Center for
Early Learning
Funding Equity
NORTHERN ILLINOIS UNIVERSITY

Improving Head Start Program Quality and Supporting the Workforce

A Proposed Rule by the Health and Human Services Department

To: The Honorable Xavier Becerra, Secretary of the United States Department of Health and Human Services

From: Theresa Hawley, PhD. Executive Director at the Center for Early Learning Funding Equity (CELFE)

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Re: Docket ID: ACF-2023-0011-0001 / RIN: 0970–AD01

The Center for Early Learning Funding Equity

The Center for Early Learning Funding Equity (CELFE) works with states and municipalities to build their capacity for assessing and ensuring adequacy and equity in early learning funding systems through research and transformative partnerships. Housed at Northern Illinois University, we combine our expertise, in-depth data analysis, and authentic engagement with stakeholders to create innovative approaches and funding mechanisms that support the diverse needs of children and families.

Our team brings decades of experience in developing and implementing early learning systems at the state and local levels and is driven by our deep belief in the power of early experiences to shape the trajectory of children's lives. Our mission is to guide and inspire states and communities as they design, transform, and sustain public early education and care systems to be equitable, efficient, and effective.

CELFE commends the comprehensiveness of the NPRM, honoring each aspect of the Head Start program necessary to appropriately meet the early learning care and educational needs of our nation's most fragile population of children. Given CELFE's organizational focus on equitable and adequate funding of early care and education for children ages 0-5, our comments will primarily focus on proposed changes to workforce compensation.

Workforce Compensation Comments

Head Start grantees, like all other ECEC providers across the country, are struggling to find and retain qualified staff – the primary component of ensuring quality, developmentally appropriate experiences for children ages 0-5. We applaud the focus on compensation in the NPRM and agree this is central to giving future generations of children what they need to thrive in school and in life.

A core component of the work CELFE conducts with states across the country is to build *cost estimation models* as a foundational tool for states. This tool serves to quantify both *what it costs* to deliver early childhood services under current conditions (low wages, little to no benefits, less than ideal staff/child ratios, etc.), including revenue currently being spent, and then allows them to see *costs associated with the more sustainable and effective programs they aspire to administer*, including higher compensation and benefits for the workforce.

- CELFE recommends that this level of fiscal analysis be done across Head Start programs in every state to understand the degree to which current funding for Head Start services is sufficient to cover the necessary costs of implementing programs that meet all Head Start Performance Standards.
- This cost analysis would need to include a review of how current staff salaries and benefits in Head Start programs compare to compensation in other like industries and positions, including but not limited to the K-12 education system. Currently, we have limited data on what the range of compensation paid to HS staff is and how it compares in their own local/regional economic market.

Most states struggle with adequately and equitably funding their K-12 schools. While federal funds help address the needs of children in lower-income communities and children with disabilities, the bulk of public education is funded through state general funds and local property taxes. In many states, what results is a markedly inequitable funding system - with communities with higher property values having more to invest, and those communities who suffer from chronic under-investment continuing to lack the resources they need to meet the needs of their students. One way this inequity manifests is in differences in the salaries paid to teachers in different school districts.

- CELFE recommends broadening beyond the use of the local public school/K-12 teacher salary schedule in estimating wages for the Head Start workforce and considering additional sources to inform improvements to the salary structure.
  - The NPRM indicates that grantees would be required to develop their salary scale for staff in reference to salaries paid in their local school district. CELFE believes this directive is too narrow to achieve more aspirational and rational salaries for the Head Start workforce. **Additional sources should be required as a comparison.**
  - Increasingly, states are applying for and being approved to use an alternative rate methodology for the federally funded Child Care program (CCDBG). Typically, these cost estimation models will incorporate a "target" salary scale that represents consensus in the field regarding the wages that are appropriate for early childhood professionals in teacher and assistant teacher roles. **This work should be leveraged and considered in setting Head Start wages as it will most closely represent/align with the Head Start system and its workforce.**
  - Tying a Head Start program's compensation scale to the "local school district" will be complicated for those programs—perhaps most grant recipients—that serve children living in more than one school district. **The Office of Head Start will need to develop guidance for how to consider the range of salaries offered by school districts when developing a consistent salary scale for their program**, as it would likely not be workable for most grant recipients to pay different salaries for staff based on the location of the site where they worked. An example of this situation would be DuPage County in Illinois, where one Head Start grantee serves children in almost the entire county. In DuPage County, there are 26 school districts serving grades K-3 in the area served. Starting salaries for teachers in these districts vary from $44,517 to $57,204, a 28% range. For the most qualified and experienced teachers, at the highest end of the pay scale, the highest-paying district pays more than twice as much as the lowest-paying district. Determining which school district to compare salaries to will be difficult for the grantee.

    - When comparing to public school districts to inform/set compensation for the Head Start workforce, the NPRM proposes requiring consideration of educational requirements of classroom staff combined with years of experience, length of school day, and school year in setting wages for Head Start staff. **The reality of the differences in salary scale structures across school districts, however, reinforces the need to look to more than just the school district to set wages for HS staff.** For example, some districts structure their salary scales to significantly reward obtaining a master's degree or further graduate credits, while other districts more heavily factor years of experience into their salary scales. Given this wide variation in the benchmark school district salary scales, programs will likely find it difficult to construct a salary scale.
    - The need to look at other sources of information beyond the local school district salary scale is particularly acute for Head Start grant recipients that only serve infants and toddlers. Early Head Start teachers are required to have at least a Child Development Associate credential, a qualification that doesn't match well any qualification common in K-12 school systems. It will be difficult for Early Head Start grant recipients to determine what level of compensation will fulfill the proposed requirement.
- CELFE recommends the proposed rule should specifically allow programs to use an average of teacher salaries in their local job market which could be defined as the Metropolitan Statistical Area or Micropolitan Statistical Area defined by the U. S. Office of Management and Budget.
    - Grantees should be encouraged to develop a salary scale that considers all the school districts in their catchment area and should be allowed to also consider the salaries in districts in their overall metropolitan area.
        - **The proposed rule should specifically allow programs to use an average of teacher salaries in their local job market** which could be defined as the Metropolitan Statistical Area or Micropolitan Statistical Area defined by the U. S. Office of Management and Budget.
    - The importance of considering the full local employment market can be seen in the example of the Chicago area. Chicago Public Schools pay the highest starting salaries of any school district in Illinois.
        - For beginning and experienced teachers with bachelor's degrees, Chicago Public Schools pay 30-75% more than school districts in the surrounding suburbs.
        - For example, CPS pays $64,087 for a starting teacher with a BA and no experience, compared to an average starting salary in the rest of Cook County of $46,712.
        - **Comparing salaries only to CPS may not be an accurate representation of the competitiveness of a grantee's salaries in the full Chicago area job market**.
        - Devoting program resources to matching CPS salaries could unnecessarily result in the program serving fewer children or offering fewer comprehensive services.
    - Grantees should be encouraged to develop a salary scale that considers all the school districts in their catchment area and should be allowed also to consider the salaries in districts in their overall metropolitan area.

- Developing salary scales that meet the intent of the proposed regulation will not be a simple task for most Head Start grant recipients. Accessing information about the salary scale of a single local school district may be relatively easy, but gathering this information for all the districts within a recipient's catchment area or Metropolitan Statistical Area may be cumbersome. While some states collect and post this information for all districts, many do not, which means the grant recipient would need to manually gather these salary scales and develop a methodology for calculating averages or otherwise generating an appropriate amalgamation of the various scales to inform their own salary scale. **The Office of Head Start should plan to develop significant technical assistance resources for grant recipients** to support them in this process.

Challenges for Programs Operating Partnerships

Moving to higher salaries for staff will be more difficult for grantees who operate their programs as a partnership with child care providers where not all children in the classroom are funded through Head Start. Many grantees serve children who are enrolled in mixed income classrooms in diverse settings. These Head Start grant recipients often do not currently cover the cost of education for all children in each classroom that Head Start children are enrolled in; some children may be funded by only child care subsidy and/or parent payments. As a result, it may be difficult for the grantee to provide sufficient resources to the classroom operator to ensure a higher salary for all relevant staff unless specifically allowed by the Office of Head Start. **The Office should provide detailed guidance on how to manage compliance with the proposed rule for these partnership programs**.

CELFE recommends looking to Early Head Start-Child Care Partnerships as a model on how to support raising compensation in Head Start partnerships with state preschool and child care programs. The Early Head Start-Child Care Partnerships specifically allow for resources to be used to raise the compensation of teachers regardless of the number of Head Start eligible children enrolled in the classroom. A similar approach may be needed to allow for adequate salaries to be paid in programs that employ this partnership approach for the Head Start Preschool program.

Equitable Funding for Grant Recipients

Implementation of the proposed rule will likely have differential impacts across grant recipients because there is currently a very wide range of funding that is provided to Head Start programs. Programs typically receive funding each year (or each 5-year grant cycle) based on the amount of funding that they previously received plus COLAs, with only limited opportunities for grant recipients to increase their overall funding. Even when a grant is recompeted, the overall amount allocated for the service area is typically held constant. This is true even for communities that have experienced significant increases or decreases in the number of young children in poverty. As a result of these long historical patterns of funding, the resources communities receive—relative to the number of young children in poverty in the community—varies quite widely. It is likely that in some communities, meeting the new requirements for staff compensation will result in a significant shortage in the availability of Head Start services, while in other communities implementing the new standards can be accomplished while still adequately meeting the demand for Head Start services.

Currently, the requirements governing proportional funding per state are in statute, and there are statutory restrictions against moving funding across service areas. These requirements will likely hamper the Office of Head Start's efforts to ameliorate the uneven impacts across grant recipients that requiring increased salaries will likely have. Nevertheless, the Office should take important steps to begin to address, and avoid exacerbating, the current uneven access to Head Start services across communities in the United States.

- Develop a robust cost modeling tool--similar to the Provider Cost of Quality Calculator--that estimates the cost of providing fully compliant Head Start services, and which incorporates compensation levels that meet the requirements of the proposed rule.
- Compare the current funding levels of Head Start grant recipients to these cost estimates to develop a better understanding of the degree to which Head Start funds are currently being equitably allocated, and where funding levels may be too low to adequately provide services.
- Develop a plan to allocate resources to address funding gaps for programs to ensure that programs can serve the full demand for Head Start services in their communities. This plan may include proposed needed statutory changes that could be considered in the next Head Start reauthorization.
- This analysis and planning should include attention to the availability of state-funded preschool programs, child care assistance, and other early childhood programs.
- Head Start State Collaboration Offices could be engaged in this evaluation and planning process to support state efforts to build comprehensive, efficient, and equitable early childhood education and care systems.

Conclusion

We commend the Department's efforts to address issues of quality, the comprehensive support services integral to Head Start programs, and the focus on workforce compensation as central to meeting the goals of the federally funded Head Start program. Further, we appreciate the opportunity to share comments and feedback based on our partnering with multiple states as they grapple with the real problems of workforce compensation, teacher recruitment and retention, and establishment and enforcement of quality standards that best meet the developmental needs of children ages 0-5. Thank you for your consideration of these comments regarding the proposed rulemaking.

For questions and additional conversation, please contact:

Theresa Hawley, Ph.D., Executive Director
Center for Early Learning funding Equity
thawley@niu.edu