

Report to Congress on Head Start Monitoring



FISCAL YEAR 2015

ADMINISTRATION FOR
CHILDREN & FAMILIES



Office of Head Start
Administration for Children and Families
U.S. Department of Health and Human Services

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Executive Summary

This report presents a summary of the findings of fiscal year (FY) 2015 monitoring reviews, fulfilling the reporting requirements found in Sections 641A(f) and 650(c)(2) of the Head Start Act. It highlights the enhancements made to the FY 2015 monitoring review system, summarizes grantee review outcomes, and describes the types of findings most commonly identified in FY 2015.

FY 2015 Aligned Monitoring System

Head Start monitoring assesses grantee compliance with requirements governing Head Start programs. In FY 2015, the Office of Head Start (OHS) implemented a newly aligned monitoring system to address the OHS grant cycle shift from an indefinite to a five-year project period. The Aligned Monitoring System was designed to provide OHS with comprehensive performance data needed by year four of the five-year grant. OHS will evaluate the data to determine whether the grantee will need to re compete. Additionally, OHS increased its focus on measuring quality along with compliance, and is prioritizing having more frequent interaction with grantees to provide information to support their continuous improvement in core performance areas. OHS has identified core performance areas as:

- ▶ Environmental Health and Safety;
- ▶ Management Systems and Program Governance;
- ▶ Fiscal Integrity and Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA);
- ▶ Comprehensive Services and School Readiness; and
- ▶ Teacher-Child Interactions (as addressed through the CLASS[®] observation instrument).

In FY 2015, all five-year grants were monitored using the Aligned Monitoring System. Indefinite grants will be monitored under this new system when they transition to a five-year grant. OHS designed the Aligned Monitoring System to provide two different review processes, based on the grantee's history, which are the *Comprehensive Monitoring Process* and the *Differential Monitoring Process*. The monitoring process that a grantee receives is determined by whether or not it meets a specific set of criteria. The criteria include:

- ▶ No findings on the previous review cycle;
- ▶ No fiscal findings in the past two review cycles;
- ▶ No findings in the annual audits;
- ▶ No Designation Renewal System (DRS) criteria met;
- ▶ No significant program changes (e.g., changes in program leadership); and
- ▶ No concerns identified through input from the Regional Office.

Grantees that did not meet the above-listed criteria engaged in the *Comprehensive Monitoring Process*. Those grantees that did meet the criteria engaged in the *Differential Monitoring*

Process.

The *Comprehensive Monitoring Process* was comprised of six individual review events: Environmental Health and Safety (EnvHS); Fiscal Integrity and ERSEA; CLASS®; Leadership, Governance and Management Systems (LGMS); and Comprehensive Services and School Readiness (CSSR). Individual review events only focused on one area at a time, giving the grantee and the reviewer a better opportunity to achieve a more in-depth review of the content area.

The *Differential Monitoring Process* recognizes grantees that have demonstrated a history of compliance. Grantees eligible for this process first received a Head Start Key Indicators-Compliant (or HSKI-C) review. The HSKI-C Protocol is a research-based monitoring instrument that OHS used to identify grantees that were eligible for differential monitoring. The HSKI-C Protocol is an abbreviated version of the protocols used in the Comprehensive Monitoring System. It is comprised of 27 Compliance Measures that were selected based on how strongly they differentiated between high and low performing grantees. The HSKI-C review covered the following review areas:

- ▶ Leadership, Governance, and Management Systems;
- ▶ Comprehensive Services and School Readiness; and
- ▶ Fiscal Integrity.

Grantees that were successful in, or passed, the HSKI-C review only received the Environmental Health and Safety and CLASS® review events. Successful grantees will receive the full complement of comprehensive reviews during their next five-year grant cycle. If grantees did not pass the HSKI-C, they went through the Comprehensive Monitoring Process.

Grantees also received “Other” reviews if OHS determined that the grantee was at risk. Any grantee found to be out of compliance with Head Start requirements during any review received a “Follow-up” review to ensure that all findings were corrected.

After each review event, grantees received a report that summarized findings and/or concerns for that specific content area.

Exhibit 1 summarizes the six types of reviews conducted in FY 2015.¹

¹ . Protocols monitoring comprehensive services, school readiness, program leadership and governance, and management systems will be included in the FY 2016 monitoring activities.

Exhibit 1: Types of FY2015 Reviews

Type of Review	Description
Environmental Health and Safety (EnvHS)	<ul style="list-style-type: none"> ▶ Monitors the safety of the physical environment and transportation services provided by the grantees, as well as their promotion of healthy practices and routines
Fiscal / ERSEA	<ul style="list-style-type: none"> ▶ Monitors the grantees' compliance with Head Start and federal cost principle requirements and ensures that the grantees have sound internal controls and strong reporting systems and use federal funds for intended purposes ▶ Assesses the grantees' practices for verifying the eligibility status of children, families, and pregnant women receiving the program's services; ensuring the appropriate enrollment and of children into the program; and monitoring children's attendance
CLASS®	<ul style="list-style-type: none"> ▶ Evaluates the quality of teacher-child interactions that promote positive child outcomes
HSKI-C	<ul style="list-style-type: none"> ▶ Identifies grantees that are eligible for differential monitoring
Other Review	<ul style="list-style-type: none"> ▶ Grantees may receive if they are determined to be at risk
Follow-up	<ul style="list-style-type: none"> ▶ Conducted for grantees found to be out of compliance with Head Start requirements to ensure that all findings are corrected

Notes: Reviews were conducted by one to two reviewers knowledgeable about the content area and Head Start. Reviewers in each content area are led by a Review Field Lead (RFL). To assess grantee compliance, review teams used the Office of Head Start Monitoring Protocols, which employ a standardized approach to assess program services and quality in each content area. Protocols monitoring comprehensive services, school readiness, program leadership and governance, and management systems will be included in the FY 2016 monitoring activities.

Enhancements to the FY 2015 Review Process

Prior to the launch of the FY 2015 Aligned Monitoring System, OHS reviewed the Monitoring Protocols and considered enhancements to reflect changes in policy and procedure and to ensure compliance with the Head Start Act. This section highlights key changes from the FY 2014 Protocol. Specific changes included:

- ▶ Developing the Aligned Monitoring System with separate review events for EnvHS, Fiscal, ERSEA, and CLASS®, each with a standardized methodology to ensure consistency, objectivity, and accuracy within the review process and to provide a set of high standards to which the reviewers are held accountable;
- ▶ Reviewing and streamlining all protocols to focus on areas that are of high priority for OHS;
- ▶ Developing the new HSKI-C Protocol to identify high performing grantees to receive *Differential Monitoring*;
- ▶ Expanding monitoring of the health and safety of Head Start and Early Head Start facilities to include observations of *all* settings (rather than a statistical sample) to better

determine the safety of every setting that serves children; and

- ▶ Incorporating the Life Safety Codes in observations of the safety of Head Start and Early Head Start facilities. Developed by the National Fire Protection Association, the Life Safety Code is the most widely used source for strategies to protect people based on building construction, protection, and occupancy features that minimize the effects of fire and related hazards.² These include inadequate means of egress in the case of fire (e.g., no direct exits to the outside; no panic hardware on exit doors) and insufficient alert systems (e.g., no/insufficient fire alarm systems; no smoke detectors) and insufficient emergency equipment (e.g., no sprinkler systems, no fire extinguishers, no emergency lighting).³
- ▶ Streamlining ERSEA to focus on Eligibility, Enrollment, and Attendance.

Outcomes of FY 2015 Monitoring Reviews

In FY 2015, 1,565 monitoring reviews were completed.

- ▶ 562 grantees received an Environmental Health and Safety (EnvHS) review;
- ▶ 339 grantees received a Fiscal/ERSEA review;
- ▶ 231 grantees received a CLASS[®] review;
- ▶ 66 grantees received a HSKI-C review;
- ▶ 65 grantees received an Other review; and
- ▶ 302 grantees received a Follow-up review.⁴

Monitoring reviews have three possible outcomes: (1) Compliant, (2) One or more noncompliances with no deficiencies, or (3) One or more deficiencies. A “noncompliance” is issued if OHS determines that there is sufficient evidence and documentation of a grantee’s failure to comply with a given Head Start program performance standard or regulation. A “deficiency,” as defined by the Head Start Act, as amended in 2007, is:

(A) Systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:

- (i) A threat to the health, safety, or civil rights of children or staff;*
- (ii) A denial to parents of the exercise of their full roles and responsibilities related to program operations;*
- (iii) A failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;*

² Refer to: <http://www.nfpa.org/codes-and-standards/document-information-pages?mode=code&code=101>.

³ Observations for Life Safety Codes did not impact OHS’s compliance decisions. Life Safety Code data were collected to ascertain the quality of the facilities and inform grantees for continuous quality improvement.

⁴ Of the 302 grantees with a Follow-up review completed in FY 2015, 151 (50.0 percent) had follow-ups from reviews completed in previous fiscal years.

- (iv) *The misuse of funds received under this subchapter;*
- (v) *Loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or*
- (vi) *Failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;*

(B) Systemic or material failure of the governing body of any agency to fully exercise its legal and fiduciary responsibilities; or

(C) An unresolved area of noncompliance.

Observed areas of noncompliance or deficiencies are referred to as “findings.” Grantees with one or more deficiencies also may have noncompliant findings. The determination of a noncompliance or a deficiency is based on evidence collected by the review team during the monitoring review. If there is not sufficient evidence of a noncompliance or a deficiency, then the grantee is considered “compliant.”

Key outcomes of monitoring reviews included:

- ▶ **Over 50 percent of monitored grantees were compliant on EnvHS and almost 75 percent of monitored grantees were compliant on Fiscal ERSEA, a decrease from FY 2014 in those content areas.** Of the 562 grantees that underwent an EnvHS review in FY 2015, 53.6 percent were found to be compliant, 41.1 percent were found to have one or more noncompliances, and the remaining 5.3 percent were found to have one or more deficiencies (these grantees may have also had noncompliances). Of the 339 grantees that underwent a Fiscal/ERSEA review in FY 2015, 74.9 percent were found to be compliant and 25.1 percent were found to have one or more noncompliances. No grantees were found to have one or more deficiencies in Fiscal/ERSEA in FY 2015.
- ▶ **Grantees correct nearly all findings on follow-up reviews.** 97.1 percent of grantees corrected all findings reviewed on FY 2015 follow-up reviews.
- ▶ **Larger grantees had more performance issues than smaller grantees.** Among those reviewed in FY 2015, larger grantees had more findings in EnvHS and (to a lesser degree) Fiscal/ERSEA reviews than smaller grantees.
- ▶ **Head Start program CLASS[®] average scores in FY 2015 were slightly higher than those found in FY 2014.** Grantees received average CLASS[®] scores of 6.03 out of 7 for Emotional Support and 5.80 out of 7 for Classroom Organization domains. Scores for Instructional Support also were notably lower than the other domains, averaging 2.88 out of 7.

Number and Types of Findings Identified in FY 2015

Of the 562 grantees that had an EnvHS review, 261 (46.4 percent) had one or more findings. Key trends with respect to the number and types of findings included:

- ▶ ***As in FY 2014, most FY 2015 grantees with findings had a small number of findings.*** Among grantees with only EnvHS noncompliances, over 80 percent (81.8 percent) had one or two findings. Similarly, almost 85 percent (84.7 percent) of grantees with only noncompliances in their Fiscal/ERSEA reviews had one or two findings. Among those found to have any EnvHS deficiencies, two-thirds of grantees (66.7 percent) had one or two findings (noncompliances or deficiencies). There were no deficient grantees identified in FY 2015 Fiscal/ERSEA reviews.
- ▶ ***Regardless of the types of findings, grantees averaged about the same number of findings per review.*** Noncompliant grantees identified in EnvHS reviews averaged 1.7 findings per grantee. Grantees with one or more deficiencies identified in EnvHS reviews averaged 1.1 noncompliances and 1.4 deficiencies. In Fiscal/ERSEA reviews, noncompliant grantees averaged 1.6 findings. There were no deficiencies identified in FY 2015 Fiscal/ERSEA reviews.

Most Common Findings Identified in FY 2015

The most frequently cited issues are summarized below.

- ▶ ***Most grantees struggled with Physical Arrangements Consistent with the Health, Safety and Developmental Needs of Children and Allowable and Allocable Costs.*** “Physical Arrangements Consistent with the Health, Safety and Developmental Needs of Children” was the most commonly cited EnvHS noncompliance issue in FY 2015 with 68.3 percent of noncompliant grantees having findings in this area. “Allowable and Allocable Costs” was the most commonly cited Fiscal/ERSEA noncompliance issue in FY 2015 with 34.9 percent of noncompliant grantees having findings in this area.
- ▶ ***Overall, a small percentage of grantees had identified deficiencies.*** Less than 10 percent of grantees had an identified deficiency in EnvHS and Other reviews in FY 2015. There were no deficiencies identified in FY 2015 Fiscal/ERSEA reviews. Of those grantees that had one or more deficiencies, over 80 percent (67 out of 82, 81.7 percent) had at least one deficiency relating to Code of Conduct which aligns with OHS’s concern for the safety of Head Start and Early Head Start children. Examples of Code of Conduct deficiencies include engaging in corporal punishment or leaving children alone or unsupervised.

New Directions in Monitoring for FY 2016

Implementation of the Comprehensive Services and School Readiness (CSSR) and Leadership, Governance, and Management Systems (LGMS) protocols

In FY 2016, OHS will implement two new protocols in the aligned monitoring system: Comprehensive Services and School Readiness (CSSR) and Leadership, Governance, and Management Systems (LGMS).

The *Leadership, Governance and Management Systems (LGMS)* Protocol will be organized to comprehensively assess how Head Start programs:

- ▶ Develop plans to achieve their goals and ensure the delivery of high-quality comprehensive services to children and families in healthy and safe environments;
- ▶ Coordinate and develop program resources;
- ▶ Implement program practices and deliver quality services; and
- ▶ Identify areas for ongoing program improvement.

The LGMS review will consist of interviews with governing body members, Policy Council members, the Director, service area coordinators, and direct-service staff. Information from this review will enable OHS to understand how each stakeholder contributes to the achievement of program goals, delivery of high-quality services, and the health and safety of children and families served by the program.

The *Comprehensive Services and School Readiness (CSSR)* Protocol will focus on grantee performance in providing comprehensive services and promoting school readiness to children and families enrolled in Head Start. The CSSR Protocol will evaluate the program's implementation of services by focusing on how Head Start programs:

- ▶ Identify child and family strengths and needs, through building relationships with families and collecting data about the child and family;
- ▶ Address family and child needs by individualizing services for children and families and providing follow-up that illustrates effective delivery of services;
- ▶ Provide high quality teaching and learning with qualified teaching staff, implement the Head Start Early Learning Outcomes Framework, and use and analyze data to prepare children for school; and
- ▶ Plan for children's transition to kindergarten through educating and empowering each family to understand and advocate for their child's needs.

The FY 2016 CSSR Protocol will also feature a pilot of quality measures to better understand the range of program quality and to collect information to establish a more accurate picture of grantee performance.

Enhancements to Fiscal Integrity, ERSEA, and Environmental Health and Safety (EnvHS) protocols

In FY 2016, changes to the Fiscal Integrity Protocol will incorporate the Uniform Guidance requirements which “establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities” (§75.100(a)(1)). Uniform Guidance standards will apply to grantees that were awarded their Head Start grant after December 25, 2015 and to grantees with older grant awards that choose to comply with the Uniform Guidance requirements.

In FY 2016, OHS will implement new eligibility requirements in the ERSEA Protocol. Questions will be added to monitor whether the grantee:

- ▶ Conducted and documented in-person or phone interviews when determining eligibility;
- ▶ Maintained copies of documents (e.g., W-2 forms) used to determine eligibility; and
- ▶ Documented contacts with third parties when verifying eligibility.

Finally, the EnvHS Protocol will be streamlined and reorganized to ensure efficient evidence collection and analysis and reporting to the grantee.

Introduction

Head Start monitoring assesses grantee compliance with requirements governing Head Start programs, including those specified in the Head Start Act (original authorizing legislation in 1965 and its subsequent amendments, most recently in 2007), Head Start Program Performance Standards, and other applicable federal, state, and local regulations. The Head Start Program Performance Standards include provisions surrounding education, health, mental health, disabilities, nutrition, family and community partnerships, management, governance, facilities, enrollment, recruitment and selection, and program design.

The Head Start Act mandates that each Head Start grantee receives a monitoring review at least once every three years, that each newly-designated grantee be reviewed after the completion of its first year (and then at least once every three years thereafter), and that follow-up reviews be conducted for all grantees that “*fail to meet the standards.*” Fiscal year (FY) 2015 reviews are conducted by teams of reviewers knowledgeable about Head Start, and each team is led by a Review Field Lead (RFL). Each review is guided by the standardized methodology and the Monitoring Protocol, which guide reviewers’ on-site activities in assessing program performance and compliance.

Grantees with a finding (an area of noncompliance or a deficiency) on any monitoring review receive a more targeted follow-up review to ensure that they have corrected any findings identified. If an area of noncompliance is not corrected in the specified period of time, it becomes a deficiency. Deficiencies must be corrected: (1) immediately, if the Secretary finds that the deficiency threatens the health or safety of staff or program participants or the integrity of federal funds; or (2) within a period not to exceed one year, under a Quality Improvement Plan. If the grantee does not correct the deficiency within one year, OHS initiates the termination process or the grantee may relinquish the grant. If children or staff members are determined to be in imminent danger with no immediate solution, OHS may suspend the program, assign an interim provider so that services are not interrupted, and only permit the program to reopen when the problem has been resolved satisfactorily.

This report fulfills the FY 2015 reporting requirement found in Sections 641A(f) and 650(c)(2) of the Head Start Act, which requires a summary report be published at the end of each federal fiscal year on the findings of monitoring reviews and outcomes of Quality Improvement Plans.

I. Head Start Program Services

Head Start, created in 1965 under the Head Start Act (42 USC 9801, et seq.), is a national program that provides comprehensive child development services primarily to low-income children (ages zero to five) and their families. Head Start promotes school readiness by enhancing the physical, social, and cognitive development of children through educational, health, nutritional, social, and other services. It also recognizes the important role of parents, encouraging them to participate in a variety of activities and experiences that support and foster their children's development and learning, and helping them to progress toward their educational, literacy, and employment goals. Head Start also requires programs to provide opportunities for parental involvement in the development, conduct, and governance of local programs through participation in policy groups (e.g. Policy Councils).

Head Start is administered by the Office of Head Start (OHS) of the Administration for Children and Families (ACF) within the U.S. Department of Health and Human Services (HHS). Grants are awarded by the ACF Regional Offices and the Office of Head Start's American Indian-Alaska Native and Migrant and Seasonal Programs Branches directly to local public agencies, private organizations, Indian tribes, and school systems for the purpose of operating Head Start programs at the community level.

II. Monitoring of Head Start Grantee Organizations

The following sections describe the basic mechanics of the monitoring process, the reporting system, the steps OHS has taken to improve how the process works, and key changes in monitoring that OHS implemented in FY 2015.

Basic Mechanics of the Monitoring Process

The monitoring process uses a rigorous, evidence-based approach to confirm that grantees comply with federal legislative, regulatory, and program requirements. In FY 2015, OHS implemented a newly aligned monitoring system to address the OHS grant cycle shift from an indefinite to a five-year project period. Additionally, OHS increased its focus on quality in addition to compliance and is prioritizing having more frequent interaction with grantees to provide information to support their continuous improvement in core performance areas. OHS has identified core performance areas as:

- ▶ Environmental Health and Safety;
- ▶ Leadership, Governance, and Management Systems;
- ▶ Fiscal Integrity;
- ▶ Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA);
- ▶ Comprehensive Services and School Readiness; and
- ▶ Teacher-Child Interactions (as addressed through the CLASS[®] observation instrument).

All five-year grants are monitored using the Aligned Monitoring System. Indefinite grants are monitored when they transition to a five-year grant. The Aligned Monitoring System provides OHS with comprehensive performance data needed by year four of the five-year grant. OHS evaluates the data to determine whether the grantee will need to recompute.

OHS designed the Aligned Monitoring System to provide two different review processes based on the grantee's history which are the *Comprehensive Monitoring Process* and the *Differential Monitoring Process*. The monitoring process that a grantee receives is determined by whether or not they meet a specific set of criteria. The criteria include:

- ▶ No findings on the previous review cycle;
- ▶ No fiscal findings in the past two review cycles;
- ▶ No findings in the annual audits;
- ▶ No Designation Renewal System (DRS) criteria met;
- ▶ No significant program changes (e.g., changes in program leadership); and
- ▶ No concerns identified through input from the Regional Office.

Grantees that do not meet the above listed criteria engage in the *Comprehensive Monitoring Process*. Those grantees that do meet the criteria receive the *Differential Monitoring Process*.

The *Comprehensive Monitoring Process* is comprised of five individual review events:

Environmental Health and Safety; Fiscal Integrity and ERSEA;⁵ CLASS®; Management Systems and Program Governance; and Comprehensive Services and School Readiness. Individual review events will only focus on their respective content areas, giving the grantee and the reviewer a better opportunity to achieve a more in-depth review of the content area.

The *Differential Monitoring Process* recognizes grantees that have demonstrated a history of compliance. Grantees eligible for this process will first receive a Head Start Key Indicators-Compliant (or HSKI-C) review. The HSKI-C Protocol is a research-based monitoring instrument that OHS uses to identify grantees that are eligible for differential monitoring. The HSKI-C Protocol is an abbreviated version of the protocols used in the Comprehensive Monitoring System. It is comprised of 27 Compliance Measures that were selected based on how strongly they differentiated between high and low performing grantees. The HSKI-C covers the following review areas:

- ▶ Leadership, Governance, and Management Systems;
- ▶ Comprehensive Services and School Readiness; and
- ▶ Fiscal Integrity.

Grantees that are successful in, or pass, the HSKI-C review will only receive the Environmental Health and Safety and CLASS® review events. Successful grantees will receive the full complement of comprehensive reviews during their next five-year grant cycle. If grantees do not pass the HSKI-C, they will go through the Comprehensive Monitoring Process. After each review event, grantees will receive a report that summarizes findings and/or concerns for that specific content area.

Prior to the start of the fiscal year, OHS sends a global letter to all five-year grantees to advise them of the reviews they will receive during the fiscal year. Grantees scheduled for an announced review are then sent written notification of the specific date of the review 30 days prior to the on-site review. Soon after official written notification of the review date is received, the Review Field Lead (RFL) contacts the grantee to begin scheduling on-site activities. Prior to the on-site review, team members review grantee documents posted on the OHS monitoring website. In FY 2015, only one review event⁶ was unannounced, allowing OHS to observe grantees during a normal school day as opposed to a, “*review-ready*” day. The information gathered from these reviews provides OHS with better insight regarding the day-to-day struggles and successes grantees encounter, and enables OHS to provide more accurate guidance and assistance to grantees.

In the aligned monitoring system, there are eight main types of reviews:

- ▶ Environmental Health and Safety (EnvHS);
- ▶ Fiscal Integrity / Eligibility, Recruitment, Selection, Enrollment, Attendance (ERSEA);

⁵ In FY 2015, Fiscal Integrity and ERSEA were monitored in the same review event.

⁶ The single FY 2015 unannounced review was a Fiscal Integrity/ERSEA review event.

- ▶ Classroom Assessment Scoring System (CLASS®);
- ▶ Head Start Key Indicator – Compliance (HSKI-C);
- ▶ Leadership, Governance, Management Systems (LGMS);⁷
- ▶ Comprehensive Services and School Readiness (CSSR);⁸
- ▶ Follow-up; and
- ▶ Other.

Together, these review types represent a comprehensive, year-round monitoring system. Grantees also may receive targeted, “Other,” reviews outside of their Triennial review schedule if OHS determines the program to be at risk. These reviews may occur on-site or off-site (remotely, from the regional office) depending on the nature of the concern.

Monitoring reviews have three possible outcomes: (1) Compliant, (2) One or more noncompliances with no deficiencies, or (3) One or more deficiencies. A “noncompliance” is issued if OHS determines that there is sufficient evidence and documentation of a grantee’s failure to comply with a given Head Start program performance standard or regulation. A deficiency, as defined by the Head Start Act, as amended in 2007, is:

(A) Systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:

- (i) A threat to the health, safety, or civil rights of children or staff;*
- (ii) A denial to parents of the exercise of their full roles and responsibilities related to program operations;*
- (iii) A failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;*
- (iv) The misuse of funds received under this subchapter;*
- (v) Loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or*
- (vi) Failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;*

(B) Systemic or material failure of the governing body of any agency to fully exercise its legal and fiduciary responsibilities; or

(C) An unresolved area of noncompliance.

Observed areas of noncompliance or deficiencies are referred to as “findings.” OHS

⁷ LGMS will be monitored starting in FY 2016.

⁸ CSSR will be monitored starting in FY 2016.

determines, on the basis of the review, whether grantees are compliant, have areas of noncompliance that do not constitute deficiencies, or have deficiencies. Grantees found to have an area of noncompliance or a deficiency receive a Follow-up review to ensure that the finding is corrected.

In FY 2015, OHS continued to implement the American Indian and Alaska Native (AIAN) Re-evaluation protocol, a supplementary monitoring tool specific to AIAN grantees. This tool was designed to address performance issues unique to these grantees, and helped elucidate what steps grantees have taken to mitigate those issues.

Each review event is conducted by one or two qualified non-federal consultants, supervised by a Review Field Lead (RFL), and generally takes place over a three- to five-day period. Review team sizes vary depending on the size and complexity of the grantee. For example, larger grantees, including those with delegate agencies and those with complex program designs (e.g., grantees with both Head Start and Early Head Start programs) may require more reviewers. The very largest grantees, considered “super grantees,” require both substantially larger review teams and longer review periods.

Once on site, the review team initiates the information collection process, which is supported by the OHS Monitoring Protocol. Review teams rely on multiple modes of inquiry—interviews with concurrent documentation review, observations, and analysis—to assess grantee compliance with program requirements. Team members share information with their RFL on a routine basis through the Office of Head Start Monitoring System (OHSMS) software application, team meetings, email, and telephone communications. The RFL also facilitates nightly team meetings to discuss and document preliminary findings and to identify areas requiring further exploration. The on-site review culminates in the development of a preliminary report of findings that is submitted to OHS. OHS makes final determinations on the grantee’s compliance and notifies grantees of any areas that require correction.

The Office of Head Start Monitoring Protocols

The OHS Monitoring Protocols are designed to assess the compliance of grantees with the Performance Standards and the Head Start Act and to reflect the Department’s continued commitment to ensuring that the national monitoring system assesses grantees in a uniform, thorough, and consistent manner. Each review event has its own Protocol:

- ▶ EnvHS
- ▶ Fiscal Integrity / ERSEA
- ▶ LGMS⁹
- ▶ CSSR¹⁰

Each Protocol is organized into Key Performance Areas (KPA)s, which group together related

⁹ LGMS will be monitored starting in FY 2016.

¹⁰ CSSR will be monitored starting in FY 2016.

program requirements for that content area and highlight key objectives that programs should achieve in their service delivery and management system design and implementation (e.g. School Readiness). Each Key Performance Area contains one or more Compliance Measures (CM) which are linked to specific standards; together the CMs help reviewers assess whether the grantee is meeting the higher level objectives outlined within the Key Performance Area statement. Targeted Questions (TQs) are used by review teams to gather evidence to support the assessment of compliance for each CM. The TQs indicate the people to interview, questions to ask, information to retrieve from documents, observations to conduct, and management systems to analyze and summarize.

A series of guides were developed to organize the evidence gathering process. These guides, which organize the TQs by method of data collection and source, include:

- ▶ Interview Guides (including Document Reviews);
- ▶ Observation Guides; and
- ▶ Child and Staff File Review Guides.

The evidence collected through each guide is linked to CMs and used to assist review teams in making precise and accurate assessments.

Summary of Key Changes in Program Monitoring Effective in FY 2015

Prior to the launch of the FY 2015 Aligned Monitoring System, OHS reviewed the Monitoring Protocols and considered enhancements to reflect changes in policy and procedure and to ensure compliance with the Head Start Act. This section highlights key changes from the FY 2014 Protocol. Specific changes included:

- ▶ Developing the Aligned Monitoring System with separate review events for EnvHS, Fiscal, ERSEA, and CLASS®, each with a Standardized Methodology to ensure consistency, objectivity, and accuracy within the review process and to provide a set of high standards to which the reviewers are held accountable;
- ▶ Reviewing and streamlining all protocols to focus on areas that are of high priority for OHS;
- ▶ Developing the new HSKI-C tool to identify high performing grantees to receive *Differential Monitoring*;
- ▶ Expanding monitoring of the health and safety of Head Start and Early Head Start facilities to include observations of *all* settings (rather than a statistical sample) to better determine the safety of every setting that serves children;
- ▶ Incorporating the Life Safety Codes in observations of the safety of Head Start and Early Head Start facilities. Developed by the National Fire Protection Association, the Life Safety Code is the most widely used source for strategies to protect people based on building construction, protection, and occupancy features that minimize the effects of fire

and related hazards.¹¹ These include inadequate means of egress in the case of fire (e.g., no direct exits to the outside; no panic hardware on exit doors) and insufficient alert systems (e.g., no/insufficient fire alarm systems; no smoke detectors) and insufficient emergency equipment (e.g., no sprinkler systems, no fire extinguishers, no emergency lighting)¹²; and

- ▶ Streamlining ERSEA to focus on Eligibility, Enrollment, and Attendance.

Standardized Methodology and Reviewer Reliability

In an effort to increase consistency, objectivity, and accuracy within the review process, OHS formalized reviewer requirements relating to the on-site review process in FY 2013 and further enhanced these requirements in FY 2014 and FY 2015. This formalization served to reinforce the importance of random sampling and review scheduling and to further define the expectations of reviewers while conducting reviews. As a result, reviewers have a clarified set of standards to which they are held accountable and reviews are more uniform across grantees.

Sampling

The FY 2015 Monitoring Protocol continues to use random samples for staff files, child files, and class/group observations (such as CLASS[®]) to ensure the generalizability of information collected through the review process. The sample size and composition are determined by a probability-driven algorithm that selects a random sample to ensure that monitoring review observations are valid and generalizable to an entire grantee. The sampling algorithm was implemented in the OHS monitoring software to ensure consistency in its implementation.

In FY 2015, EnvHS observations were conducted on every Head Start and Early Head Start classroom and center to better ascertain the safety of every setting that serves children.

Evidence Assessment System

In FY 2015, as in fiscal years 2012 through 2014, reviewers collected information about grantee performance and reported it through the new Evidence Assessment System (EAS). This system allows reviewers to more easily summarize information collected during the review and provide OHS with more detailed information about the scope and materiality of the evidence collected. For each Compliance Measure, reviewers are asked to match the evidence collected throughout the review to an appropriate threshold that corresponds to the degree to which the grantee is complying with the requirements (e.g., the review selects whether 0 to 5 percent, 6 to 24 percent or 25 to 50 percent of files reviewed indicate children were not screened within 45 days of enrollment). Prior to the introduction of this system, reviewers only indicated either “Yes” or “No” as to whether the grantee was in compliance. This system standardizes processes around evidence collection to improve consistency in the types and amount of

¹¹ Refer to: <http://www.nfpa.org/codes-and-standards/document-information-pages?mode=code&code=101>.

¹² Observations for Life Safety Codes did not impact OHS’s compliance decisions. Life Safety Code data were collected to ascertain the quality of the facilities and inform grantees for continuous quality improvement.

information gathered across review teams.

CLASS®

To gain a better understanding of the quality of Head Start classrooms, grantees with a center-based or combination option classrooms serving preschool-age children receive the Classroom Assessment Scoring System (CLASS®) review. Reviewers use CLASS® as a tool to evaluate the quality of teacher-child interactions that promote positive child outcomes. CLASS® scores range from one to seven, with one indicating the lowest quality interactions and seven indicating the highest quality interactions. One dimension, Negative Climate, is inverse scored, with seven indicating the lowest quality interactions and one indicating the highest quality interactions. In FY 2015, 227 grantees participated in a CLASS® review.

CLASS® dimensions are grouped into three overall domains: Classroom Organization, Emotional Support, and Instructional Support. The dimensions in the Classroom Organization domain are used to evaluate the way teachers organize and manage students’ behavior, time, and attention in the classroom. The dimensions in the Emotional Support domain are used to evaluate the ways that teachers support children’s social and emotional functioning in the classroom. The dimensions in the Instructional Support domain are used to form an index of the instructional value of the classroom. The dimensions are divided among the domains as follows:

Emotional Support	Classroom Organization	Instructional Support
<ul style="list-style-type: none"> ▶ Positive Climate ▶ Negative Climate ▶ Teacher Sensitivity ▶ Regard for Student Perspective 	<ul style="list-style-type: none"> ▶ Behavior Management ▶ Productivity ▶ Instructional Learning Formats 	<ul style="list-style-type: none"> ▶ Concept Development ▶ Quality of Feedback ▶ Language Modeling

Following updates made to the FY 2012 CLASS® Protocol, randomly selected, statistically driven sample sizes continued to be used to identify which grantees’ classes were observed in FY 2015. The monitoring software reflects the classes selected for the sample and provides replacement classrooms as needed. The number of cycles observed per classroom remains at two, as supported by research done by the tool developer, indicating that for purposes of monitoring and attaining a valid score at the grantee level, maximizing the number of classrooms observed across the program should take priority over the number of cycles observed within an individual classroom. OHS continues to provide reviewers with rigorous training on implementing OHS’ defined CLASS® methodology (e.g., timing and settings for observations, conditions under which observations should or should not occur).

Reporting

OHS utilizes a system of exception-based reporting to comply with the federal mandate to inform grantees of findings that should be corrected (Section 641A(e) of the Head Start Act, as amended in 2007). Fundamental to the reporting process is the collection, verification, and

substantiation of evidence from multiple sources to corroborate findings of noncompliance. As guided by the Monitoring Protocol, review teams conduct interviews with program staff, policy council and board members, and others; observe children and teachers in classroom settings; and review program documents and materials, as well as children's files, to assess compliance with Head Start requirements.

If, during an on-site review, the RFL identifies a deficiency that requires immediate corrective action, an HHS Responsible Official provides written notice of the deficiency requiring immediate correction and the RFL is authorized to direct the grantee to take immediate corrective action to ensure that staff and/or children are removed from imminent harm or immediate danger and that the cause of the imminent harm or immediate danger is corrected. The corrective action required of the grantee to correct the immediate deficiency is provided in the notice.

Designation Renewal System

In FY 2009 and FY 2010, in response to mandates in the 2007 reauthorization of the Head Start Act, OHS developed regulations that created a designation renewal system (DRS). Under the new system, grantees that are found to not be delivering high-quality and comprehensive Head Start programs are subject to recompetition for their grants. HHS issued proposed regulations articulating the details of the proposed DRS in September 2010. On November 9, 2011 the final DRS was published in the Federal Register and it became effective on December 9, 2011. The first cohort of 132 grantees required to re compete under DRS was announced in December 2011. The second cohort of 122 grantees required to re compete under DRS was announced in February 2013. The third cohort of 103 grantees required to re compete under DRS was announced in February 2014. The fourth cohort of 90 grantees required to compete under DRS was announced in December 2014. Details about the fifth DRS cohort based on monitoring reviews in FY 2015 are listed below:

- ▶ The total number of grants in the DRS pool = 12.
- ▶ The number of grantees in the DRS pool due to low CLASS® scores alone = 8.
- ▶ The number of grantees in the DRS pool due to deficiencies alone = 0.
- ▶ The number of grantees in the DRS pool due to low CLASS® scores AND deficiencies = 4.

OHS identified 12 grants that are required to re compete for their grant funding based on deficient findings or CLASS® scores. The fifth cohort was announced on May 26, 2016.

The Reviewer Pool

OHS ensures that each review is staffed by individuals who are knowledgeable about Head Start programs and monitoring. With the objective of maintaining the integrity of the reviewer pool, OHS has a number of policies and procedures to guide the pre-review preparation, post-review learning, and improvement of reviewers. Reviewers are assigned to review teams under a governing framework that limits the number of reviews that reviewers employed by a Head Start grantee or delegate agency can participate in each year and prevents reviewers from

reviewing programs within their home states. OHS also maintains a pre-site process for providing review team members with a standard set of grantee documents for review in advance of the site visit as well as weekly pre- and post-review team briefings. Through post-review briefings, OHS identifies the processes that need to be strengthened and the areas in which additional support are required to facilitate reviewers' work while on site. These efforts continue to maintain the efficiency and effectiveness of the review teams.

Centralized Quality Control and Finalization of Review Reports

To ensure consistency in monitoring, OHS' central office is responsible for the form, content, and issuance of monitoring reports to grantees. OHS assumes responsibility for the quality assurance process to ensure that Head Start review reports submitted by review teams following the on-site review meet rigorous standards for accuracy, clarity, and legal soundness. Centralization of quality control and the heavy emphasis on evidence-based findings increases consistency in the quality, detail, specificity, and utility of Head Start review reports. A centralized process also increases timeliness in issuing monitoring review reports to grantees, thereby enabling grantees to take corrective action and bring their programs into compliance more quickly.

III. Grantee Monitoring Review Outcomes

This section presents basic descriptive data on Head Start monitoring reviews conducted in FY 2015, specifically addressing the following:

- ▶ Types of monitoring reviews conducted;
- ▶ Grantee review outcomes;
- ▶ Number and types of findings identified;
- ▶ Most frequently cited areas of noncompliance and areas of deficiency; and
- ▶ Correction of findings during follow-up reviews.

Types of Monitoring Reviews Conducted

This Report to Congress on Head Start Monitoring for FY 2015 focuses on the cohort of grantees who underwent EnvHS, Fiscal/ERSEA, CLASS®, HSKI-C, Other, and Follow-Up reviews in FY 2015, and who received review reports by March 14, 2016. The report also includes information on Follow-up reviews for all grantees that had outstanding findings that were reviewed in FY 2015, including grantees that had findings that originated in previous fiscal years.

In total, 1,565 EnvHS, Fiscal/ERSEA, HSKI-C, CLASS®, Other, and Follow-Up monitoring reviews were completed by March 14, 2016.

Grantee Review Outcomes

After a review is completed, OHS issues a Head Start Review Report to each grantee. The report indicates the compliance outcome of the review and the Head Start program requirement(s) for which OHS found the grantee to be out of compliance. The compliance outcome is a function of the final determination made by OHS on each of the findings documented by the review team during the review. Each finding issued by OHS will be one of two types: noncompliant or deficient.

Grantees with no findings receive a review determination of “Compliant.” If a grantee is found to only have areas of noncompliance, it receives a review determination of “Noncompliant,” which is referred to throughout this report as “having one or more noncompliances.” If a grantee is found to have one or more deficiencies, regardless of whether it also has noncompliances, it receives a review determination of “Deficient”, referred to throughout this report as “having one or more deficiencies.” Grantees also can be cited with an Immediate Deficiency finding on their reviews. These findings affect the grantee’s status in the same way as a deficient finding. However, unlike a deficient finding, if an immediate deficiency is found, the grantee is issued a separate report and is required to correct the issue immediately upon receipt.

In FY 2015, 1,565 monitoring reviews were completed.

- ▶ 562 grantees received an EnvHS review;
- ▶ 339 grantees received a Fiscal/ERSEA review;

III. Grantee Monitoring Review Outcomes

- ▶ 231 grantees received a CLASS® review;
- ▶ 66 grantees received a HSKI-C review;
- ▶ 65 grantees received an Other review; and
- ▶ 302 grantees received a Follow-up review.¹³

Exhibits 2 through 8 present outcomes for grantees that received EnvHS, Fiscal/ERSEA, and Other reviews. Outcomes for grantees receiving a Follow-up review are presented in Exhibit 9. A full definition of each type of review can be found in the glossary at the end of the report.

Exhibit 2 displays review types and outcomes for grantees receiving those reviews in FY 2015. In FY 2015, 53.6 percent of grantees receiving an EnvHS review and 74.9 percent of grantees receiving a Fiscal/ERSEA review were found to be compliant. Across all reviews, a small proportion (8.6 percent) of grantees was found deficient. On EnvHS reviews, only 5.3 percent of grantees were found deficient. Deficiencies were most often found in Other reviews, which monitor grantee performance outside of the scheduled reviews. On an Other review, Regional Office (RO) staff or local community members request that OHS focus a review on known or suspected issues.

¹³ Of the 302 grantees with a Follow-up review completed in FY 2015, 151 (50.0 percent) had follow-ups from reviews completed in previous fiscal years.

Exhibit 2: FY 2015 Review Outcomes for Grantees by Review Type

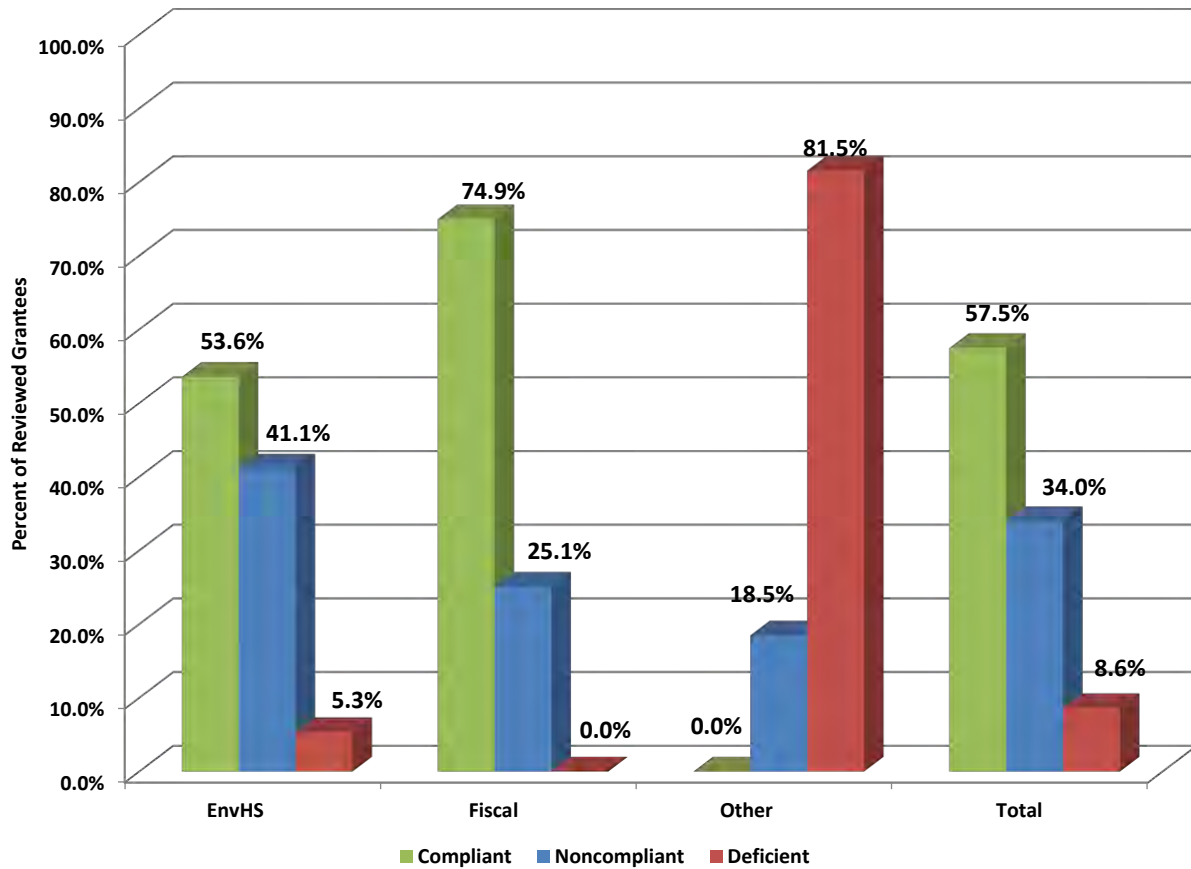
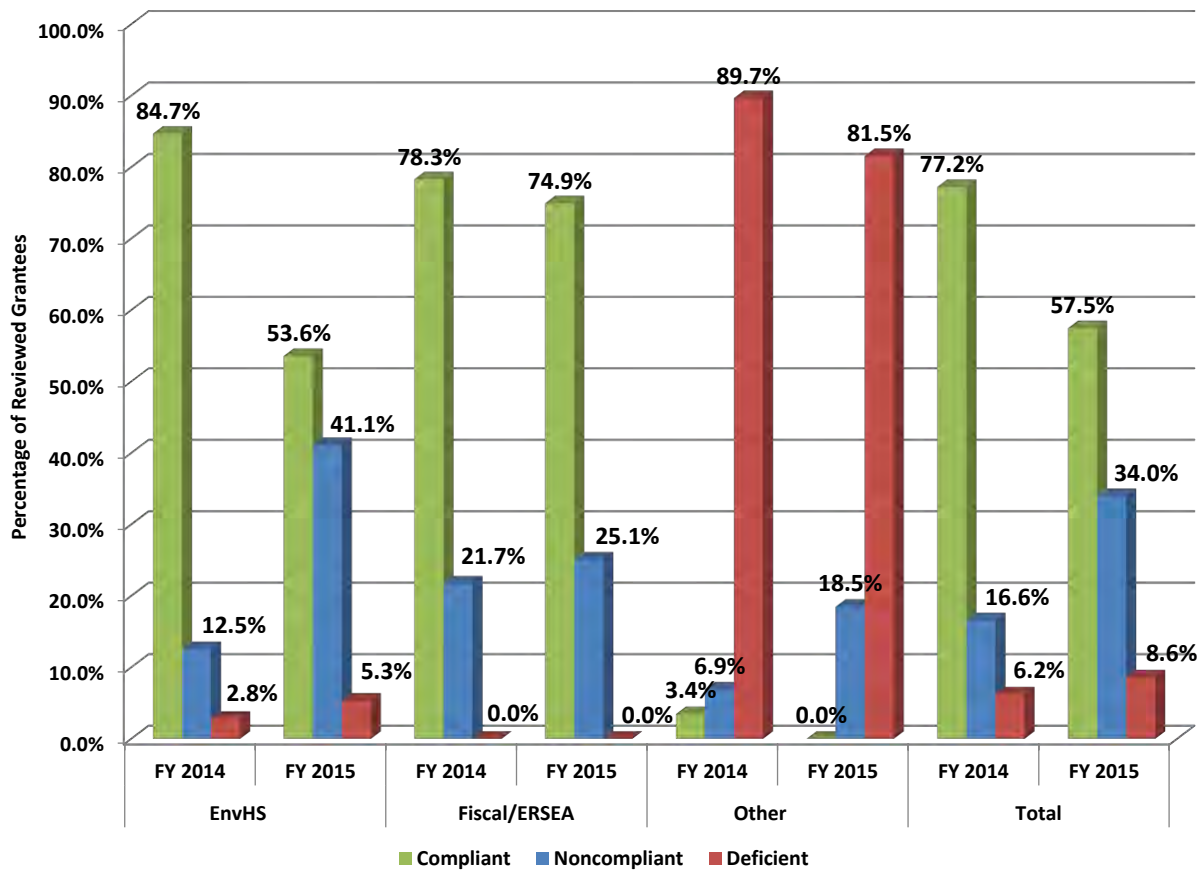


Exhibit 3 looks at outcomes for similar content areas across fiscal years 2014 and 2015. Since triennial reviews were used in FY 2014 comparisons for EnvHS and Fiscal/ERSEA reviews were made on only on the compliance measures (CMs) in the same content area. For example, FY 2015 EnvHS review outcomes were compared with findings for similar CMs in the Child Health and Safety section of the FY 2014 triennial protocol.

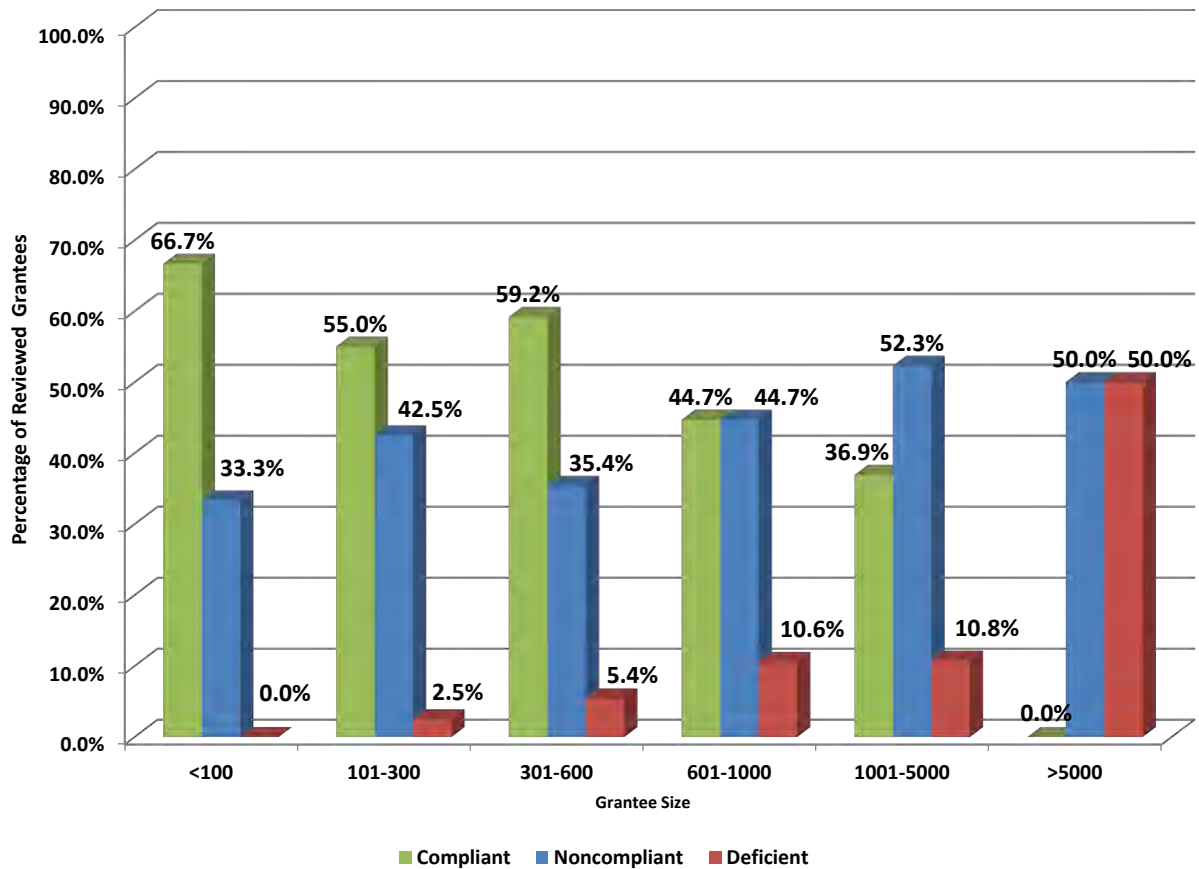
Overall, findings increased from FY 2014 to FY 2015, most notably in the EnvHS reviews. In FY 2014, about fifteen percent of grantees had a noncompliance or deficiency in the common EnvHS compliance measures. That proportion increased to over forty-six percent in FY 2015. Findings in Fiscal/ERSEA compliance measures also increased from FY 2014 (21.7 percent to 25.1 percent). Between FY 2014 and FY 2015, there were fewer compliant reviews overall, dropping from 77.2 percent to 57.5 percent.

Exhibit 3: Review Outcomes by Review Type and Fiscal Year



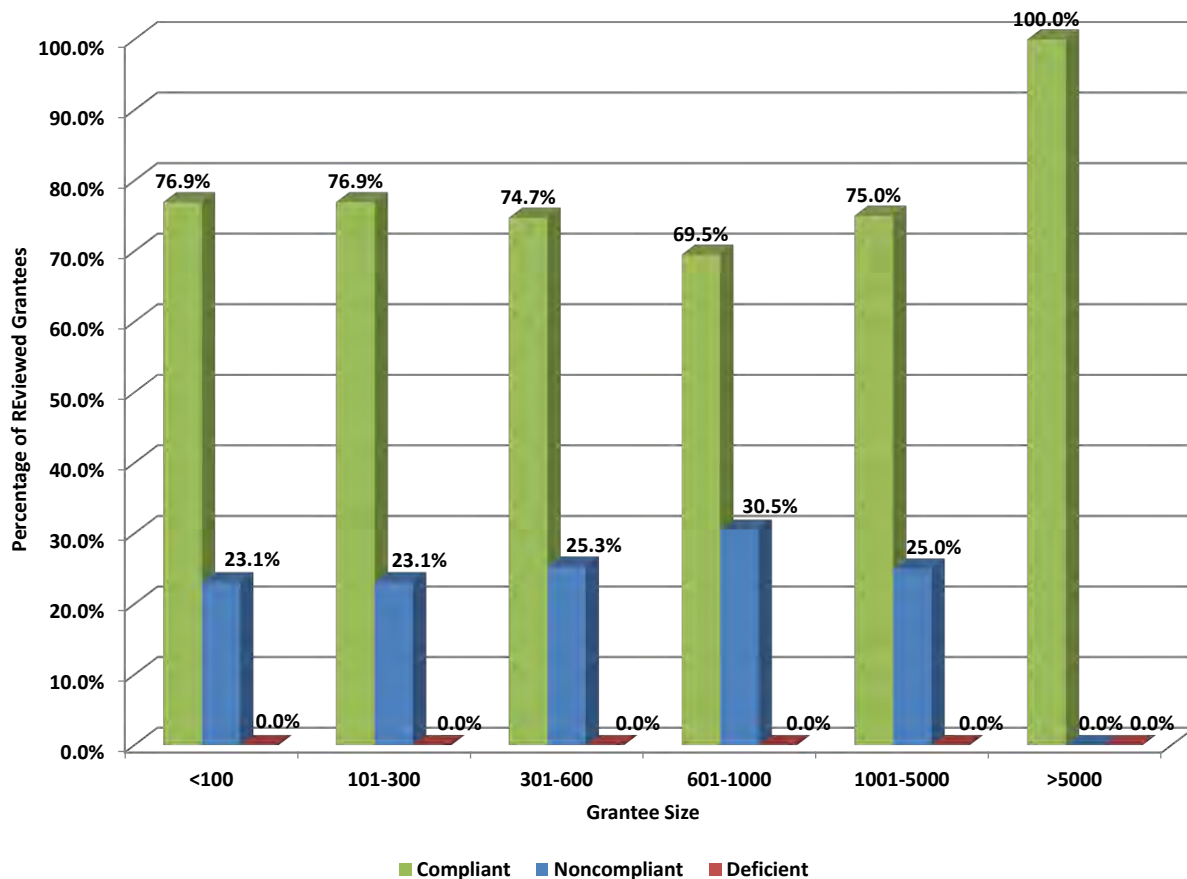
Exhibits 4 and 5 show how EnvHS and Fiscal/ERSEA review outcomes (respectively) vary by grantee size. In FY 2015, larger grantees were cited for more deficiencies in EnvHS than smaller grantees, and by a sizeable margin (Exhibit 4). For grantees with 600 or fewer students enrolled, anywhere from about 0 percent to about 5 percent was cited for at least one deficiency. Comparatively, save for super grantees, grantees with greater than 600 students were cited with at least one deficiency at nearly twice the proportion. Similarly, larger grantees were slightly more likely to be noncompliant compared to smaller grantees: among grantees with 600 students or fewer, noncompliant reviews were less than 43 percent, while approximately 45 to 52 percent of grantees with greater than 600 students were cited for one or more areas of noncompliance (not including super grantees). Super grantees are grantees with an enrollment greater than 5,000 students. Two super grantees were reviewed in FY 2014, and both had findings.

Exhibit 4: FY 2015 EnvHS Review Outcomes by Grantee Size



In FY 2015, larger grantees were cited for more noncompliances in Fiscal/ERSEA reviews than smaller grantees (Exhibit 5). Among grantees with 600 students or fewer, noncompliant reviews were 25 percent or less, while approximately 25 to 30 percent of grantees with greater than 600 students were cited for one or more areas of noncompliance (not including super grantees).

Exhibit 5: FY 2015 Fiscal/ERSEA Review Outcomes by Grantee Size



Number and Types of Findings Identified

Number of Findings per Review

Exhibit 6 shows the number of findings, either noncompliances or deficiencies, per grantee by review type in FY 2015. Approximately 54 percent of grantees reviewed had no findings in their EnvHS review and 75 percent of grantees had no findings in their Fiscal/ERSEA review. In EnvHS reviews, approximately 37 percent of grantees had only one or two findings in total. In Fiscal/ERSEA reviews, approximately 21 percent of grantees had only one or two findings in total. At the other end of the spectrum, less than one percent of grantees reviewed had six or more findings in FY 2015. Only one grantee had 11 or more total findings in EnvHS.

Exhibit 6: FY 2015 Distribution of Reviewed Grantees by Number of Findings and Review Type

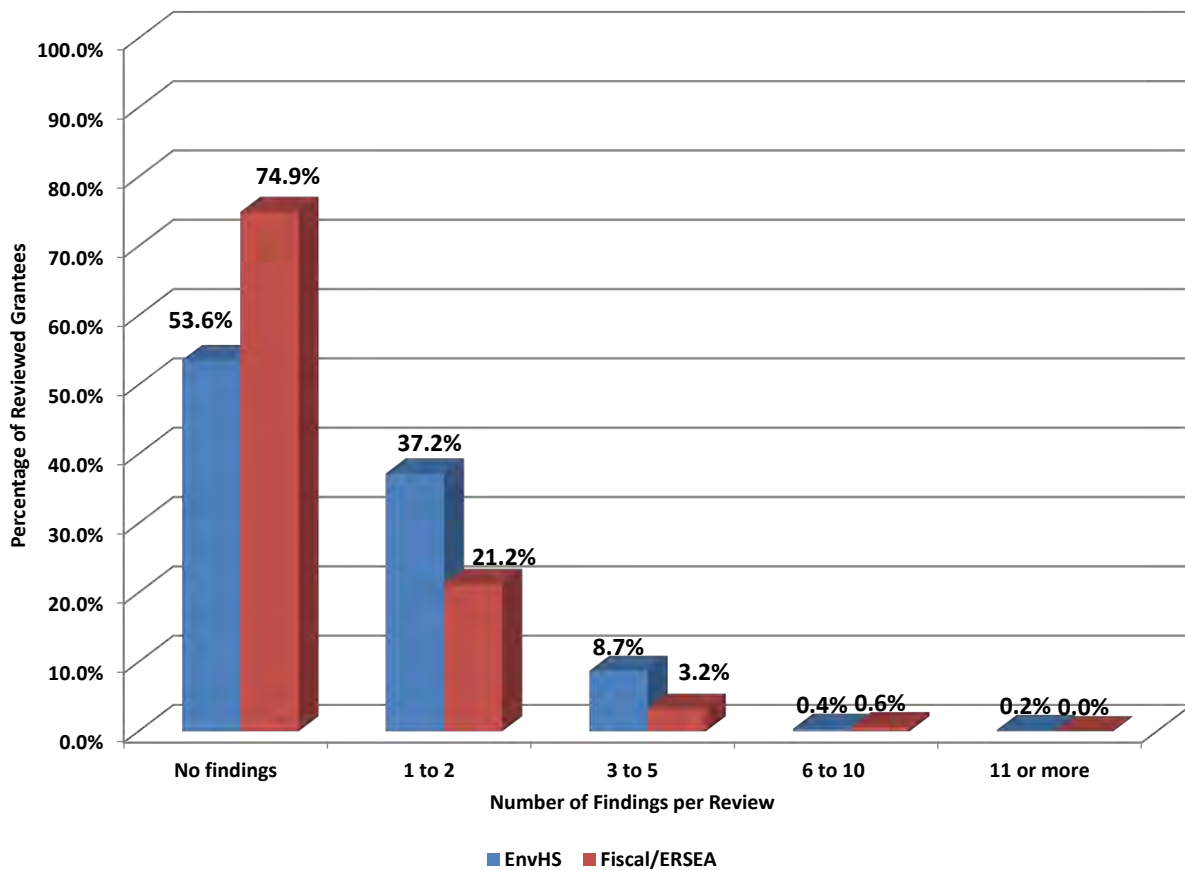


Exhibit 7 shows that the overwhelming majority of grantees with an EnvHS noncompliance and deficiency in FY 2015 had only one or two findings in total. Over 80 percent of the grantees with an EnvHS review outcome of Noncompliant had only one or two findings, while two-thirds (66.7 percent) of the grantees with a review outcome of “Deficient” had only one or two findings. Among noncompliant grantees, there was an average of 1.7 noncompliance findings per grantee. Among grantees cited for at least one deficiency, grantees had, on average, 1.1 noncompliant findings and 1.4 deficient findings. Overall, among grantees with at least one finding, reviews cited 1.6 noncompliances and 0.2 deficiencies per grantee.

Almost all grantees with noncompliant EnvHS reviews had five or fewer findings (99.6 percent), while the proportion was lower among grantees with deficient reviews (90.0 percent). Less than one percent of grantees with noncompliant EnvHS reviews were cited for more than six findings total. Among grantees with deficient reviews, ten percent were cited for greater than six findings.

Exhibit 7: FY 2015 Distribution of Reviewed Grantees with EnvHS Findings by Total Number of Findings

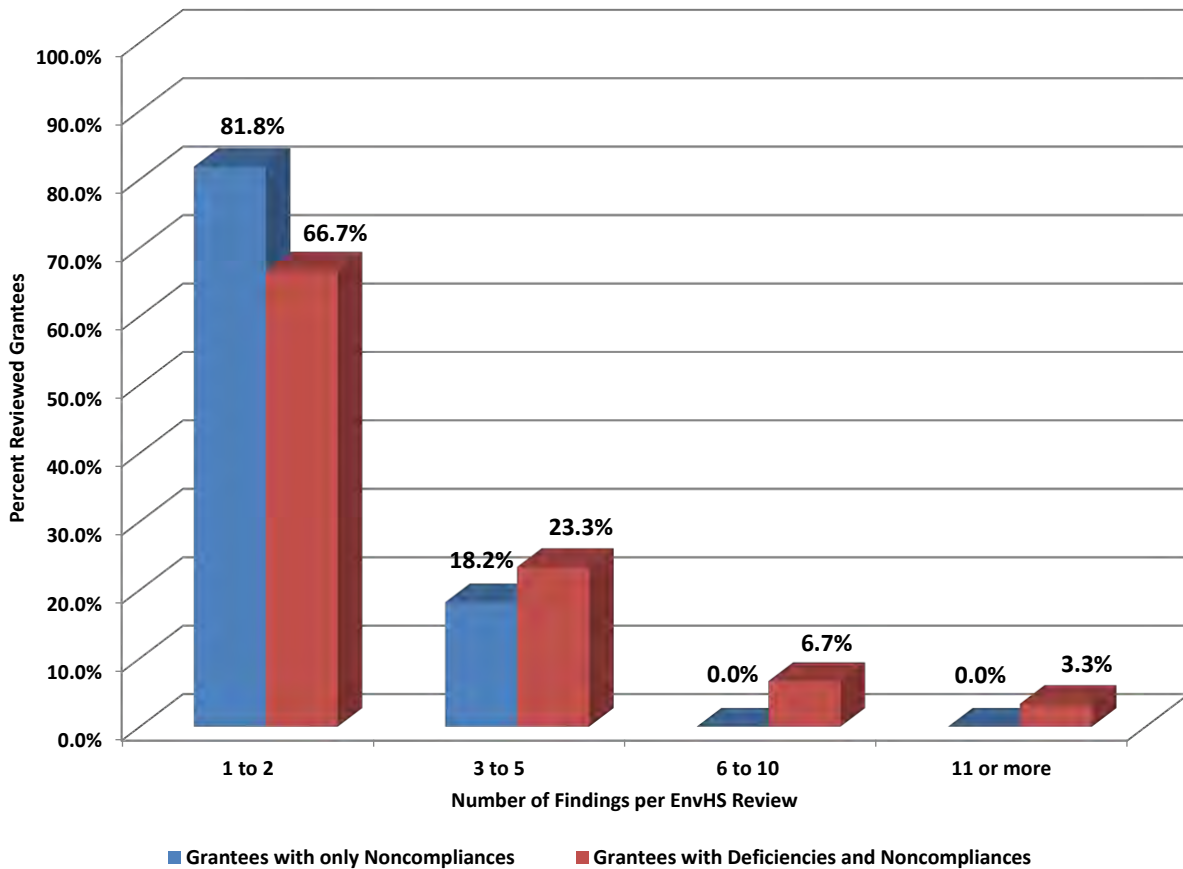
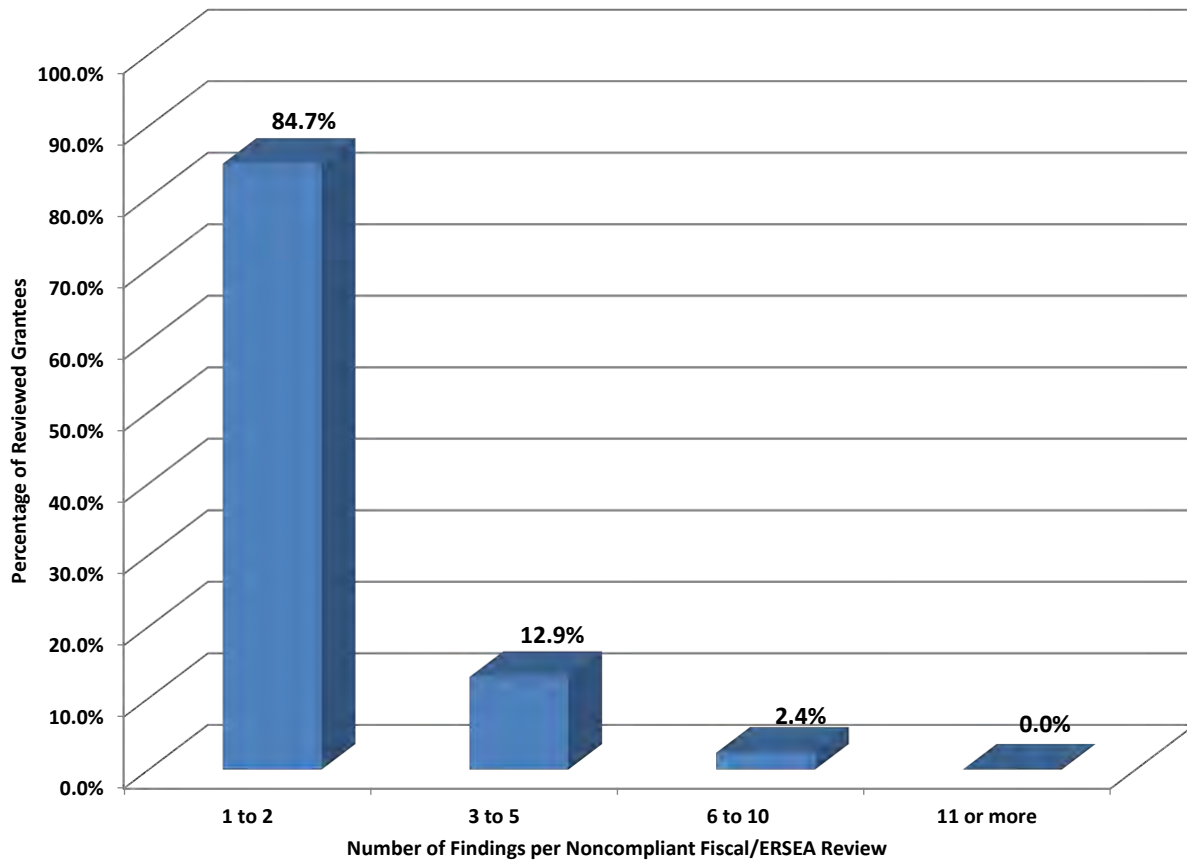


Exhibit 8 shows that almost 85 percent of grantees with a Fiscal/ERSEA noncompliance in FY 2015 had only one or two findings in total. Among noncompliant grantees, there was an average of 1.6 noncompliance findings per grantee. There were no FY 2015 grantees with a deficient Fiscal/ERSEA review.

Over 95 percent of grantees with noncompliant Fiscal/ERSEA reviews had five or fewer findings (97.6 percent) and less than three percent of grantees with noncompliant Fiscal/ERSEA reviews were cited for more than six findings total.

Exhibit 8: FY 2015 Distribution of Reviewed Grantees with Fiscal/ERSEA Findings by Total Number of Findings



Most Frequently Cited Areas of Noncompliance and Areas of Deficiency

Most Frequently Cited Areas of Noncompliance

Exhibit 9 displays the most frequently cited areas of noncompliance in FY 2015 EnvHS reviews. In FY 2015, “Physical Arrangements Consistent with the Health, Safety and Developmental Needs of Children” was the issue most frequently cited as noncompliant during EnvHS reviews; almost three-quarters (172 of 252, 68.3 percent) of all grantees with EnvHS findings were cited in this area. “Maintenance, Repair, Safety, and Security of all Facilities, Materials, and Equipment” was the second most frequently cited issue, with nearly 30 percent of grantees (71 of 252, 28.2 percent) cited with noncompliant EnvHS findings for at least one standard related to the issue. The third most frequently cited issue was “Criminal Record Checks,” with over 17 percent of grantees (44 of 252, 17.5 percent) found to be noncompliant for at least one standard related to this issue.

Exhibit 9: Performance Issues Most Frequently Cited among Areas of Noncompliance in FY 2015 EnvHS Reviews (n = 252)

Rank	Issue	Grantees Reviewed With Noncompliant EnvHS Citations	
		n	%
1	Physical Arrangements Consistent with the Health, Safety and Developmental Needs of Children	172	68.3%
2	Maintenance, Repair, Safety, and Security of all Facilities, Materials and Equipment	71	28.2%
3	Criminal Record Checks	44	17.5%
4	Medication Administration	42	16.7%
5	Health Emergency Procedures	32	12.7%
6	Code of Conduct	25	9.9%
7	Classroom Size and Staffing	19	7.5%
8	Developmentally Appropriate and Safe Equipment, Toys, Materials, and Furniture	14	5.6%
9	Food Safety and Sanitation	10	4.0%
10	Vehicular Safety	7	2.8%
11	Children are Only Released to a Parent or Legal Guardian	5	2.0%
12	Hygiene	3	1.2%
13	Developmentally and Nutritionally Appropriate Foods	2	0.8%
14	Child Health and Safety	1	0.4%
14	Driver and Bus Monitor Training	1	0.4%
14	Licensing Requirements	1	0.4%
14	Ongoing Monitoring of Grantee Operations and Delegates	1	0.4%

Note: Grantees may be cited for multiple citations. As a result, there will be overlap in the categories and the sum of the number of “Grantees Reviewed with Noncompliant EnvHS Citations” will be greater than 252.

Exhibit 10 displays the most frequently cited areas of noncompliance in FY 2015 Fiscal/ERSEA reviews. In FY 2015, “Allowable and Allocable Costs” was the issue most frequently cited as noncompliant during Fiscal/ERSEA reviews; almost 35 percent (30 of 86, 34.9 percent) of all grantees with Fiscal/ERSEA findings were cited in this area. “Financial Management Systems” was the second most frequently cited issue, with over one-quarter of grantees (23 of 86, 26.7 percent) cited with noncompliant Fiscal/ERSEA findings for at least one standard related to the

III. Grantee Monitoring Review Outcomes

issue. The third most frequently cited issue was “Recruitment and Enrollment of Children with Disabilities,” with over eighteen percent of grantees (16 of 86, 18.6 percent) found to be noncompliant for at least one standard related to this issue.

Exhibit 10: Performance Issues Most Frequently Cited among Areas of Noncompliance in FY 2015 Fiscal/ERSEA Reviews (n = 86)

Rank	Issue	Grantees Reviewed With Noncompliant Fiscal/ERSEA Citations	
		n	%
1	Allowable and Allocable Costs	30	34.9%
2	Financial Management Systems	23	26.7%
3	Recruitment and Enrollment of Children with Disabilities	16	18.6%
4	Property Management Requirements	9	10.5%
5	Davis Bacon Act	7	8.1%
6	Employee Compensation	6	7.0%
7	Comparability of Wages	5	5.8%
7	Period of Availability of Funds	5	5.8%
9	Recording of Federal Interest and Other Protection of Federal Interest.	4	4.7%
10	Depreciation and Use Allowance	3	3.5%
10	Rental Costs	3	3.5%
10	Revision of Budget and Program Plans	3	3.5%
10	Attendance	3	3.5%
14	Documentation of Allowability	2	2.3%
14	Equipment Records	2	2.3%
14	Limitations on Costs of Development and Administration	2	2.3%
14	Payroll Records and Procedures	2	2.3%
14	Procurement Procedures	2	2.3%
14	Reporting of Use and Disallowance of USDA Funds	2	2.3%
20	Disposition of property and equipment	1	1.2%
20	Eligibility	1	1.2%

III. Grantee Monitoring Review Outcomes

Rank	Issue	Grantees Reviewed With Noncompliant Fiscal/ERSEA Citations	
		n	%
20	Facilities Purchase, Major Renovations and Construction	1	1.2%
20	Reasonableness of Costs	1	1.2%
20	Reporting Systems	1	1.2%
20	Selection Criteria	1	1.2%

Note: Grantees may be cited for multiple citations. As a result, there will be overlap in the categories and the sum of the number of “Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations” will be greater than 86.

Most Frequently Cited Areas of Deficiency

According to the Head Start Act, a deficiency can fall into one of six categories: (1) a threat to the health, safety, or civil rights of children or staff; (2) a denial to parents of the exercise of their full roles and responsibilities related to program governance; (3) a failure to perform substantially the requirements related to Early Childhood Development and Health Services, Family and Community Partnerships, or Program Design and Management; (4) the misuse of Head Start grant funds; (5) the loss of legal status or financial viability; or (6) any other violation of federal or state requirements.

Exhibit 11: Performance Issues Most Frequently Cited as Deficient in FY 2015 Reviews (n = 82)

Rank	Issue	Grantees Reviewed With Deficient Citations	
		n	%
1	Code of Conduct	67	81.7%
2	Children are Only Released to a Parent or Legal Guardian	11	13.4%
3	Physical Arrangements Consistent with the Health, Safety and Developmental Needs of Children	5	6.1%
3	Maintenance, Repair, Safety, and Security of all Facilities, Materials and Equipment	5	6.1%
4	Medication Administration	3	3.7%
4	Licensing Requirements	3	3.7%
5	Criminal Record Checks	2	2.4%
5	Providing Mental Health Services	2	2.4%

III. Grantee Monitoring Review Outcomes

Rank	Issue	Grantees Reviewed With Deficient Citations	
		n	%
5	Health Emergency Procedures	2	2.4%
5	Family Partnerships: Parent Involvement	2	2.4%
6	Financial Reporting	1	1.2%
6	Ongoing Monitoring of Grantee Operations and Delegates	1	1.2%
6	Reporting Systems	1	1.2%

Note: Grantees may be cited for multiple citations. As a result, there will be overlap in the categories and the sum of the number of “Grantees Reviewed with Deficient EnvHS Citations” will be greater than 82.

Exhibit 11 displays the most frequently cited areas of deficiency in FY 2015 reviews. In FY 2015, deficiencies were identified primarily through EnvHS and Other reviews. There were no deficiencies cited from Fiscal/ERSEA reviews in FY 2015.

Over 80 percent (67 out of 82, 81.7 percent) of grantees with EnvHS deficiencies were cited for a “Code of Conduct” deficiency, a category which primarily consists of leaving children unattended or unsupervised. Issues pertaining to “Children are Only Released to a Parent or Legal Guardian” were the third most common deficiency with 13.4 percent of deficient grantees cited. Issues pertaining to “Physical Arrangements Consistent with the Health, Safety, and Developmental Needs of Children” and “Maintenance, Repair, Safety, and Security of all Facilities, Materials, and Equipment” made up the third most common deficiency citations with 6.1 percent of deficient grantees cited.

Review Outcomes for Follow-up Reviews (Correction of Findings)

Overall, grantees were successful in correcting their findings on follow-up. Of the 473 findings reviewed on FY 2015 Follow-up reviews, 458 (96.8 percent) were corrected on their first review in FY 2015; 15 (3.2 percent) were not corrected and were, therefore, elevated to deficiencies.

Grantees have more difficulty in correcting some findings than others. Exhibit 12 displays the most frequently cited elevated findings in FY 2015 reviews. Among FY 2015 reviews, the most commonly elevated findings were for issues related to Code of Conduct (3 grantees, 50.0 percent).

Exhibit 12: Performance Issues Most Frequently Elevated, FY 2015 (n=6)

Rank	Issue	Grantees Reviewed with Elevated Findings	
		n	%
1	Code of Conduct	3	50.0%
2	Limitations on Costs of Development and Administration	1	16.7%
2	Reporting Systems	1	16.7%
2	Allowable and Allocable Costs	1	16.7%
2	Period of Availability of Funds	1	16.7%
2	Reporting Systems	1	16.7%

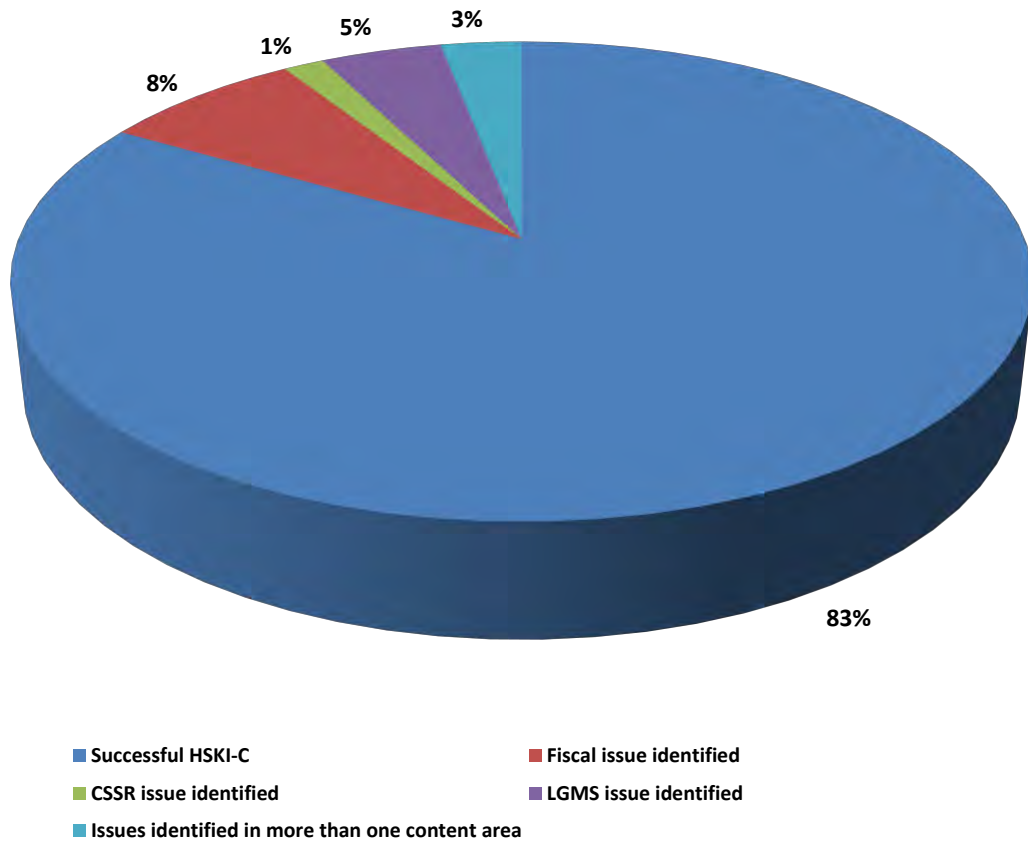
Note: Grantees may be cited for multiple citations. As a result, there will be overlap in the categories and the sum of the number of “Grantees Reviewed with Elevated Findings” will be greater than 6.

AIAN Re-evaluation reviews were conducted for AIAN grantees found to be out of compliance with Head Start requirements to ensure that all findings are corrected. In FY 2015, 12 AIAN Re-evaluation reviews were conducted. There were no outstanding issues reported in any of the 12 AIAN Re-evaluation reviews.

HSKI-C Results

In FY 2015, 66 grantees qualified for a HSKI-C review. Of those, 55 grantees (83 percent) had a successful HSKI-C review and received review events in the *differential monitoring* path (exhibit 13). Issues were identified during the HSKI-C review events for the remaining 11 (17 percent) grantees. These included issues related to fiscal integrity; comprehensive services and school readiness (CSSR); and leadership, governance, and management systems (LGMS). Two grantees had issues in more than one content area. As a result of the unsuccessful HSKI-C review, these 11 grantees received all the review events in the *comprehensive monitoring* path.

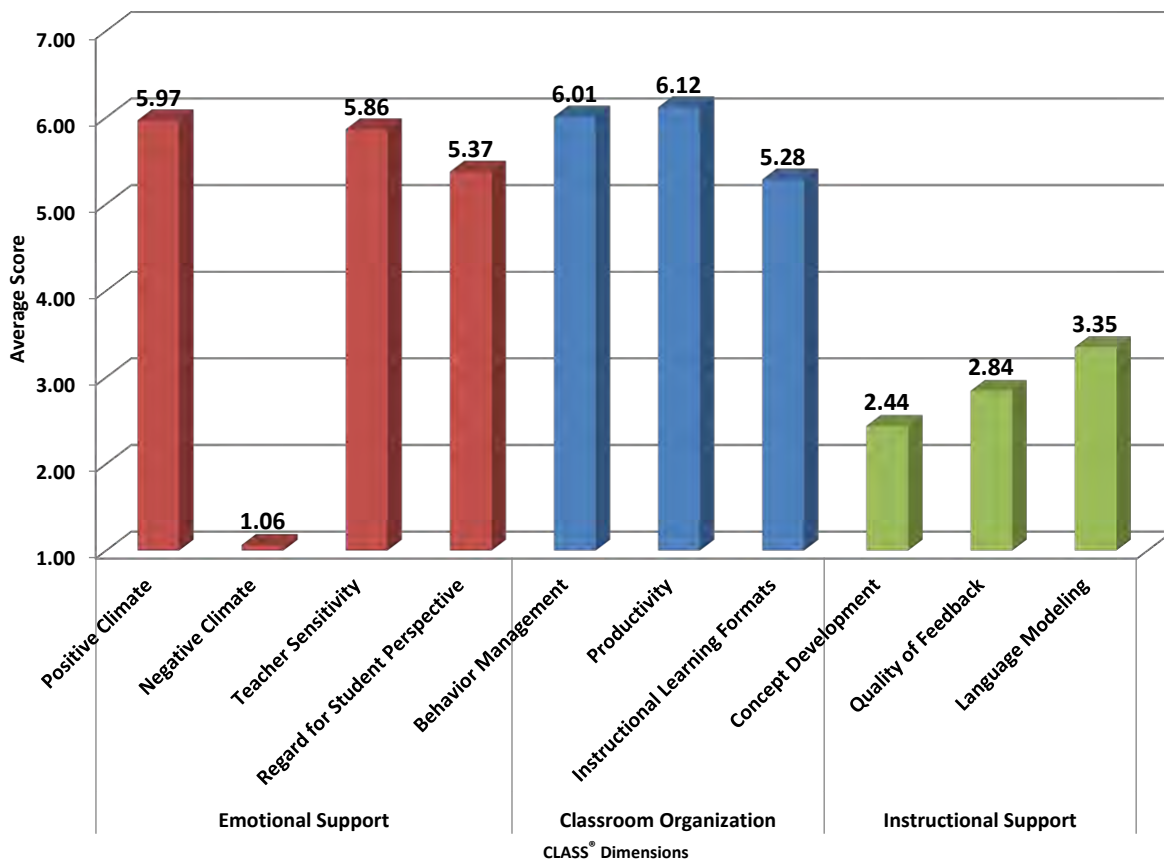
Exhibit 13: FY 2015 HSKI-C Results (n = 66)



V. CLASS®

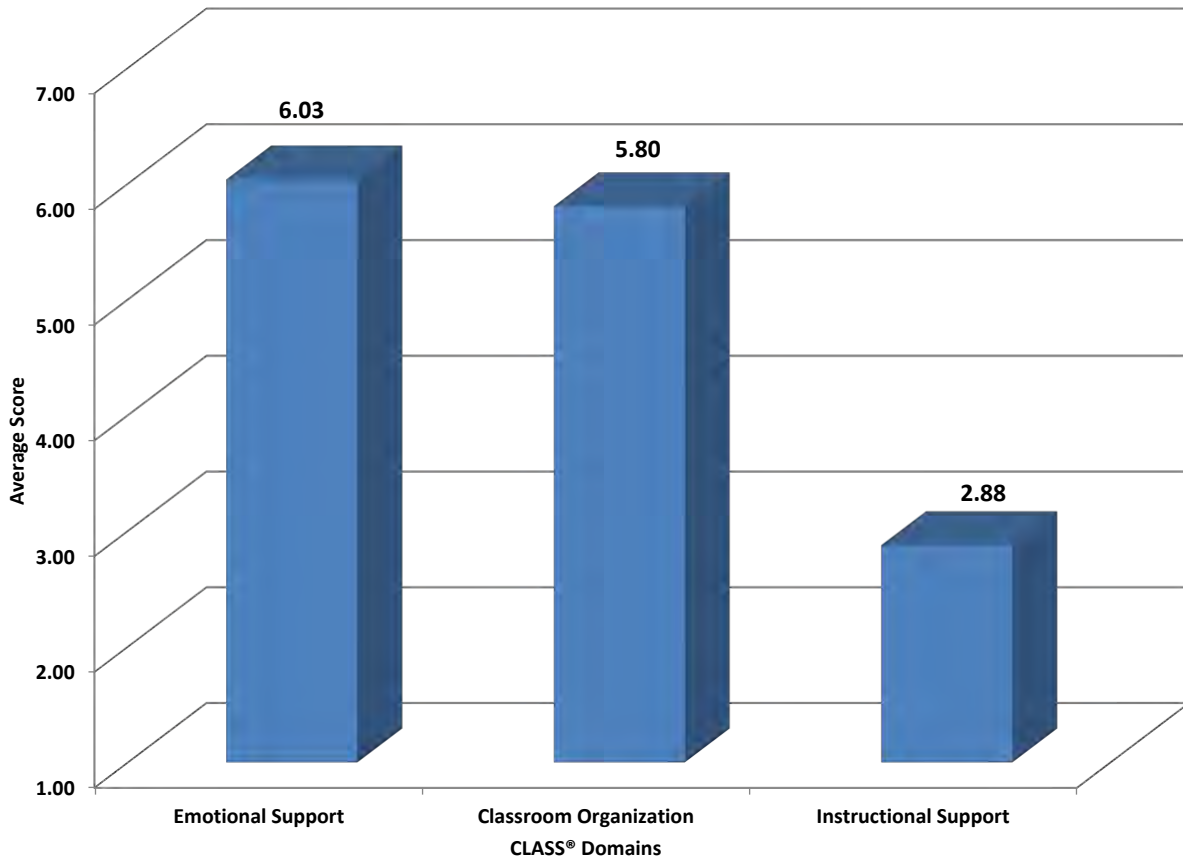
As noted in Section II of this report, CLASS® dimensions are grouped into three main domains - Classroom Organization, Emotional Support, and Instructional Support - which assess the various ways teachers and students interact. In FY 2015, grantees generally scored in the high quality range in the Emotional Support and Classroom Organization dimensions (Exhibit 14). Note that average scores for negative climate also fell in the high quality range, approaching the highest possible score of 1, meaning negative climates were not observed frequently (Negative climate is coded in the opposite direction of all the other dimensions). For the dimensions within Instructional Support, however, grantees scored in the low to middle quality range.

Exhibit 14: Average CLASS® Scores by Dimension (n = 227)



Dimensions are grouped together and averaged to create an average domain score. Across domains, scores were notably higher in the Emotional Support and Classroom Organization domains than in the Instructional Support dimensions (Exhibit 15), a similar pattern to FY 2014. As it relates to DRS, grantees in the bottom ten percent of grantees in any of the three domains are put into the DRS pool.

Exhibit 15: FY 2015 Average CLASS® Scores by Domain

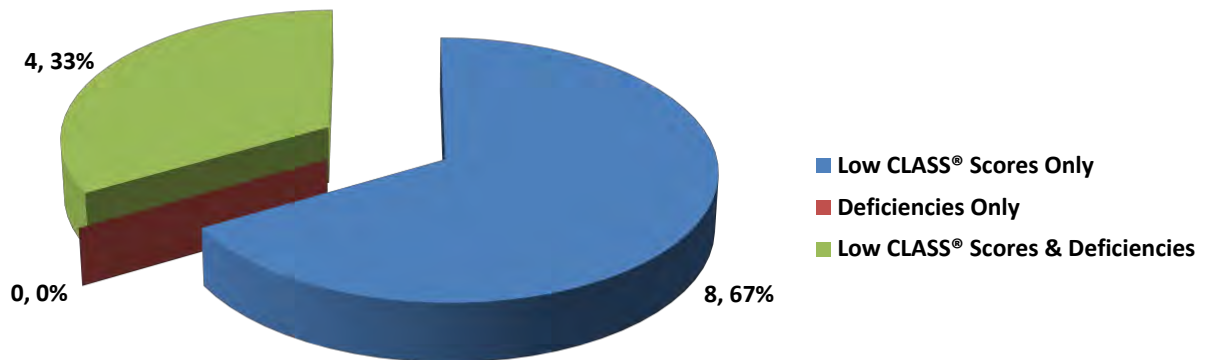


NOTE: The score for Negative Climate was inverted to calculate the average Emotional Support score (i.e. a score of one became a score of seven)

VI. Designation Renewal System (DRS) Results

OHS identified 12 grants that are required to compete for renewed grant funding based on low CLASS[®] scores or deficient findings. All 12 grants in the DRS cohort qualified based on low CLASS[®] scores. Four of the 12 also had elevated findings, immediate deficiencies, or deficiencies identified during FY 2015 reviews. As a result, none of the 12 grants qualified based on deficiencies alone. Grantees can also be included in the DRS pool for non-monitoring reasons. No grantees have been entered into the DRS pool for non-monitoring reasons based on FY 2015 monitoring reviews. Exhibit 16 presents the number of grantees in the DRS cohort and the reasons for their inclusion in the cohort.

Exhibit 16: FY 2015 Number of Grantees in Designation Renewal System (DRS) Pool and Reason for Inclusion (n = 12)



VII. Annual Review of the FY 2015 Fiscal Monitoring Procedures

Section 650(c) of the Head Start Act requires OHS to complete an annual review of fiscal monitoring procedures to “assess whether the design and implementation of the triennial reviews described in Section 641A(c) include compliance procedures that provide reasonable assurances that Head Start agencies are complying with applicable fiscal laws and regulations.” This Fiscal Monitoring Assessment demonstrates that the OHS fiscal monitoring process provides a complete and accurate picture of grantee fiscal integrity and required compliance with laws and regulations.

The Fiscal Protocol was developed by OHS and individuals with expertise in grantee fiscal operations (i.e., Head Start regional office staff and fiscal subject matter experts, including CPAs and attorneys). It supports consistency in evidence collection and examination and ensures even-handed treatment with regard to the overall assessment of grantee fiscal operations. The Head Start Act specifically requires that OHS include as part of the monitoring review a protocol for fiscal management to assess compliance with program requirements for:

- ▶ Using federal funds appropriately;
- ▶ Using federal funds specifically to purchase property (consistent with Section 644(f) of the Head Start Act) and to compensate personnel;
- ▶ Securing and using qualified financial officer support; and
- ▶ Reporting financial information and implementing appropriate internal controls to safeguard federal funds.

The key areas of the Fiscal Protocol take into account the requirements of the Head Start Act as well as additional fiscal compliance requirements found in other fiscal laws and regulations, including the Head Start Performance Standards and other regulations implemented at 45 CFR 1301 to 1311. The Fiscal Protocol frameworks include financial management systems, reporting, procurement, compensation, indirect costs and cost allocation, non-federal share, cost principles, facilities, and property. Fiscal compliance is assessed through review of designated pre-site documents submitted by the grantee, regional office fiscal information, on-site observations and review of documents, transactions, agreements, and interviews, including governing body and policy council members and key fiscal personnel.

FY 2015 Fiscal Monitoring Protocol

The Protocol organizes elements of Head Start Performance Standards and other regulations into a tool to monitor grantees in a standardized way. Prior to the launch of the FY 2015 monitoring process, OHS reviewed the FY 2014 Fiscal Protocol and considered enhancements to reflect changes in policy and procedure and to ensure compliance with the Head Start Act. As substantial enhancements were made prior to the FY 2011 reviews, there were relatively few changes between the FY 2014 and FY 2015 Fiscal Protocols. The Pre-Site Fiscal Information

Form (FIFO) implemented since FY 2011 continued to be used in FY 2015. The FIFO is completed using information from the regional office grants managers and is available to reviewers along with the pre-site documents provided by the grantee for review in advance of on-site activities. The FIFO informs on-site activities by providing reviewers with information related to the significant fiscal issues which a grantee may be encountering.

VIII. New Directions in Monitoring for FY 2016

Implementation of the Comprehensive Services and School Readiness (CSSR) and Leadership, Governance, and Management Systems (LGMS) Protocols

In FY 2016, OHS will implement two new Protocols in the aligned monitoring system: Comprehensive Services and School Readiness (CSSR) and Leadership, Governance, and Management Systems (LGMS).

The *Leadership, Governance and Management Systems (LGMS)* Protocol is organized to comprehensively assess how Head Start programs:

- ▶ Develop plans to achieve their goals and ensure the delivery of high-quality; comprehensive services to children and families in healthy and safe environments
- ▶ Coordinate and develop program resources;
- ▶ Implement program practices and deliver quality services; and
- ▶ Identify areas for ongoing program improvement.

Through the LGMS Protocol, OHS will work to understand how a grantee's governance and management systems support its provision of high-quality services and safe and healthy learning environments for children and families. The Protocol is designed to provide programs with an opportunity to describe how their organizational leadership, managers, and staff ensure effective governance, management, and performance.

The LGMS review consists of interviews with governing body members, policy council members, the director, service area coordinators, and direct-service staff. Information from this review will enable OHS to understand how each stakeholder contributes to the achievement of program goals, delivery of high-quality services, and the health and safety of children and families served by the program.

The *Comprehensive Services and School Readiness (CSSR)* Protocol focuses on grantee performance in providing comprehensive services and promoting school readiness to children and families enrolled in Head Start. The CSSR Protocol is designed to evaluate the program's implementation of services by focusing on how Head Start programs:

- ▶ Identify child and family strengths and needs, through building relationships with families and collecting data about the child and family;
- ▶ Address family and child needs by individualizing services for children and families and providing follow-up that illustrates effective delivery of services;
- ▶ Provide high quality teaching and learning with qualified teaching staff, implement the Head Start Early Learning Outcomes Framework, and analyze and use data to prepare children for school; and
- ▶ Plan for children's transition to kindergarten through educating and empowering each family to understand and advocate for its child's needs.

The FY 2016 CSSR Protocol will also feature a pilot of quality measures. OHS will use this pilot to better understand the range of program quality and to collect information to establish a more accurate picture of grantee performance. Historically, OHS reviewed programs only to determine whether they met the requirements of the Head Start Program Performance Standards. As monitoring evolves, OHS is incorporating more opportunities to observe the quality of program performance and provide grantees with information to support ongoing program improvement. The goal of OHS is to collect information to begin to build and test a continuum of quality. During the FY 2016 monitoring season, OHS will collect information to support its understanding of the quality of practices across the grantee community.

Enhancements to Fiscal Integrity, ERSEA, and Environmental Health and Safety (EnvHS) Protocols

In FY 2016, changes to the Fiscal Integrity, ERSEA, and EnvHS Protocols will incorporate the Uniform Guidance requirements which “establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities” (§75.100(a)(1)). Uniform Guidance standards will apply to grantees that were awarded their Head Start grant after December 25, 2015 and to grantees with older grant awards that choose to comply with the Uniform Guidance requirements.

In FY 2016, OHS will implement new eligibility requirements in the ERSEA Protocol. Questions will be added to monitor whether the grantee:

- ▶ Conducted and documented in-person or phone interviews when determining eligibility;
- ▶ Maintained copies of documents (e.g., W-2 forms) used to determine eligibility; and
- ▶ Documented contacts with third parties when verifying eligibility.

Finally, the EnvHS Protocol will be streamlined and reorganized to ensure efficient evidence collection and analysis and reporting to the grantee.

Appendix: Glossary

Term	Definition
<i>ACF</i>	Administration for Children and Families in the U.S. Department of Health and Human Services (HHS) (includes the regional offices).
<i>Actual Enrollment</i>	<p>Actual enrollment includes all children (and pregnant women) regardless of funding source (ACF or non-ACF) who are participating in a Head Start or Early Head Start program, and have attended at least one class or received at least one home visit.</p> <p>Related Terms: Funded Enrollment and ACF.</p>
<i>Aligned Monitoring System</i>	<p>In FY 2015, OHS implemented a newly aligned monitoring system to address the OHS grant cycle shift from an indefinite to a five-year project period. The Aligned Monitoring System was designed to provide OHS with comprehensive performance data needed by year four of the five-year grant. OHS will evaluate the data to determine whether the grantee will need to re compete. Additionally, OHS has increased its focus on measuring quality along with compliance, and is prioritizing having more frequent interaction with grantees to provide information to support their continuous improvement in core performance areas. OHS has identified core performance areas as:</p> <ul style="list-style-type: none"> ▶ Environmental Health and Safety, ▶ Management Systems and Program Governance, ▶ Fiscal Integrity and Eligibility, Recruitment, Selection, Enrollment, and Attendance (ERSEA), ▶ Comprehensive Services and School Readiness, and ▶ Teacher-Child Interactions (as addressed through the CLASS® observation instrument).
<i>Area of Noncompliance (ANC)</i>	<p>An Area of Noncompliance (ANC) is a type of review decision recorded in a complete Head Start Review Report that documents a grantee's lack of compliance with one or more Head Start program requirements. Depending on the documented severity of the grantee's lack of compliance and the degree to which the situation poses a threat to the safety and well-being of enrolled children, an Area of Noncompliance may become partial or sole justification for a deficiency determination or for a noncompliance determination.</p> <p>An Area of Noncompliance begins as a Preliminary Area of Noncompliance (PANC) identified by the review team in the field. A PANC becomes an Area of Noncompliance when OHS decides the PANC has sufficient evidentiary support to justify a noncompliance or deficiency determination.</p> <p>Related Terms: Deficiency, Determination, Noncompliance, Preliminary Area of Noncompliance, Head Start Performance Standards and Head Start Program Requirements.</p>
<i>Citation</i>	<p>A citation is a performance standard referenced on a Preliminary Area of Noncompliance or an Area of Noncompliance.</p> <p>Related Terms: Area of Noncompliance, Preliminary Area of Noncompliance and Performance Standards.</p>

Term	Definition
CLASS® Review	The CLASS® review event evaluates the quality of teacher-child interactions in three overall domains that promote positive child outcomes: Classroom Organization, Emotional Support, and Instructional Support. Evaluations are based on observations of teacher-child interactions in a randomly selected, statistically driven sample of eligible center-based classrooms.
Completed Review	<p>A completed review is a conducted monitoring review of any type (EnvHS, Fiscal/ERSEA, CLASS®, HSKI-C, other or follow-up) for which the Head Start Review Report has been officially received by the grantee.</p> <p>Related Term: Head Start Review Report</p>
Comprehensive Monitoring Process	<p>The Comprehensive Monitoring Process is comprised of six individual review events: Environmental Health and Safety (EnvHS); Fiscal Integrity and ERSEA; CLASS®; Leadership, Governance and Management Systems (LGMS); and Comprehensive Services and School Readiness (CSSR). Grantees engage in the Comprehensive Monitoring Process if they:</p> <ul style="list-style-type: none"> ▶ Do not meet the required criteria for Differential Monitoring Process ▶ Have an unsuccessful HSKI-C review <p>Related Terms: HSKI-C Review and Differential Monitoring Process</p>
Comprehensive Service and School Readiness (CSSR) Review	<p>The <i>Comprehensive Services and School Readiness (CSSR)</i> Protocol is designed to evaluate the program’s implementation of services as children and families participate by focusing on how Head Start programs:</p> <ul style="list-style-type: none"> ▶ Identify child and family strengths and needs, through building relationships with families and collecting data about the child and family. ▶ Address family and child needs by individualizing services for children and families and providing follow-up that illustrates effective delivery of services. ▶ Provide high quality teaching and learning with qualified teaching staff, implement the Head Start Early Learning Outcomes Framework, and use and analyze data to prepare children for school. ▶ Plan for transition through educating and empowering each family to understand and advocate for its child’s needs. <p>The CSSR review will be implemented in FY 2016.</p>
Deficiency	<p>The Head Start Act, as amended in 2007, defines a deficiency (Section 637 [42 U.S.C. 9832]) as follows:</p> <p>(A) <i>Systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves:</i></p> <ul style="list-style-type: none"> (i) <i>A threat to the health, safety, or civil rights of children or staff;</i> (ii) <i>A denial to parents of the exercise of their full roles and responsibilities related to program operations;</i> (iii) <i>A failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;</i> (iv) <i>The misuse of funds received under this subchapter;</i> (v) <i>Loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper</i>

Term	Definition
	<p><i>use of Federal funds; or</i></p> <p>(vi) <i>Failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;</i></p> <p>(B) <i>Systemic or material failure of the governing body of any agency to fully exercise its legal and fiduciary responsibilities; or</i></p> <p>(C) <i>An unresolved area of noncompliance.</i></p> <p><i>Deficiency is an OHS determination that a grantee has failed to substantially to provide the required services or to substantially implement required procedures.</i></p> <p>A deficiency [determination] is documented in a final Review Report and includes one or more Areas of Noncompliance. In a report, a statement of a deficiency determination includes a corrective action timeframe (of 30 days or 180 days depending on the severity), a finding category or deficiency type, and required corrective actions (Follow-up review and/or Quality Improvement Plan (QIP)).</p> <p>Related Terms: Area of Noncompliance, Determination, Grantee, Quality Improvement Plan (QIP) and Head Start Review Report.</p>
Delegate Agency	<p>A delegate agency is a public or private nonprofit or for-profit organization or agency to which a Head Start grantee has delegated by written agreement the carrying out of all or part of its responsibility for operating a Head Start program or programs.</p> <p>Related Terms: Grantee and Head Start Program.</p>
Determination	<p>A determination is an OHS decision regarding a grantee’s lack of compliance with state and/or federal requirements. A determination is documented in the Head Start Review Report and is supported by one or more Areas of Noncompliance each citing one or more performance standards. There are two types of determinations: Deficiency Determinations and Noncompliance Determinations. A determination statement indicates the type of determination, the corrective action timeframe, and the required corrective actions (Follow-up review and/or Quality Improvement Plan (QIP)).</p> <p>Related Terms: Deficiency, Noncompliance, Quality Improvement Plan (QIP) and Head Start Review Report.</p>
Differential Monitoring Process	<p>The <i>Differential Monitoring Process</i> recognizes grantees that have demonstrated a history of compliance, defined as:</p> <ul style="list-style-type: none"> ▶ No findings on the previous review cycle, ▶ No fiscal findings in the past two review cycles, ▶ No findings in the annual audits, ▶ No Designation Renewal System (DRS) criteria met, ▶ No significant program changes (e.g., changes in program leadership), and ▶ No concerns identified through input from the Regional Office. <p>Grantees eligible for this process first received a Head Start Key Indicators-Compliant (or HSKI-C) review. Grantees that are successful in, or pass, the HSKI-C review only receive the Environmental Health and Safety and CLASS®</p>

Term	Definition
	<p>review events (Differential Monitoring). Grantees which do not pass the HSKI-C go through the Comprehensive Monitoring Process.</p> <p>Related Terms: HSKI-C Review and Comprehensive Monitoring Process</p>
<i>Early Head Start Program</i>	<p>An agency or delegate agency funded under the Head Start Act to provide comprehensive child development services to children from birth to three years of age and pregnant women.</p> <p>Related Terms: Delegate Agency and Head Start Program.</p>
<i>Environmental Health and Safety (EnvHS) Review</i>	<p>The EnvHS Protocol is designed to ensure that all Head Start programs are implementing and promoting healthy practices and routines, as well as providing safe and supportive environments in which children can learn and grow. The EnvHS Protocol is also used to review the safety of physical environments and Transportation services provided by the program.</p> <p>The EnvHS Review consists of interviews with the director and service area coordinators, and direct-service staff. In addition, observations are conducted on every Head Start and Early Head Start classroom and center, family child care home, and socialization center to ascertain the safety of every setting that serves children.</p>
<i>Fiscal Integrity /ERSEA Review</i>	<p>In FY 2015, Fiscal Integrity and ERSEA were monitored in the same review event. The Fiscal Integrity Protocol facilitates assessment of the program’s compliance with Head Start and federal cost principle requirements. The instrument is designed to help OHS ensure programs have sound internal controls and strong reporting systems and use federal funds for intended purposes.</p> <p>This ERSEA Protocol guides the assessment of a program’s practices for verifying the eligibility status of children, families, and pregnant women receiving the program’s services and ensuring the appropriate enrollment of children into the program. The Protocol also assesses how the program monitors children’s attendance and offering families support, as needed, when attendance is an issue.</p>
<i>Fiscal Year (FY)</i>	<p>Twelve-month accounting period (federal FY 2015 began on October 1, 2014 and ended on September 30, 2015).</p>
<i>Follow-up Review</i>	<p>Return visits made to grantees to verify whether corrective actions have been implemented. Determinations in EnvHS, Fiscal/ERSEA, or Other reviews indicate whether or not a Follow-up review is required, and the timeframe within which the grantee must correct the Areas of Noncompliance. If the initial Follow-up review team identifies that one or more Areas of Noncompliance have not been corrected, OHS may decide a second Follow-up review is required. Less often, a third or fourth Follow-up review is conducted.</p> <p>Related Terms: EnvHS Review, Fiscal/ERSEA Review, Other Review and Monitoring Reviews.</p>
<i>Funded Enrollment</i>	<p>Funded enrollment is the total number of children (and pregnant women) that a Head Start (Early Head Start or Head Start/Early Head Start) program is to</p>

Term	Definition
	<p>serve as indicated on the federal Financial Assistance Award from ACF.</p> <p>Related Terms: Actual Enrollment and ACF.</p>
Grant	<p>A federally funded monetary award that is provided to an agency to perform Head Start (Early Head Start or Head Start/Early Head Start) services either directly or through delegate agencies.</p> <p>Related Terms: Grantee and Head Start Program.</p>
Grantee	<p>An agency (i.e. public or private nonprofit, school system) that has been awarded one or more grants by ACF to administer one or more Head Start programs (Early Head Start or Head Start/Early Head Start) or to oversee the programs administered by a delegate agency.</p> <p>Related Terms: Delegate Agency and Program Type.</p>
Grantee Compliance Status	<p>The final determination made on the grantee by the Office of Head Start (OHS) based on the results of the on-site monitoring review. The status is one of the following:</p> <ol style="list-style-type: none"> 1) Compliant: Grantees without a noncompliant or deficient finding 2) Having one or more noncompliances: Grantees with one or more noncompliant findings 3) Having one or more deficiencies: Grantees with one or more deficient findings, deficient grantees may have one or more noncompliant findings in addition to one or more deficient findings <p>Related terms: Deficiency and Noncompliance.</p>
Head Start Key Indicator-Compliant (HSKI-C) Review	<p>The HSKI-C review event identifies high performing grantees that are eligible for the Differential Monitoring Process. Grantees that are successful in, or pass, the HSKI-C review only receive the Environmental Health and Safety and CLASS® review events (Differential Monitoring). Grantees do not pass the HSKI-C go through the Comprehensive Monitoring Process. The HSKI-C review consists of interviews and staff file reviews.</p> <p>Related Terms: Differential Monitoring Process and Comprehensive Monitoring Process</p>
Head Start Program	<p>An agency or delegate agency funded under the Head Start Act to provide comprehensive child development services.</p> <p>Related Terms: Delegate Agency and Early Head Start Program.</p>
Head Start Program Requirements	<p>The Head Start Program Requirements include the Head Start Program Performance Standards and applicable laws, regulations and policy requirements to which all grantees operating a Head Start program must adhere. During the on-site monitoring review, review teams assess grantee's compliance with the Head Start Program Requirements.</p> <p>Related Terms: Head Start Program Performance Standards and Monitoring Reviews.</p>

Term	Definition
Head Start Review Report	<p>The Head Start Review Report serves as legal notice to a Head Start grantee of the results of the monitoring review. It provides the grantee with detailed information on the areas in which the grantee is not meeting Head Start program requirements. The Head Start Review Report also documents the corrective action timeframes that the grantee has to resolve the issues addressed in the report.</p> <p>Related Terms: Completed Review, Conducted Review, Corrective Action Timeframe, Deficiency and Noncompliance.</p>
HHS	<p>U.S. Department of Health and Human Services, which oversees the Administration for Children and Families (ACF).</p> <p>Related Terms: Administration for Children and Families (ACF).</p>
Leadership, Governance, and Management Systems (LGMS) Review	<p>The <i>Leadership, Governance and Management Systems (LGMS)</i> Protocol is organized to comprehensively assess how Head Start programs:</p> <ul style="list-style-type: none"> ▶ Develop plans to achieve their goals and ensure the delivery of high-quality comprehensive services to children and families in healthy and safe environments ▶ Coordinate and develop program resources ▶ Implement program practices and deliver quality services ▶ Identify areas for ongoing program improvement. <p>The LGMS Review consists of interviews with governing body members, Policy Council members, the Director, service area coordinators, and direct-service staff. The LGMS review will be implemented in FY 2016.</p>
Monitoring Reviews	<p>In FY 2015, there were six main types of monitoring reviews or review types: (1) Environmental Health and Safety (EnvHS), (2) Fiscal Integrity/ERSEA, (3) CLASS®, (4) HSKI-C, (5) Other, and (6) Follow-up. Programs that are not in compliance with Head Start federal regulations and requirements during the on-site monitoring review are required to have a Follow-up review to verify whether corrective actions have been implemented.</p> <p>Related Terms: Head Start Program Performance Standards, Head Start Program Requirements, EnvHS Review, Fiscal Integrity/ERSEA Review, CLASS® Review, HSKI-C, Other Review and Follow-up Review.</p>
Noncompliance	<p>A noncompliance is an area of noncompliance (ANC) citing one or more performance standards and related to a noncompliance determination in the completed Head Start Review Report.</p> <p>Related Terms: Area of Noncompliance, Determination, Grantee, Quality Improvement Plan (QIP) and Head Start Review Report.</p>
Office of Head Start (OHS)	<p>Within the Administration for Children and Families in the U.S. Department of Health and Human Services (HHS), the Office of Head Start (OHS) serves as the principal advisory unit to the Assistant Secretary on issues regarding the Head Start program. OHS provides leadership, coordinates activities, develops legislative and budgetary proposals, and presents objectives and initiatives for the Head Start program.</p> <p>Related Terms: U.S. Department of Health and Human Services (HHS) and Administration for Children and Families (ACF).</p>

Term	Definition
<i>OHSMS Software</i>	An integrated technology solution supporting a broad spectrum of monitoring review activities: pre-site planning and document-sharing, on-site review coordination and documentation, and post-review corrective action activities.
<i>Other Review</i>	Alerted to a potential performance issue or concern with a grantee, OHS may resolve to conduct an out-of-cycle review, referred to as an Other review. Other reviews, unlike EnvHS and Fiscal/ERSEA reviews, are non-routine in nature. Related Terms: Triennial Review, Follow-up Review and Monitoring Reviews.
<i>Performance Standards (Head Start Program Performance Standards) and other regulations</i>	Head Start functions, activities, and facility criteria required to meet the objectives of the Head Start program as they relate directly to children and their families. The Performance Standards are one source for measuring grantee compliance. Related Terms: Head Start Program Requirements.
<i>Preliminary Area of Noncompliance (PANC)</i>	A preliminary conclusion of a grantee's failure to comply with a given Head Start program performance standard or regulation. This conclusion is based on evidence collected by the review team during the monitoring review. A PANC becomes an Area of Noncompliance in a final Review Report if OHS determines that the PANC has sufficient evidence and documentation. Related Terms: Area of Noncompliance, Determination, Grantee and Head Start Review Report.
<i>Program Type</i>	Program type describes the category of services (i.e. Early Head Start or Head Start) that a Head Start program provides. There are three program types: (1) Head Start, (2) Early Head Start, and (3) Head Start/Early Head Start. Related Terms: Head Start, Early Head Start, and Head Start Program.
<i>Protocol</i>	In the Aligned Monitoring System, each review event has a monitoring protocol designed to assess the performance and compliance of Head Start grantees in a specific content area. In FY 2015, separate monitoring protocols focused on areas such as Fiscal Integrity, ERSEA, and Environmental Health and Safety. Each protocol contains a set of compliance questions that are directly linked to a regulation; therefore, any review activity including interviews, observations, or document review relates to a clearly defined performance requirement. Review teams are required to adhere to a uniform and defined set of compliance questions increases focus, efficiency, fairness and comprehensiveness of the scope of the review.
<i>Quality Improvement Plan (QIP)</i>	Once a grantee is determined to have one or more deficiencies, the grantee must submit for approval a quality improvement plan (QIP) to the regional office outlining the deficiencies to be corrected, the actions to be taken to correct each deficiency, and the timeframe for accomplishing the corrective actions specified Related Terms: Determination and Deficiency.
<i>Review Decision</i>	Decision about a grantee's compliance with applicable laws and regulations based on evidence collected during the monitoring review. (Review decisions

Term	Definition
	<p>include “no areas of noncompliance,” “areas of noncompliance,” and deficiency determinations.)</p> <p>Related Terms: Areas of Noncompliance, Deficiency, Noncompliance, Determination and Monitoring Reviews.</p>
<i>Review Field Lead (RFL)</i>	<p>Staff person who leads the monitoring review team. The review field leader (RFL) delegates tasks, assigns reviewers to complete sections of the Protocol, and facilitates and coordinates interaction between grantee staff and review team members.</p> <p>Related Terms: Monitoring Reviews.</p>
<i>Reviewer</i>	<p>Member of a monitoring review team who under the guidance of the monitoring RFL gathers evidence through observations, interviews and document review to assess the performance of a Head Start grantee being reviewed.</p> <p>Related Terms: Monitoring Reviews.</p>
<i>Triennial Review</i>	<p>Head Start grantees undergo monitoring reviews every three years. These types of reviews were referred to as “Triennial” reviews. Triennial reviews were implemented prior to FY 2015. Starting in FY 2015, OHS no longer conducted Triennial reviews and implemented the new Aligned Monitoring System which conducts specific content area reviews (e.g., EnvHS, Fiscal/ERSEA) across the first three years of a grantee’s five-year grant cycle.</p> <p>Related Terms: Follow-up Review, Other Review and Monitoring Reviews.</p>

Appendix: Tables

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
1304.53(a)(10)(vii)	Exits and evacuation routes	76	30.2%
1304.53(a)(10)(viii)	Cleaning of indoor and outdoor premises	60	23.8%
1304.53(a)(7)	Grantee must provide for the maintenance, repair, safety, and security of all facilities, materials and equipment.	60	23.8%
1304.53(a)(10)(x)	Playground equipment and surfaces	51	20.2%
648A(g)(3)(A)	Criminal Record Checks	42	16.7%
1304.53(a)(10)(xi)	Electrical outlets	33	13.1%
1304.22(c)(1)	Labeling and storage of medications	32	12.7%
1304.53(a)(10)(iv)	Facility lighting	28	11.1%
1304.53(a)(10)(xiv)	Handwashing, diapering, and toilet practices	27	10.7%
1304.53(a)(10)(vi)	Smoke detectors	23	9.1%
1304.53(a)(10)(v)	Fire extinguishers	21	8.3%
1304.53(a)(5)	Centers must have at least 35 square feet of usable indoor space per child and at least 75 square feet of outdoor space per child.	21	8.3%
1304.22(a)(3)	Posted emergency evacuation routes and other safety procedures for emergencies	19	7.5%
1304.52(i)(1)(iii)	Code of conduct specifies that children are not unsupervised or left alone	19	7.5%
1304.22(a)(1)	Health Emergency Procedures. Grantee and delegate agencies operating center-based programs must establish and implement policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained. At a minimum, these policies and procedures must include: Posted policies and plans of action for emergencies that require rapid response on the part of staff (e.g., a child choking) or immediate medical or dental attention	18	7.1%
1304.53(a)(8)	Environment is free of air pollutants as well as soil and water contaminants	17	6.7%
1304.53(a)(10)	Annual safety inspection to ensure facility's space, light,	16	6.3%

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
	ventilation, heat, and other physical arrangements consistent with health, safety and developmental needs of children		
648A(g)(3)(B)	Criminal Record Checks	15	6.0%
648A(g)(3)(C)	Criminal Record Checks	15	6.0%
1304.22(c)(4)	Maintaining individual records of all medications dispensed and reviewing records with parents	13	5.2%
1304.22(c)(3)	Obtaining physicians' instructions and parental consent for all medications administered by staff	12	4.8%
1304.53(a)(10)(iii)	Storage and labeling of medication and storage of hazardous materials	12	4.8%
1306.32(a)(5)	For classes serving three year old children, the average class size must be between 15 and 17 children.	11	4.4%
1304.23(e)(2)	For programs serving infants and toddlers, facilities must be available for the proper storage and handling of breast milk and formula.	10	4.0%
1304.53(b)(3)	To reduce the risk of Sudden Infant Death Syndrome (SIDS), all sleeping arrangements for infants must use firm mattresses and avoid soft bedding materials such as comforters, pillows, fluffy blankets or stuffed toys.	10	4.0%
1304.53(a)(10)(i)	Heating and cooling systems	8	3.2%
1304.52(i)(1)(iv)	Code of conduct specifies that the program will not use positive methods of child guidance and will not engage in corporal punishment	7	2.8%
1304.53(b)(1)(iii)	Head Start Equipment, Toys, Materials, and Furniture: Age-appropriate, safe, and supportive of abilities	7	2.8%
1310.10(d)(2)	Fire extinguishers and safety equipment	6	2.4%
1310.10(d)(4)	Seat belt cutter	5	2.0%
1310.10(g)	Each agency must ensure that children are only released to a parent or legal guardian, or other individual identified in writing by the parent or legal guardian.	5	2.0%
1304.53	Facilities, materials, and equipment	4	1.6%

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
1304.53(a)	Head Start physical environment and facilities	4	1.6%
1306.35(b)(2)(i)	Family child care program option - Injury prevention. Grantee and delegate agencies must ensure that: (i) Children enrolled in the HS FCC program option are protected from potentially hazardous situations.	4	1.6%
1304.22(c)(2)	Designation of a training staff member for handling and storing medications	3	1.2%
1304.52(g)(4)	Each teacher working exclusively with infants and toddlers has responsibility for no more than four infants and toddlers and that no more than eight infants and toddlers are placed in any one group	3	1.2%
1304.53(a)(10)(xvi)	Disposal of sewage and storage of trash	3	1.2%
1306.35(b)(1)	Safety Plan. Grantees and delegate agencies offering the family child care program option must ensure the health and safety of children enrolled. The family child care home must have a written description of its health, safety, and emergency policies and procedures, and a system for routine inspection to ensure ongoing safety	3	1.2%
1304.22(e)(5)	Grantee and delegate agencies must adopt sanitation and hygiene procedures for diapering that adequately protect the health and safety of children served by the program and staff. Grantee and delegate agencies must ensure that staff properly conduct these procedures.	2	0.8%
1304.53(a)(10)(i)(iii)	Flammable and other dangerous materials and potential poisons are stored in locked cabinets or storage facilities separate from stored medications and food and are accessible only to authorized persons. All medications, including those required for staff and volunteers, are labeled, stored under lock and key, refrigerated if necessary, and kept out of the reach of children	2	0.8%
1304.53(a)(10)(i)(vii)	Indoor and outdoor premises are cleaned daily and kept free of undesirable and hazardous materials and conditions	2	0.8%
1304.53(b)(1)	Head Start Equipment, Toys, Materials, and Furniture: Provide sufficient equipment	2	0.8%

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
1306.20(g)(1)	When there is one family child care provider, the maximum group size is six children and no more than two of the six may be under two years of age. When there is a provider and an assistant, the maximum group size is 12 children with no more than four of the 12 children under two years of age.	2	0.8%
1306.32(a)(2)	Class size not appropriate for age group	2	0.8%
1306.32(a)(3)	Center-based Class Size: Four and five year old children	2	0.8%
1306.32(a)(6)	When double session classes serve predominantly three-year-old children, the average class size of that group of classes must be between 13 and 15 children.	2	0.8%
1310.10(d)(3)	First Aid kits on buses	2	0.8%
1304.22	Child health and safety	1	0.4%
1304.22(c)	Medication administration. Grantee and delegate agencies must establish and maintain written procedures regarding the administration, handling, and storage of medication for every child. Grantee and delegate agencies may modify these procedures as necessary to satisfy state or tribal laws, but only where such laws are consistent with federal laws.	1	0.4%
1304.22(e)(1)(i)	Handwashing, diapering, and toilet practices	1	0.4%
1304.22(e)(1)(ii)	Handwashing before food preparation, handling, or consumption	1	0.4%
1304.23(b)(1)	Design and implementation of a nutrition program	1	0.4%
1304.23(b)(1)(vii)	Child Nutrition. (b) Nutritional Services (1) Grantee and delegate agencies must design and implement a nutrition program that meets the nutritional needs and feeding requirements of each child, including those with special dietary needs and children with disabilities. Also, the nutrition program must serve a variety of foods which consider cultural and ethnic preferences and which broaden the child's food experience. (vii) Meal and snack periods in center-based settings must be appropriately scheduled and adjusted, where necessary, to ensure that individual needs are met. Infants and young toddlers who need it must be fed "on demand" to the extent possible or at appropriate intervals.	1	0.4%

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
1304.53(a)(10)(ii)	Flammable furniture or other materials	1	0.4%
1304.53(a)(10)(xii)	Windows and glass doors	1	0.4%
1304.53(a)(9)	Head Start Physical Environment and Facilities: Arrangement of outdoor play areas at center-based programs	1	0.4%
1306.20(g)(2)	One family child care provider may care for up to four infants and toddlers, with no more than two of the four children under the age of 18 months.	1	0.4%
1306.30(c)	facilities used must comply with state and local requirements concerning licensing	1	0.4%
1306.32(a)(1)	Head Start classes must be staffed by a teacher and an aide or two teachers and, whenever possible, a volunteer.	1	0.4%
1306.35(b)(2)(ix)	Providers secure health certificates for pets to document up to date immunizations and freedom from any disease or condition that poses a threat to children's health. Family child care providers must ensure that pets are appropriately managed to ensure child safety at all times.	1	0.4%
1310.12(a)	Effective January 18, 2006, each agency providing transportation services must ensure that children enrolled in its program are transported in school buses or allowable alternate vehicles that are equipped for use of height- and weight-appropriate child restraint systems, and that have reverse beepers. (Does not apply to transportation services to children served under the home-based option for Head Start and Early Head Start.)	1	0.4%
1310.12(b)	Effective February 20, 2001, each Head Start and Early Head Start agency receiving permission from the responsible HHS official to purchase a vehicle with grant funds for use in providing transportation services to children in its program or a delegate agency's program must ensure that the funds are used to purchase a vehicle that is either a school bus or an allowable alternate vehicle and is equipped	1	0.4%
1310.17(f)(2)	Bus monitoring training in boarding and exiting procedures, use of child restraint systems, paperwork, responses to emergencies, use of special equipment, child pick-up and release procedures and pre- and post-trip vehicle check.	1	0.4%

EnvHS: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant EnvHS Citations	
		n	%
641A(g)(3)	Sec. 641A. STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS [42 U.S.C. 9836A] (g) Self-Assessments- (3) ONGOING MONITORING- Each Head Start agency (including each Early Head Start agency) and each delegate agency shall establish and implement procedures for the ongoing monitoring of their respective programs, to ensure that the operations of the programs work toward meeting program goals and objectives and standards described in subsection (a)(1).	1	0.4%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
640(d)(1)	The Secretary shall establish policies and procedures to assure that, for fiscal year 2009 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are determined to be eligible for special education and related services, or early intervention services.	16	18.6%
74.21(b)(3)	Financial management systems shall provide for effective control over and accountability for all funds, property and other assets.	13	15.1%
74.21(b)(1)	Financial management system shall provide accurate and complete disclosure of financial results of each HHS-sponsored project or program	10	11.6%
74.37	Real property, equipment, intangible property and debt instruments that are acquired or improved with federal funds shall be held in trust by the recipients as trustee for the beneficiaries of the project or program under which the property was acquired or improved, and shall not be encumbered without the approval of the HHS awarding agency.	9	10.5%
74.23(a)(3)	Cost sharing or matching contributions must be necessary and reasonable for proper and efficient accomplishment of project or program objectives	8	9.3%
1309.54	Contractors working on construction or renovation of Head Start facilities shall be paid wages prevailing wage for similar work in the locality	7	8.1%
653(b)(1)	No federal funds may be used to pay any part of the compensation of an individual employed by a Head Start agency, if such compensation exceeds an amount equal to the rate payable for level II of the Executive Schedule	5	5.8%
74.23(a)(1)	Cost sharing or matching contributions must be verifiable from the recipient's records	5	5.8%
74.23(h)(3)	Value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal	5	5.8%
1309.21(b)	Facilities acquired with grant funds may not be mortgaged or used as collateral, or sold or otherwise transferred to another party, without the written permission of the responsible HHS	4	4.7%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
	official.		
230, App A(A)(2)(g)	Factors affecting allowability of costs include adequate documentation	4	4.7%
74.21(b)(2)	Financial management systems shall provide for records that identify adequately the source and application of funds for HHS-sponsored activities.	4	4.7%
1305.8(b)	If absences result from factors, including temporary family problems that affect a child's regular attendance, the program must initiate appropriate family support procedures for all children with four or more consecutive unexcused absences.	3	3.5%
230, App A(A)(2)	Factors affecting allowability of costs must meet a criteria laid out in the standards.	3	3.5%
230, App B(43)(c)	Allowability of rental costs under less-than-arm's-length leases	3	3.5%
230, App B(8)(c)	Reasonableness	3	3.5%
92.23(a)	Grantee can charge to the award only costs resulting from obligations of the funding period.	3	3.5%
1301.32(a)(1)	Allowable costs for developing and administering a Head Start program may not exceed 15 percent of the total approved costs of the program	2	2.3%
230, App A(A)(2)(a)	Factors affecting allowability of costs must be reasonable for the performance of the award and be allocable thereto under these principles.	2	2.3%
230, App A(A)(4)	Allocable costs. a. A cost is allocable to a particular cost objective, such as a grant, contract, project, service, or other activity, in accordance with the relative benefits received. A cost is allocable to a federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it: (1) Is incurred specifically for the award. (2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or (3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown. b. Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other federal awards to overcome funding deficiencies, or to	2	2.3%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
	avoid restrictions imposed by law or by the terms of the award.		
230, App B(11)(a)	Compensation for the use of buildings, other capital improvements, and equipment can be made through allowance or depreciation.	2	2.3%
230, App B(8)(j)	Allowability of incentive compensation to employees	2	2.3%
74.23(a)(4)	Cost sharing or matching contributions must be allowable under the applicable cost principles	2	2.3%
74.23(d)	Cost sharing or matching: Volunteer services	2	2.3%
74.23(h)(1)	The value of donated property shall be determined in accordance with the usual accounting policies of the recipient, with the following qualifications: The value of donated land and buildings shall not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.	2	2.3%
74.23(i)(1)	Volunteer services shall be documented to support records for in-kind contributions from third parties.	2	2.3%
74.25	Revision of budget and program plans	2	2.3%
74.28	A recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period	2	2.3%
92.24(g)	Appraisal of real property.	2	2.3%
1304.23(b)(1)(i)	Funding for nutritional services primarily from USDA for both EHS and HS programs	1	1.2%
1304.51(h)	Grantee and delegate agencies must establish and maintain efficient and effective reporting systems	1	1.2%
1305.4(c)	Family income must be verified before determining that a child is eligible	1	1.2%
1305.4(d)	Family income verification must include examination of specified forms	1	1.2%
1305.4(e)	A signed statement identifying which documents was examined to verify income eligibility must be maintained	1	1.2%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
1305.6(b)	In selecting the children and families to be served, the Head Start program must consider the income of eligible families, the age of the child, the availability of kindergarten or first grade to the child, and the extent to which a child or family meets the criteria that each program is required to establish in Sec. 1305.3(c)(6). Migrant programs must also give priority to children from families whose pursuit of agricultural work required them to relocate most frequently within the previous two-year period.	1	1.2%
1305.8(a)	When the monthly average daily attendance rate in a center-based program falls below 85 percent, a Head Start program must analyze the causes of absenteeism. The analysis must include a study of the pattern of absences for each child, including the reasons for absences as well as the number of absences that occur on consecutive days.	1	1.2%
1309.2	Approval of the use of Head Start funds to continue purchase of facilities. Head Start grantees (including Early Head Start grantees) which purchased facilities after December 31, 1986, and which are continuing to pay costs of purchasing those facilities, may apply to receive Head Start funds to meet those costs by submitting applications which conform to the requirements of this part and the Act. A grantee may only use grant funds to pay facility purchase costs incurred after the responsible HHS official approves its application.	1	1.2%
225, App A(C)(1)	Factors affecting allowability of costs. To be allowable under federal awards, costs must meet the following general criteria	1	1.2%
225, App A(C)(1)(a)	To be allowable under federal awards, costs must meet the following general criteria: Be necessary and reasonable for proper and efficient performance and administration of federal awards.	1	1.2%
225, App A(C)(1)(j)	To be allowable under federal awards, costs must be adequately documented.	1	1.2%
225, App A(C)(2)	A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.	1	1.2%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
225, App B(11)(a)	Selected Items of Cost: Depreciation and use allowances	1	1.2%
230, App A(A)(2)(b)	Factors affecting allowability of costs must conform to any limitations or exclusions set forth in these principles or in the award.	1	1.2%
230, App A(A)(4)(a)(2)	A cost is allocable to a federal award if it benefits both the award and other work and can be distributed in reasonable proportion	1	1.2%
230, App B(11)(b)	Selected Items of Cost: Depreciation and use allowances.	1	1.2%
230, App B(12)(c)(1)	Donated goods; i.e., expendable personal property/supplies, and donated use of space may be furnished to a non-profit organization. The value of the goods and space is not reimbursable either as a direct or indirect cost.	1	1.2%
230, App B(8)(b)	Allowability. Except as otherwise specifically provided in this paragraph, the costs of such compensation are allowable to the extent that	1	1.2%
230, App B(8)(c)(2)	Compensation for employees on federally-sponsored work is reasonable if it is comparable to that paid for similar work in the labor markets in which the organization competes.	1	1.2%
230, App B(8)(m)(2)	After the fact determination of each employee's activity in which they are compensated, must be signed by employee	1	1.2%
645(a)(1)(B)(iii)(I)	to a reasonable extent (but not to exceed 10 percent of participants), participation of children in the area served who would benefit from such programs but who are not eligible under clause (i) or (ii); and	1	1.2%
74.21(b)(4)	Recipients' financial management systems shall provide comparison of outlays with budget amounts for each award.	1	1.2%
74.25(c)(2)	For nonconstruction awards, recipients shall obtain prior approvals from the HHS awarding agency for change in the project director or principal investigator or other key persons specified in the application or award document.	1	1.2%
74.34(f)(3)	The recipient shall take a physical inventory of equipment and the results reconciled with the equipment records at least once every two years.	1	1.2%

Fiscal Integrity/ERSEA: Performance Standards Most Frequently Cited as Noncompliant			
Performance Standard	Standard Description	Grantees Reviewed with Noncompliant Fiscal/ERSEA Citations	
		n	%
74.34(g)	When the recipient no longer needs the equipment, it may use the equipment for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original HHS awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of HHS's share in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the HHS awarding agency; such instructions must be issued to the recipient no later than 120 calendar days after the recipient's request	1	1.2%
74.42	Standards of conduct governing the performance of its employees engaged in the award and administration of contracts	1	1.2%
74.43	All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.	1	1.2%
92.20(b)(1)	Standards for financial management systems: Financial reporting	1	1.2%
92.20(b)(2)	Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities.	1	1.2%
92.32(e)	Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a federal agency, disposition of the equipment will be made as follows	1	1.2%

Performance Standards Most Frequently Cited as Deficient			
Performance Standard	Standard Description	Grantees Reviewed with Deficient Citations	
		n	%
1304.52(i)(1)(iii)	Code of conduct specifies that children are not unsupervised or left alone	58	70.7%
1304.52(i)(1)(iv)	Code of conduct specifies that the program will use positive methods of child guidance and will not engage in corporal punishment	15	18.3%
1310.10(g)	Each agency must ensure that children are only released to a parent or legal guardian, or other individual identified in writing by the parent or legal guardian.	11	13.4%
1304.53(a)(10)(viii)	Cleaning of indoor and outdoor premises	4	4.9%
1304.53(a)(7)	Grantee must provide for the maintenance, repair, safety, and security of all facilities, materials and equipment.	4	4.9%
1306.30(c)	facilities used must comply with state and local requirements concerning licensing	3	3.7%
1304.22(c)(1)	Labeling and storage of medications	2	2.4%
1304.22(c)(3)	Obtaining physicians' instructions and parental consent for all medications administered by staff	2	2.4%
1304.22(c)(4)	Maintaining individual records of all medications dispensed and reviewing records with parents	2	2.4%
1304.24(a)(3)(iii)	Mental health consultant must provide staff and parents with assistance providing special help to children with atypical behavior and development	2	2.4%
1304.52(i)(1)(vi)	Identifying and reporting suspected child abuse or neglect	2	2.4%
1304.53(a)(10)(i)	Heating and cooling systems	2	2.4%
1304.53(a)(10)(v)	Fire extinguishers	2	2.4%
1304.53(a)(8)	Environment is free of air pollutants as well as soil and water contaminants	2	2.4%
648A(g)(3)(A)	Criminal Record Checks	2	2.4%
1304.22(a)	Center-based program agencies must maintain policies and procedures to address medical and dental health emergencies.	1	1.2%
1304.22(a)(5)	Health Emergency Procedures. Grantee and delegate agencies operating center-based programs must establish and implement	1	1.2%

Performance Standards Most Frequently Cited as Deficient			
Performance Standard	Standard Description	Grantees Reviewed with Deficient Citations	
		n	%
	policies and procedures to respond to medical and dental health emergencies with which all staff are familiar and trained. At a minimum, these policies and procedures must include: Established methods for handling cases of suspected or known child abuse and neglect that are in compliance with applicable federal, state, or tribal laws.		
1304.22(c)(2)	Designation of a training staff member for handling and storing medications	1	1.2%
1304.24(a)(1)(ii)	Grantee and delegate agencies must work collaboratively with parents by sharing staff observations of their child and discussing and anticipating with parents their child's behavior and development, including separation and attachment issues	1	1.2%
1304.24(a)(3)(i)	Design and implement program practices responsive to the identified behavioral and mental health concerns	1	1.2%
1304.24(a)(3)(ii)	Mental health program services must include a regular schedule of on-site mental health consultation on how to promote children's mental wellness by providing group and individual staff and parent education on mental health issues	1	1.2%
1304.51(h)	Grantee and delegate agencies must establish and maintain efficient and effective reporting systems	1	1.2%
1304.51(h)(1)	Periodic reports of financial status and program operations	1	1.2%
1304.51(h)(2)	Generate official reports for federal, state, and local authorities	1	1.2%
1304.51(i)(2)	Grantees must establish and implement procedures for the ongoing monitoring of their operations and those of their delegate agencies	1	1.2%
1304.52(i)(1)	Standards of Conduct are written and followed	1	1.2%
1304.53(a)(10)	Annual safety inspection to ensure facility's space, light, ventilation, heat, and other physical arrangements consistent with health, safety and developmental needs of children	1	1.2%
1304.53(a)(10)(iv)	Facility lighting	1	1.2%
1304.53(a)(10)(vi)	Smoke detectors	1	1.2%
1304.53(a)(10)(x)	Playground equipment and surfaces	1	1.2%
1304.53(a)(10)(xi)	Electrical outlets	1	1.2%

Performance Standards Most Frequently Cited as Deficient			
Performance Standard	Standard Description	Grantees Reviewed with Deficient Citations	
		n	%
1304.53(a)(10)(xii)	Windows and glass doors	1	1.2%
1304.53(a)(10)(xiv)	Handwashing, diapering, and toilet practices	1	1.2%
1304.53(a)(5)	Centers must have at least 35 square feet of usable indoor space per child and at least 75 square feet of outdoor space per child.	1	1.2%
1306.35(b)(2)(i)	Family child care program option - Injury prevention. Grantee and delegate agencies must ensure that: (i) Children enrolled in the HS FCC program option are protected from potentially hazardous situations.	1	1.2%
1310.12(a)	Effective January 18, 2006, each agency providing transportation services must ensure that children enrolled in its program are transported in school buses or allowable alternate vehicles that are equipped for use of height- and weight-appropriate child restraint systems, and that have reverse beepers. (Does not apply to transportation services to children served under the home-based option for Head Start and Early Head Start.)	1	1.2%
641A(g)(3)	Sec. 641A. STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS [42 U.S.C. 9836A] (g) Self-Assessments- (3) ONGOING MONITORING- Each Head Start agency (including each Early Head Start agency) and each delegate agency shall establish and implement procedures for the ongoing monitoring of their respective programs, to ensure that the operations of the programs work toward meeting program goals and objectives and standards described in subsection (a)(1).	1	1.2%
648A(a)(3)(B)(i)	Staff Qualifications	1	1.2%
648A(a)(3)(B)(ii)	Staff Qualifications	1	1.2%
648A(a)(3)(B)(iii)	Staff Qualifications	1	1.2%
648A(g)(3)(B)	Criminal Record Checks	1	1.2%
648A(g)(3)(C)	Criminal Record Checks	1	1.2%

Performance Standards Most Frequently Elevated			
Performance Standard	Standard Description	Number of Elevated Citations	
		n	%
1304.52(i)(1)(iii)	Code of conduct specifies that children are not unsupervised or left alone	2	33.3%
1301.32(a)(1)	Allowable costs for developing and administering a Head Start program may not exceed 15 percent of the total approved costs of the program	1	16.7%
1304.22(c)(1)	Labeling and storage of medications	1	16.7%
1304.51(h)	Grantee and delegate agencies must establish and maintain efficient and effective reporting systems	1	16.7%
1304.53(a)(10)(xiv)	Handwashing, diapering, and toilet practices	1	16.7%
640(d)(1)	The Secretary shall establish policies and procedures to assure that, for fiscal year 2009 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are determined to be eligible for special education and related services, or early intervention services.	1	16.7%
74.23(a)(4)	Cost sharing or matching contributions must be allowable under the applicable cost principles	1	16.7%
92.23(a)	Grantee can charge to the award only costs resulting from obligations of the funding period.	1	16.7%