



Date: July 13, 2022

To: Lead agencies and grant recipients administering Child Care and Development Fund (CCDF), Head Start, Tribal Home Visiting Programs, and Preschool Development Grant Birth to Five (PDG B-5) programs

Subject: Investing CCDF, PDG B-5, Tribal Home Visiting, and Head Start Funds in the Early Childhood Education (ECE) Workforce

Dear Colleagues,

Last fall, the Office of Early Childhood Development (ECD), Office of Child Care (OCC), and Office of Head Start (OHS) released [guidance](#) that encourages states, communities, and local programs to take bold action to address early care and education (ECE) workforce shortages exacerbated by the COVID-19 pandemic.¹ Since that time, states, territories, Tribal Nations, and local programs have made substantial investments to increase compensation and provide other types of support to the ECE workforce. Yet, many communities continue to struggle with workforce shortages, resulting in closed classrooms, fewer family child care providers, and families who cannot find early childhood programs for their children.

We applaud our partners in states, territories, tribes, local communities, and ECE programs for the thoughtful approaches and ECE workforce investments made to date, (and highlighted below). At the same time, we encourage states and grant recipients to take urgent action to address the ongoing early childhood workforce shortage. **We strongly encourage state, tribes, and local leaders to continue to utilize the federal resources available to increase staff compensation (including wages and benefits), strengthen ECE professional development and career pathways, and invest in other strategies² to recruit and retain a strong ECE workforce,** including annually appropriated and supplemental Child Care and Development Fund (CCDF) and Preschool Development Grant Birth to Five grant (PDG B-5), Tribal Maternal, Infant, and Early Childhood Home Visiting (MIECHV), and Head Start funds.

Increasing compensation for the ECE workforce and building the pool of skilled and diverse early childhood educators continues to be a top priority for the Administration for Children and Families (ACF). **Investment in compensation and other supports for the ECE workforce are allowable and encouraged activities within CCDF, Tribal Home Visiting, PDG B-5, and Head Start funding:**

- OHS released [guidance](#) that encourages Head Start programs to provide competitive financial incentives (e.g., retention and hiring bonuses) using American Rescue Plan (ARP) funds, base grant operations funds, and other COVID-19 relief funding to stabilize and support the Head Start workforce in the near term.
- OCC developed guidance and technical assistance resources to support [Stabilization Grant administration](#) and the use of [ARP supplemental funding](#) to strengthen the ECE workforce, including through increased compensation.
- We strongly encourage PDG B-5 grantees whose Renewal Grant third year budget periods will end December 30, 2022, and who are interested in pursuing workforce recruitment, retention, and

¹ The HHS Administration for Children and Families (ACF) also published guidance for Child Care and Development Fund (CCDF) [administrators](#) and [Head Start programs](#), along with ARP funding awards, that strongly encourages these entities to use ARP funds to increase payments to child care providers and compensation and benefits for the ECE workforce.

² ACF outlined workforce strategies that are allowable uses of CCDF and PDG B-5 funds in this [Dear Colleague letter](#) published in October 2021.



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compensation activities that are not part of an approved scope of work, **to submit a request** for approval for a change in scope **by September 30, 2022**, to reflect these newly desired workforce-related activities.

- ECD provided guidance to Tribal Home Visiting programs related to prioritizing staff compensation and well-being as a result of ARP supplements awarded in 2021.
- Finally, ACF is partnering with the Department of Education to help ECE staff access loan forgiveness by raising awareness about a limited waiver to the Public Service Loan Forgiveness program **that expires on October 31, 2022**.

We encourage you to visit ECD's [workforce strategy webpage](#), which includes federal resources and **recent examples of state, territory, tribal, and local investments in bold and innovative workforce strategies**.

- Distributing Child Care Stabilization Grant funds, included in ARP, to provide critical resources that have allowed child care providers to reopen and remain open, and to increase pay and other supports for staff.
- States are using CCDF funds to help recruit and retain the ECE workforce, including increasing pay, improving subsidy payments, partnering with higher education to provide pathways to degrees and credentials, expanding apprenticeship models, and supporting staff well-being.
- States are using PDG B-5 funds to invest in the ECE workforce across the mixed delivery system, conducting wage studies and developing salary scales, providing retention bonuses, and establishing career pathways, and improving systems of professional development and ongoing training.
- Tribal Home Visiting programs are investing in staff by increasing salaries and benefits with cost-of-living adjustments, supporting professional development and training activities, and ensuring the well-being of the workforce through mental and behavioral health supports
- Head Start programs across the country are investing in the Head Start workforce by providing retention and hiring bonuses to staff, increasing staff wellness and mental health supports, offering professional development opportunities, and expanding fringe benefits, sick leave, and health supports.

ACF has technical assistance supports available to strengthen ECE workforce efforts in your state, territory, tribe, or local community. Head Start grant recipients should contact their OHS regional office staff. CCDF Lead Agencies should contact your [OCC regional office staff](#). PDG B-5 Lead Agencies should contact Federal Project Officer Judy Willgren at Judy.willgren@acf.hhs.gov. Tribal Home Visiting grant recipients should contact their federal project officer.

Thank you for your commitment to serving young children and families.

Sincerely,

/ Katie Hamm /

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Deputy assistant secretary, Office of Early Childhood Development
Acting director, Office of Head Start

/ Ruth Friedman, Ph.D. /

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