



HEAD START

Action Needed to Reduce Potential Risks to Children and Federal Funds in Programs under Interim Management

Report to Congressional Requesters

December 2024

GAO-25-106954

United States Government Accountability Office

Accessible Version



View [GAO-25-106954](#). For more information, contact Jacqueline M. Nowicki at (202) 512-7215 or nowickij@gao.gov.
Highlights of [GAO-25-106954](#), a report to congressional requesters

December 2024

HEAD START

Action Needed to Reduce Potential Risks to Children and Federal Funds in Programs under Interim Management

Why GAO Did This Study

The Department of Health and Human Services' OHS has used the same interim manager for nearly 25 years to temporarily run programs in communities that have lost their provider. GAO was asked to review OHS's oversight of programs under interim management.

This report examines the extent to which OHS's monitoring allows it to assess whether programs under interim management meet Head Start standards related to service quality, child safety, finances, and enrollment, among other things.

GAO compared OHS's oversight to relevant federal laws, regulations, and OHS's monitoring procedures; analyzed enrollment data from the 2017-2018 through 2022-2023 school years; and compared state licensing violations to OHS records. GAO interviewed OHS officials and interim manager representatives, visited three Head Start programs to interview staff who worked under interim management, and interviewed representatives of another four programs that exited interim management since 2018. GAO selected programs that varied in size and time under interim management.

What GAO Recommends

GAO is making seven recommendations, including for OHS to update aspects of its monitoring of Head Start programs under interim management and enforce enrollment standards. HHS concurred with five recommendations and did not concur with two, citing variation in program monitoring. GAO clarified and continues to believe they are warranted, as discussed in the report.

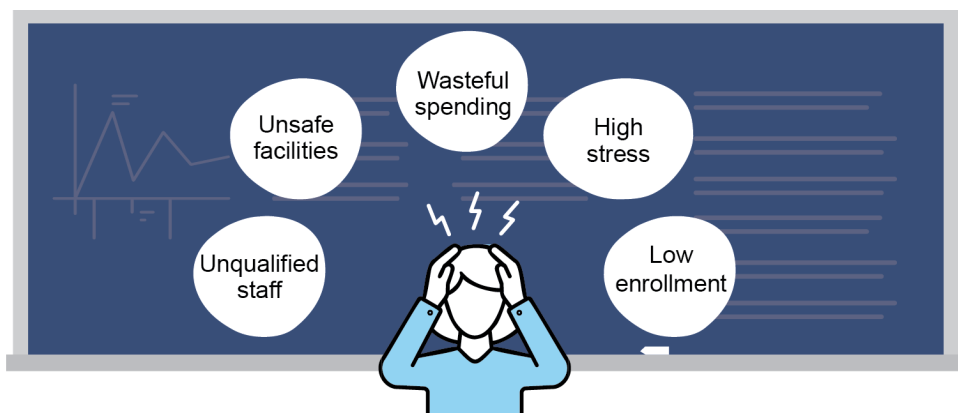
What GAO Found

When a community loses its Head Start provider, the Office of Head Start (OHS) deploys its interim manager to temporarily operate this federally funded early childhood education program. Since 2000, OHS has placed more than 200 programs under interim management. As of September 2024, 18 of 1,600 Head Start programs nationwide were under interim management. However, GAO found that OHS skipped crucial monitoring steps and did not enforce certain standards for programs under interim management for at least the last 5 school years. For example, it did not monitor half of the 28 programs due for monitoring between January 2020 and June 2024—leaving it unaware of documented and potential child safety incidents and other concerns. Further, OHS had neither assessed classroom quality nor monitored finances for all programs under interim management—both of which are required under the Head Start Act. Lastly, OHS officials stated that they had never enforced enrollment standards or required

Head Start funds to be returned for children not served. In the 2022-2023 school year, GAO found that fewer than half of the nearly 4,000 Head Start seats available in programs under interim management were filled.

Local staff from all three Head Start programs GAO visited shared concerns about their experiences during interim management, including unqualified staff, unsafe facilities, and poor fiscal stewardship (see fig). Staff at all three programs told GAO that unqualified staff were put in classrooms to teach. Staff at two programs said facility hazards, including mold, were not properly remediated. Staff at all three programs expressed concerns about fiscal management—from expensive and unnecessary equipment orders in one program to a lack of essential supplies, like diapers and wipes, in another.

Interim Management Experiences from Selected Local Head Start Staff



Source: GAO analysis of interviews and supporting documentation; GAO (illustration). | GAO-25-106954

OHS officials said they work closely with the interim manager to keep Head Start programs open under challenging circumstances. However, OHS has not consistently monitored programs under interim management or enforced enrollment standards for these programs. Without taking these required steps, OHS leaves children vulnerable to low quality services and jeopardizes their school readiness. Further, it exposes federal Head Start funds to potential waste.

Contents

GAO Highlights	ii
Why GAO Did This Study	ii
What GAO Recommends	ii
What GAO Found	ii
Letter	1
Background	3
OHS Monitoring Has Not Been Adequate to Assess the Quality of Head Start Services during Interim Management	7
OHS Has Not Adequately Assessed Compliance with Child Safety Incident Reporting and Facility Safety Standards at Programs under Interim Management	13
OHS Has Not Monitored Fiscal Management of Head Start Programs under Interim Management, Leaving the Programs Vulnerable to Waste	17
OHS Did Not Monitor Staff Support Practices in Programs under Interim Management, Leaving it Unaware of Concerns about Poor Work Environments	19
OHS Has Not Enforced Head Start Enrollment Standards for Programs under Interim Management	20
Conclusions	25
Recommendations for Executive Action	25
Agency Comments and Our Evaluation	26
Appendix I Comments from the Department of Health and Human Services	28
Appendix II GAO Contact and Staff Acknowledgments	35
GAO Contact	35
Staff Acknowledgments	35
Figures	
Interim Management Experiences from Selected Local Head Start Staff	iii
Figure 1: Head Start Seats in Programs under Interim Management, 2017-2018 through 2022-2023 School Years	5
Figure 2: Funding Provided for Interim Management (2017–2022)	6
Figure 3: Photos of Mold in a Head Start Facility after Interim Management	16
Figure 4: Percentage of Funded Head Start Seats Filled in Interim Management and Other Programs, 2017-2018 through 2022-2023 School Years	21
Figure 5: Head Start Grant Fund Expenditures Compared to Enrollment Levels for Programs under Interim Management, 2017-2018 to 2021-2022 School Years	23
Figure 6: Enrollment in 15 Selected Head Start Programs Before and During Interim Management	24

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

Abbreviations

ACF	Administration for Children and Families
CLASS®	Classroom Assessment Scoring System®
COVID-19	Coronavirus Disease 2019
HHS	Department of Health and Human Services
OHS	Office of Head Start



December 19, 2024

The Honorable Virginia Foxx
Chairwoman
Committee on Education and the Workforce
House of Representatives
The Honorable Tom Cole
House of Representatives
The Honorable Richard Hudson
House of Representatives

Established in 1965, Head Start promotes school readiness by supporting the comprehensive development of children in poverty through education, nutrition, health, social, and related services. Head Start served nearly 800,000 children and families experiencing poverty in school year 2022-2023.¹ The U.S. Department of Health and Human Services' (HHS) Office of Head Start (OHS) administers Head Start and received \$12 billion for the program in fiscal year 2024. As of December 2023, OHS reported providing grant funding to about 1,600 nonprofit, for profit, and governmental organizations (e.g., local school districts) to operate Head Start programs in communities nationwide.²

Occasionally, a grant recipient loses its ability to operate a Head Start program because OHS has suspended or terminated its grant for poor performance or the grant recipient has relinquished its grant voluntarily. In those instances, OHS contracts with an organization, known as an interim manager, to run the program temporarily while it seeks a new grant recipient in that community. Since 2000, OHS has used the same contractor to provide interim management services.

Federal law and regulations require OHS to ensure that Head Start programs, including those under interim management, comply with all Head Start requirements. However, in recent years, parents and Head Start staff have raised serious concerns about child safety and the quality of services provided by programs under interim management. You asked us to examine OHS's oversight of these programs.

In this report, we examine the extent to which OHS monitoring allows it to assess whether programs under interim management meet Head Start standards regarding (1) the quality of services to children, families, and communities; (2) child safety; (3) fiscal management; (4) staffing and staff support; and (5) enrollment.

To address our objectives, we reviewed relevant federal laws, regulations, and agency documentation. This documentation included OHS monitoring reports from the 14 programs under interim management from January 2020 through June 2024, OHS's 2022-2027 interim management contract, and OHS's assessments of the contractor's performance in 2023 and 2024.³ We interviewed OHS officials who oversee interim

¹Head Start includes Head Start preschool for children ages 3 to school age; Early Head Start for infants, toddlers, and pregnant women; American Indian and Alaska Native Head Start; and Migrant and Seasonal Head Start.

²The Head Start Act refers to these organizations as agencies. We refer to them as grant recipients throughout this report.

³OHS officials told us they did not have records of assessments of contract performance prior to 2023.

management and representatives from the interim manager.⁴ We assessed OHS's oversight and monitoring practices for programs under interim management against Head Start Act requirements, Head Start program performance standards, and OHS monitoring procedures.

In addition, we conducted site visits to three of the 38 Head Start programs OHS's interim manager operated from the 2018-2019 through 2022-2023 school years. We selected this timeframe to capture the experience of local staff at programs that were recently but no longer operated by the interim manager at the time of our review.⁵ During our site visits, we interviewed local program staff who recently worked for the interim manager and representatives from the grant recipient that replaced the interim manager.⁶ We also interviewed representatives from four additional grant recipients that replaced the interim manager after the programs transitioned out of interim management between the 2018-2019 and 2022-2023 school years. We selected programs for site visits and interviews to achieve variation in program size (i.e., the number of children served), length of time under interim management, and reason for interim management.

Additional audit steps are described below:

- To assess the extent to which OHS's monitoring practices at the time of our review allowed it to assess whether programs under interim management met Head Start service quality standards, we reviewed state child care licensing reports that identified violations from 13 of 31 states in which the interim manager operated.⁷ These reports covered the most recent 5-year period, from January 2019 through March 2024, which was the date of our initial outreach to states.
- To assess the extent to which OHS monitoring allowed it to assess whether programs under interim management met Head Start child safety standards, we compared records of significant child safety incidents that occurred during interim management in these 13 states to the incident records that OHS provided to us, from August 2019 (the earliest records OHS officials said they had access to) through March 2024, which was the date of our initial outreach to states.⁸
- To assess the extent to which OHS monitoring allowed it to assess whether programs under interim management complied with Head Start enrollment standards, we analyzed OHS monthly enrollment data for all Head Start programs, including those under interim management, from the 2017-18 through 2022-23

⁴We also interviewed officials from the U.S. Department of the Interior, which manages some contracting functions on OHS's behalf. In addition, we interviewed officials from the National Head Start Association.

⁵We did not visit programs that were actively under interim management.

⁶During all three site visits, we conducted group interviews with staff who had held local program management positions with the interim manager, such as program directors, assistant program directors, education managers, and family services managers. We also interviewed individual local staff members, such as teachers and maintenance workers who had worked for the interim manager. At two of the three programs, we interviewed parents whose children had attended Head Start programs during interim management.

⁷State childcare licensing agencies are responsible for inspecting child care programs, such as Head Start programs, to ensure that they meet state standards. We contacted 28 of the 31 licensing agencies for states in which OHS's interim manager operated at least one Head Start program between January 2019 and March 2024 to request documentation of inspection results that identified violations of state child care licensing requirements or that resulted in corrective actions against programs under interim management. Of these, 13 state agencies provided such requested documentation. Five agencies told us that they did not have a record of licensing violations or corrective actions against programs under interim management. We did not pursue documentation from four state agencies that may have required a fee to complete records requests. Finally, six state agencies did not respond to our request during our audit timeframes. The remaining three state agencies did not have publicly available contact information.

⁸OHS officials told us that they did not have access to records of significant child health and safety incidents from prior to August 2019, due to staff turnover at the agency.

school years. Specifically, we compared the percentage of seats filled in Head Start programs under interim management to all other Head Start programs during this time period.⁹ We also compared enrollment rates before, during, and after interim management for the 15 Head Start programs that entered interim management 6 months or more after our review period began, and that exited 6 months or more before our review period ended.¹⁰ Finally, we compared the percentage of Head Start seats filled in programs under interim management to the percentage of Head Start grant dollars those programs spent from school years 2017-2018 through 2021-2022. We assessed the reliability of these data by comparing them to other public information, interviewing agency officials, and conducting electronic and manual data testing. We determined that the data were sufficiently reliable for the purposes of assessing how the enrollment rates for Head Start programs under interim management compared to those of programs not under interim management and for describing Head Start grant expenditures for programs under interim management.¹¹

We conducted this performance audit from July 2023 to December 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

When an existing grant recipient can no longer operate Head Start programming, the Head Start Act authorizes OHS to designate an interim manager to oversee and administer services until OHS is able to identify a new grant recipient from the community.¹² OHS uses an interim manager to administer Head Start services in a community after (1) the existing grant recipient voluntarily relinquishes its Head Start grant, (2)

⁹OHS provides Head Start funding based on the number of children a grant recipient intends to serve. Throughout this report, we refer to this funded enrollment level as the program's number of seats. OHS did not provide monthly enrollment data for June through August because most programs are closed, or partially closed, during the summer months. Thus, we analyzed enrollment data from September through May for each school year in our review period.

¹⁰We included programs that entered and exited interim management between March 2018 and November 2022 in this analysis. This approach ensured that the 6 months before interim management, the entire time under interim management, and the 6 months after interim management fell within our scope of school years 2017-2018 through 2022-2023.

¹¹We assessed OHS's oversight of Head Start programs under interim management. We did not independently assess whether the interim manager complied with Head Start performance standards or other federal or state legal requirements. In addition, statements made by local officials presented in this report are not intended to imply contractual noncompliance or noncompliance with federal or state legal requirements. During our audit, we obtained documentation of various events that occurred in some Head Start programs under interim management and referred the issues to the HHS Office of the Inspector General for further review. The HHS Office of the Inspector General responded that they shared this information with OHS for awareness and any follow-up action deemed appropriate.

¹²42 U.S.C. § 9836(a)(2).

OHS issues a notice of suspension or terminates a grant recipient's funding, or (3) OHS determines that there are no qualified applicants during an open grant competition in a community.¹³

Over the 6-year period from school years 2017-2018 through 2022-2023 school year, OHS put 33 Head Start and Early Head Start programs under interim management.¹⁴ Most of these programs (26 of 33) entered interim management because the prior grant recipient relinquished its grant.¹⁵

National Interim Head Start Program Manager

OHS contracts with a third party, which it selects through a competitive process, to provide interim management services nationally.¹⁶ OHS officials told us that, since 2000, OHS has held contract competitions about every 5 years and awarded the national interim management contract to the same entity after each competition.

According to the current contract, the interim manager must assume responsibility for day-to-day operations of each assigned Head Start grant until OHS identifies a replacement grant recipient for the program's service area through an open competitive grants process. The contract also states that the interim manager must ensure that each program complies with Head Start standards for the duration of interim management. These standards include maintaining community partnerships, ensuring safety, and meeting state licensing requirements, among other things.

Representatives from the interim manager told us that when they assume responsibility for a new Head Start program, they:

- quickly hire local program staff, secure facilities, and obtain state child care licensing to operate facilities;
- assign their own staff, including a site manager and various content-area specialists, to guide local Head Start program staff and oversee their work;
- provide consultants, as needed, to conduct on-site training and provide technical assistance to local staff; and
- centralize administrative functions, including human resources, payroll and accounting, purchasing, and facilities management for all program they operate, among other functions.

¹³The period for a Head Start grant is 5 years. Under the Head Start Act, Head Start grant recipients may receive automatic renewal of their grant at the end of that period. Head Start program performance standards state that a Head Start grant recipient must compete for its next 5-year grant award whenever OHS determines that one of seven conditions existed during the current project period (e.g., two or more performance deficiencies; failure to establish and take steps to achieve school readiness goals; or debarment from receiving federal or state funds by another federal or state agency). See 45 C.F.R. § 1304.11. In cases in which these open competitions do not identify a grant recipient for the area, OHS may place the area under interim management.

¹⁴For the purposes of our analysis, we did not include Migrant and Seasonal Head Start and Early Head Start Child Care Partnership programs because these programs have different requirements than traditional Head Start and Early Head Start programs.

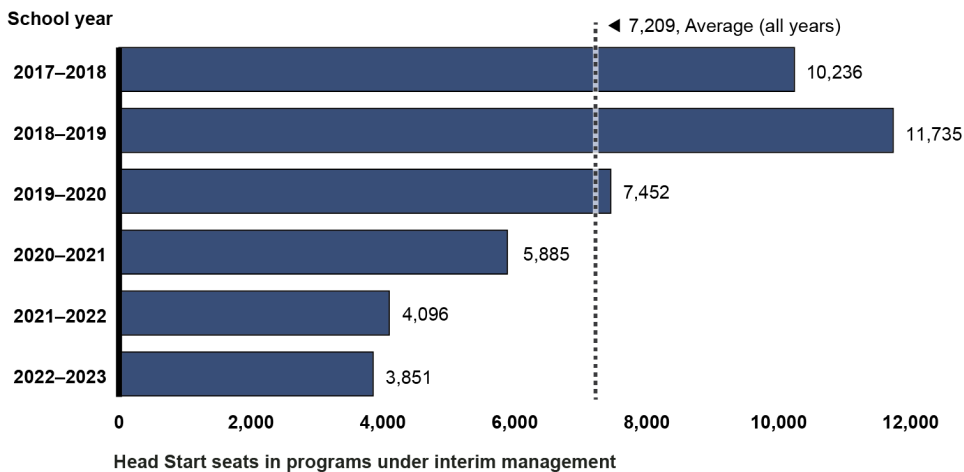
¹⁵According to OHS officials, in many cases, grant recipients relinquish their grant to avoid having it terminated.

¹⁶In response to OHS's most recent solicitation, two entities bid for the contract in 2022. When awarding the contract to the existing interim manager, OHS cited the organization's understanding of the contract requirements, its more than 20 years of experience, and OHS's assessment that its risk of unsuccessful performance was very low.

Programs under Interim Management

Since 2000, more than 200 Head Start programs across 45 states, the District of Columbia, and Puerto Rico have been under interim management. In the 6 most recently completed school years at the time of our review (2017-2018 through 2022-2023), these programs offered between 3,851 and 11,735 Head Start seats nationwide (see fig. 1).¹⁷ As of September 2024, there were 18 programs under interim management across 11 states, according to OHS officials.

Figure 1: Head Start Seats in Programs under Interim Management, 2017-2018 through 2022-2023 School Years



Source: GAO analysis of Office of Head Start data. | GAO-25-106954

Notes: Each Head Start and Early Head Start program under interim management is funded to serve a specified number of children per month (its funded enrollment). In this analysis, seats per school year is the sum of all programs' average monthly funded enrollment from September through May. GAO excluded Migrant and Seasonal Head Start seats from this analysis because these programs do not necessarily follow a traditional school year. GAO also excluded Early Head Start Child Care Partnership program seats, which are offered through partner organizations.

Funding for Interim Management

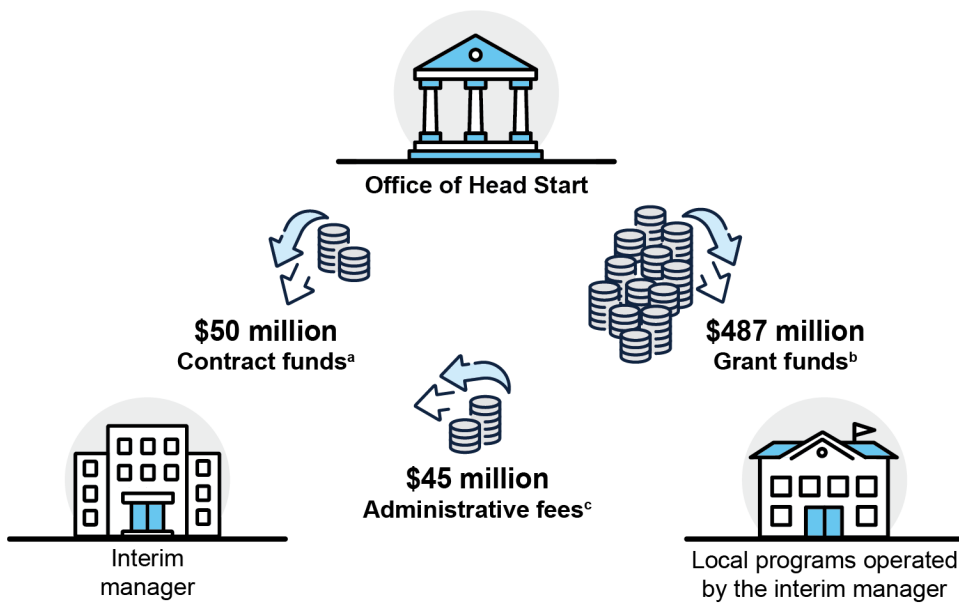
OHS provides two types of funding for interim management. First, it provides contract funds to support the interim manager's central operations, including its central office staff, consultants, and travel expenses. OHS officials estimated that the interim manager used about \$50 million in contract funds for these purposes under its most recently completed 5-year contract (September 2017 through May 2022).¹⁸ Second, OHS provides grant funds for each individual Head Start program under interim management. These funds totaled about \$487 million from October 2018 through September 2022. While most grant funds are used to support local

¹⁷Each Head Start and Early Head Start program under interim management is funded to serve a specified number of children (its funded enrollment).

¹⁸The 2017-2022 contract had a value of about \$77 million. The interim management contractor provides other Head Start-related services, such as consulting outside its interim management role. The current contract, which began in 2022 and ends in 2027, has a value of about \$75 million.

program operations, the interim manager reported charging the programs it operated about \$45 million in indirect service fees from July 2017 through June 2022 (see fig. 2).¹⁹

Figure 2: Funding Provided for Interim Management (2017–2022)



Source: GAO analysis of data from the Office of Head Start and supporting documentation; GAO (icons). | GAO-25-106954

^aOHS estimated that its interim manager spent about \$50 million in contract funds during its most recent 5-year contract (September 2017 through May 2022) for interim management—the first of three functions included in that contract, which was valued at a total of about \$77 million.

^bGAO used OHS data to calculate the amount of grant funds, about \$487 million, expended by programs under interim management over the 5 federal fiscal years (October 2017 through September 2022) corresponding most closely with the interim manager's most recent 5-year contract.

^cAudited financial statement disclosures indicate that the interim manager charged about \$45 million for indirect services it provided to the Head Start programs it operated over its 5 fiscal years (July 2017 through June 2022) that corresponded most closely to its most recently completed 5-year contract. Indirect costs are costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted. See 200 C.F.R. § 200.1.

OHS Oversight of the Interim Manager

The Head Start Act requires OHS to conduct a full monitoring review of all Head Start programs, including those under interim management, at least once every 3 years.²⁰ It also requires a review of each new grant recipient immediately after the completion of its first year providing Head Start services.²¹ Under law, these reviews must assess how programs (1) address community needs, (2) collaborate with community partners,

¹⁹Indirect costs are costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted. See 200 C.F.R. § 200.1. OHS officials stated that indirect service fees charged by the interim manager aligned with OMB guidance and ACF grants policy.

²⁰42 U.S.C. § 9836a(c)(1)(A).

²¹42 U.S.C. § 9836a(c)(1)(B).

(3) ensure classroom quality, (4) comply with fiscal requirements, and (5) comply with Head Start eligibility requirements, among other assessments.²²

In addition, OHS formally reviews the interim manager's performance under the national interim management contract each year, rating its performance in the areas of (1) quality; (2) schedule; (3) cost control; (4) management; and (5) regulatory compliance.²³ OHS's two most recent performance reviews rated the interim manager's performance as satisfactory, very good, or excellent in all performance areas.²⁴

OHS Monitoring Has Not Been Adequate to Assess the Quality of Head Start Services during Interim Management

OHS Has Not Conducted Required Monitoring of all Head Start Programs under Interim Management to Ensure Service Quality

OHS has not monitored all Head Start programs under interim management, although the Head Start Act requires monitoring reviews, including risk-based assessments, for all Head Start programs at least once every three years.²⁵ When OHS conducts monitoring reviews, it assesses the quality of services provided to children and their families and communities. OHS officials and representatives from the interim manager told us that Head Start programs that enter interim management may be at high risk for poor performance due to the circumstances that necessitated interim management, such as multiple uncorrected deficiencies on prior monitoring reviews or financial distress. OHS officials told us that prior to January 2020 they conducted pared down versions of OHS's typical monitoring protocol for a subset of programs under interim management.²⁶

OHS officials told us that since January 2020, it has been standard practice to monitor all programs after 1 year under interim management. However, OHS data showed that they reviewed half of the programs meeting that criterion (14 of 28) from January 2020 through June 2024.²⁷ OHS officials told us the COVID-19 pandemic interrupted their monitoring for programs under interim management; however, OHS officials told us they conducted monitoring reviews for about 96 percent of other programs during the pandemic.

²²42 U.S.C. § 9836a(c)(2).

²³According to OHS's plan to monitor contract quality, OHS representatives meet regularly with the interim manager; review progress reports, invoices, and deliverables; conduct periodic site visits; and hold semi-annual quality assurance meetings with agency leadership, among other monitoring obligations.

²⁴If the interim manager fails to meet the required service or performance levels established in the contract, OHS assigns a negative rating for the review period. OHS officials told us that they had never assigned a negative rating for the interim manager's performance.

²⁵The Head Start Act requires that HHS conduct a full review, including the use of a risk-based assessment approach, of each Head Start program at least once during each 3-year period and a review of each newly designated Head Start agency immediately after the completion of the first year such agency carries out a Head Start program. 42 U.S.C. § 9836a(c)(1)(A), (B). There is no exception in the Head Start Act for programs under interim management.

²⁶OHS officials said these narrower reviews were focused on child health and safety, classroom operations, and Head Start service delivery. OHS officials provided documentation of one such review the agency conducted in 2010.

²⁷OHS officials told us that of the 14 programs that it did not monitor, five were prioritized for transition to long-term grant recipients.

OHS data show that seven of the 14 programs under interim management it monitored did not comply with one or more federal Head Start performance standards. Four of these programs did not comply with standards related to (1) the quality of services to children and (2) family and community engagement.²⁸ By not monitoring all Head Start programs after one year of interim management, in line with its standard practices, OHS likely missed important information typically gathered to assess the quality of services offered to children and their families and communities, leaving OHS vulnerable to unidentified service quality concerns. Through our analysis of OHS documents, state child care licensing reports, and interviews with local staff, we identified various issues related to (1) the quality of services to children and (2) family and community engagement.

Quality of Services to Children

According to OHS's monitoring protocols, OHS assesses the quality of services provided to children by reviewing how the program maintains qualified and competent staff and prepares children for school, among other things. OHS found that four of the 14 programs under interim management it monitored did not comply with one or more child service quality requirements—resulting in eight total areas of noncompliance across these programs. For example, it found that one program did not implement a required staff coaching strategy, and another did not implement a systematic approach to staff training and professional development. Further, it found that one program did not have appropriate school readiness goals for children, and that another did not use data on children's strengths and needs to support individualized learning.

We also reviewed monitoring and inspection reports from state child care licensing agencies in 13 states in which OHS's interim manager operated at least one program during the most recent 5-year period available at the time of our review (January 2019 through March 2024).²⁹ Agencies in 8 of the 13 states found that staff in programs under interim management did not meet minimum qualifications or had not passed background checks. In 5 of these 8 states, agencies found that programs under interim management did not complete or had not documented required background checks for staff.³⁰ Five state agencies also found that staff were not trained in CPR-First Aid, disease prevention, emergency preparedness, or other required areas.³¹ Two state

²⁸When OHS identifies an area of noncompliance with federal requirements in a Head Start program it monitors, the program must correct the noncompliance within a specified period, typically 120 days.

²⁹In March 2024, we contacted state child care licensing agencies in 28 states where the interim manager operated at least one Head Start program since calendar year 2019 to request monitoring or inspection reports and documentation of any state child care licensing violations or corrective actions required of programs under interim management. Thirteen states provided documentation in response to our request.

³⁰Before hire, programs must conduct an interview, verify references, conduct a sex offender registry check and obtain one of the following: (1) state or tribal criminal history check including fingerprinting, or (2) FBI criminal history records, including fingerprinting. Programs have 90 days after hire to obtain whichever check they did not complete prior to hire (1 or 2) and a child abuse and neglect state registry check, if available. See 45 C.F.R. § 1302.90(b).

³¹In addition to being required by state child care licensing, these health and safety trainings are required for all Head Start staff who have regular contact with children. See 45 C.F.R. § 1302.47(b)(4)(i).

agencies found that center directors were not certified in early childhood education, as was required in those states.³² Finally, two state agencies found that teachers were not properly trained in entry-level child care.³³

Representatives from the interim manager told us that they made every effort to ensure that staff met minimum Head Start and state qualification requirements and acknowledged that state child care licensing reviews had identified some administrative errors. They also acknowledged the possibility that, while they expected staff to follow policies and procedures and took steps to mitigate the risk of errors and noncompliance, staff members may have been delinquent at times in completing required trainings or maintaining required credentials.³⁴ They also told us that they have strengthened their hiring protocols, including putting safeguards in place in their hiring software, to minimize the risk of hiring someone before completing all required background checks.

Local management at all three Head Start programs we visited including one of the 14 programs monitored under interim management, shared concerns about the quality of educational services provided to children, in large part because of unqualified staff. For example, managers at each program said unqualified staff were put in classrooms to teach children.³⁵ Staff at one program noted that non-teaching staff were routinely sent into classrooms to substitute teach.³⁶ In addition, staff from another program told us the local program director had no background in early childhood education, as required by that state's childcare licensing standards and did not recognize or respond appropriately to concerning behavior by some teaching staff as a result.³⁷

³²Federal regulations require all Head Start programs to ensure that program directors hired after November 7, 2016 have, at a minimum, a baccalaureate degree and experience in supervision of staff, fiscal management, and administration. See 45 C.F.R. § 1302.91(b). Some states may require additional qualifications to be employed as a director of a child care center in that state. Head Start grant recipients, including OHS's interim manager, are required to meet all relevant state requirements in addition to federal Head Start requirements.

³³Head Start programs must ensure that staff with regular contact with children have an initial orientation training within 3 months of hire, as well as ongoing training on all health, safety, and child care requirements developed by the program or set forth by state, local, tribal, and federal entities. See 45 C.F.R. § 1302.47(b)(4)(i).

³⁴The interim manager also cited the following report, which describes a framework for the role of state licensing in supporting quality early childhood education. K. L. Maxwell and R. Starr, *The Role of Licensing in Supporting Quality Practices in Early Care and Education*. OPRE Research Brief #201931. (Washington, D.C.: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation, Mar. 2019)

³⁵Head Start teachers must have at least an associate or bachelor's degree in child development or early childhood education, equivalent coursework, or otherwise meet the requirements of 42 U.S.C. § 9843a(a)(3)(B). 45 C.F.R. § 1302.91(e)(2)(ii). Assistant teachers must have, at a minimum, a Child Development Associate credential or a state-awarded certificate that meets or exceeds the requirements for a Child Development Associate credential or be enrolled in a program that will lead to such a credential or certificate within two years of the time of hire. See 45 C.F.R. § 1302.91(e)(3). Similarly, Early Head Start teachers, who serve infants and toddlers, must have a minimum of a Child Development Associate or comparable credential, and have been trained or have taken equivalent coursework in early childhood development with a focus on infant and toddler development. See 45 C.F.R. § 1302.91(e)(1).

³⁶Representatives from the interim manager noted that workforce and staffing challenges exist across the early childhood education industry, particularly in the last 5 years and during the COVID-19 pandemic. For example, they acknowledged that they used a local maintenance staff person at one program to help alleviate staffing challenges and fill in as a third staff person to allow other teachers to take breaks. They stated that this individual was never alone with children, nor did they have substantive teaching responsibilities.

³⁷Representatives from the interim manager told us that federal regulations do not require Head Start program directors to have a background in early childhood education (see 45 C.F.R. § 1302.91(b)). However, Head Start grant recipients, including OHS's interim manager, are required to meet all relevant state requirements in addition to federal Head Start requirements. This program was operating in a state that requires child care center directors to have formal education in child development and previous experience working with children in a child care setting, according to the state's licensing rules.

Representatives from the interim manager said that at one program we visited, they sought approval for and obtained waivers from OHS to rehire teachers who would not otherwise meet minimum Head Start educational requirements.³⁸ They also stated that when they determine that a staff person does not meet minimum qualifications, they may demote, terminate, or place the staff person on a professional development plan to obtain the required qualification.

Representatives from five of seven new grant recipients we spoke to told us they were unable to rehire some staff who worked for the interim manager because they were unqualified or had to move them into different positions for which they were qualified. Representatives from one program said local staff whose education credential requirements had been waived under interim management were surprised that they could not simply be given another waiver during the hiring process.

Family and Community Engagement

According to OHS's monitoring protocols, OHS assesses required family and community engagement services by reviewing how programs set and work toward family-driven goals and build community partnerships that meet family needs, among other things.³⁹ OHS identified an area of noncompliance related to family and community engagement in one of the 14 programs it monitored during interim management. Specifically, OHS found that the program had not offered individualized family services to over half of families at this program, as required.⁴⁰

Local management at one program we visited—which was not among the 14 that OHS monitored—also told us they did not work with families to set and achieve individualized goals when their program was under interim management because the interim manager's staff instructed them to prioritize other activities.⁴¹ Local staff said they were later told to make something up quickly so that their reports for OHS appeared to meet requirements.⁴² Local staff said that this approach prevented them from helping families address their individual challenges.

³⁸ While Head Start education requirements cannot be waived for Early Head Start teachers, such a waiver can be obtained for Head Start preschool teachers. To obtain a waiver of education requirements and remain in compliance with Head Start program performance standards and the Head Start Act, a program must submit evidence that (1) they unsuccessfully attempted to recruit an individual that has the required education; (2) the individual for whom the waiver is requested is enrolled in a program that will grant a qualifying associate or higher degree, and they will complete the degree within 3 years; and (3) the individual has, or is awaiting the award of, their Child Development Associate credential or an equivalent State-awarded preschool certificate. See ACF-IM-HS-11-04.

³⁹Head Start programs are required to implement a family partnership process that includes supports for family-driven goals and progress towards specified outcomes. See 45 C.F.R. §§ 1302.50(b)(3), 1302.52(b), and 1302.52(c)(3). In addition, Head Start programs are required to form ongoing collaborative relationships and partnerships with community organizations. See 45 C.F.R. § 1302.53(a)(1).

⁴⁰Such services are typically offered through the family partnership process described above.

⁴¹OHS monitors compliance with family engagement requirements by reviewing sample family partnership goals; tracking systems for these goals; and reviewing examples of family goals, strengths, and needs during routine monitoring.

⁴²Representatives from the interim manager noted that their personnel policies state that falsifying eligibility records, collecting incomplete records from families or coaching families on how to meet eligibility requirements (when they actually do not) is grounds for immediate termination of the offending employees.

Local management from two programs we visited also expressed concerns about damaged community relationships during interim management. For example, they said their program's relationship with a school district deteriorated after a Head Start classroom the district hosted rent-free sat empty for a year with no communication from the interim manager.⁴³ Staff from the same program told us the interim manager took months to acknowledge and return forms needed to accept a state grant award that funded a classroom in a local school district. As a result, they said that the classroom operated at partial capacity for two months, when it was intended to be a full-year program.⁴⁴

Moreover, representatives from four of the seven new grant recipients we spoke to stated that they had to work to rebuild relationships with the community and local partners after interim management. Representatives from one program said some families lost access to services because community partners had left the program. Representatives from another program told us they were still working to restore community faith in Head Start to educate their children.

Representatives from the interim manager described their family engagement processes as establishing trusting relationships with parents. They further noted that respecting parents' decisions to enter the family goal setting process on their own timeline can delay establishing family goals and described positive family engagement experiences at two programs we visited. They also said that they want to do everything possible to make the next grant recipient successful, and they understand that community partnerships are very important.

OHS Has Not Assessed Classroom Quality in Programs Under Interim Management

Although the Head Start Act requires OHS to assess the quality of Head Start classrooms using a valid and reliable research-based observational instrument that assesses classroom quality—a separate process from regular onsite monitoring—OHS officials said they had never conducted this type of assessment for any program under interim management.⁴⁵ OHS officials said they conducted these assessments—known as Classroom Assessment Scoring System (CLASS)® assessments—for all other grant recipients during each 5-year grant cycle, typically after the first year. CLASS® assessments evaluate the quality of classroom organization and emotional and instructional support that teachers provide to children. As a part of these reviews, OHS assesses teacher-child interactions, which are closely linked to positive child development and academic achievement, according to OHS guidance.

OHS officials told us that they have not conducted CLASS® assessments for programs under interim management because interim management is intended to be short-term. However, we found that 64 of the 73 programs that entered and exited interim management between 2013 and 2023 were in that status for a year or more. Further, our analysis found that 15 of the 73 programs, about one in five, were under interim

⁴³Representatives from the interim manager stated that they are committed to ensuring classrooms are opened safely and will not open or operate a classroom with fewer than two staff.

⁴⁴Representatives from the interim manager told us that they were aware of this funding delay. They said that they worked with the funder and the school district to ensure that the full amount of the award was used to best support the school district for the shortened service period.

⁴⁵The Head Start Act specifies that HHS must ensure that monitoring reviews of Head Start agencies include the use of a valid and reliable research-based observational instrument that assesses classroom quality, including assessing multiple dimensions of teacher-child interactions that are linked to positive child development and later achievement. 42 U.S.C. § 9836a(c)(2)(F).

management for more than 3 years—longer than many children’s entire time in Head Start and within OHS’s stated typical timeframe for assessing classroom quality at other Head Start programs.⁴⁶

During our site visits, local managers at two of the three programs we visited told us about classroom quality concerns that OHS may have identified if it had conducted CLASS® assessments for programs under interim management. They described classrooms that were unstructured and unpredictable, and staff who were unable to provide adequate emotional and instructional support to children.⁴⁷ For example, local managers told us these programs relied heavily on substitute teachers to staff classrooms during interim management, which affected children’s ability to form stable relationships with their teachers. In one program, staff said non-Spanish speaking substitute teachers were assigned to classrooms heavily populated with children from Spanish-speaking families. The former center director said the children did not know or recognize their teachers and often could not communicate with them.

Representatives from the interim manager said they provide training and technical assistance to local staff to ensure that children receive a quality education, and they incorporate appropriate practices to address language and cultural diversity in the programs they operate. They also said that they implemented coaching and training plans in the three programs we visited to assist teachers that were struggling to maintain positive learning environments and help strengthen school readiness. At two programs, they said they employed coaches who were certified CLASS® observers. In addition, representatives from the interim manager noted that workforce and staffing challenges exist across the early childhood education sector, particularly since the COVID-19 pandemic.

Without reviewing classroom quality itself at programs under interim management, as required by the Head Start Act, OHS may not be well positioned to identify and address classroom quality issues in a timely manner. Absent such assessments, any issues may persist without being identified throughout a child’s entire Head Start education. Poor classroom quality diminishes the program’s benefits for children and may hinder their school readiness.

⁴⁶Early Head Start serves infants and toddlers under age 3. Head Start preschool serves children ages 3 to school age. We excluded Early Head Start Child Care Partnership programs and programs that ceased to operate following interim management from this analysis.

⁴⁷Head Start programs must ensure that center-based teachers, assistant teachers, and family child care providers demonstrate competency to provide effective and nurturing teacher-child interactions, plan and implement learning experiences that ensure effective curriculum implementation and use of assessment and promote children’s progress, including for children that are dual language learners. See 45 C.F.R. § 1302.91(2)(5).

OHS Has Not Adequately Assessed Compliance with Child Safety Incident Reporting and Facility Safety Standards at Programs under Interim Management

OHS Has Not Taken Adequate Steps to Verify the Completeness of Child Safety Incident Reporting in Programs under Interim Management

We found that OHS has not taken adequate steps to assess whether all significant child safety incidents were reported during interim management, as required by Head Start performance standards and OHS guidance.⁴⁸ Significant child safety incidents include those in which a child is left unsupervised, subjected to inappropriate discipline or potential abuse, injured, or released to an unauthorized adult. OHS guidance emphasizes that Head Start programs should not wait for local or state investigations to be completed before reporting to OHS. While OHS is responsible for ensuring that all programs comply with child safety reporting requirements, OHS staff who oversee the interim manager stated that they did not record incidents that the interim manager reported to OHS via email or phone until August 2023. These officials stated that before August 2023, each OHS regional office had its own tracking system for incidents reported by other Head Start programs.

While OHS officials stated that OHS updated its centralized data system to enable programs to submit incident reports directly, we found that OHS has taken limited steps to ensure that this reporting is complete.⁴⁹ Specifically, OHS officials said they may review a sample of publicly posted state licensing reports when conducting a formal monitoring review, such as those that have been conducted for some programs under interim management. However, officials said they would not request licensing reports in states where they were not public.

OHS's limited verification practices may leave it unaware of state-cited child safety violations at programs under interim management, such as those we identified in our review of monitoring and licensing reports from 13 states. State licensing agencies we contacted provided records of 15 significant child safety violations at programs under interim management from August 2019 through March 2024. OHS officials identified nine of

⁴⁸Head Start programs are required to submit reports to the responsible HHS official immediately or as soon as practicable related to any significant incidents affecting the health and safety of children, including any matter for which the program must notify state, tribal, or local authorities as required by applicable law. This includes suspected or known child abuse and neglect. See generally 45 C.F.R. §§ 1302.47(b)(5)(i), 1302.102(c), 1302.102(d)(1)(ii). In September 2022, the Administration for Children and Families (ACF) issued guidance to clarify these reporting requirements. ACF clarified that OHS interprets "immediately or as soon as practicable" to mean "without delay, but no later than seven calendar days following an incident," and that all incidents must be reported, regardless of investigations by relevant local, state, tribal, or federal law enforcement. The guidance also provided a non-exhaustive list of what could constitute a "significant incident," such as potential child abuse and inappropriate discipline, among other things. See ACF-IM-HS-22-07. ACF recently issued new guidance to further clarify these requirements and provide examples of incidents that should be reported. See ACF-OHS-IM-24-06.

⁴⁹OHS officials told us they developed the centralized system for incident reporting in response to recommendations in a September 2022 HHS Office of Inspector General report. See Department of Health and Human Services, Office of Inspector General, *ACF should Improve Oversight of Head Start to Better Protect Children's Safety* OEI-BL-19-00560 (Washington, D.C.: September 2022).

these 15 incidents in their emails and their newly centralized data system.⁵⁰ The other six incidents were unaccounted for in OHS's records.⁵¹

Other gaps in OHS's oversight of programs under interim management may also leave OHS vulnerable to lapses in child safety incident reporting. OHS officials told us that they have occasionally conducted informal non-monitoring visits to programs under interim management to observe how the programs are operating. However, officials told us that on these visits they sought feedback from local staff with their interim management supervisors present.⁵² While OHS documentation indicates that local staff shared positive feedback, workers may be less likely to disclose concerns, including failure to report child safety incidents, in front of their supervisors.

Local staff at all three Head Start programs we visited told us they were prohibited from communicating directly with OHS or state licensing officials to share child safety and other concerns during interim management.⁵³ Local staff at two of the three programs said significant child safety incidents were not reported to OHS during interim management.⁵⁴ For example, one former center director described witnessing a teacher grab a child by the hood of their coat and slam them to the ground. The former center director told us that the interim program director instructed them to not report the incident or fire the teacher.⁵⁵ The former center director told us that after that incident, they invented reasons to visit that teacher's classroom and peer through the window to ensure that children were safe.

Representatives from the interim manager told us that their handbook specifies that any staff member who has reasonable cause to know or suspect that a significant incident occurred has an individual responsibility to report the incident, or ensure a report is made. They also noted that it is possible that their staff or child care partners may not have fully complied with the interim manager's policies and procedures for reporting known or

⁵⁰In total, OHS officials identified 49 significant child safety incidents the interim manager reported over this period, including nine of the 15 incidents we identified in our review of state licensing reports. Of the 49 incidents, eight (including two we identified in state documents) resulted in a special OHS review called a Risk Assessment Notification (RAN) review. OHS uses RAN reviews at its discretion if it believes further review of the program's strategies and approaches to ensure children's health and safety are needed to mitigate risk of serious incidents in the future. In the two cases we identified in which OHS conducted a RAN, one incident involved a teacher inappropriately disciplining a child and the other related to leaving a child unsupervised.

⁵¹Representatives from OHS's interim manager told us that they had reported two additional incidents that were not among the nine OHS identified. We did not independently verify this information.

⁵²OHS officials told us they conducted non-monitoring site visits to some programs under interim management if OHS had not conducted a formal monitoring review at that program. OHS officials stated they selected programs to visit based on how challenging the program's circumstances were prior to interim management and the level of outside interest in the transition. OHS officials said they set the agenda for these visits.

⁵³OHS officials told us that the official Head Start website offers multiple ways to share feedback and suggestions with OHS and that OHS ensures confidentiality and protection of privacy for all submissions. However, OHS documentation that we reviewed indicates that it shared at least one complaint, including the complainant's name and phone number, with the interim manager.

⁵⁴A local manager at one program said she eventually left her position with the interim manager because she said they wanted her to lie or do things that should not be done.

⁵⁵This incident was not recorded in documents we received from this state's child care licensing agency, the interim manager's records of incidents they reported to OHS, nor in OHS's documentation of safety incidents that the interim manager reported. All incidents of potential child abuse—such as grabbing, shoving, shaking, swatting, or dragging a child; spanking or any other type of corporal or physical punishment, binding, tying, or taping a child; terrorizing a child with threats or menacing acts, or any form of sexual contact—should be reported to OHS as soon as possible, and no later than 7 days after the incident. See ACF guidance, "Reporting Child Health and Safety Incidents." ACF-IM-HS-22-07.

suspected child safety incidents.⁵⁶ Similarly, OHS officials told us that, while they had procedures for programs to report incidents, it would be difficult to ensure that every single incident is reported.

However, OHS will be less able to ensure that children are safe while attending Head Start programs under interim management without more robust efforts to verify that all significant child safety incidents that occur at these programs are reported.

OHS Has Not Taken Adequate Steps to Assess Whether Facility Hazards are Identified and Addressed during Interim Management

We found that OHS has taken limited steps to assess whether Head Start facilities in programs under interim management were safe, as required by the Head Start Act and regulation.⁵⁷ OHS officials told us that they have relied on the interim manager to visually assess facilities when it begins operating a Head Start program.⁵⁸ Officials said that with OHS's approval, the interim manager then completes repairs it determines are needed to meet state child care licensing requirements. After the initial visual assessment and any repairs, the interim manager is responsible for conducting ongoing assessments to ensure that facilities continue to meet state and federal health and safety standards during interim management, according to OHS officials. Officials said they become aware of needed repairs when the interim manager requests additional project funds, and they have granted those funds on numerous occasions. In general, OHS officials said they have relied on the interim manager to inform them of facility conditions and the status of improvement projects via monthly meetings.

OHS officials told us that the agency's monitoring reviews presented an opportunity for them to directly assess the conditions of facilities that, according to representatives of the interim manager, are sometimes in disrepair when OHS assigns them to interim management.⁵⁹ However, OHS has not conducted an onsite assessment of the physical conditions of all facilities used by programs under interim management nor has it routinely reviewed state licensing reports related to these facilities.⁶⁰

Local staff from two of the three Head Start programs we visited expressed concerns about facility conditions during interim management. For example, local staff told us that after the heating system broke at one Head

⁵⁶Representatives from the interim manager further clarified that if they discovered a failure to report by a staff member, the staff member would face disciplinary action (up to and including termination) and the interim manager would notify the proper agencies of the delayed report.

⁵⁷The Head Start program performance standards require that programs must enforce a system of health and safety practices that ensure children are kept safe at all times, including ensuring that facilities where children are served are free from pollutants, hazards, and toxins that are accessible to children and could endanger children's safety. See 45 C.F.R. § 1302.47(a), (b)(1)(iii).

⁵⁸During these visual assessments, OHS officials said the interim manager reviews health and safety inspection documents and evaluates the general conditions of centers, including classrooms, kitchens, restrooms, building exteriors and playgrounds, and fire safety and mechanical rooms.

⁵⁹According to OHS's monitoring protocol, OHS assesses how the grant recipient maintains children's health safety in facilities by observing facilities and reviewing maintenance plans and records, among other things. However, between January 2020 and June 2024, OHS did not conduct formal monitoring reviews for 14 of the 28 programs that were under interim management for more than 1 year and were due for monitoring.

⁶⁰OHS officials told us that they review state licensing reports related to facilities in cases in which facilities issues impact operations, (e.g., because buildings are closed).

Start center, plug-in heat lamps were hung from the wall with the electrical cords taped down and shelving units moved in front of the electrical outlets.⁶¹ Local staff said that they unplugged the heaters overnight to prevent fires, and that this temporary solution violated state child care licensing standards. In another incident, local staff told us that after a teacher reported observing a child picking mold out from under peeling baseboards in a classroom, the baseboards were reaffixed using double-sided tape and the mold was not remediated.⁶² Representatives from the new grant recipient told us they later had to replace an entire wall to remediate mold in that classroom, among many other costly renovations (see fig. 3). They told us they were still working to obtain a child care license for this center nearly a year and half later due to its extensive facility hazards.

Figure 3: Photos of Mold in a Head Start Facility after Interim Management



Source: Center for Human Services. | GAO-25-106954

A former local center director at a second program we visited told us the interim manager instructed her not to inform parents that environmental testing had revealed mold in two classrooms, even though children and staff

⁶¹The Head Start program performance standards require that programs enforce a system of health and safety practices that ensure children are kept safe at all times, including ensuring that facilities where children are served are free from electrical hazards, among other hazards. See 45 C.F.R. § 1302.47(a), (b)(1)(iv).

⁶²In addition, multiple local staff told us they informed the interim manager of a preexisting mold problem in the wall of the same classroom that the former grant recipient had not addressed. Documentation provided by OHS indicated that this mold issue was not identified or addressed during the more than 3 years the program was under interim management.

had developed respiratory symptoms, and one child had a known allergy to mold.⁶³ The state licensing agency later cited the interim manager for failing to notify parents and the state of the mold and allergen exposure, among other issues.⁶⁴

Representatives from the interim manager stated that they were committed to addressing all known facility hazards at programs that OHS assigned to interim management. They further noted that it was common for them to identify additional issues over time that were not apparent at their initial visual assessment—for example, plumbing, electrical, or heating system issues—and that they work to resolve issues as they arise.

Without procedures to more fully assess whether facility hazards have been identified and addressed in Head Start programs under interim management, OHS will continue to have an incomplete picture of the interim manager's performance in this area. OHS also may be unaware of instances where children are exposed to serious health and safety hazards in Head Start facilities during interim management.

OHS Has Not Monitored Fiscal Management of Head Start Programs under Interim Management, Leaving the Programs Vulnerable to Waste

OHS has not included fiscal management of grant funds in formal monitoring reviews for programs under interim management, despite requirements in the Head Start Act and in its own monitoring procedures.⁶⁵ OHS fulfills this requirement for all other Head Start programs through its formal monitoring by evaluating each grant recipient's systems for maintaining financial records, safeguarding federal funds, and preventing theft, fraud, waste, and abuse.

OHS officials told us they did not need to assess the fiscal management of grant funds during monitoring visits to programs under interim management because the grant funds were administered at the interim manager's central contract office and OHS assessed the interim manager's performance as a contractor.⁶⁶ However, the interim manager's fiscal management of grant funds is not included in OHS's annual contract performance review, even though these functions are a core part of the interim manager's contract responsibilities. Without

⁶³OHS received an anonymous complaint about the incident and shared the complaint with the interim manager. In its response, the interim manager stated that, among other things, the complaint was without merit because health-based standards for human exposure to mold do not exist. Representatives from the interim manager told us that, regardless of the lack of health-based standards, they recognize that the presence of mold can cause various levels of concern for some individuals, including panic or fear, and noted that they worked with the state licensing agency to resolve the issue.

⁶⁴State documents indicated that potentially contaminated furniture and equipment from these classrooms were relocated without first having them professionally evaluated and any contamination remediated, resulting in children continuing to be exposed to mold spores. The state licensing agency cited the center for not ensuring that their actions did not adversely affect the health, safety, or welfare of any child under their care. Further, child care licensing rules in this state require that parents be notified if a child consumes food or drink that may contain a substance to which the child is allergic. Food or drink consumed from mold-contained furniture could adversely affect the health of a child who was allergic to mold.

⁶⁵Specifically, OHS must have a fiscal management protocol to assess compliance with program requirements for: (1) using federal funds appropriately; (2) using federal funds specifically to purchase property and to compensate personnel; (3) securing and using qualified financial officer support; and (4) reporting financial information and implementing appropriate internal controls to safeguard federal funds. See 42 U.S.C. § 9836a(c)(2)(I).

⁶⁶Representatives from the interim manager told us that local program fiscal staff provide administrative support while fiscal and accounting systems are centralized. They said that this arrangement promotes compliance with accounting regulations, management of cash flow, and timely payments to vendors, partners, and staff.

fiscal monitoring, OHS has had little visibility into financial management practices in programs under interim management, hindering its ability to assess these programs' performance and leaving them vulnerable to inefficient use or waste of taxpayer funds.

Local staff in all three Head Start programs we visited described concerns about fiscal practices during interim management. In one program, for example, staff described costly and potentially unnecessary equipment purchases, including at least 50 tablets that sat unused in boxes for the duration of interim management and playground canopies that did not shade intended areas, were not rated to withstand heavy snowfall, and later had to be removed for safety reasons.⁶⁷ At the same time, local staff at this program said trash sat uncollected at two centers for over a month due to what the interim manager described as a miscommunication.

At a second program we visited, local staff said the interim manager failed to effectively negotiate lease terms with the former Head Start grant recipient, agreeing to pay rent that was more than four times what the current grant recipient paid for classroom space in the local area. One local staff person described carefully scrutinizing invoices and urging the interim manager's staff to contest charges. This staff person told us they insisted that the program solicit additional bids rather than accept the landlord's quote for food service, which the staff person said ultimately saved the program nearly a million dollars per year.

Finally, in the third program we visited, local staff said that while the interim manager centrally handled all purchasing for the program, needed supplies often did not arrive in a timely manner. As a result, they said the program frequently ran out of diapers, baby wipes, soap, and other essentials. Staff said teachers purchased these items with their own money.⁶⁸ Further, several former teachers told us they were never repaid for some expenses despite filing multiple reimbursement claims.

Representatives from the interim manager told us that programs are often assigned to interim management because of financial mismanagement on the part of the prior grant recipient. Further, they said that interim management carries additional challenges, including negotiating leases for limited periods and renegotiating vendor agreements. They also said they maintained regular communication with OHS regarding potential rental costs, which may have differed from those of the previous operator. They further stated that they negotiated with landlords or identified alternative spaces when rental costs appeared to exceed market rates.

The Head Start Act and OHS monitoring procedures require OHS to monitor the fiscal management of grant funds for programs under interim management. The challenges that lead Head Start programs to interim management and that these programs may face during interim management further emphasize the need for OHS to conduct regular fiscal monitoring to guard against wasteful spending.

⁶⁷Representatives from the interim manager told us that they regularly installed shade structures with OHS approval.

⁶⁸Representatives from the interim manager stated that they purchase supplies when local staff report that they are needed. They further stated that petty cash is available to local staff in emergency situations, such as if a program unexpectedly runs out of diapers and wipes.

OHS Did Not Monitor Staff Support Practices in Programs under Interim Management, Leaving it Unaware of Concerns about Poor Work Environments

OHS did not assess staffing and staff support practices for programs under interim management up to and in fiscal year 2024, although its monitoring protocol for its most recent onsite monitoring reviews of Head Start programs called for an assessment of performance in this area. In guidance to Head Start grant recipients, OHS emphasized the importance of supporting the Head Start workforce, noting that Head Start staff who are under frequent stress due to a negative work environment may provide lower quality care to children. OHS began assessing how well programs support their staff (e.g., by establishing a positive work environment) through its onsite monitoring reviews in fiscal year 2024. However, we found that OHS omitted this assessment when it monitored programs under interim management.

When we raised this omission, OHS officials told us it was an error, and that they planned to include a review of staffing and staff supports in future fiscal year 2025 monitoring reviews. OHS officials also told us they sought feedback from staff during occasional non-monitoring visits to Head Start programs under interim management. However, they stated that they spoke with staff in front of interim management supervisors.⁶⁹

Representatives from the interim manager told us that they were committed to a positive work environment and that they provided multiple avenues for staff to report concerns in the workplace. They said that they investigated reported allegations of discrimination, sexual harassment, bullying, or belittling of staff and took corrective action as appropriate. Further, they said that many local staff previously worked under the prior grant recipient, which may have had a different work culture. Representatives said that in some cases, communities and staff have been upset about OHS's decision to place a program in interim management, which has harmed staff's perception of the interim manager as an employer.

Local program staff told us they did not have the opportunity to provide independent feedback about the interim manager to OHS. In our own interviews without interim management supervisors present, local staff in all three Head Start programs we visited shared concerns about the work environment and support they received during interim management.

Workloads. Local staff from all three programs we visited told us they were required to work long hours during interim management, often covering other positions during the day and carrying out their regular duties at night and on the weekends. Staff from one program said they worked 12-hour days for weeks on end, while the interim manager's consultants visited the program for about a week at a time. Local staff said that they would spend days educating new consultants about their program and state requirements one week and then repeat the exercise with new consultants the following week. Staff said this pattern led to extremely long work hours that took a toll on their well-being and their families.

Workplace culture. Staff from all three programs said the workplace was not supportive, and their jobs became more stressful during interim management. Staff in one program said they were routinely demeaned and belittled by the interim manager's staff and consultants, who they said gossiped about

⁶⁹OHS collected local staff's feedback on the interim manager's performance during visits to five of 19 programs the interim manager operated in 2023 OHS officials told us that local staff's interim management supervisors were present during the meetings.

their appearances and required them to valet their cars. One local staff person described being proselytized by the interim manager's site supervisor. Another said a consultant repeatedly made inappropriate sexual comments to her. Finally, staff from two programs said the interim manager's staff were hyper-focused on preparing them for a possible monitoring visit from OHS, with one saying that the interim manager's supervisors required them to craft, revise, and memorize false or misleading scripts to recite in case of a monitoring visit.

Support Networks. Staff from all three programs said the interim manager's staff forbade them from speaking with OHS officials and state child care licensing agency representatives. In one case, staff said they were forbidden to talk with their own community partners. Staff said this directive left them unable to relay safety and other concerns to regulators and deprived them of support networks that had been available to them prior to interim management. In all three programs we visited, local staff described feeling isolated, micromanaged, and treated poorly by the interim manager's staff and consultants.

Representatives from the interim manager told us that they provided local staff with training and technical assistance from Head Start content area experts, including training on Head Start requirements and early childhood education. Further, they said that local staff had opportunities to engage in external training and development, including participating in state and regional training and technical assistance, as well as regional and national Head Start conferences.

In guidance to its Head Start grant recipients, OHS has stated that staff wellness is vital to child well-being, a key goal of the Head Start program. Without consistently assessing staff wellbeing in its monitoring reviews in a way that allows staff to speak freely, OHS will continue to risk being unaware of and unable to address any unhealthy work environment issues that may diminish program quality.

OHS Has Not Enforced Head Start Enrollment Standards for Programs under Interim Management

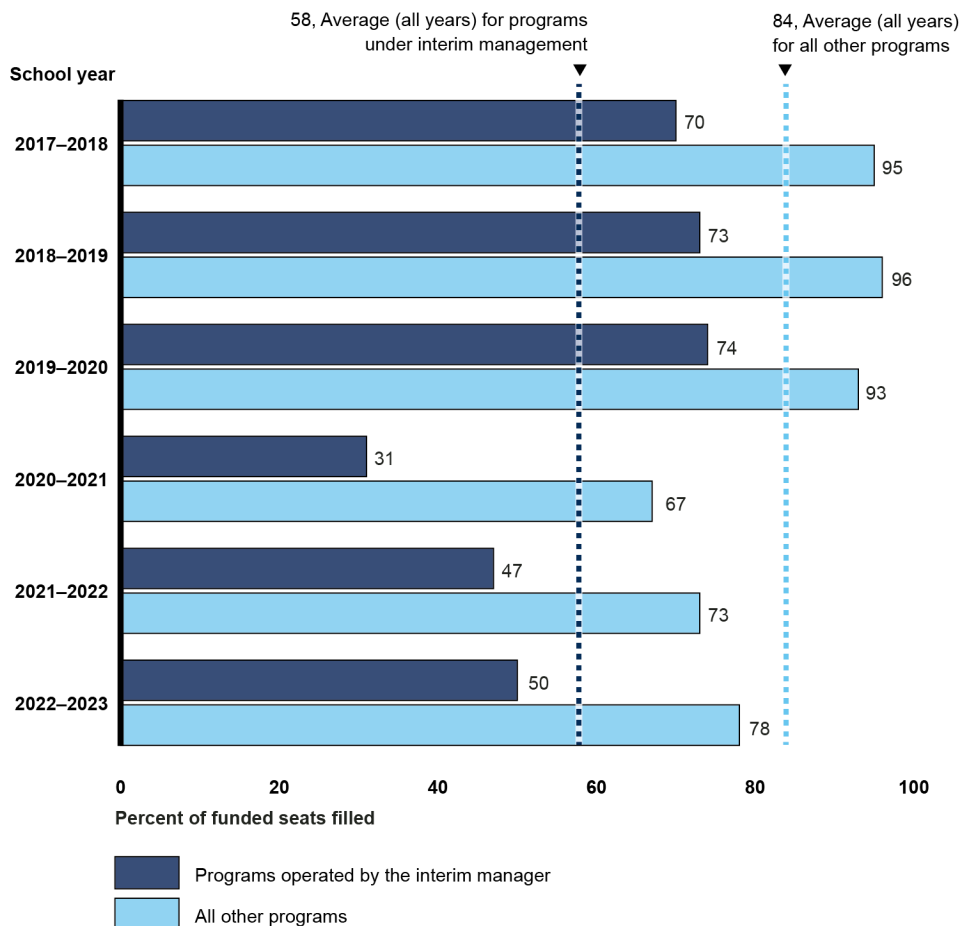
OHS officials told us that the agency has never enforced enrollment standards for programs under interim management, as it has for all other programs, despite consistently low enrollment.⁷⁰ The Head Start Act requires that all programs maintain full enrollment, without an exception for programs under interim management.⁷¹ However, we found that, on average, these programs filled fewer Head Start seats than other programs, on average. Our analysis of OHS enrollment data shows that the interim manager filled between 19 and 36 percentage points fewer Head Start seats than all other programs over our 6-year review period (see

⁷⁰OHS officials told us that it would be difficult to enforce enrollment standards for these programs because programs do not spend enough time under interim management to develop and fully implement a 12-month plan to improve enrollment. However, we found that, in the last 5 years, programs were under interim management for an average of 21 months.

⁷¹The Head Start Act requires each Head Start agency to enroll 100 percent of its funded enrollment and maintain an active waiting list at all times with ongoing outreach to the community and activities to identify underserved populations. 42 U.S.C. § 9837(g). If a program's actual enrollment is less than its funded enrollment, OHS considers the program underenrolled.

fig. 4). For example, during the 2022-2023 school year, 50 percent of the nearly 4,000 Head Start seats in interim management sat empty compared to 22 percent for other programs.⁷²

Figure 4: Percentage of Funded Head Start Seats Filled in Interim Management and Other Programs, 2017-2018 through 2022-2023 School Years



Source: GAO analysis of Office of Head Start data. | GAO-25-106954

Note: Each Head Start and Early Head Start program is funded to serve a specified number of children (its funded enrollment). In this analysis, both for programs operated by the interim manager and for all other programs, the percentage of funded seats filled for each school year represents the average of all programs' monthly actual enrollment divided by funded enrollment from September through May. GAO excluded Migrant and Seasonal Head Start seats from this analysis because these programs do not necessarily follow a traditional school year. GAO also excluded Early Head Start Child Care Partnership program seats, which are offered through partner organizations.

Further, while OHS can recapture, withhold, or reduce funding from programs that fail to improve enrollment, officials said they had never taken these actions with the interim manager.⁷³ OHS officials said they sometimes

⁷²Representatives from the interim manager told us that to work toward full enrollment, they developed individualized recruitment plans to target eligible families in each local program community.

⁷³Specifically, if the program's enrollment level is less than 97 percent of funded enrollment after the 12-month period has concluded, OHS has the authority to designate the program as chronically underenrolled and take actions authorized under law, including recapturing, withholding, or reducing the annual funding and funded enrollment. See ACF-PI-HS-18-04, 42 U.S.C. § 9836a(h)(5). Representatives from the interim manager said that if directed to by OHS, they may request a reduction in funded enrollment to alleviate staffing challenges that contribute to low enrollment.

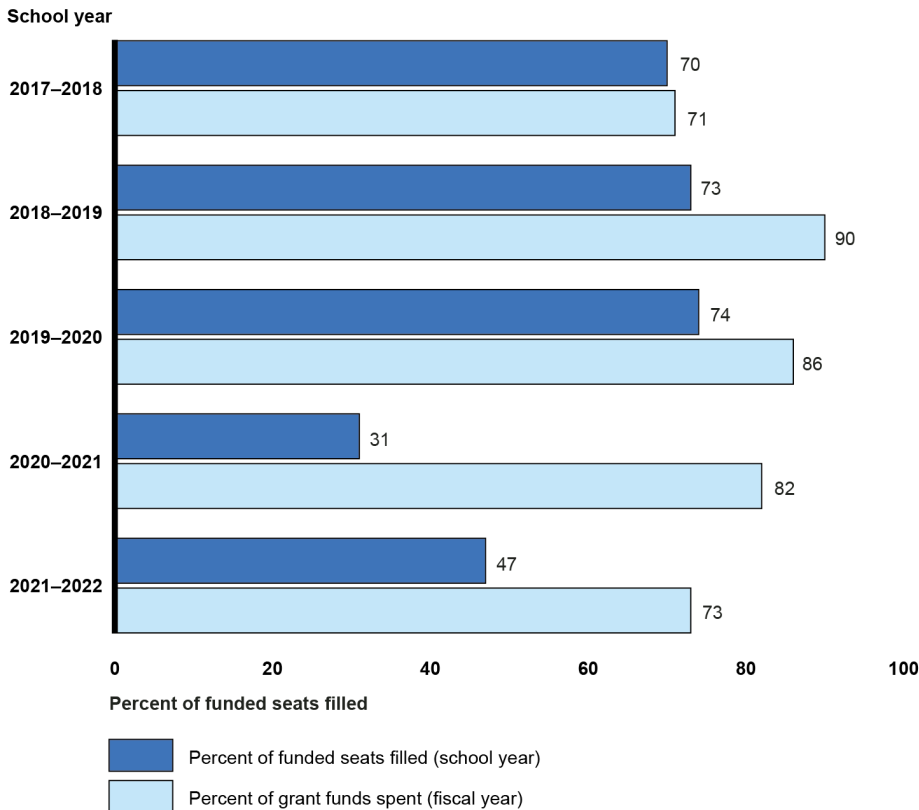
lowered enrollment targets for the interim manager without reducing its funding. OHS officials said they did so because they wanted to ensure that those funds were available to the next grant recipient. However, OHS officials also told us that the agency's future grantmaking opportunities were not dependent on the amount of funding the interim manager received.

Representatives from the interim manager told us that during and after the COVID-19 pandemic, as in many Head Start programs, a lack of qualified applicants to fill program vacancies adversely affected their ability to achieve full enrollment in some programs. In addition, they said that increased remote and work from home positions lead to a decrease in the early childhood education workforce overall and that Head Start programs competed with public school districts for the same staff. Representatives from the interim manager stated that they have worked with OHS to reduce their funded enrollment in cases in which they were unable to meet full enrollment due to long-term staffing challenges. In these cases, representatives noted that they reallocated available funds toward staff recruitment and retention strategies, such as wage increases, or toward general program improvements. Further, they said that they have returned any remaining funds to OHS.

However, during the most recently completed interim management contract (September 2017 through May 2022), we found that the proportion of grant funds the interim manager spent exceeded the proportion of Head Start seats it filled. For example, in fiscal year 2022, the interim manager spent more than \$45 million in Head Start grant funds, 72 percent of its total award, while it filled 47 percent of seats (see fig. 5).⁷⁴

⁷⁴The interim manager spent approximately \$487 million in Head Start grant funds from fiscal year 2017 through 2022. In addition, the interim manager spent a total of about \$9 million in funds appropriated under the American Rescue Plan Act of 2021; the Coronavirus Response and Relief Supplemental Appropriations Act, 2021; and the Coronavirus Aid, Relief, and Economic Security Act between fiscal years 2019 and 2023. These supplemental funds are not included in this analysis.

Figure 5: Head Start Grant Fund Expenditures Compared to Enrollment Levels for Programs under Interim Management, 2017-2018 to 2021-2022 School Years



Source: GAO analysis of Office of Head Start data. | GAO-25-106954

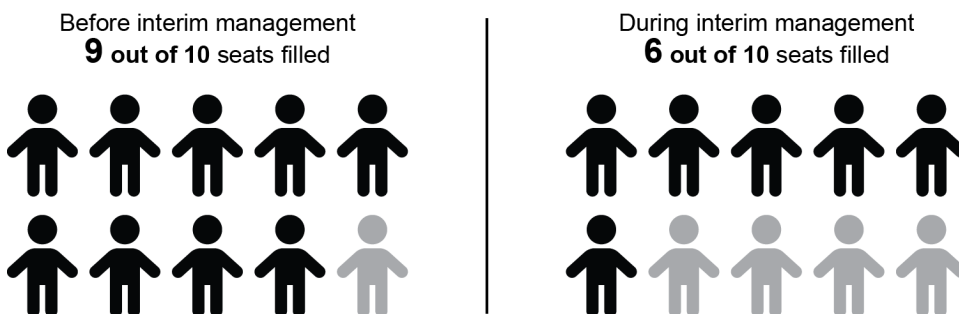
Note: Each Head Start and Early Head Start program is funded to serve a specified number of children (its funded enrollment). In this analysis, for both programs operated by the interim manager and for all other programs, the percentage of funded seats filled for each school year represents the average of all programs' monthly actual enrollment divided by funded enrollment from September through May. GAO excluded Migrant and Seasonal Head Start seats from this analysis because programs do not necessarily follow a traditional school year. GAO also excluded Early Head Start Child Care Partnership programs, which are offered through partner organizations.

OHS officials told us that they had not held the interim manager accountable for low enrollment because it was not reasonable to expect normal enrollment levels to resume after an incident or situation that resulted in the interim manager's deployment. Further, they noted that the interim manager operated Head Start programs with a history of low enrollment. Representatives from the interim manager told us that programs were often underenrolled, understaffed, and underfunded when they were assigned to interim management and that it worked to achieve full enrollment by targeting eligible families in the community.

However, local staff from all three programs we visited told us that they believed low enrollment while under interim management was, at least in part, a result of the interim manager's actions. For instance, staff from one program told us that after the interim manager changed the program's phone system to a cell phone carrier that had poor service in the program area, families could not reach local staff to enroll their children. In another program, staff said the school day was shortened to end at 2:30 pm, which was not practical for working families. Representatives from the interim manager told us that they collaborated with OHS to determine what changes to program structure would best prepare the program for long-term success.

We found that enrollment fell during interim management in all 15 programs the interim manager operated within our review period (March 2018 to December 2022).⁷⁵ Among these programs, enrollment was an average of 32 percentage points lower under interim management compared to the preceding 6-month period (see fig. 6).⁷⁶ Five of these programs filled fewer than 40 percent of seats—less than half the average percentage of seats filled at other Head Start programs during the same period. Further, while enrollment fell across all Head Start programs during the COVID-19 pandemic, enrollment in these 15 programs fell further—and to lower absolute levels—than in all other programs.

Figure 6: Enrollment in 15 Selected Head Start Programs Before and During Interim Management



Source: GAO analysis of Office of Head Start data; GAO (icons). | GAO-25-106954

Note: GAO analyzed enrollment data for 15 programs that entered and exited interim management between March 2018 and December 2022 because it enabled us to examine enrollment 6 months before, the entire time in, and the 6 months after interim management using enrollment data provided by OHS. GAO excluded Migrant and Seasonal Head Start seats from this analysis because these programs do not necessarily follow a traditional school year. GAO also excluded Early Head Start Child Care Partnership program seats, which are offered through partner organizations.

In addition, our analysis of OHS enrollment data found that low enrollment continued to be a challenge for programs after they transitioned out of interim management. We found that 14 out of these 15 programs had lower enrollment in the 6 months following interim management than during the 6 months prior to interim management. Among these programs, enrollment declined by an average of 36 percentage points between the 6 months before interim management and the 6 months after interim management.

Representatives from two of the seven post-interim management programs we interviewed told us that they were formally cited by OHS for failing to reach full enrollment in the months following their exit from interim management. Representatives from one of these programs told us they could not obtain child care licenses for the buildings it operated due to the condition in which the interim manager had left them. As a result, they could not enroll children to fill the seats in those facilities.

Fully enrolling Head Start programs is essential to achieving Head Start's goal to prepare vulnerable children for kindergarten. Further, not enforcing enrollment standards—even if it is out of concern that achieving full enrollment may be too difficult, as OHS officials have stated—is inconsistent with the requirements in the Head Start Act. Failing to do so has resulted in reduced numbers of children receiving Head Start services in programs under interim management relative to other Head Start programs.

⁷⁵We reviewed programs that entered and exited interim management during this period because it enabled us to examine enrollment 6 months before, the entire time in, and the 6 months after interim management using enrollment data provided by OHS.

⁷⁶Representatives from the interim manager told us that they have at times identified instances in which the prior grant recipient did not accurately report enrollment numbers to OHS prior to interim management.

Conclusions

Head Start provides early childhood education services to children experiencing poverty nationwide. OHS's interim management program is intended to provide crucial stability to minimize the disruption that children would experience were a Head Start program to permanently close. However, by not consistently monitoring or enforcing all Head Start standards for programs under interim management, OHS has not detected and addressed potentially significant risks—both to children and to Head Start funds. Such risks can carry significant consequences. Children may be harmed, community partnerships may be broken, and trust in the Head Start program may be eroded. Without improved oversight in the areas we reviewed—service quality, child and facility safety, finances, staff supports, and enrollment—OHS lacks reasonable assurance that programs under interim management are achieving Head Start's goal of educating and preparing eligible children for success in school and life.

Recommendations for Executive Action

We are making the following seven recommendations to HHS.

The Secretary of HHS should ensure that OHS conducts formal monitoring reviews for all programs under interim management at the end of the first year, per its stated goal. (Recommendation 1)

The Secretary of HHS should ensure that OHS assesses the quality of classrooms at programs under interim management at least once every three-year period, as required by the Head Start Act. (Recommendation 2)

The Secretary of HHS should ensure that OHS updates its monitoring procedures to better ensure that programs under interim management report all child health and safety incidents, as required by the Head Start program performance standards. For example, OHS could obtain incident reports from state licensing agencies, seek feedback from local staff, or obtain other information to verify completeness of incident reporting. (Recommendation 3)

The Secretary of HHS should ensure that OHS develops written procedures to better ensure that programs under interim management adequately identify and address safety hazards in their Head Start facilities. (Recommendation 4)

The Secretary of HHS should ensure that OHS includes fiscal monitoring in its routine onsite monitoring reviews of programs under interim management for longer than 1 year. (Recommendation 5)

The Secretary of HHS should ensure that OHS includes an assessment of staffing and staff supports in routine onsite monitoring reviews of programs under interim management for longer than 1 year. (Recommendation 6)

The Secretary of HHS should ensure that OHS enforces enrollment standards for programs under interim management. (Recommendation 7)

Agency Comments and Our Evaluation

HHS provided written comments on a draft of this report, which are reproduced in Appendix I. In its comments, HHS concurred with five of the recommendations and did not concur with two of the draft report's recommendations. HHS also provided technical comments, which we incorporated as appropriate.

HHS described various actions that it planned to take to implement the five recommendations with which it concurred (Recommendations 1, 2, 3, 4, and 7). Specifically, the agency stated that it intended to make the following efforts:

- Conduct formal monitoring reviews for programs that have been under interim management for 12 months;
- Ensure that programs that have been under interim management for 3 years receive a CLASS® assessment;
- Reinforce with its interim manager the requirement to comply with child safety incident reporting requirements;
- Strengthen and formalize standard operating procedures for programs under interim management to leverage information from a variety of sources to assess facility conditions; and
- Develop an approach to enforcing Head Start enrollment standards in programs under interim management.

HHS did not concur with the draft report's fifth recommendation that HHS ensure that OHS includes fiscal monitoring in its routine monitoring reviews of programs under interim management for longer than one year consistent with its procedures for all other Head Start programs. In response to the draft report's recommendation, HHS stated that OHS conducts two types of monitoring reviews for all other Head Start programs: onsite reviews (known as Focus Area 2 reviews) and offsite reviews (known as Focus Area 1 reviews.) While HHS stated that it plans to add a customized review of fiscal infrastructure to its onsite monitoring protocol for programs under interim management, HHS noted that OHS does not conduct offsite reviews for programs under interim management. We agree that, as originally worded, the draft report's recommendation could be interpreted to suggest that OHS should begin conducting offsite monitoring reviews for programs under interim management. We have modified the recommendation to specifically refer to onsite reviews.

Regarding the draft report's sixth recommendation that HHS ensure that OHS include an assessment of staffing and staff supports in routine monitoring reviews of programs under interim management for longer than one year, consistent with its procedures for all other Head Start programs, HHS similarly stated that the differences between interim and other programs call for different approaches to monitoring. HHS included a section on staffing and staff support-related performance areas in its onsite monitoring protocols for fiscal year 2024 for all programs not under interim management. However, it did not do so for programs under interim management. The draft report's recommendation was intended to apply the monitoring protocols related to staffing and staff supports to programs under interim management starting in fiscal year 2025. In its written

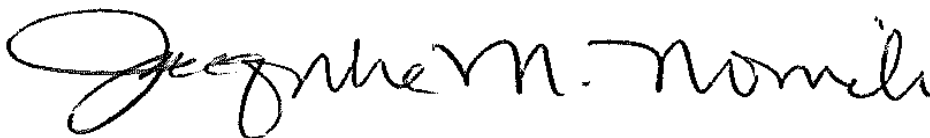
response, HHS indicated that it plans to do so. However, we have modified the recommendation to specifically refer to onsite reviews.

Additionally, HHS stated that the GAO draft report does not fully reflect all the data, documents, and evidence provided to GAO during the engagement, and provided one example. Specifically, HHS noted that a sentence in the conclusions section described the risks posed to federal funds by not monitoring or enforcing Head Start standards for programs under interim management, when earlier in the draft we recognized that some monitoring of these programs took place. We have clarified this sentence in the final report to note that HHS did not consistently monitor or enforce all Head Start standards for all programs under interim management. HHS also asserted that the draft report mischaracterized Head Start requirements. The draft report described Head Start requirements as stated in law and regulation; as such, we did not make any changes in the final report.

Lastly, in its written comments, HHS stated that programs spend 12 to 18 months under interim management on average, and that it is rare for programs to be under interim management for 3 or more years. Our analysis of the 21 programs that entered interim management in the last 6 school years but were no longer under interim management as of March 2024 found that programs spent an average of 21 months under interim management. When we included 12 additional programs that were still under interim management as of March 2024 in our analysis, we found that almost half (16 of 33) had been under interim management for at least 18 months and a third (11 of 33) had been under interim management for at least 24 months.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of Health and Human Services, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or nowickij@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.



Jacqueline M. Nowicki, Director
Education, Workforce, and Income Security Issues

Appendix I: Comments from the Department of Health and Human Services

December 9, 2024

Jacqueline M. Nowicki
Director, Education, Workforce, and Income Security Issues
U.S. Government Accountability
Office 441 G Street NW
Washington, DC 20548

Dear Ms. Nowicki:

Attached are comments on the U.S. Government Accountability Office's (GAO) report entitled, "HEAD START: Action Needed to Reduce Risk to Children and Federal Funds in Programs Under Interim Management" (GAO-25-106954).

The Department appreciates the opportunity to review this report prior to publication.

Sincerely,

Melanie Anne Egorin, PhD
Assistant Secretary for Legislation

Attachment

General Comments From the Department of Health and Human Services on the Government Accountability Office's Draft Report Entitled — Head Start: Action Needed to Reduce Risk to Children and Federal Funds in Programs Under Interim Management (GAO-25-106954)

The U.S. Department of Health & Human Services (HHS) appreciates the opportunity to review and comment on the United States Government Accountability Office (GAO) draft report.

HHS affirms the importance of its statutory authority for an interim provider to continue the delivery of critical Early Head Start (EHS) and/or Head Start Preschool (HSP) services in times when the existing grant recipient can no longer operate. HHS is committed to ensuring that all Head Start children and families receive high quality services. HHS also has various oversight mechanisms to identify and correct circumstances when Head Start services do not meet standards. The circumstances that lead to a decision to assign an interim provider (relinquishment, suspension or termination) commonly reflect a grant recipient with significant performance concerns. Grant recipients that transition to an interim provider often have existing management, programmatic or financial issues that were identified through Office of Head Start (OHS) oversight, such as child health and safety findings, fiscal mismanagement, underenrollment, and/or aging or poor facilities. Access to an interim provider serves a critical role in ensuring children and families continue to receive Head Start services with

minimal interruption. Because of the immediate, and often unpredictable need for interim management support, the challenges the previous grant recipient experienced may be inherited by the interim provider.

Background on Head Start Monitoring

Head Start grants are awarded for five years. In most cases (for non-interim providers), Head Start grant recipients receive multiple monitoring reviews comprised of several components during the 5-year grant cycle. This includes a Focus Area 1 (FA1) review that is conducted virtually and focuses on the strategies, tools, and approaches that the grant recipient uses to meet the Head Start Program Performance Standards (HSPPS) which include requirements for governance, program operations, and financial and administrative procedures. The Focus Area 2 (FA2) review is conducted onsite and consists of an assessment of whether the program's approaches are working and whether they are meeting the HSPPS. As noted in the Fiscal Year 2025 Monitoring Process for Head Start Recipients ACF-OHS-IM-24-07, FA1 reviews are conducted during the first or second year of a grant, while FA2 reviews typically occur in the third or fourth year of a grant cycle for a grant recipient. In addition, Head Start programs that have been operating for at least two years undergo an assessment of classroom quality using the Classroom Assessment Scoring System (CLASS®), which measures the quality of teacher-child interaction and typically happens in Year three. Finally, for all grant recipients, OHS conducts monitoring reviews as necessary in response to complaints, reported child health and safety incidents, or other concerns about the management or operations of a Head Start program.

The current approach to monitoring Head Start programs with an interim provider differs in a few ways due to the temporary nature of the engagement. An interim provider typically operates in a given community for 12 to 18 months, on average. In addition, the first and most important priority when an interim provider assumes responsibility for providing Head Start services in a community is to stabilize services for children and the families, with minimal disruption. This includes identifying viable facilities to provide services and making necessary repairs, securing state licenses, hiring staff and conducting background checks, and enrolling children and families. The interim provider must also work closely with federal staff to ensure that policies or processes that led to the incumbent grant recipient ceasing operations do not continue. For example, the interim grant provider may need to identify new staff if some existing staff are not qualified to continue or reconfigure budgets and expenses to account for financial challenges of the previous recipient.

To account for the unique nature of interim provider services, OHS applies its monitoring with some adjustments. First, interim providers receive only an FA2 review (rather than an FA1 review followed by an FA2 review) because there is not sufficient time to allow for stabilization and start up activities and conduct both reviews in the shortened period. An FA2 review is the priority because it is onsite and provides more detailed and thorough information about program operations and services to children and families. Second, only interim providers that have been in place for 12 months without an anticipated transition to a new grant recipient receive the FA2 review. As mentioned, the interim provider is initially focused on stabilizing services to children and families, so monitoring reviews are not considered to be effective during the initial stabilization period when the primary goal is to provide continuity of Head Start services in the community with minimal disruption. Third, the FA2 omits fiscal monitoring at the grant level for interim grant providers because financial management is managed centrally at the interim management provider's headquarters rather than the local grant level. Fourth, the CLASS® review is rarely conducted for interim providers because very few are still operating in a third year given their interim status. Conducting the CLASS® review in the third year allows time to train teachers and deploy professional development or training prior to formal assessment.

Response to Recommendations

HHS concurs with most of the recommendations offered by GAO that are designed to support enhanced oversight of the interim management process. HHS is committed to addressing GAO's findings in the monitoring and oversight process of interim management providers.

At the same time, HHS maintains that the inherently short-term nature of interim management necessitates a monitoring approach that differs from its standard approach for non-interim grant recipients on a 5-year grant cycle. As such, HHS does not concur with two of the recommendations offered by GAO and offers rationale for why these recommendations are not fully appropriate in the context of interim management.

Additionally, HHS believes that the GAO draft report does not fully reflect all the data, documents, and evidence provided to GAO during the engagement. Key aspects of the information supplied were not fully incorporated into the analysis, which may result in an incomplete or misleading portrayal of the circumstances. For example, on page 37, Second Paragraph Line 4, the GAO draft report includes the following language: "... by not monitoring or enforcing Head Start standards for programs under interim management, OHS has not detected and addressed potentially significant risks—both to children and Head Start funds." Yet page 12 of the same draft report confirms that OHS did conduct formal monitoring visits.

Furthermore, in September 2023, OHS provided GAO with copies of FA2 review reports along with the associated follow up reports for interim programs from 2020 – 2023. These reports demonstrate that interim programs did receive formal monitoring and included pertinent information such as the dates of monitoring visits and any findings noted during these visits. Moreover, all Head Start programs—including those managed by interim providers—must document corrections to any monitoring findings.

While HHS is concerned that the mischaracterization of Head Start requirements and missing data in the report could create confusion about the HSPPS and the monitoring and oversight activities undertaken by OHS, HHS concurs with most of the recommendations as outlined below, as the recommendations largely represent current OHS practice with its interim providers and we acknowledge these procedures can be strengthened. Where HHS does not concur with the recommendations as drafted, it requests that GAO discuss with HHS alternative recommendations that reflect the unique context of interim providers; incorporate best practices from existing OHS monitoring protocols that GAO did not include in its draft report; and improve upon current practice.

Recommendation 1

The Secretary of HHS should ensure that the Office of Head Start (OHS) conducts formal monitoring reviews for all programs under interim management at the end of the first year, per its stated goal.

HHS Response

HHS concurs with the recommendation to conduct formal monitoring reviews for all programs under interim management at the end of the first year, per its stated goal, because OHS already does so in almost all cases except for those on the verge of transitioning.

- As discussed above, OHS already conducts monitoring reviews of Head Start programs managed by the interim provider once they have been in operation at a given site for 12 months. OHS will change its policy of not conducting the review if a transition is on the horizon and monitor all interim grants that operate in a given site for 12 months.
- In addition, OHS will continue to conduct monitoring reviews as necessary in response to complaints, reported child health and safety incidents.

Recommendation 2

The Secretary of HHS should ensure that OHS assesses the quality of classrooms at programs under interim management at least once every three-year period, as required by the Head Start Act.

HHS Response

HHS concurs with the recommendation to assess the quality of classrooms at programs under interim management at least once every three-year period, as required by the Head Start Act.

- As noted above, OHS already conducts the FA2 review for interim programs that have been in operations for a year or more, which includes an assessment of Education and Child Development (ECD) services. The ECD services section reflects elements such as staff qualifications, developmentally appropriate teaching strategies, training and coaching support for teachers, and processes for providing individualized instruction to children, and curriculum,
- OHS will change its policy such that in the rare case that a program is under interim management for three years at a particular site, that program will receive a CLASS® assessment.
- The report notes, on page 10, that “the Head Start Act requires OHS to conduct a full monitoring review of all Head Start programs, including those under interim management, at least once every 3 years.” HHS confirms that OHS is in compliance with this requirement and notes that it is very rare that any program under interim management would be in operation for a period of three years.

Recommendation 3

The Secretary of HHS should ensure that OHS updates its monitoring procedures to better ensure that programs under interim management report all child health and safety incidents, as required. For example, OHS could obtain incident reports from state licensing agencies, seek feedback from local staff, or obtain other information to verify completeness of incident reporting.

HHS Response

HHS concurs with the recommendation to update its monitoring procedures to better ensure that programs under interim management report all child health and safety incidents, as required.

- OHS will reinforce with the interim grant manager that they are required to comply with the incident reporting requirements established in [Reporting Child Health and Safety Incidents](#) ACF-OHS-IM-24-06.
- The FA2 review, which OHS will conduct on programs at the end of the first year of interim management, includes a discussion with the Regional Office Program Specialist about any child incidents relating to supervision, unauthorized releases, or inappropriate discipline in the past 12 months prior to the review event. This gives the Regional Office an opportunity to share information they may have about potential licensing reports or violations with the review team. The information on past child health and safety incidents is validated during the review event to determine if any child health and safety issues had been reported at the state level in the last 12 months that had not been reported to OHS. While on site in the FA2, the review team also confirms a license is in place for all centers in the classroom sample. For grant recipients not required to be licensed, the FA2 team reviews Health and Safety inspection reports where available.

Recommendation 4

The Secretary of HHS should ensure that OHS develop written procedures to better ensure that programs under interim management adequately identify and address safety hazards in their Head Start facilities.

HHS Response

HHS concurs with the recommendation to develop written procedures to better ensure that programs under interim management adequately identify and address safety hazards in their Head Start Facilities.

- OHS will strengthen and formalize Standard Operating Procedures (SOPs) for all programs under interim management to bolster processes that OHS staff use to assess the condition of facilities. These SOPs will leverage information from a variety of sources to assess facility conditions and how to address them, including an initial facilities assessment conducted at the time the grant is transitioned to interim services, publicly available state licensing reports, and maintenance records.
- This draft report states that “OHS does not have trained building inspectors on staff to assess these facilities, nor does it commission independent inspections or review state licensing reports related to them.” It is important to clarify that the Head Start Act and the HSPPS require Head Start programs to comply with all state and local facilities requirements. OHS is not required by statute or regulations to have trained building inspectors on staff or commission independent inspectors for any Head Start programs including those under interim management nor is it feasible or appropriate for OHS to have building inspectors to enforce every state and municipal facility requirements.
- While OHS concurs with the recommendation to develop written procedures to identify and address safety hazards, OHS notes that it currently meets the requirement to assess facilities as outlined in the Head Start Act through the onsite assessment of the physical conditions of facilities during the FA2 review, as documented in the monitoring protocol.

Additionally, OHS Interim Program Specialists visit interim programs within one year of assignment to assess facilities, then annually until the program transitions out of interim management to a local grant recipient.

Recommendation 5

The Secretary of HHS should ensure that OHS includes fiscal monitoring in its routine monitoring reviews of programs under interim management for longer than one year consistent with its procedures for all other Head Start programs.

HHS Response

HHS does not concur with the recommendation to include the standard OHS fiscal monitoring in its routine monitoring reviews of programs under interim management for longer than one year, consistent with its procedure for all other Head Start programs because the different context and timeline of interim management necessitates an adjusted approach to fiscal monitoring.

- The FA2 review currently omits the Fiscal Infrastructure (FIS) section entirely for interim grant providers because most fiscal operations are handled centrally for interim providers.
- Moving forward, OHS will add a customized FIS section specifically tailored to interim providers to the FA2 review that it will conduct at the end of the first year of interim management.
- However, consistent with the reasons listed previously, OHS will not monitor the fiscal operations of interim providers through **both** an FA1 review and an FA2 review (as is standard for other Head Start programs) because most interim providers are only in a community for 12 to 18 months and there is not sufficient time to conduct both reviews.

Recommendation 6

The Secretary of HHS should ensure that OHS includes an assessment of staffing and staff supports in routine monitoring reviews of programs under interim management for longer than one year consistent with its procedures for all other Head Start programs.

HHS Response

HHS does not concur with the recommendation that OHS include an assessment of staffing and staff supports in routine monitoring reviews of programs under interim management for longer than one year, consistent with its procedures for all other Head Start programs because the unique context and timeline of interim management necessitates an adjusted approach to monitoring staffing and staff supports and we believe the assessment of staffing and staff supports in the current FA2 protocol conducted evaluates the critical elements and is appropriate.

- During the FA2 review, which OHS will continue to conduct on interim programs at the end of the first year of interim management, the review team focuses on three Performance Areas in Program Design, Management, and Improvement (PDMI):
 - 1) Leadership and management team has clearly defined, manageable roles and responsibilities and the appropriate experience to effectively execute Head Start program operations.
 - 2) Supports staff members' continuous improvement and professional development.
 - 3) Establishes high expectations for staff members and implements ongoing communication and training systems to reinforce organizational accountability.

Recommendation 7

The Secretary of HHS should ensure that OHS enforces enrollment standards for programs under interim management.

HHS Response

HHS concurs with the recommendation to enforce enrollment standards for programs under interim management. OHS will utilize existing requirements from the Full Enrollment Initiative (FEI) to develop a customized approach for interim programs to primarily address the project period differences, given that interim programs are awarded for shorter term periods (12 to 18 months on average).

- HHS notes that grant funds can only be spent on activities that are necessary and allowable to provide services to children and families in the service area. Any funds that are not needed for the provision of services to children and families during the interim service period are returned to HHS.
- OHS will apply the principles of FEI to a customized approach with its interim management programs and will adjust existing FEI timelines to align with the operation cycles of programs under interim management. There are a number of reasons why interim management grants may experience a decline in enrollment that are unique to the transition process. For instance, there is generally a short gap in services between when the incumbent grant recipient concludes services and when the interim grant provider is operational. During that time, families may find a different early childhood program. Depending on the point in time in the program year, it may not make sense to recruit new families into the program. The interim provider may need to make changes to address budget shortfalls or facility conditions that result in closed classrooms or centers. OHS staff work with the interim provider to maximize enrollment, while also acknowledging that previous enrollment levels may not be feasible due to extenuating circumstances.
- OHS will ensure funding for all interim programs is aligned with enrollment levels and expenses necessary to maintain program operations in the service area.

Appendix II: GAO Contact and Staff Acknowledgments

GAO Contact

Jacqueline M. Nowicki, (202) 512-7215 or nowickij@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Ellen Phelps Ranen (Assistant Director), Miranda Richard (Analyst in Charge), Kayla Good, and Kassandra Vaught made key contributions to this report. Also contributing to this report were Mindy Bowman, Breanne Cave, Jebraune Chambers, Linda Keefer, David Lin, John Mingus, Jessica Orr, James Rebbe, Almeta Spencer, Curtia Taylor, and Adam Wendel.

GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [X](#), and [YouTube](#).
Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#).
Visit GAO on the web at <https://www.gao.gov>.

To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/about/what-gao-does/fraudnet>

Automated answering system: (800) 424-5454 or (202) 512-7700

Congressional Relations

A. Nicole Clowers, Managing Director, ClowersA@gao.gov, (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

Public Affairs

Sarah Kaczmarek, Managing Director, KaczmarekS@gao.gov, (202) 512-4800, U.S. Government Accountability Office, 441 G Street NW, Room 7149
Washington, DC 20548

Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707
U.S. Government Accountability Office, 441 G Street NW, Room 7814, Washington, DC 20548