



[Docket ID ED-2025-OPE-0016]

May 5, 2025

For more than 90 years, and with approximately 55,000 members, including early childhood educators, faculty members, students, advocates, and allies across the country, the National Association for the Education of Young Children's (NAEYC) mission has been to increase access to high-quality, developmentally-appropriate early childhood education for all children birth through age 8. We advance a diverse, dynamic early childhood profession and support all who care for, educate, and work on behalf of young children. As such, and together with the 50 Affiliates who are part of our network, we appreciate the Department of Education's interest in and commitment to streamlining and reducing regulatory burdens that impede students' access to and participation in federal student financial aid programs.

We are providing feedback in response to the Department of Education's recent request for comments to help inform upcoming negotiated rulemaking for programs authorized through Title IV of the Higher Education Act. **We urge you to revise and strengthen the regulations of the Public Service Loan Forgiveness (PSLF) Program to ensure that all early childhood educators working in licensed, regulated and registered settings- including for-profit and non-profit settings and family child care - are eligible to apply for PSLF.** Before speaking specifically to this recommendation, we want to provide background information on the early childhood education (ECE) workforce, the mixed-delivery early childhood education system, and the importance of federal student aid programs to our ECE workforce.

There is wide-consensus among researchers, early childhood professionals, and the public that effectively supporting the development and education of young children requires complex skills and knowledge and that early childhood educators are understood to be providing a public good<sup>1</sup>. Early childhood educators have also been clear that they want and need access to meaningful degrees and credentials that will support them in gaining the competencies they need to effectively work with children and their families<sup>2</sup>. While credential and degree requirements in early childhood education currently vary based on state and setting, many educators working across settings have completed college coursework, acquired credentials, and attained degrees, including associate, baccalaureate, and master's degrees. Most of these educators are already working, often full-time and often already in the ECE field; many have family responsibilities of their own; many are first-generation students; many are

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<sup>1</sup> <https://pubmed.ncbi.nlm.nih.gov/26269871/>

<sup>2</sup> "Increasing Qualifications, Centering Equity: Experiences and Advice From Early Childhood Educators of Color" (2019). NAEYC and The Education Trust. [https://www.naeyc.org/sites/default/files/wysiwyg/user74/increasing\\_qualifications\\_centering\\_equity.pdf](https://www.naeyc.org/sites/default/files/wysiwyg/user74/increasing_qualifications_centering_equity.pdf); "Centering Quality, Centering Equity: Lessons Learned in Increasing Early Childhood Educator Credentials" (2024). Center on Poverty and Inequality at Georgetown Law. <https://www.georgetownpoverty.org/issues/centering-quality-centering-equity/>



educators of color; many are family child care educators; many work in faith-based settings and in military communities; and many have had to rely on student loans<sup>3</sup>. Accessible, predictable, and fair supports are needed to help educators avoid the crushing burden of debt that interferes with their ability to join or stay in the valuable, highly skilled, demanding, and essential field of early childhood education.

Unlike the public K-12 system which provides free access to education for all age-eligible children and youth, there is no parallel, public system for our country's youngest children. As a result, and by necessity, child care is a mixed-delivery system with providers that are center-based community programs (both non-profit and for-profit, faith-based and non-sectarian), family child care programs (which can be structured as non-profits, for-profits and sole-proprietorship), and public programs such as HeadStart and state/locally funded public PreK programs. Early childhood educators in all of these settings provide an essential service - supporting the development and education of young children and providing safe care.

Federal postsecondary grant and loan programs, including PSLF program, are critical to supporting current early childhood educators, strengthening the ECE workforce pipeline, and achieving the vision for a profession that benefits children, families, and our society at large. Skilled, supported, and knowledgeable early childhood educators provide high-quality early childhood education and set our nation's young children (birth through age 8) on a path to success. Their average wage of \$15.41/hour ), however, undermines quality and diminishes the benefits to children, families, and our economy<sup>4</sup>.

In the last few years, the Department has sought public comment on PSLF, including a specific request for feedback on whether to expand access to PSLF for early childhood educators working in for-profit settings. In our responses to those requests, we have urged the Department to use its regulatory authority to expand access to include educators working in for-profit and family child care settings. We have also highlighted ways that individuals could demonstrate they are providing educational services and are working for a qualifying employer such as through a combination of self-attestation, submitting evidence of the early childhood education employer's state license, evidence of state registration or federal EIN, and/or submitting individual tax returns. At the end of this statement, we are including an excerpt from our response to the Department's request for comment on ways it could operationalize expanding qualifying employer eligibility for early childhood educators.

**Justification for recognizing for-profit early childhood and family child care providers as qualifying employers**

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<sup>3</sup> Recent data from the RAPID-EC survey found 19 percent of child care providers had student debt, compared to 17 percent of the overall population. <https://rapidsurveyproject.com/our-research/student-debt-in-the-early-childhood-workforce>

<sup>4</sup> <https://www.bls.gov/oes/current/oes399011.htm>

We believe that the federal legislation that authorizes this program already allows for this. Currently, the Department has interpreted the PSLF statute to mean that only early childhood educators working in non-profit or public settings are eligible for PSLF. However, the current PSLF statute does not actually specify that early childhood educators must work for a non-profit or public early childhood education provider. In addition, the statute does not specify how PSLF applicants must verify their employment.

Committee reports from the original legislation authorizing PSLF, the College Cost Reduction Act of 2007, laid out the intended purpose of the program to attract individuals to lower paying professions such as public service. The House Committee report specifically mentions targeting forgiveness to individuals serving the country in “professions of national need,” a list in which early childhood education is explicitly included without the qualification of being provided in a 501(c)3 entity<sup>5</sup>.

The Higher Education Act, which was last reauthorized in 2008, defines what a public service job is for the purpose of the Public Service Loan Forgiveness program. Early childhood education is explicitly included in the HEA’s definition of a public service job and defined as “licensed or regulated childcare, Head Start, and state funded prekindergarten”<sup>6</sup> or at an organization that is described in section 501(c)(3) of title 26 and exempt from taxation under section 501(a) of such title”. That is, the HEA presents a job in early childhood education, as defined, as one form of public service job, and— in the alternative— a job at a 501(c)(3) non-profit as another kind of public service job. The plain language of the statute indicates that an early childhood education job need not be at a non-profit to be a public service job. The Department’s current requirement that early educators be employed at either a non-profit or public program is additive and not aligned with the law governing PSLF.

The inclusion of early childhood educators as eligible for PSLF in the Higher Education Act separate from their attachment to the public or non-profit sector also accurately reflects the fact that the systems of early care and education in the US are structured differently from those in other sectors such as K-12 and higher education.

For-profit early childhood education settings and family child care are a large part of the child care system in the U.S. As such, early childhood educators in these settings make up a significant part of the early childhood education workforce. According to the latest National Survey of Early Care and Education, in 2019, there were approximately 121,000 child care centers serving at least one child under

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<sup>5</sup> <https://www.congress.gov/110/crpt/hrpt210/CRPT-110hrpt210.pdf>

<sup>6</sup> Licensed and regulated early childhood education programs, as defined in §103(8) of the Higher Education Act (20 U.S.C. 1003<sup>6</sup>) and the statutory definitions for the PSLF program (20 U.S.C. 1087e(m)(3)(B)(i)).

5.<sup>7</sup> Of these, 34 percent are operated as for-profit programs, 47 percent as non-profits, and just 15 percent are run by the government. Additionally, approximately 6% of centers identified as religiously affiliated.<sup>8</sup> There were also more than 5 million home-based providers serving children under 13 other than their own. Of these 91,200 were considered listed – appearing on state or national lists of early care and education services including licensed, regulated, license-exempt, or registered.

Early childhood educators working in non-profit, for-profit and family child care settings have the same responsibilities and require the same competencies in order to support the education and development of young children. Additionally, as addressed previously, by necessity child care is a mixed-delivery system because of the lack of public funding to support it. It is a system primarily financed by the families who use it and subsidized by the low wages for which early childhood educators work. These minimal wages present a huge barrier for early childhood educators to overcome in accessing higher education. Knowing that there is opportunity for their student loans to be forgiven is an incentive for early childhood educators to make an investment in postsecondary education and can enable them to remain in the field.

Thank you for the opportunity to provide comments. Should you have any questions with regard to NAEYC's comments, please contact Daniel Hains, Chief Policy and Professional Advancement Officer at [dhains@naeyc.org](mailto:dhains@naeyc.org) or Mary Harrill, Senior Director of Higher Education at [mharrill@naeyc.org](mailto:mharrill@naeyc.org).

### **Appendix A - July 2024 Excerpt of NAEYC's Comments to the U.S. Department of Education**

The Department asked specific questions about expanding eligible employers to include for-profit early childhood education providers. Below are our recommendations in response to each of these questions.

***What criteria and sources of information can the Department use to identify eligible for-profit early childhood education employers in a consistent and simple manner that does not require an individualized review of employer or borrower specific activities?***

The current PSLF statute does not designate a specific way in which eligibility of early childhood education employers must be determined. The U.S. Department of Education, through regulations, has identified the federal employee identification number (EIN) as the primary tool for determining employer eligibility. Therefore, we encourage the Department to use its regulatory authority to expand the ways in which an early childhood education employer can be determined as eligible under PSLF. The

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<sup>7</sup> United States Department of Health and Human Services. Administration for Children and Families. Office of Planning, Research and Evaluation, and NSECE Project Team (National Opinion Research Center). National Survey of Early Care and Education (NSECE) Public-Use Files, [United States], 2019. Inter-university Consortium for Political and Social Research [distributor], 2024-09-30. <https://doi.org/10.3886/ICPSR37941.v8>

<sup>8</sup> [https://acf.gov/sites/default/files/documents/opre/2019\\_nsece\\_faith\\_based\\_snapshot\\_nov2022.pdf](https://acf.gov/sites/default/files/documents/opre/2019_nsece_faith_based_snapshot_nov2022.pdf)



PSLF statute calls for early childhood education employers to be “licensed and regulated”; thus proof of a program’s license should be sufficient for proving that an employer is qualified under the statute. The Department should be able to coordinate with each state’s child care lead agency to verify an employer’s child care license or registration number as an alternate form of eligibility to an EIN. Such an approach contains opportunity for automation, pulling in state, territory, or tribe lead agency lists to the Department’s verification system and would balance the need to minimize judgment required by the Department.

The [Child Care Development Block Grant \(CCDBG\)](#) is the largest source of federal funding to states to provide child care assistance for families with low-incomes and improve the overall quality of child care. Every state, territory, or tribe seeking CCDBG funds must designate and identify in its Child Care Development Fund (CCDF) State Plan a Lead Agency charged with administering the funds in compliance with federal requirements.<sup>9</sup> The U.S. Department of Health and Human Services’s Office of Child Care (an office of the Administration for Children and Families) offers current contact information for all Lead Agencies and access to all current CCDF plans through its website<sup>10</sup>.

Federal CCDBG requirements include that the Lead Agency certify the existence of and provide a detailed description of licensing requirements applicable to all child care services provided within the state/territory (not restricted to providers receiving CCDF funds) and how the requirements are effectively enforced<sup>11</sup>. They also include that the Lead Agency must collect and disseminate to the general public, through a consumer-friendly website, information about available child care that includes a localized list of all licensed child care providers (and at the discretion of the Lead Agency, license-exempt providers, while differentiating between the two), searchable by zip code<sup>12</sup>.

Using a zip code search on the website designated by the CCDF State Plan, any member of the public, including a Department administrator, can confirm an employer’s status as a licensed early childhood education provider, and to the extent this quick, default process raises questions or inconsistent information, the CCDF Lead Agency is charged with resolving those questions.

The Department should also give special consideration to including early childhood educators working in family child care home settings in the PSLF program. The child care industry in the United States consists of a large network of mostly very small businesses. Most child care providers are home-

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<sup>9</sup> 42 U.S. Code §§ 9858b(a)(Governor must designate Lead Agency) and 9858c(c); 45 C.F.R. § 98.16(a) (State Plan must identify Lead Agency)

<sup>10</sup> See, State and Territory Child Care and Development Fund Administrators, available at <https://www.acf.hhs.gov/occ/contact-information/state-and-territory-child-care-and-development-fund-administrators>, and Approved CCDF Plans (FY 2022-2024), available at <https://www.acf.hhs.gov/occ/form/approved-ccdf-plans-fy-2022-2024>.

<sup>11</sup> 42 U.S.C. § 9858c(c)(2)(F); 45 C.F.R. § 98.16(u), 98.40(a)(1)

<sup>12</sup> 42 U.S.C. § 9858c(c)(2)(E)(i)(III) and 45 C.F.R. § 98.33 (a)(2)

based businesses operated by a sole proprietor. Most are traditional home-based family child care providers, operated either in the child's home or out of the owner's personal residence. These non-employer businesses tend to produce much less revenue than those with employees, and most would be considered microbusinesses under federal definitions. The owners do not receive a traditional salary, receiving instead the net profit from operating the business. A typical non-employer child care provider produced approximately \$15,000 in annual revenue, and the owner retained an estimated \$8,900 in net proprietor earnings after expenses<sup>13</sup>.

We recommend the following as a way for sole proprietor family child care providers to verify their employment, in addition to their employer eligibility as licensed or regulated child care providers. These early childhood educators could use self-attestation and submit 1099 tax forms as a basis for such a system. This is consistent with alternative documentation options that currently exist within the PSLF system for individuals who cannot secure employer signatures. In addition, the employers will be included in the lead state agency databases (referenced above) that house the license and registration records of child care providers in the state. Use of the W2 and employer sign off as verification approaches for PSLF are inaccessible to the home-based childcare workforce who are in most cases sole proprietors without an employer to sign off and who in many cases have a Form 1040 Schedule C, not a W2, to document their employment status and yearly earnings.

***Should the Department use the eligibility for, or receipt of, certain Federal funding as a requirement for a for-profit early childhood education employer to be a qualifying employer for the purposes of PSLF? Are there sources of information identifying employer identification numbers of Federally funded early childhood education programs, consistent with the definition of early childhood education noted above?***

Receipt of certain federal funding should not be a requirement of for-profit early childhood education employers or family child care providers in order for them to be a qualifying employer for PSLF. This is not currently a requirement in PSLF statute nor regulations for non-profit early childhood education employer's; thus, it would not be consistent to make this a requirement of for-profit early childhood education employers or family child care providers. Adding this requirement would also make verifying the eligibility of for-profit (or family child care programs) more difficult as we are unaware of a central source within the federal government which houses the employer identification numbers of early childhood education programs that receive federal funding.

The largest source of federal funding for child care and early education is the CCDBG, which is a block grant program with matching and maintenance of effort requirements<sup>14</sup>. Although all the states, as well as several territories and tribes participate, they do so while applying widely varying standards for eligibility to receive these federal funds. An analysis by CLASP of 2016 data found that only 15 percent of eligible children under federal CCDBG parameters had access to child care subsidies. There was

<sup>13</sup> <https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>

<sup>14</sup> 45 CFR § 98.55

significant variation by state and race, with only 15 percent of eligible Black children, 2 percent of eligible Asian children, and 4 percent of eligible Latino children served, nationally<sup>15</sup>.

These facts urge two conclusions: (1) Application of a requirement that child care providers receive federal funds would result in far greater administrative complication and burden; (2) Application of a requirement that child care providers receive federal funds would underscore existing disparities and inequities in access, including both geographic and overall racial disparities. We urge the Department to refrain from imposing a requirement that child care providers receive federal funds to avoid these results.

***Could the Department limit PSLF eligibility to only for-profit early childhood education employers for which another Federal agency such as the U.S. Department of Health and Human Services has provided employer identification numbers and information that would help the Department easily assess eligibility?***

This is not currently a requirement in PSLF statute nor regulations for non-profit early childhood education employer's; thus, it would not be consistent to make this a requirement of for-profit early childhood education employers. Per statute, we recommend that the threshold for a qualifying early childhood education provider be that they are licensed and regulated (or registered).

The best way for the Department to assess eligibility is to look to the structure of the federal Child Care and Development Block Grant (CCDBG), which requires a state, tribal, or territory lead agency to make decisions about and implement policies around licensure and regulation. State lead agencies hold this information and are best situated to support eligibility assessment. Federal agencies are not positioned to do this assessment.

***Is it consistent with the purposes and goals of the PSLF program to include for-profit early childhood education as qualifying employment? For instance, to what extent would the inclusion of for-profit licensed and regulated early childhood education providers as eligible employers improve recruitment and retention of the early childhood workforce, increase early educator degree and credential attainment, and improve access to quality early childhood education for children and families?***

The inclusion of early childhood educators as eligible for PSLF in the Higher Education Act separate from their attachment to the public or non-profit sector accurately reflects the fact that the systems of early care and education in the US are structured differently from those in other sectors such as K-12 and higher education.

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<sup>15</sup> CCDBG: Helping Working Families Afford Child Care (February 2019), available at [https://www.clasp.org/sites/default/files/publications/2019/04/2019\\_CCDBGhelpingworkingfamilies\\_ONLINE.pdf](https://www.clasp.org/sites/default/files/publications/2019/04/2019_CCDBGhelpingworkingfamilies_ONLINE.pdf)



For-profit early childhood education settings and family child care are a large part of the child care system in the U.S. As such, early childhood educators in these settings make up a significant part of the early childhood education workforce. According to the latest National Survey of Early Care and Education, in 2019, there were approximately 121,000 child care centers serving at least one child under 5. Of these, 34 percent are operated as for-profit programs, 47 percent as non-profits, and just 15 percent are run by the government. There were also more than 5 million home-based providers serving children under 13 other than their own. Of these 91,200 were considered listed – appearing on state or national lists of early care and education services including licensed, regulated, license-exempt, or registered.

It is consistent to include both for-profit early childhood education and family child care as qualifying employers. Early childhood educators working in non-profit, for-profit and family child care settings have the same responsibilities and require the same competencies in order to support the education and development of young children. Additionally, as addressed previously, by necessity child care is a mixed-delivery system because of the lack of public funding to support it. It is a system primarily financed by the families who use it and subsidized by the low wages for which early childhood educators work. These minimal wages present a huge barrier for early childhood educators to overcome in accessing higher education. Knowing that there is opportunity for their student loans to be forgiven is an incentive for early childhood educators to make an investment in postsecondary education and can enable them to remain in the field.

***Are there other considerations for including for-profit early childhood education as a type of qualifying employer for PSLF? For example, this could include Congress' specific mention of licensed and regulated childcare programs in §103(8) of the Higher Education Act (20 U.S.C. 1003), or the PSLF legislative history.***

Committee reports from the original legislation authorizing PSLF, the College Cost Reduction Act of 2007, laid out the intended purpose of the program to attract individuals to lower paying professions such as public service. The House Committee report specifically mentions targeting forgiveness to individuals serving the country in “professions of national need,” a list in which early childhood education is explicitly included without the qualification of being provided in a 501(c)3 entity<sup>16</sup>.

The Higher Education Act, which was last reauthorized in 2008, defines what a public service job is for the purpose of the Public Service Loan Forgiveness program. Early childhood education is explicitly included in the HEA’s definition of a public service job and defined as “licensed or regulated childcare,

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<sup>16</sup> <https://www.congress.gov/110/crpt/hrpt210/CRPT-110hrpt210.pdf>





Head Start, and state funded prekindergarten”<sup>17</sup> or at an organization that is described in section 501(c)(3) of title 26 and exempt from taxation under section 501(a) of such title”. That is, the HEA presents a job in early childhood education, as defined, as one form of public service job, and— in the alternative— a job at a 501(c)(3) non-profit as another kind of public service job. The plain language of the statute indicates that an early childhood education job need not be at a non-profit to be a public service job. The Department’s current requirement that early educators be employed at either a non-profit or public program is additive and not aligned with the law governing PSLF.

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<sup>17</sup> Licensed and regulated early childhood education programs, as defined in §103(8) of the Higher Education Act ([20 U.S.C. 1003](#))<sup>17</sup> and the statutory definitions for the PSLF program (20 U.S.C. 1087e(m)(3)(B)(i)).