



House Education and Labor Reconciliation Bill Summary (as of September 14, 2021)

On September 10, 2021, on a party line vote of 28-22, the Democratic majority on the House Education and Labor Committee adopted and sent to the full House of Representatives its portion of the FY 2022 budget reconciliation package. The bill, as adopted by the committee, would provide \$450 billion for universal pre-K for three and four-year olds and a major expansion of child care subsidies which would dramatically reduce or eliminate costs for families (no family would pay more than seven percent (7%) of their income and many families would pay nothing). Funds for both programs will be disbursed through the Department of Health and Human Services, and both are envisioned as open-ended entitlements. This would be the most significant expansion of early childhood education access our nation has ever seen. Significantly, the expansion is directly influenced by the 56-year history of Head Start and the bill's are guided by a focus on equity.

Key Take-Aways:

- 1. Preserves the Office of Head Start and direct federal-to-local funding for Head Start.** It does not allow states to take on the operation of Head Start.
- 2. Provides for workforce compensation of \$15 billion over six years for the existing Head Start and Early Head Start staff.** This is dedicated funding separate from other provisions surrounding compensation and pay equity in universal preK and child care (which are also strong) and includes all staff, not just teachers.
- 3. Includes a “full utilization” requirement in pre-K which forces states to ensure that Head Start slots are filled before drawing on other funding.** Other linkages to the Head Start Act and the Head Start Program Performance Standards (such as requiring annual service hours of 1,020 hours and elevating the Head Start Early Learning Outcomes Framework in both pre-K and child care) further reinforce this connection.
- 4. Creates new opportunities for partnership with HS and EHS.** It prioritizes communities with the highest needs and HS/EHS categorical populations, gives state pre-K systems the option of developing an “enhanced” pre-K option that funds comprehensive services based on HSPPS and closes some of the gaps between Early Head Start and child care, including eliminating co-pays.
- 5. In either case, if states decline, Head Start can be directly funded.** In both pre-k and child care, if states decline to participate due to politics, the match requirements or other concerns, Head Start programs (among other entities) can be directly funded.
- 6. Many critical details will have to be ironed out through regulation and state-level advocacy.** This is not the last word and, even once adopted by the Senate and signed into law, we will be looking to our members to support advocacy with HHS and in states.

Universal Preschool for Three- and Four-Year Olds

The bill creates an entitlement to preschool for all three- and four-year olds, setting up a framework for a system run by states but in close partnership with Head Start programs.

It includes a provision that Head Start slots must be filled before those in any newly expanded program.

This is an open-ended entitlement providing “such sums as necessary” to provide the service.

Specifically, the bill would:

Funding

- Create universal pre-K for three- and four-year olds through a federal-state partnership
- Payments to states start at one hundred percent (100%) for Fiscal Years 2022-2024, then gradually drop to sixty percent (60%) in Fiscal year 2028.
- Four percent (4.0%) of funds are set aside for tribes and one-half of one percent (0.5%) of funds are set aside for migrant and seasonal workers and their families.
- If states decline to participate, the Department of Health & Human Services, which will oversee the program, can fund Head Start, cities, counties, and local programs directly
- Protects state funding of Head Start, saying states cannot supplant it

Mixed Delivery

- States must certify that preschool seats will be distributed equitably among child care (including family child care), Head Start, and schools within the state.
- Eligible providers include any local education agency; a Head Start agency; a licensed center-based child care provider or community-based provider; or a consortium of the above.
- States must ensure “full utilization” of Head Start slots first, making sure Head Start is fully enrolled. States must “partner with Head Start agencies to ensure the full utilization of Head Start programs within the state.”

Target Populations

- States must prioritize high-needs communities through periodic needs assessments conducted through Preschool Development Grants or another statewide assessment
- Services would be prioritized to families/children who are low-income and highest in need (e.g. disability, foster, homeless)
- State activities Include “providing age-appropriate transportation services for children, which at a minimum shall include transportation services for children experiencing homelessness and children in foster care.”

Workforce

- \$2.5 billion per year for Fiscal Years 2022-2027 are allocated to OHS to improve compensation of Head Start staff (\$15 billion total).
- Requires pay parity equivalent to elementary school teachers for pre-K staff.
- Lead teachers must have a bachelor's degree by not later than seven (7) years after enactment of the legislation
- States must partner with at least one university to facilitate degree attainment for staff of preschool programs

Quality

- At a minimum, states must meet or exceed Head Start Early Learning Outcomes Framework as their standard for academic and other support
- States can create a “comprehensive services” option in line with HSPPS to provide health, family support, and other intensive services based on family needs assessments
- States must offer programming that meets the duration requirements of at least 1,020 hours annually, in the program performance standards applicable to Head Start

Child Care Entitlement

Called the *“Birth through Five Child Care and Early Learning Entitlement,”* the Build Back Better Act makes a historic investment to lower the cost of child care for working families, expand the availability of high-quality child care, and raise wages for child care workers. **Eligible child care providers include:**

- A center-based provider;
- Family child care provider; or
- Other providers that are licensed by the state; participate in QRIS; and meet requirements in the CCDBG Act (such as background checks).

Those eligible include anyone, without regard to immigration status, under age six, not yet in kindergarten, and whose family does not exceed one hundred percent (100%) of State Median Income in Fiscal Year 2022 – scaling up to two hundred percent (200%) of State Median Income in Fiscal Years 2025-2027 – and who also meet one of the following criteria:

- reside with a parent participating in an eligible activity (e.g. working or attending school);
- is included in a population of vulnerable children which at a minimum must include homelessness, those in foster care or kinship care, and those who are receiving or need to receive child protective services; or
- who is residing with a parent who is more than 65 years old.

State child care programs must include policies to support access for underserved populations including, at a minimum, low-income children, children in underserved areas, infants and toddlers, children with disabilities, and dual language learners.

All programs must include payment rates to providers that are sufficient to meet the cost of child care estimated using a statistically valid model and, at a minimum, **provide a living wage for all staff with wages equivalent to those for elementary educators with similar credentials.**

There will be a tiered system for measuring quality which must include a set of standards which for the highest tier are at least equivalent to Head Start Program Performance Standards. And, within three years, states must have policies and financing practices that will ensure all families of eligible children can choose for the children to attend child care at the highest quality tier within six years after enactment of the legislation.

Most families would not pay more than seven percent (7%) of their income on child care, and child care providers would have the resources to raise wages for and expand available supply to serve more children and families. **There would be no copayments for those below seventy-five percent (75%) of State Median Income.**

In cases where a state does not intend to apply for funds, eligible localities – including a Head Start grantee – may apply instead. To the extent practicable, locality applications should be consistent with what would be required by state plans and priority will be given to localities serving underserved populations.