



Competitive Bonuses for the Head Start Workforce

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Head Start Workforce Is Highly Valued

- The Office of Head Start (OHS) recognizes and values the commitment of program staff to the mission of Head Start
- Program staff:
 - support Head Start children and families during very challenging times
 - are highly qualified
 - have many responsibilities, sometimes multiple roles



Critical Need for Head Start Workforce Supports

- OHS recognizes there is an ongoing staffing shortage
 - Impacts of the pandemic
 - Persistently low wages and benefits
 - Staff burnout
- Permanent wage increases would require additional funding (Congressional appropriations or other funding source), or findings cost savings in existing program budgets
- Programs are seeking strategies to provide immediate support to current staff and attract new hires to fill vacant positions



Overview of New Information Memorandum

- [ACF-IM-HS-22-04](#)– Competitive Bonuses for the Head Start Workforce
- Released June 21st, 2022

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INFORMATION MEMORANDUM

TO: All Head Start and Early Head Start Grant Recipients

SUBJECT: Competitive Bonuses for the Head Start Workforce

INFORMATION:
Head Start staff are the backbone of our programs. Every day, staff work tirelessly to provide high-quality Head Start services to children and families. During very challenging times, Head Start staff have continued to ensure children and families have the support they need to thrive.

Adult wellness is vital in any workforce, particularly in Head Start programs where children and families in the most vulnerable circumstances are served. Providing comprehensive services through a whole family approach requires staff to be well-versed in the tenets of early childhood education and development. It also requires a level of clear-headedness and physical stamina that must be supported with a systemic approach. This approach should, at its core, value the important role of everyone in the Head Start workforce and recognize that they deserve appropriate compensation (i.e., wages and benefits) to fulfill their important charge. Indeed, a stable, qualified workforce is critical for programs to keep their classrooms open and maintain their funded enrollment. This cannot be accomplished if the workforce continues to be undervalued and undercompensated.

The Office of Head Start (OHS) recognizes that the dedication of Head Start staff is especially commendable given persistently low wages and lack of comprehensive benefits, particularly for education and family services staff. Permanent, sustainable wage increases require additional funding. This is often done by freeing up of funds within existing budgets, a long-term program planning activity that often involves making difficult decisions, or through additional appropriations from Congress. In the meantime, OHS recognizes programs are seeking strategies to provide immediate relief to current staff, as well as ways to fill vacant positions as they begin to plan for the next program year.

This Information Memorandum (IM) describes providing competitive financial incentives with existing grant funds as a short-term strategy (45 CFR 475.430(d)) to invest in the Head Start workforce and promote retention of current staff, as well as recruitment of new staff to fill vacant positions. OHS strongly encourages all Head Start programs to use American Rescue Plan (ARP) funds, base grant operations funds, and other COVID-19 relief funds to offer competitive financial incentives to staff, such as retention and hiring bonuses, to help stabilize and support

Key Messages

- Strongly encourage Head Start programs to provide incentive payments to staff as short-term strategy to stabilize the Head Start workforce
 - American Rescue Plan (ARP) funds; other COVID-19 relief funds; base grant operations funds
- Reevaluate the size of monetary incentives that are necessary and reasonable
 - What is “necessary and reasonable” during COVID-19 pandemic and workforce shortage is likely different than before (see [ACF-IM-HS-21-01](#))
 - May be appropriate to consider incentive amounts larger than previously offered
- Programs should look at the incentives and/or overall compensation offered by competing employers where the staff position provides similar services, such as **elementary schools**, in determining size of incentives



Competing Employers & Comparable Services

Compare compensation and incentives to job positions providing **comparable services** for other employers

- For many positions, elementary school staff provide comparable services:
 - Head Start teacher provides similar services to an elementary school teacher
 - Head Start bus driver provides similar services to an elementary school bus driver
- Other positions may have different comparisons:
 - Nurses may compare to nurses in a health center or nursing home
 - Janitors may compare to janitors in other settings, such as retail or service industry



Use Program Data to Inform Incentive Structure

Reflect on program data on workforce, enrollment, and program needs

- Determine which positions are experiencing most challenges with retention and vacancies
- The relationship between workforce challenges and under enrollment can help demonstrate necessity
- Relevant data may include:
 - Number of vacancies by position
 - How often vacancies occur
 - How long vacancies remain unfilled
 - Number of applicants
 - Number of applicant interviews
 - Number of candidates accepting positions
 - Duration of new hire employment
 - Data from exit and stay surveys
 - Number of open slots due to workforce shortages

New on the ECLKC: Financial Incentive Examples

- Charlotte-Mecklenburg Schools in Charlotte, NC: **\$2,500 max bonus**
 - *Hiring Bonuses*: bus drivers: \$1,000; special education teachers: \$2,500; HVAC skilled tradespeople: \$1,000; and instructional substitutes: \$250
 - *Retention Bonuses*: \$2500 for full-time; \$1250 for part-time
- Guilford County Schools in Greensboro, NC: **\$20,000 max bonus**
 - Bonus for newly hired teachers who work for three years in a low-performing school and can demonstrate two consecutive years of student growth
- Sioux City Community School District in Sioux City, Iowa: **\$5,000 max bonus**
 - *Hiring Bonuses*: new teachers; \$5,000; substitute teachers: \$2,500; para educators, food service workers, bus drivers: \$1000
- Orangeburg County School District in Orangeburg, SC: **\$3,000 max bonus**
 - *Hiring Bonus* for newly hired teaching staff
- District of Columbia: **\$14,000 max bonus**
 - Direct payments of \$14,000 for lead teachers and \$10,000 for assistant teachers working in ECE settings



Structuring Incentives

OHS encourages programs to structure incentives in a way that rewards retention.

- Consider scaling incentives based on employee tenure with the program.
- Lump sum payments may be particularly impactful for those with an established tenure with the program.
- We suggest staggering hiring bonus payments to reward new-hire retention.
 - For example, a portion of the bonus is paid upon beginning employment and subsequent portions are paid out over time as the employee remains in their role.



Policy Considerations

- Any financial incentives for program staff are subject to an established written policy of the grant recipient for allowability
- Programs should update personnel policies and procedures with governing body and policy council or policy committee approval

See:

- [45 CFR § 75.430\(f\)](#) on Incentive compensation
- [45 CFR § 75.431](#) on Fringe benefits
- [45 CFR § 1302.90\(a\)](#) on Establishing personnel policies and procedures



Intentional Workforce Planning

Financial incentives may complement, but should not replace, intentional workforce planning practices

- OHS recognizes that financial incentives are just one short-term strategy

Programs are encouraged to continue efforts to support and stabilize their workforce

- A recent webinar from OHS's Enrollment Forward series highlights Intentional Workforce Planning strategies



FREQUENTLY ASKED QUESTIONS



What if local employers providing comparable services are not offering financial incentives?

- Programs can still look to **overall compensation** offered by local employers providing comparable services to inform and justify financial incentives.
 - OHS encourages programs to compare the total compensation paid in comparable settings, such as elementary schools, in designing and justifying their incentive structure.
 - For example, consider the total compensation provided to bus drivers in the local elementary school to inform the financial incentives offered to bus drivers in the Head Start program.

What funding sources can programs use for financial incentives for staff?

- American Rescue Plan (ARP) Act funds
- Coronavirus Aid, Relief, and Economic Security (CARES) Act funds
- Coronavirus Relief and Response Supplemental Appropriations (CRRSA)
- Base grant operations funds

- Please be mindful of any applicable grant requirements that must be met including period of availability for different funding sources.
- For CARES and CRRSA, we remind programs that they must document and justify that the expense is directly supporting their response to the COVID-19 pandemic.



Are programs required to offer certain types of bonuses?

- No, programs that choose to offer incentives should design a structure that meets their individual workforce needs and that is justifiable.
 - Some programs may choose to focus only on retention bonuses, whereas others may choose to focus on retention and hiring bonuses.
- OHS encourages programs to reflect on how their bonus structure will influence morale of current employees and, if possible and appropriate, reward those who have continued to serve Head Start families during these challenging times.
- Programs also have discretion to decide if and how to stagger bonuses over time.
 - For some employees (such as new hires), it may make sense to provide bonuses in increments over time.
 - For other employees, it may make sense to provide bonuses in a lump sum.



What if programs are losing staff to employers where the position is NOT providing comparable services to a Head Start position?

- If a program is losing staff to employers NOT providing comparable services:
 - This may be used to justify the necessity for financial incentives, but not to justify the size of the financial incentives.
 - To determine and justify the size of incentives, programs can still benefit from comparing to employers who ARE providing comparable services.
 - For instance, programs may determine it is necessary to provide financial incentives for their Head Start teachers because they are leaving to work as cashiers in retail stores where the pay is higher. However, to determine the incentive size for these teaching positions, the program cannot use the pay or incentives for the cashier positions since they do not provide comparable services. The program could instead look to the pay being offered to teachers in local elementary schools to justify the size of incentives to offer to their own teachers.
- A program may also look to neighboring school districts or other employers providing comparable services in nearby communities in determining their incentive structure.



RESOURCES

- Learn more from this [one-pager](#) and recent [webinar](#) about the Public Service Loan Forgiveness Program and how you or your staff might qualify
- See these [Strategy Resources to Address the Early Care and Education Workforce Shortage](#)
- See this collection of [Resources to Build and Retain a Strong Education Workforce](#)
- See this [brief](#) and this [webinar](#) on ECE apprenticeship programs, as well as this [webinar](#) on connecting parents to apprenticeships
- See this [webinar series](#) on promoting the wellness of Head Start staff

