



January 19, 2024

Office of Head Start
330 C Street, S.W.
Washington, D.C. 20201

Administration for Children and Families
330 C Street, S.W.
Washington, D.C. 20201

RE: Notice of Proposed Rule Making (NPRM) on Supporting the Head Start Workforce and Consistent Quality Programming

Docket ACF-2023-0011; RIN 0970-AD01

The Low Income Investment Fund (LIIF) appreciates the opportunity to contribute to the public input phase on the proposed regulatory changes for Head Start programs. As a national community development financial institution (CDFI) committed to advancing racial equity and fostering communities of opportunity, equity and well-being, LIIF actively supports efforts to strengthen the early care and education (ECE) ecosystem. We commend the Office of Head Start for recognizing the need for regulatory action to address the critical challenges faced by Head Start programs and their staff.

As a CDFI, LIIF supports projects that have high social value but lack access to traditional financial institutions. Since 1984, LIIF has deployed more than \$3.5 billion to serve more than 2.5 million people in communities across the country from its five offices. LIIF also has a large and growing early care and education (ECE) programmatic team that provides facilities funding via grants and loans, plus offers technical assistance, capacity building, and research and advisory services to strengthen the ECE ecosystem. Our emphasis on supporting the ECE sector aims to align community development priorities with broader social and care infrastructure, which together are necessary to repair ongoing disparities facing Black, Latino, and other people and communities of color. LIIF's ECE team has a primary focus in California, Washington, D.C., New York and Atlanta.

In 2020, LIIF refined its mission to focus on mobilizing capital by putting racial equity at the center of investments. As part of this strategic direction, LIIF committed to advancing investments to help build a comprehensive ECE ecosystem that promotes racial equity. To that end, LIIF stands as a strong advocate for increased resources to support the development of ECE facilities -- with a targeted focus on communities that bear the biggest burden of systemic racism and historical disinvestment.

Head Start is a national model for ECE programming and facilities. We acknowledge the pressing need for regulatory action to improve compensation and workforce supports for Head Start staff, improve Head Start facilities and enhance programming. LIIF believes ACF's efforts to improve Head Start will help to address the systemic issues that impact the entire ECE ecosystem. We offer our recommendations to strengthen Head Start by increasing supports for the workforce, addressing housing insecurity, considering transportation accessibility, improving facilities and centering community connections.

Enhancing Supports for Workforce

Women of color make up a majority of the ECE sector's workforce and are woefully undercompensated. Due to centuries of discriminatory policies and practices that impeded communities of color from building wealth, the average child care professional does not earn a living wage. Women of color in the field are especially likely to live in poverty. We firmly believe that investing in a well-compensated and



supported workforce is essential for the long-term improvement of program quality. For example, LIIF fully supported the California ECE Coalitions’s efforts to advance a successful California budget request focused on increasing wages for providers.

The staffing shortage and high turnover rates within Head Start programs pose significant threats to the stability and quality of services provided to children. LIIF recognizes that low wages, inadequate benefits, and lack of supports are key drivers of staff turnover. To that end, LIIF supports ACF’s efforts to improve working conditions for ECE educators, including increasing wages, improving benefits and promoting staff wellness.

Head Start Eligibility and Housing Costs

Housing and child care are inextricably linked. Families need affordable housing and reliable child care to give their children a healthy start, but costs of both consume monthly budgets and often force families with young children to settle for substandard living or care arrangements. Now, more than ever, low-income families are severely cost-burdened by housing, deeply impacting their ability to access child care and achieve economic security.

Given the extreme housing crisis, LIIF recommends not implementing a dollar limit or percentage limit to how much is allowed to be deducted from income to account for housing costs. LIIF supports eligibility changes that allow programs to deduct housing expenses from parental income calculations, which is especially important for families who are right above the federal poverty line but live in high cost areas.

In addition to this recommendation, LIIF suggests utilizing co-location strategies as a tool to address housing and child care affordability challenges. Co-locating Head Start facilities with affordable housing is a promising and proven intervention to meet the housing and child care needs of families. Specifically, LIIF recommends using a waiver or additional income consideration for Head Start programs co-located in Low Income Housing Tax Credit (LIHTC) or other federally subsidized affordable housing buildings to allow children of families living in housing to attend the program (assuming they meet other relevant enrollment criteria). The table below compares LIHTC affordability in San Diego County with state child care assistance and Head Start income eligibility criteria, which are set based on state median income and federal poverty levels. This data demonstrates a significant opportunity to better align Head Start programming and affordable housing.

2022 Income Eligibility Comparison of LIHTC Units and Child Care Subsidy Programs in San Diego County for a Family of Four

Percent of Income Measure	Low Income Housing Tax Credit Units (Area Median Income)	State Child Care Programs (State Median Income)		Head Start (Federal Poverty Line)	
	Actual	Actual	LIHTC Unit Comp	Actual	LIHTC Unit Comp
20%	\$26,020	\$20,313	15.6%	\$5,550	4.3%
40%	\$52,040	\$40,627	31.2%	\$11,100	8.5%
60%	\$78,060	\$60,940	46.8%	\$16,650	12.8%
80%	\$104,800	\$81,253	62.5%	\$22,200	17.1%
85%	\$110,585	\$86,332	66.4%	\$23,588	18.1%
100%	\$130,100	\$101,567	78.1%*	\$27,750	21.3%**

*To qualify for state child care assistance from the California Department of Social Services, families generally must earn less than 85% of state median income, which for a family of four in 2022 was \$86,332 or the equivalent of a LIHTC unit at 66.4% AMI.

**Head Start eligibility is set by the federal poverty line, which for a family of four in 2022 was \$27,750 or the equivalent of a LIHTC unit at 21.3% AMI.



Transportation and Other Enrollment Barriers

Like housing, low-income children and families across the United States tend to face the harshest transportation inequities. LIIF strongly supports proposed guidance on data collection and consideration of transportation barriers to enrollment and regular attendance in Head Start programs.

In a 2023 child care facilities study in Washington, DC, LIIF conducted a week-long, targeted survey of parents living in the District about their daily transportation journeys for drop-off and pick-up at their primary child care arrangements. Parents that primarily rely on four primary modes of transportation were included in the sample: those that walk, bike, drive, or take public transportation. Parents responding from programs that serve more low-income children and families tended to describe in open-ended responses longer, more hectic, and less stable commutes. Particularly for those whose journey required multiple bus or train transfers, one delay could change their child's mood or make the parent late for work or job interviews. These parents regularly mentioned children missing meals as they rushed out of their homes or having less time for their own responsibilities outside of caregiving. On days where schedules were particularly important, low-income, transit-riding parents often discussed carpooling with a friend or family member or paying for a one-way rideshare (e.g., Uber or Lyft) to ensure they completed drop-off or pick-up on time.

Access to such information at the individual, program-level is critical for program directors, social workers, and other important Head Start staff to be able to appropriately support families based on unique needs and transportation arrangements. After a reasonable time period, LIIF recommends that OHS develop or commission a national study on transportation accessibility and safety at Head Start facilities using a cross-section of program-level data. This could both elevate best practices for the field and reveal areas for collaboration with other federal agencies.

Improving Facilities

The physical facilities ECE programs operate from are a critical but often overlooked component of program quality, and growing research indicates the importance of space, design, and the built environment to child development. LIIF strongly believes that the quality of child care facilities should be elevated as a central tenet of any conversations on child care. Currently, LIIF serves as a co-chair of the National Children's Facilities Network (NCFN), a coalition of ECE stakeholders focused on developing and improving child care supply in areas that have the least access to ECE and the highest concentrations of low-income families.

LIIF strongly supports proposed changes aimed at improving facilities and reducing the well-documented, harmful effects of climate change and environmental hazards on young children. This is especially important as Head Start programs are often located in communities that have historically been excluded from accessing capital to purchase, construct or renovate facilities. Specifically, LIIF supports changes related to preventing and addressing lead exposure. Investments that help providers exceed minimal health and safety requirements will result in strong outcomes for children.

We also recognize ACF's focus on preventing and addressing lead exposure as an opportunity to conduct a broader national audit of Head Start facility quality and environmental risks to children. The Urban Institute recently released the *Head Start Environmental Exposure Mapping Tool*, which illustrates where children in Head Start may face greatest exposure to environmental harms. The tool helps Head Start providers understand these exposures and risks to plan for interventions that will protect and support the children and families they serve. As a component of lead testing that will occur in many facilities, ACF should also fund a study of broader environmental risks and threats posed by climate change. This would



not have to be at all facilities where lead testing/mitigation is necessary, but collecting select national data on typical risks and facility conditions would be very useful.

Additionally, LIIF supports changes to facilities valuation and clarification of the definition of “major renovations.” Better positioning Head Start grant recipients to successfully receive and apply funding to improve their physical infrastructure will ensure children have access to quality facilities.

Centering Community Connections

Lastly, as a financial intermediary, longtime supporter of the ECE sector and community development practitioner, we sit at the intersection of family needs, funding and neighborhood growth and design. LIIF greatly understands the need to better center children and families in community development. LIIF has supported various development projects that integrate child care with community assets. For example, in rural Coachella Valley, California, LIIF provided \$3 million to the Coachella Valley Housing Coalition, alongside Lift to Rise and other partners, for the development of four critically needed affordable housing complexes. One of the complexes, the Oasis Villas Community, created 160 homes for farmworkers and their families earning between 30% and 50% of the area median income, alongside a co-located health clinic and child care center.

We applaud ACF’s efforts to improve the community assessment to ensure programs meet community needs and builds on community strengths and resources. To improve the community assessment, LIIF recommends designing a holistic community assessment that considers shared outdoor spaces, street amenities, walkability outside facilities, and proximity to housing developments. Data that captures these metrics will promote the development of communities that center child care alongside other frequently used assets like schools, health clinics, community centers and grocery stores.

These recommendations aim to contribute to the broader goal of stabilizing the Head Start workforce, ensuring program and facility quality, and addressing the systemic challenges faced by educators in the field. LIIF is greatly appreciative for the opportunity to respond to comments on ACF’s NPRM. We applaud the Office of Head Start's commitment to strengthening Head Start programs and are eager to collaborate further to ensure the success of these initiatives.

Sincerely,

Daniel A. Nissenbaum
Chief Executive Officer
Low Income Investment Fund