.78			6,453,616,000		6,453,616,000		6,453,616,000	
Total (states: 50 + D.C., PR)	3,931,847,000	90.44	5,861,884,413	100.00	3,579,535	100.00	5,979,840,165	100.00	5,982,240,340	100.00	5,980,170,235	100.00
Alabama	67,517,000	1.72	100,154,494	1.71	69,062	1.93	102,169,853	1.71	102,273,119	1.71	107,036,463	1.79
Alaska	8,209,000	0.21	12,104,386	0.21	6,494	0.18	12,347,956	0.21	12,345,843	0.21	11,925,072	0.20
Arizona	59,017,000	1.50	96,912,656	1.65	78,803	2.20	98,862,781	1.65	99,057,050	1.66	104,110,571	1.74
Arkansas	39,367,000	1.00	61,023,626	1.04	44,569	1.25	62,251,574	1.04	62,334,108	1.04	64,870,793	1.08
California	528,339,000	13.44	801,429,541	13.67	489,256	13.67	817,556,305	13.67	817,883,401	13.67	808,306,770	13.52
Colorado	42,368,000	1.08	65,716,131	1.12	37,039	1.03	67,038,504	1.12	67,041,067	1.12	63,562,888	1.06
Connecticut	35,244,000	0.90	49,984,520	0.85	24,620	0.69	50,990,333	0.85	50,964,299	0.85	49,332,343	0.82
Delaware	18,276,000	0.46	12,286,428	0.21	7,296	0.20	12,533,662	0.21	12,537,064	0.21	12,621,002	0.21
District of Columbia	159,055,000	4.05	252,369,803	4.31	173,427	4.84	257,448,114	4.31	24,551,564	0.41	24,232,932	0.41
Florida	105,423,000	2.68	161,740,120	2.76	106,663	2.98	164,994,735	2.76	165,123,171	2.76	166,458,945	2.78
Georgia	13,983,000	0.36	21,977,038	0.37	11,571	0.32	22,419,271	0.37	22,413,702	0.37	20,604,292	0.34
Hawaii	13,058,000	0.33	21,662,707	0.37	16,512	0.46	22,098,615	0.37	22,133,353	0.37	22,506,689	0.38
Idaho	182,050,000	4.63	259,780,216	4.43	134,266	3.75	265,007,643	4.43	264,922,051	4.43	258,881,255	4.33
Illinois	61,337,000	1.56	88,666,972	1.51	61,623	1.72	90,451,173	1.51	90,546,394	1.51	96,599,631	1.62
Indiana	33,451,000	0.85	49,494,840	0.84	24,705	0.69	50,490,800	0.84	50,467,590	0.84	47,587,983	0.80
Iowa	31,299,000	0.80	47,909,093	0.82	27,428	0.77	48,873,144	0.82	48,878,364	0.82	46,994,170	0.79
Kansas	71,283,000	1.81	103,472,617	1.77	60,324	1.69	105,554,744	1.77	105,574,573	1.76	105,802,302	1.77
Kentucky	94,565,000	2.41	135,048,223	2.30	90,610	2.53	137,657,730	2.30	137,885,177	2.30	146,414,910	2.45
Louisiana	17,233,000	0.44	26,661,319	0.45	27,197,811	0.45	27,197,811	0.45	27,168,846	0.45	23,652,295	0.40
Maine	51,664,000	1.31	74,928,894	1.28	40,331	1.13	76,436,650	1.28	76,424,602	1.28	74,742,675	1.25
Maryland	73,664,000	1.87	104,182,066	1.78	48,441	1.35	106,278,469	1.78	106,201,566	1.78	101,383,474	1.70
Massachusetts												

Table C.1 (continued)

	Base Year Funding: Actual Allotments,			Prior Year Funding: Actual Allotments,			Target Population: 2000 Decennial Census Child Poverty Ages 0-4			Percent-Only Allotments (All Recipients Increased Evenly by Nationwide Growth Percentage)			COLA-Then-Formula Allotment (Inflation Increases, Remainder by Formula, Hold Harmless Enforced)			Formula-Only Allotment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)		
	\$	% States	% Total	\$	% States	% Total	No.	%	\$	%	\$	%	\$	%	\$	%	\$	%
Michigan	162,316,000	4.13	3.73	225,290,497	3.84	3.45	102,664	2.87	229,823,904	3.84	229,641,153	3.84	221,063,591	3.70				
Minnesota	48,909,000	1.24	1.13	69,643,329	1.19	1.07	34,352	0.96	71,044,727	1.19	71,008,840	1.19	68,566,302	1.15				
Mississippi	110,564,000	2.81	2.54	155,259,338	2.65	2.38	57,552	1.61	158,383,544	2.65	158,153,622	2.64	143,497,076	2.40				
Missouri	73,482,000	1.87	1.69	113,255,841	1.93	1.73	64,736	1.81	115,534,831	1.93	115,546,360	1.93	110,525,988	1.85				
Montana	12,292,000	0.31	0.28	20,117,436	0.34	0.31	12,174	0.34	20,522,249	0.34	20,529,610	0.34	19,258,348	0.32				
Nebraska	21,318,000	0.54	0.49	34,580,417	0.59	0.53	15,946	0.45	35,276,261	0.59	35,249,690	0.59	30,442,806	0.51				
Nevada	11,280,000	0.29	0.26	19,785,629	0.34	0.30	23,045	0.64	20,183,765	0.34	20,278,229	0.34	24,467,078	0.41				
New Hampshire	8,512,000	0.22	0.20	12,860,678	0.22	0.20	6,794	0.19	13,119,467	0.22	13,116,388	0.22	12,399,742	0.21				
New Jersey	89,319,000	2.27	2.05	125,175,590	2.14	1.92	63,044	1.76	127,694,435	2.14	127,640,176	2.13	125,394,772	2.10				
New Mexico	32,470,000	0.83	0.75	49,185,413	0.84	0.75	35,195	0.98	50,175,146	0.84	50,235,935	0.84	52,609,693	0.88				
New York	286,961,000	7.30	6.60	418,238,532	7.13	6.40	253,609	7.08	426,654,536	7.13	426,811,711	7.13	432,084,098	7.23				
North Carolina	87,978,000	2.24	2.02	132,667,143	2.26	2.03	94,630	2.64	135,336,737	2.26	135,498,331	2.27	142,128,281	2.38				
North Dakota	9,721,000	0.25	0.22	16,036,018	0.27	0.25	6,784	0.19	16,358,703	0.27	16,341,570	0.27	13,603,020	0.23				
Ohio	168,724,000	4.29	3.88	236,999,439	4.04	3.63	128,266	3.58	241,768,460	4.04	241,735,860	4.04	242,121,865	4.05				
Oklahoma	50,997,000	1.30	1.17	76,909,804	1.31	1.18	53,201	1.49	78,457,421	1.31	78,538,040	1.31	81,440,296	1.36				
Oregon	37,909,000	0.96	0.87	57,105,005	0.97	0.87	37,792	1.06	58,254,100	0.97	58,300,493	0.97	59,534,779	1.00				
Pennsylvania	154,046,000	3.92	3.54	219,114,506	3.74	3.35	116,166	3.25	223,523,637	3.74	223,474,430	3.74	220,519,862	3.69				
Rhode Island	13,901,000	0.35	0.32	21,184,290	0.36	0.32	12,009	0.34	21,610,571	0.36	21,611,941	0.36	20,772,930	0.35				
South Carolina	52,826,000	1.34	1.22	78,506,579	1.34	1.20	52,453	1.47	80,086,327	1.34	80,154,026	1.34	82,841,267	1.39				
South Dakota	11,088,000	0.28	0.26	18,078,512	0.31	0.28	10,202	0.29	18,443,297	0.31	18,443,101	0.31	16,925,907	0.28				
Tennessee	76,803,000	1.95	1.77	112,343,511	1.92	1.72	75,183	2.10	114,604,143	1.92	114,701,985	1.92	119,825,092	2.00				
Texas	279,640,000	7.11	6.43	454,292,444	7.75	6.95	355,714	9.94	463,433,942	7.75	464,236,791	7.76	483,190,811	8.08				
Utah	21,728,000	0.55	0.50	36,270,290	0.62	0.55	24,086	0.67	37,000,139	0.62	37,030,254	0.62	35,510,772	0.59				
Vermont	8,900,000	0.23	0.20	13,022,989	0.22	0.20	4,476	0.13	13,285,044	0.22	13,262,990	0.22	11,461,309	0.19				
Virginia	61,960,000	1.58	1.43	95,366,343	1.63	1.46	59,783	1.67	97,285,352	1.63	97,336,594	1.63	96,169,725	1.61				
Washington	64,841,000	1.65	1.49	97,246,982	1.66	1.49	61,225	1.71	99,203,834	1.66	99,258,159	1.66	99,875,883	1.67				
West Virginia	33,349,000	0.85	0.77	48,624,566	0.83	0.74	26,991	0.75	49,603,014	0.83	49,601,643	0.83	48,794,105	0.82				
Wisconsin	63,218,000	1.61	1.45	86,940,813	1.48	1.33	43,836	1.22	88,690,279	1.48	88,652,978	1.48	88,302,347	1.48				
Wyoming	6,421,000	0.16	0.15	11,882,457	0.20	0.18	5,449	0.15	12,121,562	0.20	12,112,192	0.20	9,539,090	0.16				
Puerto Rico	155,526,000	3.96	3.58	234,303,518	4.00	3.58	167,510	4.68	239,018,290	4.00	239,306,705	4.00	251,380,524	4.20				
Indian tribes	117,227,558		2.70	181,794,159		2.78			185,452,311		184,652,237		185,462,548					
Migrant Programs	166,248,442		3.82	257,814,769		3.94			263,002,646		261,868,005		263,017,163					
Outer Pacific	10,297,000		0.24	14,942,945		0.23			15,243,634		15,177,871		15,244,476					
U.S. Virgin Islands	6,811,000		0.16	9,878,464		0.15			10,077,243		10,033,768		10,077,800					
Program support/HHS admin.	115,000,000		2.65	210,255,250		3.22			213,917,000		213,560,779		213,560,779					

NOTES: Percent-only method (actually used for 2003 funding) assumes that all non-administrative funds are allotted a pro rata increase from the prior year. COLA-then-formula method first assumes initial inflation-increases for all recipients, then is followed by formula-based allotments for remaining funds. Formula-only method assumes use of statutory formula's base-year hold harmless only, with balance allotted by formula. Outer Pacific allotment includes funds for American Samoa, Guam, and the Northern Mariana Islands. Program support/HHS administration includes funds for technical assistance, monitoring, and RD&E. Amount for administration and program support assumes that HHS provides inflation-only increases in funding for these activities. Assumed percentage inflation rate (CPI-U) for 2003 compares September 2002 consumer price index for all urban consumers with same datum for one year prior.

SOURCES: Statutory allotment formula under section 640 of the Head Start Act (42 U.S.C. 9801) available at <http://www4.law.cornell.edu/uscode/42/9835.html>. Base year and prior year funding allotments from Administration for Children and Families, U.S. Department of Health and Human Services, Washington, D.C. Child poverty counts from 2000 Decennial Census data, U.S. Census Bureau, Washington, D.C., available at <http://www.census.gov>.

Table C.2

Head Start: Predicted Funding Allotment, Fiscal Year 2004, Assuming Appropriation Proposed in President's Budget and Senate and House Appropriations Bills

	Percent-Only Method	COLA-Then-Formula	Formula-Only Method	Poverty-Only Method
Initial appropriation and set-asides				
Total Head Start appropriation for fiscal year	6,815,570,000	6,815,570,000	6,815,570,000	6,815,570,000
Percentage change in total funds from prior year	2.220%	2.220%	2.220%	2.220%
Assumed percentage inflation rate (CPI-U) from prior year	2.117%	2.117%	2.117%	2.117%
Amount for HHS administration and program support	218,445,605	218,445,605	218,445,605	218,445,605
Funding for distribution by geographic area				
Remainder after administration	6,597,124,395	6,597,124,395	6,597,124,395	6,597,124,395
Percentage change in funds for geographic distribution	2.224%	2.224%	2.224%	2.224%
Initial amount to territories and to Indian and migrant programs	484,311,140	484,311,140	484,311,140	484,311,140
Remainder to states after HHS, territories, and Indian and migrant programs	6,112,813,255	6,112,813,255	6,112,813,255	6,112,813,255
Growth in funding for states from prior year	132,973,090	132,973,090	132,973,090	132,973,090
QI funding calculation				
Inflation-adjusted program funding change	126,592,717	126,592,717	126,592,717	126,592,717
Excess amount above inflation adjustment	6,380,374	6,380,374	6,380,374	6,380,374
Required minimum percentage of excess for QI usage	25.00%	25.00%	25.00%	25.00%
Minimum QI amount	1,595,093	1,595,093	1,595,093	1,595,093
Maximum QI portion at full HHS discretion	1,276,075	1,276,075	1,276,075	1,276,075

	Base Year Funding: Actual Allotments, Fiscal Year 2003		Prior Year Funding: Actual Allotments, Fiscal Year 2003		Target Population: 2000 Decennial Census Child Poverty Ages 0-4		Percent-Only Allotments (All Recipients Increased Evenly by Nationwide Growth Percentage)		COLA-then-Formula Allotment (Inflation Increases, Remainder by Formula, Hold Harmless Enforced)		Formula-Only Allotment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)		Poverty-Only Allotment (No Inflation Increases or Hold Harmless of Any Kind)	
	\$	%	\$	%	No.	%	%	%	\$	%	\$	%	\$	%
U.S. total (all U.S.)	6,667,533,000	100.00	6,667,533,000	100.00	3,579,535	100.00	6,815,570,000	100.00	6,815,570,000	100.00	6,815,570,000	100.00	6,815,570,000	100.00
Total (state, territ., Ind./migr.)	6,453,616,000		6,453,616,000		3,579,535		6,597,124,395		6,597,073,219		6,597,124,395		6,597,124,395	
Total (states: 50 + D.C., PR)	5,979,840,165	100.00	5,979,840,165	100.00	3,579,535	100.00	6,112,813,255	100.00	6,113,154,246	100.00	6,112,813,255	100.00	6,112,813,255	100.00
Alabama	102,169,853	1.71	102,169,853	1.71	69,062	1.93	104,441,793	1.71	104,459,300	1.71	104,735,378	1.71	117,937,975	1.93
Alaska	12,347,956	0.21	12,347,956	0.21	6,494	0.18	12,622,537	0.21	12,621,914	0.21	12,589,197	0.21	11,089,879	0.18
Arizona	98,862,781	1.65	98,862,781	1.65	78,803	2.20	101,061,182	1.65	101,095,825	1.65	101,790,166	1.67	134,572,793	2.20
Arkansas	62,251,574	1.04	62,251,574	1.04	44,569	1.25	63,635,856	1.04	63,650,203	1.04	63,907,229	1.05	76,110,996	1.25
California	817,556,305	13.67	817,556,305	13.67	489,256	13.67	835,736,220	13.67	835,782,642	13.67	835,731,258	13.67	835,508,121	13.67
Colorado	67,038,504	1.12	67,038,504	1.12	37,039	1.03	68,529,232	1.12	68,528,487	1.12	68,414,434	1.12	63,251,928	1.03
Connecticut	50,990,333	0.85	50,990,333	0.85	24,620	0.69	52,124,200	0.85	52,118,383	0.85	51,904,921	0.85	42,043,858	0.69
Delaware	12,533,662	0.21	12,533,662	0.21	7,296	0.20	12,812,371	0.21	12,812,781	0.21	12,804,694	0.21	12,459,463	0.20
District of Columbia	24,575,581	0.41	24,575,581	0.41	10,410	0.29	25,122,066	0.41	25,117,110	0.41	24,962,294	0.41	17,777,277	0.29
Florida	257,448,114	4.31	257,448,114	4.31	173,427	4.84	263,172,961	4.31	263,216,195	4.31	263,890,605	4.32	296,163,291	4.84
Georgia	164,994,735	2.76	164,994,735	2.76	106,663	2.98	168,663,706	2.76	168,684,787	2.76	168,957,068	2.76	182,149,637	2.98
Hawaii	22,419,271	0.37	22,419,271	0.37	11,571	0.32	22,917,806	0.37	22,916,351	0.37	22,849,112	0.37	19,759,930	0.32
Idaho	22,098,615	0.37	22,098,615	0.37	16,512	0.46	22,590,019	0.37	22,596,133	0.37	22,712,005	0.37	28,197,733	0.46
Illinois	265,007,643	4.43	265,007,643	4.43	134,266	3.75	270,900,590	4.43	270,879,685	4.43	269,995,376	4.42	229,287,599	3.75
Indiana	90,451,173	1.51	90,451,173	1.51	61,623	1.72	92,462,526	1.51	92,478,738	1.51	92,740,353	1.52	105,234,309	1.72
Iowa	50,490,800	0.84	50,490,800	0.84	24,705	0.69	51,613,558	0.84	51,608,280	0.84	51,408,545	0.84	42,189,014	0.69
Kansas	48,873,144	0.82	48,873,144	0.82	27,428	0.77	49,959,931	0.82	49,600,016	0.82	49,892,043	0.82	46,839,112	0.77
Kentucky	105,554,744	1.77	105,554,744	1.77	60,324	1.69	107,901,954	1.77	107,903,745	1.77	107,795,669	1.76	103,015,991	1.69
Louisiana	137,765,730	2.30	137,765,730	2.30	90,610	2.53	140,829,213	2.30	140,849,105	2.30	141,131,724	2.31	154,755,743	2.53
Maine	27,197,811	0.45	27,197,811	0.45	11,218	0.31	27,802,606	0.45	27,796,674	0.45	27,614,539	0.45	19,157,108	0.31
Maryland	76,436,650	1.28	76,436,650	1.28	40,331	1.13	78,136,364	1.28	78,132,706	1.28	77,934,872	1.27	68,873,714	1.13
Massachusetts	106,278,469	1.78	106,278,469	1.78	48,441	1.35	108,641,773	1.78	108,625,400	1.78	108,077,963	1.77	82,723,255	1.35

Table C.2 (continued)

	Base Year Funding: Actual Allotments, Fiscal Year 2003		Prior Year Funding: Actual Allotments, Fiscal Year 2003		Target Population: 2000 Decennial Census Child Poverty Ages 0-4		Percent-Only Allotments (All Recipients Increased Evenly by Nationwide Growth Percentage)		COLA-then-Formula Allotment (Inflation Increases, Remainder by Formula, Hold Harmless Enforced)		Formula-Only Allotment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)		Poverty-Only Allotment (No Inflation Increases or Hold Harmless of Any Kind)	
	\$	%	\$	%	No.	%	%	%	\$	%	\$	%	\$	%
Michigan	229,823,904	3.84	229,823,904	3.84	102,664	2.87	234,934,475	3.84	234,895,983	3.84	233,637,682	3.82	175,320,498	2.87
Minnesota	71,044,727	1.19	71,044,727	1.19	34,352	0.96	72,624,541	1.19	72,616,508	1.19	72,320,840	1.18	58,663,307	0.96
Mississippi	158,383,544	2.65	158,383,544	2.65	57,552	1.61	161,905,502	2.65	161,859,466	2.65	160,521,494	2.63	98,282,215	1.61
Missouri	115,534,831	1.93	115,534,831	1.93	64,736	1.81	118,103,967	1.93	118,104,018	1.93	117,939,654	1.93	110,550,415	1.81
Montana	20,522,249	0.34	20,522,249	0.34	12,174	0.34	20,978,607	0.34	20,979,607	0.34	20,974,491	0.34	20,789,680	0.34
Nebraska	35,276,261	0.59	35,276,261	0.59	15,946	0.45	36,060,696	0.59	36,055,065	0.59	35,868,626	0.59	27,231,168	0.45
Nevada	20,183,765	0.34	20,183,765	0.34	23,045	0.64	20,632,590	0.34	20,649,945	0.34	21,039,844	0.34	39,354,213	0.64
New Hampshire	13,119,467	0.22	13,119,467	0.22	6,794	0.19	13,411,203	0.22	13,410,386	0.22	13,371,851	0.22	11,602,192	0.19
New Jersey	127,694,435	2.14	127,694,435	2.14	63,044	1.76	130,533,963	2.14	130,521,448	2.14	130,036,403	2.13	107,660,967	1.76
New Mexico	50,175,146	0.84	50,175,146	0.84	35,195	0.98	51,290,886	0.84	51,301,374	0.84	51,482,575	0.84	60,102,908	0.98
New York	426,654,536	7.13	426,654,536	7.13	253,609	7.08	436,142,009	7.13	436,163,697	7.13	436,075,640	7.13	433,091,018	7.08
North Carolina	135,336,737	2.26	135,336,737	2.26	94,630	2.64	138,346,206	2.26	138,374,051	2.26	138,852,066	2.27	161,600,744	2.26
North Dakota	16,358,703	0.27	16,358,703	0.27	6,784	0.19	16,722,470	0.27	16,718,956	0.27	16,610,716	0.27	11,585,115	0.19
Ohio	241,768,460	4.04	241,768,460	4.04	128,266	3.58	247,144,640	4.04	247,134,102	4.04	246,533,304	4.03	219,041,329	3.58
Oklahoma	78,457,421	1.31	78,457,421	1.31	53,201	1.49	80,202,071	1.31	80,215,763	1.31	80,433,740	1.32	90,851,962	1.49
Oregon	58,254,100	0.97	58,254,100	0.97	37,792	1.06	59,549,491	0.97	59,557,130	0.97	59,658,003	0.98	64,537,835	1.06
Pennsylvania	223,523,637	3.74	223,523,637	3.74	116,166	3.25	228,494,109	3.74	228,480,789	3.74	227,838,989	3.73	198,378,020	3.25
Rhode Island	21,610,571	0.36	21,610,571	0.36	12,009	0.34	22,091,123	0.36	22,090,985	0.36	22,056,683	0.36	20,507,908	0.34
South Carolina	80,086,327	1.34	80,086,327	1.34	52,453	1.47	81,867,199	1.34	81,878,437	1.34	82,034,859	1.34	89,574,594	1.47
South Dakota	18,442,297	0.31	18,442,297	0.31	10,202	0.29	18,852,396	0.31	18,852,210	0.31	18,821,282	0.31	17,422,073	0.29
Tennessee	114,604,143	1.92	114,604,143	1.92	75,183	2.10	117,152,584	1.92	117,168,846	1.92	117,397,052	1.92	128,390,877	2.10
Texas	463,433,942	7.75	463,433,942	7.75	355,714	9.94	473,739,275	7.75	473,881,438	7.75	476,648,058	7.80	607,456,906	9.94
Utah	37,000,139	0.62	37,000,139	0.62	24,086	0.67	37,822,907	0.62	37,827,881	0.62	37,894,889	0.62	41,131,940	0.67
Vermont	13,285,044	0.22	13,285,044	0.22	4,476	0.13	13,580,462	0.22	13,576,081	0.22	13,451,319	0.22	7,643,717	0.13
Virginia	97,285,352	1.63	97,285,352	1.63	59,783	1.67	99,448,676	1.63	99,456,512	1.63	99,506,180	1.63	102,092,119	1.67
Washington	99,203,834	1.66	99,203,834	1.66	61,225	1.71	101,409,820	1.66	101,418,198	1.66	101,478,229	1.66	104,554,640	1.71
West Virginia	49,603,014	0.83	49,603,014	0.83	26,991	0.75	50,706,031	0.83	50,704,867	0.83	50,605,679	0.83	46,092,842	0.75
Wisconsin	88,690,279	1.48	88,690,279	1.48	43,836	1.22	90,662,476	1.48	90,653,855	1.48	90,318,705	1.48	74,859,243	1.22
Wyoming	12,121,562	0.20	12,121,562	0.20	5,449	0.15	12,391,108	0.20	12,389,128	0.20	12,323,982	0.20	9,305,320	0.15
Puerto Rico	239,018,290	4.00	239,018,290	4.00	167,510	4.68	244,333,315	4.00	244,383,059	4.00	245,240,976	4.01	286,058,761	4.68
Indian tribes	185,452,311		185,452,311						189,422,688		189,576,195		189,576,195	
Migrant programs	263,002,646		263,002,646						268,633,309		268,851,009		268,851,009	
Outer Pacific	15,243,634		15,243,634						15,569,988		15,582,605		15,582,605	
U.S. Virgin Islands	10,077,243		10,077,243						10,292,989		10,301,330		10,301,330	
Program support/HHS-admin.	213,917,000		213,917,000						218,496,781		218,445,605		218,445,605	

NOTES: Percent-only method (actually used for 2003 funding) assumes that all non-administrative funds are allotted a pro rata increase from the prior year. COLA-then-formula method first assumes initial inflation-rate increases for all recipients, then formula-based allotments for remaining funds. Formula-only method assumes use of statutory formula's base year hold harmless only, with no automatic COLA, balance allotted by formula. Poverty-only method assumes allotment of all state-level funds on the basis of preschool-age child poverty, with no hold harmless provisions or COLA. Outer Pacific allotment includes funds for American Samoa, Guam, and the Northern Mariana Islands. Program support/HHS administration includes funds for technical assistance, monitoring, and RD&E. Amount for administration and program support assumes that HHS provides inflation-only increases in funding for these activities. Assumed percentage inflation rate (CPI-U) for 2004 compares most current consumer price index as of time of publication with same datum for one year prior. Model assumes that HHS will elect to allocate its discretionary QI funds uniformly on a pro rata basis. At time of publication, the House and Senate Appropriations Committees had approved a 2004 appropriation of \$6.815,570,000 for Head Start.

SOURCES: Statutory allotment formula under section 640 of the Head Start Act (42 U.S.C. 9801) available at <http://www4.law.cornell.edu/uscode/42/9835.html>. Base year and prior year funding allotments from Administration for Children and Families, U.S. Department of Health and Human Services, Washington, D.C. Child poverty counts from 2000 Decennial Census data, U.S. Census Bureau, Washington, D.C., available at <http://www.census.gov>.



Table C.3 (continued)

	Base Year Funding: Actual		Prior Year Funding:		Target Population:		Percent-Only Allotments		COLA-Then-Formula Al-		Formula-Only Allotment		Poverty-Only Allotment	
	Allotments, Fiscal Year 2003		Actual Allotments, Fiscal		2000 Decennial		(All Recipients Increased		lotment (Inflation Increases, Re-		(No Inflation Increases, Re-		(No Inflation Increases	
	\$	%	\$	%	No.	%	Evenly by Nationwide	%	Remainder by Formula,	%	mainder by Formula, Base-	%	or Hold Harmless of	%
Michigan	229,823,904	3.84	234,934,475	3.84	102,664	2.87	270,312,747	3.84	270,042,199	3.84	260,038,815	3.70	201,721,631	2.87
Minnesota	71,044,727	1.19	72,624,541	1.19	34,352	0.96	83,560,913	1.19	83,487,491	1.19	81,154,820	1.15	67,497,287	0.96
Mississippi	158,383,544	2.65	161,905,502	2.65	57,552	1.61	186,286,500	2.65	186,048,524	2.65	175,321,599	2.49	113,082,320	1.61
Missouri	115,534,831	1.93	118,103,967	1.93	64,736	1.81	135,888,987	1.93	135,804,222	1.93	134,587,201	1.91	127,197,962	1.81
Montana	20,522,249	0.34	20,978,600	0.34	12,174	0.34	24,137,722	0.34	24,125,301	0.34	24,105,163	0.34	23,920,353	0.34
Nebraska	35,276,261	0.59	36,060,696	0.59	15,946	0.45	41,490,998	0.59	41,450,204	0.59	39,969,308	0.57	31,331,851	0.45
Nevada	20,183,765	0.34	20,632,590	0.34	23,045	0.64	23,739,606	0.34	25,048,078	0.36	26,966,110	0.38	45,280,478	0.64
New Hampshire	13,119,467	0.22	13,411,203	0.22	6,794	0.19	15,430,767	0.22	15,418,967	0.22	15,119,000	0.21	13,349,341	0.19
New Jersey	127,694,435	2.14	130,533,963	2.14	63,044	1.76	150,190,789	2.14	150,063,899	2.13	146,248,834	2.08	123,873,398	1.76
New Mexico	50,175,146	0.84	51,290,886	0.84	35,195	0.98	59,014,669	0.84	59,005,500	0.84	60,533,342	0.86	69,153,674	0.98
New York	426,654,536	7.13	436,142,009	7.13	253,609	7.08	501,819,686	7.13	501,563,452	7.13	501,293,876	7.13	498,309,254	7.08
North Carolina	135,336,737	2.26	138,346,206	2.26	94,630	2.64	159,179,461	2.26	159,153,556	2.26	163,187,171	2.32	185,935,849	2.64
North Dakota	16,358,703	0.27	16,722,470	0.27	6,784	0.19	19,240,670	0.27	19,219,369	0.27	18,355,293	0.26	13,329,692	0.19
Ohio	241,768,460	4.04	247,144,640	4.04	128,266	3.58	284,361,614	4.04	284,156,123	4.04	279,518,262	3.97	252,026,287	3.58
Oklahoma	78,457,421	1.31	80,202,071	1.31	53,201	1.49	92,279,527	1.31	92,258,036	1.31	94,114,939	1.34	104,533,162	1.49
Oregon	58,254,100	0.97	59,549,491	0.97	37,792	1.06	68,516,919	0.97	68,494,290	0.97	69,376,615	0.99	74,256,447	1.06
Pennsylvania	223,523,637	3.74	228,494,109	3.74	116,166	3.25	262,902,541	3.74	262,703,107	3.74	257,712,304	3.66	228,251,335	3.25
Rhode Island	21,610,571	0.36	22,091,123	0.36	12,009	0.34	25,417,777	0.36	25,403,107	0.36	25,144,924	0.36	23,596,149	0.34
South Carolina	80,086,327	1.34	81,867,199	1.34	52,453	1.47	94,195,402	1.34	94,166,234	1.34	95,523,703	1.36	103,063,437	1.47
South Dakota	18,442,297	0.31	18,852,396	0.31	10,202	0.29	21,691,338	0.31	21,677,294	0.31	21,444,834	0.30	20,045,625	0.29
Tennessee	114,604,143	1.92	117,152,584	1.92	75,183	2.10	134,794,337	1.92	134,753,074	1.92	136,731,155	1.94	147,724,981	2.10
Texas	463,433,942	7.75	473,739,275	7.75	355,714	9.94	545,078,644	7.75	546,552,980	7.77	568,123,674	8.08	698,932,521	9.94
Utah	37,000,139	0.62	37,822,907	0.62	24,086	0.67	43,518,576	0.62	43,504,525	0.62	44,088,859	0.63	47,325,910	0.67
Vermont	13,285,044	0.22	13,580,462	0.22	4,476	0.13	15,625,515	0.22	15,604,181	0.22	14,602,370	0.21	8,794,768	0.13
Virginia	97,285,352	1.63	99,448,676	1.63	59,783	1.67	114,424,436	1.63	114,373,644	1.63	114,880,010	1.63	117,465,950	1.67
Washington	99,203,834	1.66	101,409,820	1.66	61,225	1.71	116,680,904	1.66	116,630,136	1.66	117,222,885	1.67	120,299,296	1.71
West Virginia	49,603,014	0.83	50,706,031	0.83	26,991	0.75	58,341,742	0.83	58,302,217	0.83	57,546,700	0.82	53,033,863	0.75
Wisconsin	88,690,279	1.48	90,662,476	1.48	43,836	1.22	104,315,141	1.48	104,227,200	1.48	101,591,596	1.44	86,132,134	1.22
Wyoming	12,121,562	0.20	12,391,108	0.20	5,449	0.15	14,257,058	0.20	14,242,922	0.20	13,725,250	0.20	10,706,588	0.15
Puerto Rico	239,018,290	4.00	244,333,315	4.00	167,510	4.68	281,126,938	4.00	281,082,685	4.00	288,317,943	4.10	329,135,729	4.68
Indian tribes	185,452,311		189,576,195				218,124,063		218,124,063		218,124,063		218,124,063	
Migrant programs	263,002,646		268,851,009				309,336,698		309,336,698		309,336,698		309,336,698	
Outer Pacific	15,243,634		15,582,605				17,929,156		17,929,156		17,929,156		17,929,156	
U.S. Virgin Islands	10,077,243		10,301,330				11,852,585		11,852,585		11,852,585		11,852,585	
Program support/HHS admin.	213,917,000		218,445,605				224,998,973		224,998,973		224,998,973		224,998,973	

NOTES: Percent-only method (actually used for 2003 funding) assumes that all non-administrative funds are allotted a pro rata increase from the prior year. COLA-then-formula method first assumes initial inflation rate increases for all recipients, then formula-based allotments for remaining funds. Formula-only method assumes use of statutory formula's base year hold harmless only, with no automatic COLA, balance allotted by formula. Poverty-only method assumes allotment of all state-level funds on the basis of preschool-age child poverty, with no hold harmless provisions or COLA. Outer Pacific allotment includes funds for American Samoa, Guam, and the Northern Mariana Islands. Program support/HHS administration includes funds for technical assistance, monitoring, and RD&E. Amount for administration and program support assumes that HHS provides inflation-only increases in funding for these activities. Assumed percentage inflation rate (CPI-U) for 2004 compares most current consumer price index as of time of publication with same datum for one year prior. Model assumes that HHS will elect to allocate its discretionary QI funds uniformly on a pro rata basis. At time of publication, the House and Senate Appropriations Committees had approved a 2004 appropriation of \$6,815,570,000 for Head Start.

SOURCES: Statutory allotment formula under section 640 of the Head Start Act (42 U.S.C. 9801) available at <http://www4.law.cornell.edu/uscode/42/9835.html>. Base year and prior year funding allotments from Administration for Children and Families, U.S. Department of Health and Human Services, Washington, D.C. Child poverty counts from 2000 Decennial Census data, U.S. Census Bureau, Washington, D.C., available at <http://www.census.gov>.

**Table C.4  
Head Start: Predicted Funding Allotment, Fiscal Year 2005, Assuming Hypothetical 5 Percent Appropriation Increase from 2004**

	Percent-Only Method		COLA-Then-Formula		Formula-Only Method		Poverty-Only Method	
	\$	%	\$	%	\$	%	\$	%
Initial appropriation and set-asides								
Total Head Start appropriation for fiscal year	7,156,348,500		7,156,348,500		7,156,348,500		7,156,348,500	
Percentage change in total funds from prior year	5.000%		5.000%		5.000%		5.000%	
Assumed percentage inflation rate (CPI-U) from prior year	3.000%		3.000%		3.000%		3.000%	
Amount for HHS administration and program support	224,998,973		224,998,973		224,998,973		224,998,973	
Funding for distribution by geographic area								
Remainder after administration	6,931,349,527		6,931,349,527		6,931,349,527		6,931,349,527	
Percentage change in funds for geographic distribution	5.066%		5.066%		5.066%		5.066%	
Initial amount to territories and to Indian and migrant programs	508,847,429		508,847,429		508,847,429		508,847,429	
Remainder to states after HHS, territories, and Indian and migrant programs	6,422,502,098		6,422,502,098		6,422,502,098		6,422,502,098	
Growth in funding for states from prior year	309,688,842		309,688,842		309,688,842		309,688,842	
QI funding calculation								
Inflation-adjusted program funding change	183,384,398		183,384,398		183,384,398		183,384,398	
Excess amount above inflation adjustment	126,304,445		126,304,445		126,304,445		126,304,445	
Required minimum percentage of excess for QI usage	60.00%		60.00%		60.00%		60.00%	
Minimum QI amount	75,782,667		75,782,667		75,782,667		75,782,667	
Maximum QI portion at full HHS discretion	25,260,889		25,260,889		25,260,889		25,260,889	

	Base Year Funding: Actual Allotments, Fiscal Year 2003		Prior Year Funding: Actual Allotments, Fiscal Year 2004		Target Population: 2000 Decennial Census Child Poverty Age 0-4		Percent-Only Allotments (All Recipients Increased Evenly by Nationwide Growth Percentage)		COLA-then-Formula Allotment (Inflation Increases, Remainder by Formula, Base-Year Harmless Enforced)		Formula-Only Allotment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)		Poverty-Only Allotment (No Inflation Increases or Hold Harmless of Any Kind)	
	\$	%	\$	%	No.	%	\$	%	\$	%	\$	%	\$	%
U.S. total (all U.S.)	6,667,533,000		6,815,570,000				7,156,348,500		7,156,348,500		7,156,348,500		7,156,348,500	
Total (state, territ., Ind./migr.)	6,453,616,000		6,597,124,395				6,931,349,527		6,931,349,527		6,931,349,527		6,931,349,527	
Total (states; 50 + D.C., PR)	5,979,840,165	100.00	6,112,813,255	100.00	3,579,535	100.00	6,422,502,098	100.00	6,422,502,098	100.00	6,422,502,098	100.00	6,422,502,098	100.00
Alabama	102,169,853	1.71	104,441,793	1.71	69,062	1.93	109,733,049	1.71	109,728,108	1.71	110,710,380	1.72	123,912,977	1.93
Alaska	12,347,956	0.21	12,622,537	0.21	6,494	0.18	13,262,023	0.21	13,260,186	0.21	13,151,035	0.20	11,651,717	0.18
Arizona	98,862,781	1.65	101,061,182	1.65	78,803	2.20	106,181,168	1.65	106,317,478	1.66	108,607,926	1.69	141,390,553	2.20
Arkansas	62,251,574	1.04	63,635,856	1.04	44,569	1.25	66,859,791	1.04	66,858,446	1.04	67,763,183	1.06	79,966,950	1.25
California	817,556,305	13.67	835,736,220	13.67	489,256	13.67	878,076,493	13.67	877,994,563	13.67	878,059,975	13.67	877,836,838	13.67
Colorado	67,038,504	1.12	68,529,232	1.12	37,039	1.03	72,001,077	1.12	71,992,299	1.12	71,618,919	1.12	66,456,413	1.03
Connecticut	50,990,333	0.85	52,124,200	0.85	24,620	0.69	54,764,929	0.85	54,755,876	0.85	54,034,957	0.84	44,173,895	0.69
Delaware	12,533,662	0.21	12,812,371	0.21	7,296	0.20	13,461,475	0.21	13,460,082	0.21	13,435,919	0.21	13,090,688	0.20
District of Columbia	24,575,581	0.41	25,122,066	0.41	10,410	0.29	26,394,806	0.41	26,389,469	0.41	25,862,930	0.40	18,677,914	0.29
Florida	257,448,114	4.31	263,172,961	4.31	173,427	4.84	276,505,894	4.31	276,493,045	4.31	278,894,902	4.34	311,167,588	4.84
Georgia	164,994,735	2.76	168,663,706	2.76	106,663	2.98	177,208,588	2.76	177,197,354	2.76	178,185,177	2.77	191,377,746	2.98
Hawaii	22,419,271	0.37	22,917,806	0.37	11,571	0.32	24,078,873	0.37	24,075,392	0.37	23,850,195	0.37	20,761,013	0.32
Idaho	22,098,615	0.37	22,990,019	0.37	16,512	0.46	23,734,480	0.37	23,734,465	0.37	24,140,565	0.38	29,626,294	0.46
Illinois	265,007,643	4.43	270,900,590	4.43	134,266	3.75	284,625,022	4.43	284,582,194	4.43	281,611,600	4.38	240,903,823	3.75
Indiana	90,451,173	1.51	92,462,526	1.51	61,623	1.72	97,146,885	1.51	97,142,834	1.51	98,071,759	1.53	110,565,715	1.72
Iowa	50,490,800	0.84	51,613,558	0.84	24,705	0.69	54,228,417	0.84	54,219,671	0.84	53,545,935	0.83	44,326,404	0.69
Kansas	48,873,144	0.82	49,959,931	0.82	27,428	0.77	52,491,013	0.82	52,484,898	0.82	52,265,018	0.81	49,212,087	0.77
Kentucky	105,554,744	1.77	107,901,954	1.77	60,324	1.69	113,368,510	1.77	113,356,029	1.76	113,014,691	1.76	108,235,013	1.69
Louisiana	137,765,730	2.30	140,829,213	2.30	90,610	2.53	147,963,937	2.30	147,955,593	2.30	148,970,984	2.32	162,575,003	2.53
Maine	27,197,811	0.45	27,822,606	0.45	11,218	0.31	29,211,149	0.45	29,205,040	0.45	28,585,081	0.45	20,127,650	0.31
Maryland	76,436,650	1.28	78,136,364	1.28	40,331	1.13	82,094,928	1.28	82,083,648	1.28	81,424,169	1.27	72,363,011	1.13
Massachusetts	106,278,469	1.78	108,641,773	1.78	48,441	1.35	114,145,809	1.78	114,125,018	1.78	112,268,908	1.75	86,914,201	1.35

Table C.4 (continued)

	Base Year Funding: Actual Allowments, Fiscal Year 2003		Prior Year Funding: Actual Allowments, Fiscal Year 2004		Target Population: 2000 Decennial Census Child Poverty Age 0-4		Percent-Only Allowments Evenly by Nationwide Growth (Percentage)		COLA-then-Formula Allowment (Inflation Formula, Remainder by Harmless Enforced)		Formula-Only Allowment (No Inflation Increases, Remainder by Formula, Base-Year Hold Harmless Only)		Poverty-Only Allotment (No Inflation Increases or Hold Harmless of Any Kind)	
	\$	%	\$	%	No.	%	\$	%	\$	%	\$	%	\$	%
Michigan	229,823,904	3.84	234,934,475	3.84	102,664	2.87	246,836,783	3.84	246,790,426	3.84	242,519,812	3.78	184,202,628	2.87
Minnesota	71,044,727	1.19	72,624,541	1.19	34,352	0.96	76,303,863	1.19	76,291,283	1.19	75,292,855	1.17	61,635,322	0.96
Mississippi	158,383,544	2.65	161,905,502	2.65	57,552	1.61	170,107,998	2.65	170,067,222	2.65	165,500,691	2.58	103,261,413	1.61
Missouri	115,534,831	1.93	118,103,967	1.93	64,736	1.81	124,087,380	1.93	124,072,855	1.93	123,540,386	1.92	116,151,147	1.81
Montana	20,522,249	0.34	20,978,600	0.34	12,174	0.34	22,041,423	0.34	22,039,295	0.34	22,027,742	0.34	21,842,932	0.34
Nebraska	35,276,261	0.59	36,060,696	0.59	15,946	0.45	37,887,612	0.59	37,880,622	0.59	37,248,218	0.58	28,610,760	0.45
Nevada	20,183,765	0.34	20,632,590	0.34	23,045	0.64	21,677,883	0.34	21,902,084	0.34	23,033,617	0.36	41,347,985	0.64
New Hampshire	13,119,467	0.22	13,411,203	0.22	6,794	0.19	14,090,645	0.22	14,088,623	0.22	13,959,645	0.22	12,189,985	0.19
New Jersey	127,694,435	2.14	130,533,963	2.14	63,044	1.76	137,147,107	2.14	137,125,365	2.14	135,490,749	2.11	113,115,313	1.76
New Mexico	50,175,146	0.84	51,290,886	0.84	35,195	0.98	53,889,397	0.84	53,887,826	0.84	54,327,524	0.85	63,147,856	0.98
New York	426,654,536	7.13	436,142,009	7.13	253,609	7.08	458,237,942	7.13	458,194,037	7.13	458,017,003	7.13	455,032,381	7.08
North Carolina	135,336,737	2.26	138,346,206	2.26	94,630	2.64	145,355,136	2.26	145,350,697	2.26	147,039,123	2.29	169,787,800	2.64
North Dakota	16,358,703	0.27	16,722,470	0.27	6,784	0.19	17,569,667	0.27	17,566,017	0.27	17,197,644	0.27	12,172,043	0.19
Ohio	241,768,460	4.04	247,144,640	4.04	128,266	3.58	259,665,542	4.04	259,630,332	4.04	257,630,429	4.01	230,138,455	3.58
Oklahoma	78,457,421	1.31	80,202,071	1.31	53,201	1.49	84,265,288	1.31	84,261,606	1.31	85,036,504	1.32	95,454,726	1.49
Oregon	58,254,100	0.97	59,549,491	0.97	37,792	1.06	62,566,402	0.97	62,562,524	0.97	62,927,635	0.98	67,807,466	1.06
Pennsylvania	223,523,637	3.74	228,494,109	3.74	116,166	3.25	240,070,134	3.74	240,035,962	3.74	237,889,264	3.70	208,428,295	3.25
Rhode Island	21,610,571	0.36	22,091,123	0.36	12,009	0.34	23,210,309	0.36	23,207,525	0.36	23,095,660	0.36	21,546,885	0.34
South Carolina	80,086,327	1.34	81,867,199	1.34	52,453	1.47	86,014,775	1.34	86,009,777	1.34	86,572,909	1.35	94,112,644	1.47
South Dakota	18,442,297	0.31	18,852,396	0.31	10,202	0.29	19,807,501	0.31	19,805,095	0.31	19,703,924	0.31	18,304,715	0.29
Tennessee	114,604,143	1.92	117,152,584	1.92	75,183	2.10	123,087,796	1.92	123,080,726	1.92	123,901,622	1.93	134,895,447	2.10
Texas	463,433,942	7.75	473,739,275	7.75	355,714	9.94	497,739,970	7.75	497,992,592	7.75	507,423,189	7.90	638,232,036	9.94
Utah	37,000,139	0.62	37,822,907	0.62	24,086	0.67	39,739,100	0.62	39,736,693	0.62	39,978,725	0.62	43,215,777	0.67
Vermont	13,285,044	0.22	13,580,462	0.22	4,476	0.13	14,268,479	0.22	14,264,824	0.22	13,838,567	0.22	8,030,965	0.13
Virginia	97,285,352	1.63	99,448,676	1.63	59,783	1.67	104,486,970	1.63	104,478,266	1.63	104,678,396	1.63	107,264,335	1.67
Washington	99,203,834	1.66	101,409,820	1.66	61,225	1.71	106,547,469	1.66	106,538,770	1.66	106,775,202	1.66	109,851,612	1.71
West Virginia	49,603,014	0.83	50,706,031	0.83	26,991	0.75	53,274,912	0.83	53,268,140	0.83	52,940,846	0.82	48,428,009	0.75
Wisconsin	88,690,279	1.48	90,662,476	1.48	43,836	1.22	95,255,640	1.48	95,240,572	1.48	94,111,243	1.47	78,651,781	1.22
Wyoming	12,121,562	0.20	12,391,108	0.20	5,449	0.15	13,018,869	0.20	13,016,447	0.20	12,795,410	0.20	9,776,749	0.15
Puerto Rico	239,018,290	4.00	244,333,315	4.00	167,510	4.68	256,711,789	4.00	256,704,207	4.00	259,733,355	4.04	300,551,140	4.68
Indian tribes	185,452,311		189,576,195				199,180,551		199,180,551		199,180,551		199,180,551	
Migrant programs	263,002,646		268,851,009				282,471,604		282,471,604		282,471,604		282,471,604	
Outer Pacific	15,243,634		15,582,605				16,372,055		16,372,055		16,372,055		16,372,055	
U.S. Virgin Islands	10,077,243		10,301,330				10,823,218		10,823,218		10,823,218		10,823,218	
Program support/HHS admin.	213,917,000		218,445,605				224,998,973		224,998,973		224,998,973		224,998,973	

NOTES: Percent-only method (actually used for 2003 funding) assumes that all non-administrative funds are allotted a pro rata increase from the prior year. COLA-then-formula method first assumes initial inflation-rate increases for all recipients, then formula-based allotments for remaining funds. Formula-only method assumes use of statutory formula's base-year hold harmless only, with no automatic COLA, balance allotted by formula. Poverty-only method assumes allotment of all state-level funds on the basis of preschool-age child poverty, with no hold harmless or COLA. Outer Pacific allotment includes funds for American Samoa, Guam, and the Northern Mariana Islands. Program support/HHS administration includes funds for technical assistance, monitoring, and RD&E. Amount for administration and program support assumes HHS provides inflation-only increases in funding for these activities. Assumed percentage inflation rate (CPI-U) for 2004 compares most current consumer price index as of time of publication with same datum for one year prior. Model assumes that HHS will elect to allocate its discretionary QI funds uniformly on a pro rata basis. At time of publication, the House and Senate Appropriations Committees had approved a 2004 appropriation of \$6,815,570,000 for Head Start.

SOURCES: Statutory allotment formula under section 640 of the Head Start Act (42 U.S.C. 9801) available at <http://www4.law.comell.edu/uscode/42/9835.html>. Base year and prior year funding allotments from Administration for Children and Families, U.S. Department of Health and Human Services, Washington, D.C. Child poverty counts from 2000 Decennial Census data, U.S. Census Bureau, Washington, D.C., available at <http://www.census.gov>.



## **BOARD OF DIRECTORS**

---

RAYMOND L. WATSON, CHAIRMAN  
Vice Chairman of the Board  
The Irvine Company

EDWARD K. HAMILTON  
Chairman  
Hamilton, Rabinovitz & Alschuler, Inc.

WALTER B. HEWLETT  
Director  
Center for Computer Assisted Research in the  
Humanities

DAVID W. LYON  
President and CEO  
Public Policy Institute of California

CHERYL WHITE MASON  
Chief, Civil Liability Management  
Los Angeles City Attorney's Office

ARJAY MILLER  
Dean Emeritus  
Graduate School of Business  
Stanford University

KI SUH PARK  
Design and Managing Partner  
Gruen Associates

CONSTANCE L. RICE  
Co-Director  
The Advancement Project

THOMAS C. SUTTON  
Chairman & CEO  
Pacific Life Insurance Company

CYNTHIA A. TELLES  
Department of Psychiatry  
UCLA School of Medicine

CAROL WHITESIDE  
President  
Great Valley Center

## **ADVISORY COUNCIL**

---

MARY C. DALY  
Research Advisor  
Federal Reserve Bank of San Francisco

CLIFFORD W. GRAVES  
General Manager  
Department of Community Development  
City of Los Angeles

ELIZABETH G. HILL  
Legislative Analyst  
State of California

HILARY W. HOYNES  
Associate Professor  
Department of Economics  
University of California, Davis

ANDRÉS E. JIMÉNEZ  
Director  
California Policy Research Center  
University of California  
Office of the President

DANIEL A. MAZMANIAN  
C. Erwin and Ione Piper Dean and Professor  
School of Policy, Planning, and Development  
University of Southern California

DEAN MISCZYNSKI  
Director  
California Research Bureau

RUDOLF NOTHENBERG  
Chief Administrative Officer (Retired)  
City and County of San Francisco

MANUEL PASTOR  
Professor, Latin American & Latino Studies  
University of California, Santa Cruz

PETER SCHRAG  
Contributing Editor  
*The Sacramento Bee*

JAMES P. SMITH  
Senior Economist  
RAND

**California Institute for Federal Policy Research**

419 New Jersey Avenue, SE, Basement Level

Washington, DC 20003

Tel: 202/546-3700 Fax: 202/546-2390

[www.calinst.org](http://www.calinst.org)

**Public Policy Institute of California**

500 Washington Street, Suite 800

San Francisco, CA 94111

Tel: 415/291-4400 Fax: 415/291-4401

[www.ppic.org](http://www.ppic.org)

ISBN 1-58213-093-0



9 781582 130934