

INFORMATION MEMORANDUM

ACF Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
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TO: Tribal Child Care and Development Fund (CCDF) lead agencies, American Indian and Alaska Native (AIAN) Head Start award recipients, and Tribal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) recipients

SUBJECT: Use of Federal Early Childhood Program Funds to Improve Access to Housing-Related Supports for the Early Childhood Workforce in Tribal Communities

REFERENCES: The Child Care and Development Block Grant (CCDBG) Act (42 U.S.C. 9857 *et seq.*), Head Start Act as amended (42 U.S.C. 9801 *et seq.*), Social Security Act, Title V, section 511 (42 U.S.C. 711)

PURPOSE: This Information Memorandum (IM) provides an overview and guidance to Tribal CCDF lead agencies, American Indian and Alaska Native (AIAN) Head Start award recipients, and Tribal MIECHV recipients regarding how CCDF, Head Start, and Tribal MIECHV funds can be used to address challenges recruiting and retaining an effective Tribal early childhood workforce serving Tribal communities where access to affordable housing is limited. This IM does not reflect a change in ACF's interpretation for how CCDF, Head Start, and Tribal MIECHV funds can be used, it clarifies allowable uses of funds to support costs related to increasing the availability of affordable, accessible housing for the early childhood workforce serving Tribal communities.

BACKGROUND: The Administration for Children and Families (ACF) is committed to supporting Tribes in recruiting and retaining an early childhood workforce that meets the needs of children and families in Tribal communities. The Office of Head Start (OHS), Office of Child Care (OCC), and Office of Early Childhood Development (ECD) engages in consultation with Tribal leaders to honor the nation-to-nation relationship and to better understand the unique circumstances and experiences of Tribal early childhood programs. In consultations and other engagements, Tribal leaders and program administrators highlighted ongoing challenges recruiting and retaining a qualified workforce across Head Start, child care, and home visiting programs. Challenges include: recruiting individuals with appropriate qualifications and experience (such as knowledge of or expertise in Native culture and language); providing adequate compensation (including both pay and benefits); competing with pay and benefits offered by other employers and non-Tribal entities; and the high levels of stress experienced by staff due to low wages, insufficient benefits, and working conditions, as well as the challenging nature of providing trauma-informed care to young children.

Many Tribal communities have consistently identified the lack of available, affordable housing for program staff as a significant challenge to recruiting and retaining staff to work in the community. The lack of housing is due to a variety of factors, including excessive rent levels in communities with a high cost of living, insufficient resources for Tribal public housing, and lack of economic and built infrastructure that would facilitate construction of new housing.

ACF has received requests for clarification on whether Tribal early childhood funds can be used to address the lack of available, affordable housing to mitigate this barrier to hiring and retaining program staff. This IM clarifies the flexibilities Tribal Lead Agencies and federal award recipients have in using CCDF, Head Start, and Tribal MIECHV funds to improve access to housing-related supports for early childhood teachers and staff. Each federal early childhood program has unique requirements, and the guidance is only applicable to the program that is being discussed in each section. We recognize that many Tribes have significant housing challenges. This IM addresses specific concerns about housing for early childhood teachers and staff that have been brought to our attention. We acknowledge this will not resolve the complexities of the housing challenges in Tribal communities.

ACF encourages Tribal early childhood programs, within the parameters of federal requirements, to consider the full range of strategies that can be used to address the shortage of early childhood teachers, home visitors, and staff in their communities, including the potential to support housing needs of the early childhood workforce. Promising strategies and additional resources to support the early childhood workforce can be found on [ECD's Workforce Initiative webpage](#).

INFORMATION:

This IM provides information to Tribal communities regarding strategies to identify and improve access to housing-related supports as a recruitment and retention strategy for the early childhood workforce. It offers examples of activities that Tribal communities may implement based on the separate funding source and regulations. Partnering in efforts to increase access to housing in Tribal communities may also be considered in the context of other investments in early care and education facilities, and other efforts to address Tribal housing and facilities issues (such as those supported by the Department of Housing and Urban Development and the Department of Agriculture). This IM encourages Tribal grant recipients to consider how these strategies could align with efforts to use the [Tribal Early Childhood Facilities Combined Application Guide](#), which streamlines administrative requirements and processes for Tribal CCDF and Head Start recipients to braid funds and jointly apply to construct or improve early childhood facilities.

ALLOWABLE ACTIVITIES:

The activities outlined below meet the programmatic purposes and goals of each respective funding source. The following is not a list of required activities, but rather a list of allowable activities that Tribal leaders may consider in addressing the unique circumstances in their communities related to acquiring housing or mitigating excessive housing costs for early childhood teachers and staff (which includes educators in center-based and home-based settings), home visitors, and staff. Investment of program funds to support housing, housing stipends, and all housing related supports for early childhood teachers and staff detailed in this IM must be reasonable, allocable, allowable, and aligned with the goals of the program. This means that investment of program funds would be necessary to meet the goals and objectives of your program and, to be considered reasonable, these costs must not exceed

what a sensible person would pay for housing in any given market condition. Finally, an allocable cost can be directly charged to the grant based on the benefit provided. Additional considerations for reasonableness include:

1. Whether the cost is generally recognized as ordinary and necessary for recipient's operation or proper and efficient performance of the Federal award;
2. Whether the cost is supported by sound business practices, arm-length bargaining, laws and regulations, and terms and conditions of the Federal award;
3. Market prices for comparable costs for the geographic area; and
4. Whether cost represents a deviation from recipient's written policies and procedures for incurring costs.
5. Grant recipient would need to ensure that the revision would not take away from their ability to implement the program at the same level.

In addition to being reasonable, the housing-related support cost must also be necessary for the performance of the Federal award and be allocable. A cost is allocable to a Federal award if it meets any of the following standards:

1. Is incurred specifically for the Federal award;
2. Benefits both the Federal award and other work of the recipient; or
3. Is necessary to the overall operation of the recipient and is assignable in part to the Federal award

Tribes should work with their assigned Program Specialists or Federal Project Officers to determine the allowability of expenditures aligned with this guidance and federal cost principals.

Child Care and Development Fund (CCDF)

OCC administers the CCDF to Tribal governments to provide child care assistance for families with low incomes and improve access to affordable, high-quality child care, including early care and school-age programs. Tribal lead agencies may consider using CCDF funds to provide housing-related supports for the child care workforce if it is clear that such expenditures are related to the ability to implement CCDF activities or contribute to the overall quality of child care. Investment of CCDF funds to support housing for the child care workforce may include the following types of expenditures when reasonable, necessary, allocable, and in alignment with the recipient's written policies. Tribal Lead Agencies should work with their assigned Program Specialist to determine if the expenditure is reasonable, necessary, and allocable.

- **Facility construction or major renovation:** Tribes are exempt from the state and territory CCDF prohibition on use of funds for construction or minor renovation at 42 USC 9858m(c)(6). This allows Tribes to use CCDF "for the construction or renovation of facilities that will be used to carry out such programs."¹ With ACF approval, Tribal CCDF lead agencies can use CCDF to construct or renovate child care facilities. ACF approval is not required for minor renovation. CCDF can also be used to construct or renovate housing or living facilities for child care teachers or staff if the Tribal lead agency demonstrates that (1) adequate housing is not available (such as in a remote area), and (2) housing for child care staff is an integral, but subordinate component of an overall construction or renovation project for a facility whose main purpose is to provide child care services primarily to CCDF-eligible children. In other words, if a Tribal lead agency is

constructing or renovating a child care facility, and teacher or staff housing is not otherwise available, ACF may approve the use of CCDF to construct or renovate staff housing, either connected to the main building or in a separate facility close by, as part of the same construction or renovation project. If a Tribal lead agency needs to construct or renovate housing for child care teachers or staff separate from the construction or renovation of a child care facility (e.g., the Tribe may already have adequate child care facilities), the lead agency may apply for an extraordinary circumstances waiver in accordance with 45 CFR 98.19. ACF will only approve such waivers in narrow circumstances in which a Tribe demonstrates that it has exhausted other federal funds that can be used for housing, and that lack of housing is a central barrier to implementing CCDF. Any construction or major renovation projects to include living quarters for teacher or staff housing require ACF approval.

- **Compensation Strategies:** CCDF requires all lead agencies to set aside funds for activities to improve the quality of child care, defined as “activities ... that are designed to improve the quality of child care services and increase parental options for, and access to, high-quality child care.” (42 USC 9858e(a)(1)) Tribal lead agencies may use CCDF quality dollars to support housing for the child care workforce if the investment is in alignment with the lead agency’s assessment of needs and the investment will directly support higher quality child care options for families. Allowable quality expenditures may include, for example, housing stipends to offset teacher or staff living expenses, or transportation stipends to offset costs for teachers or staff who travel a great distance to work in Tribal communities. Housing stipends are allowable for family child care providers who may need to find housing suitable for caring for children or adapt their home to make it suitable for child care. Tribal lead agencies adopting these strategies should describe these activities in their CCDF Plan. These housing investment strategies for the child care workforce may be used within a compensation package to attract high-quality child care teachers and staff.

Head Start

OHS Region XI administers American Indian and Alaska Native (AIAN) Head Start programs, which provide high-quality, comprehensive early childhood services to young children and their families. Region XI AIAN Head Start programs often integrate Native language and culture into their services, as determined by the recipient. Region XI recipients may use Head Start funds to provide housing-related supports for staff if such expenditures are necessary, reasonable, and allocable to implement Head Start services, and align with the recipient’s written policies. Grant recipients should work with their assigned Program Specialist to determine if the expenditure is reasonable, necessary, and allocable.

- **Compensation strategies:** Head Start funds may be used to support compensation packages that include housing stipends to offset teacher or staff living expenses, or travel stipends to offset costs for teachers or staff who travel a great distance to work in Tribal communities. Programs have flexibility to determine compensation packages for staff, provided that these policies are incorporated into their personnel policies and procedures approved by the governing body and Policy Council or policy committee. Since monetary bonuses likely count as income, recipients should understand income requirements for public benefits to determine how such bonuses may impact staff members’ access to these benefits. At their discretion, programs can decide to require a service commitment as a condition of receiving a bonus or financial incentive. However, any service requirement is solely the responsibility of the recipient to establish, implement, and enforce, as appropriate. All costs must be reasonable, allocable,

and allowable per Uniform Administrative Requirements (45 CFR §§75.430 and 75.445(b)). It is also important to note that these cost principles apply to non-federal match. Grant recipients should work with their assigned Program Specialist to determine if an expenditure is reasonable, necessary, and allocable.

For more information on the cost principles, programs are encouraged to review resources on the Head Start website: [short video titled, Cost Principles That Guide Head Start Grants Management](#); detailed Individualized Professional Development (iPD) course titled, [Financial Essentials Series](#).²

- **Additional services for staff experiencing housing or cost of living challenges:** In [Sec. 636](#) of the Head Start Act, the Head Start purpose is defined, in part, as “the provision to low-income children and their families of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary.” As such, programs can offer additional on-site services to staff experiencing housing and/or cost-of-living challenges, if such services are necessary to enable the provision of Head Start services (i.e., the program would otherwise be unable to obtain the staff necessary to provide Head Start services). This may include using Head Start funds to have supports such as laundry, showers, food items, clothing items, and computer or internet access available on-site for staff. Recipients still need to comply with the cost principles in [45 CFR Part 75](#) and any costs incurred need to be necessary and reasonable. Recipients should work with their assigned Program Specialist to determine if costs are reasonable, necessary, and allocable.
- **Facility construction or major renovation:** Head Start grant recipients can, with prior approval, use Head Start funds for facility purchase, construction, or major renovation projects “used to carry out Head Start programs.” (Head Start Act, Section 644(f)(1)). Funds can be used for facilities in which Head Start services are being provided. However, if renovating or constructing living facilities for staff could be demonstrated to be an integral but subordinate part of the Head Start facility, one that was shown to be necessary to carry out Head Start requirements in places with demonstrated lack of housing stock, such as in highly rural or remote areas, it may be justifiable. Additionally, living facilities for staff may be justifiable in instances where local housing costs are exorbitant and prohibit staff from residing in the community, or times when market factors might make it extraordinarily difficult for staff to secure a housing loan. OHS encourages Head Start directors to partner with the Tribal housing authority or other comparable entities to support and oversee housing management and maintenance, ensuring that the complex operational task of managing residential housing is led by those with the most expertise in this area. Head Start funds are prohibited for the sole purpose of constructing teacher, home visitor, or staff housing. As with all construction or major renovation projects, ACF approval is required.

Tribal Maternal, Infant, and Early Childhood Home Visiting (MIECHV)

ECD administers the Tribal MIECHV program, which issues awards to Tribes, Tribal organizations, and urban Indian organizations to develop and implement home visiting programs in AI/AN communities. Recipients have some flexibility in leveraging MIECHV funds to provide housing-related supports for home visitors and staff as long as it is reasonable, necessary, and allocable to carry out the Tribal MIECHV program as well as aligns with the recipient’s written policies.

- **Compensation Strategies:** Tribal MIECHV funds may be used to support compensation packages that include housing stipends to offset home visitor or staff living expenses, or travel stipends to offset costs for home visitors or staff who travel a great distance to work in Tribal communities. Recipients may use MIECHV funds for compensation packages, provided all costs are reasonable, allocable and allowable per Uniform Administrative Requirements (45 CFR §§75.430 and 75.445(b)). Compensation packages could include housing stipends if recipients present justification for the expense, particularly to recruit and retain high-quality staff. Recipients must provide a narrative within the budget/budget amendment should they make a request for a housing allowance as part of a benefits package justifying it as a reasonable expense in the context of the program, particularly if they struggle to hire or retain staff without this benefit. MIECHV programs have flexibility to include housing stipends in compensation packages for staff and should document this in their personnel policies and procedures. ACF is also available to discuss other compensation mechanism options (e.g., increased wages, cost of living increases, recruitment costs, relocation costs) to offset the cost of living.

Tribal MIECHV funds may not be used for facility construction, purchase, and major renovation. The Department of Health and Human Services Grants Policy Statement (HHS GPS) states that construction is allowable only when program legislation specifically authorizes new construction, modernization, or other activities, and then the HHS Operating Division (OPDIV) specifically authorizes the costs in the Notice of Award. The MIECHV legislation (Section 511 of Title V of the Social Security Act) does not specifically authorize use of funds for this purpose and the Notice of Funding Opportunity for the Tribal MIECHV program specifically lists facility purchase, construction, or major renovation as unallowable costs. Tribal MIECHV funds are therefore prohibited for facility construction of staff housing, and any construction would need to be through a separate construction federal award.

Community Partnerships

Early childhood programs can also consider strategies to strengthen existing partnerships and build new ones to increase access to supports and services for staff housing. This can mean leveraging state, Tribal, local, and private initiatives as partners to meet community needs more effectively. Community partners that programs can work with include, but are not limited to:

- [Head Start Collaboration Offices \(HSCOs\)](#)
- [State McKinney-Vento coordinators](#)
- Local continuums of care
- [Public housing authorities](#) and [Section 8 Housing Choice Vouchers](#)
- Tribal housing authorities
- [Low Income Home Energy Assistance Program \(LIHEAP\)](#)
- [Community action](#), faith-based, culture-sensitive, and other nonprofit organizations

Programs can start by reviewing general information about help with rent and housing on the [Consumer Financial Protection Bureau website](#). They can also reach out to their local [Public Housing Agency](#), or [Tribal housing authority](#), to determine whether staff could be eligible for a housing voucher or other resources. Developing and maintaining partnerships with housing agencies and liaisons is one of the best ways to stay up to date on programs, policies, and resources that might be available for staff. This means programs can help staff quickly connect with meaningful resources for which they may be eligible, including rental assistance.

Tribal Early Childhood Facilities Combined Application Guide

ECD, OCC, and OHS recently announced a [Tribal Early Childhood Facilities Combined Application Guide](#). This guide aims to streamline application submission and review process for Tribal CCDF and Tribal Head Start programs that jointly apply to construct, renovate, or improve early childhood facilities. These applications may include facility construction to include staff housing that aligns with allowable activities noted in this IM.

Additional Resources to Support the Tribal Early Childhood Teachers, Home Visitors, and Staff

ACF published [guidance](#) for [CCDF administrators](#) and [Head Start programs](#) that strongly encourages leaders to invest in strategies to recruit and retain a strong, diverse early childhood workforce, including increasing staff compensation, strengthening early childhood professional development and career pathways, and continuing to be bold in strategies that align with their community needs and demonstrate the value of their work.

Questions

Please direct inquiries to the appropriate office:

- Contact the Regional Program Manager in the appropriate OCC Regional Office. Contact information for OCC regions can be found at <https://www.acf.hhs.gov/occ/resource/regional-child-care-program-managers>.
- Contact the OHS Region XI Program Office with any questions.
- Contact your Tribal MIECHV Federal Project Officer with any questions.

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