

## Executive Summary

This report presents a summary of the findings of Fiscal Year (FY) 2014 monitoring reviews, fulfilling the reporting requirement, Section 641A(f), of the Head Start Act. It highlights the enhancements made to the FY 2014 monitoring review system, summarizes grantee review outcomes, and describes the types of findings most commonly identified in FY 2014.

Head Start monitoring assesses grantee compliance with requirements governing Head Start programs. Monitoring reviews take several forms; in FY 2014, each Head Start grantee received a full on-site review immediately after completion of its first year (First-Year review) of providing Head Start services and full on-site reviews on a triennial basis thereafter (Triennial reviews). Grantees also received “Other” reviews if the Office of Head Start (OHS) determined that the grantee was at risk. Any grantee found to be out of compliance with Head Start requirements during any review—First Year, Triennial, or Other—received a “Follow-up” review to ensure that all findings were corrected. Exhibit 1 describes the four types of reviews.

### Exhibit 1: Types of 2014 Reviews

Type of Review	Description
<b>First Year Review</b>	<ul style="list-style-type: none"> <li>▶ Full on-site review immediately after completion of their first year</li> <li>▶ Mandated by Section 641A of the Head Start Act</li> </ul>
<b>Triennial Review</b>	<ul style="list-style-type: none"> <li>▶ Full on-site reviews conducted on a triennial basis</li> <li>▶ Mandated by Section 641A of the Head Start Act</li> </ul>
<b>Other Review</b>	<ul style="list-style-type: none"> <li>▶ Grantees may receive review if they are determined to be at risk</li> </ul>
<b>Follow-up</b>	<ul style="list-style-type: none"> <li>▶ Conducted for grantees found to be out of compliance with Head Start requirements to ensure that all findings are corrected</li> </ul>

Notes: Reviews were conducted by a team of reviewers knowledgeable about Head Start and led by a Review Team Leader (RTL). To assess grantee compliance, review teams used the Office of Head Start Monitoring Protocol, which employs a standardized approach to assess program services and quality. Areas assessed include education, health, mental health, disabilities, nutrition, family and community partnerships, program management, governance, fiscal controls, facilities, enrollment, recruitment and selection, and program design.

### Enhancements to the FY 2014 Review Process

Each year, OHS re-examines the monitoring review system to ensure ongoing system improvement of its review process. In FY 2014, OHS implemented enhancements to reflect changes in policy and procedure, ensure compliance with the Head Start Act (as amended in December 2007), and improve the overall monitoring process. Changes crossed all protocol areas and were focused on emphasizing consistency and accountability among review teams. Examples of these changes include:

- ▶ Refining established 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;

- ▶ Enhancing the Management Systems analysis process to support review team discussions around system-wide trends and inconsistencies, while summarizing management systems in each content area;
- ▶ Streamlining interview guides to ensure efficient and effective evidence collection for all content areas.

### **Monitoring Protocol and Software**

In FY 2014, OHS continued to streamline the Monitoring Protocol in order to ensure reviewers were consistently identifying, probing for, and recording material information relating to grantee performance. In doing so, the focus on mandatory statistically generated random sampling was reinforced, and document reviews were integrated into personnel interviews to give reviewers greater context for information evaluated.

In FY 2012, OHS introduced the Evidence Assessment System (EAS) to provide reviewers with consistent language for evaluating and describing grantee compliance. In FY 2014, the EAS system was further refined to include more specific and defined thresholds for compliance.

### **American Indian/Alaska Native (AI/AN) Reevaluation Tool**

In FY 2014, OHS developed and implemented a supplementary monitoring tool specific to American Indian and Alaska Native 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.

### **Outcomes of FY 2014 Monitoring Reviews**

OHS completed 850 monitoring reviews in FY 2014, including 492 Triennial reviews, 10 First-Year reviews, 56 Other reviews, and 292 Follow-up reviews<sup>1</sup>. Monitoring reviews have three possible outcomes: 1) Compliant, 2) One or more noncompliances with no deficiencies, or 3) One or more deficiencies. Grantees with one or more deficiencies also may have noncompliant findings. Key outcomes of monitoring reviews included:

- I. **Over 40 percent of grantees were compliant in FY 2014, an increase from previous years.** Of the 544 grantees that underwent a Triennial, First-Year, or Other review in FY 2014,<sup>2</sup> 42.3 percent were found to be compliant on all reviews, 45.0 percent were found to have one or more noncompliances, and the remaining 12.7

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<sup>1</sup> Reported data are based on reviews completed by 22 October 2014.

<sup>2</sup> Note that 544 grantees received a total of 558 reviews (492 Triennial + 10 First-Year + 56 Others) in FY 2014. Ten grantees received both a Triennial review and an Other review, three grantees had two Other reviews in this fiscal year, and one grantee received a First Year review and an Other review, accounting for the difference of 14 between the number of grantees and the number of reviews.

percent were found to have one or more deficiencies (these grantees may have also had noncompliances).

- II. **Grantees correct nearly all findings on Follow-up reviews.** 95 percent of grantees corrected all findings reviewed on FY 2014 Follow-up reviews.
- III. **Some groups of grantees had more performance issues than others.** Among those reviewed in FY 2014, larger grantees had more deficient findings than smaller grantees, and grantees providing both Head Start and Early Head Start services were compliant more often than those providing either Head Start services only or Early Head Start services only.
- IV. **Head Start program CLASS™ average scores in FY 2014 were slightly higher than those found in FY 2013:** Grantees indicated CLASS™ scores of 6.10 out of 7 for Emotional Support and 5.83 out of 7 for Classroom Organization domains. Scores for Instructional Support also were notably lower, averaging 2.90 out of 7.

### **Number and Types of Findings Identified in FY 2014**

A total of 764 findings were identified in 558 FY 2014 First Year, Triennial, and Other monitoring reviews. Of the 544 grantees reviewed, 311 (57.2 percent) had one or more findings. Key trends with respect to the number and types of findings included:

- I. **As in FY 2013, most FY 2014 grantees with findings had a small number of findings.** Among grantees with only noncompliances, about 70 percent (70.6 percent) had two or fewer findings. Among those found to have any deficiencies, a similar percentage of grantees (63.6 percent) had two or fewer findings (noncompliances or deficiencies).
- II. **Most findings were areas of noncompliance.** Close to 90 percent (89.3 percent; 682) of findings were areas of noncompliance; 10.7 percent (82) were deficiencies. A total of 245 grantees, 45 percent of all grantees reviewed, had one or more noncompliances. Sixty-nine grantees (12.7 percent) had one or more deficiencies.
- III. **Regardless of the types of findings, grantees averaged about the same number of findings per review.** Overall, grantees with findings averaged 2.5 findings per review. Grantees with one or more areas of noncompliance averaged 2.3 findings per grantee; down from 2.8 in FY 2013. Grantees with one or more deficiencies averaged 3.0 findings (noncompliances and deficiencies)<sup>3</sup>, slightly higher than in FY 2013 (2.9). While the total number of findings among noncompliant grantees decreased from FY 2013 to FY 2014 (694 to 569), the total number of findings among deficient grantees increased (137 to 195). Because of the decrease in areas of noncompliance, however, the total

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<sup>3</sup> It should be noted that there are several outlying grantees that have very high numbers of findings which are inflating the average despite the fact that approximately half of the grantees have only one or two findings. Of the grantees that had only noncompliances, two had eleven or more findings in their FY 2014 review. Of the grantees that had deficiencies, one had twelve and one had seventeen findings in their FY 2014 reviews.

number of findings among reviews conducted decreased from 831 in FY 2013 to 764 in FY 2014.

### ***Most Common Findings Identified in FY 2014***

Many grantees with findings struggled with similar issues. In FY 2014, grantees were most likely to have findings associated with, “Reporting to the Governing Body and Policy Council” (22.6 percent of grantees with noncompliances). We describe other frequently cited issues below.

- IV. ***Compared to FY 2013, considerably more grantees struggled with Allowable and Allocable Costs.*** This was the third most commonly cited noncompliance issue in FY 2014 with close to 17 percent of grantees having findings in this area. In FY 2013, it was not among the top fifteen issues most frequently cited.
- V. ***Code of Conduct issues were common among grantees with deficiencies.*** Approximately 73 percent (48 out of 66, 72.7 percent) of the grantees found to have one or more deficiencies were cited for at least one deficiency relating to Code of Conduct. Examples of Code of Conduct deficiencies include engaging in corporal punishment or leaving children alone or unsupervised. This is an increase from FY 2013, where 64.6 percent of grantees with deficiencies (31 of 48) had at least one deficiency relating to Code of Conduct.

### **New Directions in Monitoring for FY 2015**

In FY 2015, OHS will implement a newly aligned monitoring system to address the OHS grant cycle shift from an indefinite to a five-year project period. 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:

- ▶ 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).

All five-year grants will be monitored using the Aligned Monitoring System. Indefinite grants will be monitored when they transition to a 5-year grant. The Aligned Monitoring System will provide the OHS with comprehensive performance data needed by Year 4 of the 5-year grant. OHS will evaluate the data to determine whether the grantee will need to re-compete.

The OHS designed the Aligned Monitoring System to provide different review processes based

on the grantee's history: 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 will engage in the *Comprehensive Monitoring Process*. Those grantees that do meet the criteria will engage in the *Differential Monitoring Process*.

The *Comprehensive Monitoring Process* is comprised of six individual review events: Environmental Health and Safety; Fiscal Integrity and ERSEA; CLASS™; Management Systems and Program Governance; and Comprehensive Services and School Readiness. Individual review events will only focus 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 will first receive a Head Start Key Indicators-Compliant (or HSKI-C) review. The Head Start Key Indicators-Compliant (HSKI-C) Protocol is a research-based monitoring instrument that the Office of Head Start (OHS) is using 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:

- Management Systems & Program Governance
- Comprehensive Services & School Readiness
- 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 5-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. At the end of Year 4, grantees will receive a “roll-up”

report summarizing the results of review events held in Years 1 through 3.