



Our mission is to coalesce, inspire, and support the Head Start field as a leader in early childhood development and education.

August 27, 2023

Attn: Megan Campbell
Office of Child Care
U.S. Department of Health and Human Services

Re: Comments on Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF), Docket number ACF–2023–0003 and RIN number 0970–AD02

To Whom It May Concern:

On behalf of the Head Start community, the National Head Start Association (NHSA) thanks the Office of Child Care (OCC) for the opportunity to comment on the Notice of Proposed Rulemaking on Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF) (the “Proposed Rule”), [Docket number ACF-2023-0003 and RIN number 0970-AD02](#).

NHSA is a nonprofit organization committed to the belief that every child, regardless of circumstances at birth, has the ability to succeed in life. Since 1974, NHSA has worked for policy changes that ensure all income-eligible children have access to the Head Start model of support for the whole child, their family, and their community. Through these efforts, NHSA is the voice for more than 800,000 children and their families, 250,000 staff, and 1,600 Head Start and Early Head Start grant recipients.

Head Start grant recipients¹ work in tandem with CCDF in many states; indeed, 35 percent of Head Start programs also offer child care subsidy² in order to extend the program day or year and better meet the needs of working parents. With this perspective in mind, NHSA writes to express its support for the Proposed Rule and what it aims to accomplish for children, their families, and the child care providers who are the backbone of the CCDF program. We caution, however, that for too long, CCDF providers have managed to get by despite structural challenges that have placed impossible burdens on families and child care staff. In the absence of sufficient funding, it will be extremely challenging for states, territories, and providers to fully implement the changes in the Proposed Rule without facing significant tradeoffs.

We provide comments on specific sections below where we think the Head Start perspective can add value to the Proposed Rule, and the discussion of improving access to and quality of child care in this country.

Prohibit Family Co-Payments That Are a Barrier to Child Care Access (On page 45027, first column, § 98.45(b)(5))

¹ Throughout this comment, “Head Start” refers to both three to five year old Head Start as well as Early Head Start (prenatal through age two), Migrant Seasonal (birth to five), and American Indian Alaska Native Head Start and Early Head Start.

² Bernstein, S., N. Reid, J. Harrington, and L. Malone. (2022), “Head Start’s Interaction with Federal, State, and Local Systems,” OPRE Report 2022-12, Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families, Office of Planning, Research, and Evaluation, <https://files.eric.ed.gov/fulltext/ED622889.pdf>.



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We support the proposed seven percent of income co-payment cap for families participating in CCDF, regardless of the number of children, as a critical way to ensure that this program, designed to support low-income families entering or staying in the workforce, addresses families' actual needs. Head Start grant recipients know first-hand that low-income families need more support to afford child care than current state policy allows. While Head Start itself is offered to families at no cost, additional hours of child care provided through CCDF comes at a cost. We have seen that cost hinder families who are trying to work while having their children in safe, consistent environments for the entire day.

While supportive of the policy goal of capping co-payments, NHSA wants to ensure that reductions in families' co-payments for CCDF do not result in funding shortfalls that are then passed along to child care providers through reduced payments. The Lead Agency should cover any new deficits that arise from this co-payment limitation. Otherwise, providers who rely on family contributions may face compensation and operational challenges that could prevent them from staying open or remaining in the early childhood workforce. Likewise, the intent of the cap on co-payments should not be circumvented by permitting providers to charge fees to make up for reduced family co-payments, a practice currently allowed by 38 states. We recommend requiring additional clarification from Lead Agencies on how this change will be implemented in their state or territory to ensure that this cost shift is being fully accounted for in accordance with the intent of the Proposed Rule.

Allow Lead Agencies To Waive Co-Payments for Additional Families (On page 45027, second column, § 98.45(l)(4))

Given the commitment of the Head Start community to ensuring all children can access quality child care and early education, NHSA supports the Proposed Rule's empowerment of Lead Agencies to waive co-payments for eligible families with income up to 150 percent of the Federal poverty level and eligible families with a child with a disability.

States would also benefit from additional federal flexibilities that provide them the option to address the particular needs of select groups of children and families through co-payment waivers. In particular, Head Start families currently eligible and needing additional care through CCDF services often avoid participation due to the cost. Typically, wrap-around care involves a Head Start family using CCDF to cover the child care costs associated with extending child care after Head Start ends, to cover a full day. Waiving co-payments for Head Start families would position these programs to follow Head Start rules, enabling continuity for the children and allowing their parent(s) to work a full day. To encourage further alignment, this provision should also permit Head Start parent engagement activities to count towards CCDF work, education or training requirements.

Other examples of targeted copayment waiver authority that NHSA recommends include families receiving Temporary Assistance for Needy Families (TANF), families eligible for Supplemental Nutrition Assistance Program (SNAP), families experiencing homelessness, families at risk of experiencing homelessness, families involved with the state child welfare agency, children in foster care, teen parents, and early educators working in child care or Head Start programs. These additions would allow Lead Agencies to better focus on those children and families from the most at-risk backgrounds.



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Consumer Education (On page 45028, second column, § 98.33(a)(8))

NHSA believes strongly that parents and families deserve to be informed about the full range of early learning options available to them in any given community; “parent choice” does not exist without an understanding of what those choices might be. We are encouraged that the OCC shares this commitment and has included a requirement in the Proposed Rule to provide additional information on consumer education websites related to co-payment policies and other eligibility policies to improve access and inform parents.

Head Start programs operate in every corner of the country. Eligibility overlap exists between Head Start and CCDF; if a family is income-eligible for Head Start, it is eligible for CCDF. Given the scope and reach of the Head Start program, as well as this overlap in the families that Head Start and CCDF serve, any consumer education efforts aimed at providing CCDF families with a more complete picture of child care access and information in their communities must also involve Head Start.

Access to information about early learning should be viewed through the lens of parents, not based on funding source. The latter is an artificial distinction for families looking to address their particular need for child care while they work, access early learning support for their child, and so on. The two primary federal sources of early learning funding in the U.S.—CCDF and Head Start—should work in tandem wherever possible to address the needs of families from low-income backgrounds.

As such, and in response to the Proposed Rule’s request for comment on the types of information related to co-payments and other eligibility policies that should be added to consumer education websites, NHSA recommends that Lead Agencies be required as part of consumer education efforts to also provide and post information about access to Head Start programs in their communities, including the information that these programs are provided at no cost to eligible families.

In addition, we recommend that the Department of Health and Human Services encourage states to address additional barriers to information, such as access through mobile-only internet users, people with limited literacy and limited English proficiency, as well as creation or further refinement of state early learning portals that address the needs and challenges of all potential users.

Building Supply With Grants and Contracts (On page 45029, first column, §§ 98.16(y), 98.30(b), 98.50(a)(3))

As the Proposed Rule indicates, offering more grants and contracts to early learning providers increases stability in the child care system, which will ultimately allow families participating in the CCDF program more options for child care. Additionally, by reducing provider uncertainty, grants and contracts can be an effective tool to increase the supply, stability, and quality of child care. This is especially important for harder-to-serve populations including children with disabilities and care during nontraditional hours and in light of the workforce crisis the early learning community faces at the moment.



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Grants and contracts need not reduce parent choice; indeed, engaging providers in home-based child care settings through the use of grants and contracts will help increase stability in this corner of the early learning sphere, and should be encouraged.

The final rule should provide a clear definition of grants and contracts to guide Lead Agencies on this requirement. To have a real impact on the supply of child care, contracts and grants should provide a structure that is substantially different than an individual voucher. Grants and contracts would not only provide prospective payment and payment based on enrollment—which would be required for vouchers as well under the Proposed Rule—but also offer other advantages to the grantee or contracting program, such as higher payment rates; a commitment that the resources will be provided for an extended period of time; and technical assistance (including in the application process), coaching, monitoring, and other supports to help the grantee or contractor open a new child care program or expand an existing program, recruit and retain child care teachers and other staff, meet Child Care and Development Block Grant (CCDBG) and/or licensing standards, offer specialized care (such as care for children with disabilities or care during nontraditional hours), and continually improve quality.

Sustainable Payment Practices (On page 45030, second column, § 98.45(m))

NHSA strongly supports the Proposed Rule’s sustainable payment practices, as they will help improve the financial stability of child care providers, and align CCDF payment practices with standard practice in the larger child care and early learning system, including Head Start.

Recognizing the need for planning and stability, Head Start has always paid grantees prospectively and not based on child attendance. Small children often get sick, as their immune systems are under development; the extent of ensuing absences varies considerably from child to child. Asking child care providers to build estimated sick days into their budgets increases financial uncertainty in an already challenging business model and further disincentivizes their participation as providers.

Prospective payment that is based on enrollment rather than attendance contributes to stability and certainty for Head Start grantees, allowing them to properly focus on operations and ensuring children receive high quality care and education. Child care providers who participate in Early Head Start–Child Care Partnerships, a tiny minority of child care providers compared to the overall size of CCDF, have limited “Loss Subsidy” funding as part of participating in the program to help them balance their books when children are absent. While this provides some stabilization for those child care providers, it is an ad hoc patch for a backwards policy. Child care providers should be afforded the same opportunity to stabilize this part of their budgets as Head Start and private providers, and be able to focus their time and attention on the children in their care.

Further, NHSA believes this further alignment between Head Start and CCDF will increase the willingness of Head Start programs to create and administer child care partnerships, directly engage with the CCDF system and better support working families.

Eligibility Verification (On page 45033, second column, § 98.21(g))



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NHSA applauds the Proposed Rule for seeking to reduce bureaucracy and streamline the application and eligibility determination processes for child care assistance, saving essential time and resources for those involved.

The Proposed Rule's clarification that Lead Agencies may assess eligibility criteria of benefits programs in their jurisdiction to determine if those criteria align with CCDF, and then use that to streamline a more efficient eligibility determination for CCDF stands to promote multiple program integration and interaction efforts, to the benefit of those applying for and administering child care. Indeed, Head Start grant recipients have recent experience that shows how helpful this can be. In 2022, Head Start expanded automatic eligibility for the program to recipients of Supplemental Nutrition Assistance Program (SNAP) assistance. This has resulted in reduced paperwork for Head Start parents and grant recipients, as it eliminated the need to re-document the family's income. It also provided immediate clarity to parents that their child is indeed eligible for Head Start.

NHSA commends and supports the Proposed Rule's eligibility verification clarification in this area. We also recommend that the Administration consider several additional provisions. First, the final rule should clarify that Head Start and Early Head Start families are eligible for CCDF subsidy and that family engagement activities that are a part of the Head Start model count towards the CCDF work requirements.

As noted above [Allow Lead Agencies To Waive Co-payments for Additional Families], NHSA encourages the final rule to include streamlined, expanded eligibility for additional populations such as families enrolled in Temporary Assistance for Needy Families (TANF), families experiencing homelessness, families at risk of becoming homeless, families involved with the state child welfare agency, children in foster care, and teen parents, as well as child care or Head Start workers, as this benefit may help recruit and retain employees.³

Application Process (On page 45034, first column, § 98.21(f))

NHSA strongly supports requiring Lead Agencies to implement eligibility policies and procedures that minimize disruptions to parental employment, education, or training opportunities to the extent possible. Research has shown that burdensome application processes hinder a family's ability to receive much-needed care despite being eligible.⁴ We have seen this play out in real time this summer with Medicaid disenrollment: the eligibility post-pandemic redetermination effort currently underway in states has resulted in more than five million losing coverage, of whom 74 percent were terminated for procedural reasons.⁵

³ Providing Child Care for Child Care Providers: A Strategy for Addressing Staffing Shortages and Compensation for Early Childhood Educators, NAEYC, December 2022, https://www.naeyc.org/sites/default/files/wysiwyg/user-73607/providing_child_care_for_child_care_providers_december_2022.pdf#:~:text=Categorical%20eligibility%20in%20this%20case%20means%20that%20qualifying.child%20care%20centers%20and%20family%20child%20care%20homes.

⁴ United States Government Accountability Office, "Child Care: Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes During the Pandemic," March 2023, <https://www.gao.gov/assets/gao-23-106073.pdf>.

⁵ Medicaid Enrollment and Unwinding Tracker, Kaiser Family Foundation, accessed Aug. 22, 2023, <https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-and-unwinding-tracker/>.



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While we support the Proposed Rule's recommendation that Lead Agencies offer both paper and online applications for child care assistance, Head Start programs also understand that many low-income families do not have access to reliable, affordable internet in their homes and communities. Many families rely on mobile devices to access online content. As such, NHSA recommends that the Proposed Rule include a requirement that online applications for child care assistance be accessible via mobile device.

Criminal Background Checks (On page 45036, first column, § 98.43)

Delays in the processing of background checks in many states present ongoing, serious concerns for the supply and stability of the child care and Head Start workforce. Recruitment of potential early childhood staff is an ongoing challenge, reaching crisis levels in recent years. Too often, the delays in background check clearance result in prospective staff leaving the field for higher-paying jobs because they cannot wait for employment to begin. We recommend adding language to further clarify that a prospective staff member can work under qualified supervision when the results of their background check are pending. With many states experiencing long backlogs, while it is beyond the scope of this NPRM, we encourage ACF to work with Congress, and the leadership of the pertinent federal departments, to resolve challenges with state background checks to ensure that they can be completed in a timely manner.

Thank you for the opportunity to provide input on this Proposed Rule. Head Start has worked alongside CCDF child care since enactment of the Child Care and Development Block Grant in 1990. Our shared interest in the well-being of young children and their families, especially those from at-risk backgrounds, has fostered fruitful partnerships with states and communities across the country. As OCC moves to refine and finalize this Proposed Rule in the months ahead, NHSA appreciates your consideration of our comments.

Sincerely,

A handwritten signature in black ink that reads 'Yasmina Vinci'. The signature is written in a cursive, flowing style.

Yasmina S. Vinci
Executive Director