



ADMINISTRATION FOR
CHILDREN & FAMILIES
Early Childhood Development

FACT SHEET: The U.S. Department of Health and Human Services' Administration for Children and Families Announces \$300 Million in New Funding Opportunities and Policy Guidance to Increase Compensation for the Early Care and Education Workforce

In September 2022, the U.S. Department of Health and Human Services' Administration for Children and Families (ACF) released new funding opportunities that will strengthen the early care and education (ECE) workforce along with program guidance that directs states, territories, tribes, and community organizations to increase compensation and benefits for early childhood educators.

ACF is committed to an early childhood system that supports a qualified, diverse workforce across settings and programs through increased compensation and benefits, and improved working conditions that demonstrate the value of the early childhood workforce to our communities. [ACF's announcements](#) represent important steps forward towards this vision:

- **Nearly \$300 million in new funding opportunities will include support for state and local efforts to attract and retain a diverse, qualified, and effective ECE workforce, including:**
 - **\$266 million Preschool Development Grant Birth through Five [Renewal](#) and [Planning](#) Grant Notices of Funding Opportunity emphasize ECE workforce efforts** – Through two funding opportunities, PDG B-5 will support approximately 35 states and territories to make bold investments in the ECE workforce, including through the planning and implementation of compensation initiatives, developing pathways to licensure, credentialing, and degrees. These efforts are key to meeting PDG B-5 aims of strengthening states' early childhood systems to ensure children are healthy and ready to enter kindergarten.
 - **\$30 million National Early Care and Education Workforce Center [Notice of Funding Opportunity](#)** – This 5-year grant funding opportunity will create a new research and technical assistance center that will work to increase recruitment and retention of a diverse, qualified, and effective workforce across all ECE settings. The Center will provide technical assistance to states, territories, tribes and local programs and communities and deploy rigorous research to build the knowledge base, and inform workforce technical assistance and policy efforts.
- **New policy guidance directs states, territories, tribes and community organizations to increase compensation and benefits for early childhood educators.** This guidance addresses three federal funding streams: Child Care and Development Fund; Head Start; and Preschool Development Grants Birth to Five funds. Collectively, these provide over \$20 billion in funds to serve children across the country and identify specific ways that these funds can be leveraged to improve sustainable compensation, benefits, and working conditions.



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- **Head Start Information Memoranda** [ACF-IM-HS-22-06](#) encourages Head Start programs to look holistically at organizational structure to identify sustainable ways to stabilize their workforce, while continuing to prioritize comprehensive services for those most in need. These strategies, including permanently increasing compensation, may be funded by program restructuring, such as changes in management or organization, reductions in funded slots, or consolidating grants.
- **Child Care and Development Fund Information Memoranda** [CCDF-ACF-IM-2022-02](#) encourages lead agencies take steps to increase compensation and benefits for the child care workforce in child care centers and family child care settings. It clarifies allowable uses of CCDF and ARP funds for supporting child care staff compensation, as well as strategies such as increasing provider payment rates; contracting for child care slots; providing bonuses or wage supplements; subsidizing benefits like health insurance, retirement, and paid leave; and supporting post-secondary education.
- **Preschool Development Grant Birth to Five Information Memoranda** [PDG B-5-ACF-IM-2022-01](#) clarifies how states and territories can use this existing funding stream to support the ECE workforce more directly through increases in compensation and benefits.

Earlier this year, ACF [released guidance](#) to Head Start grantees encouraging them to use financial incentives to recruit and retain staff. ACF leaders have [called on leaders in states, tribes and territories](#) to use federal resources – including the \$40 billion in American Rescue Plan funds – to implement strategies to improve compensation, benefits and working conditions for early childhood educators.

ACF applauds our partners in states, territories, tribes, local communities and ECE programs for the innovative approaches and ECE workforce investments made to date. We will continue to provide ongoing policy guidance, clarification, and information to grantees across programs on how they can strengthen and stabilize the early childhood education workforce as well as technical assistance to support their efforts.