Center for the Study of Child Care Employment
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Center for the Study of Child Care Employment

Date: August 11th, 2022
US Department of Education
Docket Number: ED-2021-OPE-0077
Source:
https://www.federalregister.gov/documents/2022/07/13/2022-14631/student-assistance-general-provisions-federal-perkins-loan-program-federal-family-education-loan

Thank you for the opportunity to provide feedback on the PSLF program. We at the Center for the Study of Child Care Employment, University of California, Berkeley write today in regards to the proposed rulemaking of the Public Service Loan Forgiveness (PSLF) program that would impact members of the early care and education workforce (those who educate and care for children prior to Kindergarten) and their ability to pursue higher education and remain in the sector.

Unlike our K-12 system, there exists no unified public system for education and care programs serving children ages birth to five. The early care and education (ECE) sector relies on a mixed delivery system with providers offering services in a range of settings that include center-based (can be non-profit or for-profit), home-based (can be non-profit, for-profit, and sole proprietorship), faith-based, and publicly funded programs like Head Start or state-funded PreK which may operate in many of these aforementioned settings as well as in schools. Today, the PSLF program currently only offers the opportunity for public service loan relief to early childhood educators employed in a non-profit or public setting. **We strongly recommend the expansion of 'qualified employer' in this instance to include for-profit entities as early educators, regardless of the setting in which they**

work, are providing services that amount to a public good, often at the risk of their own financial security and well-being.

Nationally, early educators, almost all of whom are women and often women of color, earn a median wage of $13.22 per hour, leading to profound economic insecurity. While we cannot disaggregate a single company's wage standard from the median, there is evidence to suggest that among center-based programs, those who work in a mix of non- and for-profit programs outside of publicly contracted programs and public pre-K are paid among the lowest wages. Further, home-based child care providers, who are more likely to be immigrants and/or women of color than center-based teaching staff, have been found to experience even lower levels of pay. The reality is that the wages paid to this workforce are typically low, irrespective of auspices and funding type. As a reflection on the low wages paid to them, early educators utilize public safety net programs at a high rate. One of our recent studies of a western state found that just over 40 percent of early educators rely on such programs, mirroring the trend we have identified across states.

Earning a college degree has not yielded appropriate wages. In every state, early educators with a bachelor's degree are paid less than their peers teaching elementary school. Based on our analysis of 2019 National Survey of Early Care and Education Workforce data, early educators with a bachelor's degree remain severely underpaid - those who work in non-publicly funded child care centers are paid a median wage of just $15.41 per /hour. Given these conditions, it is unsurprising that since February 2020, 1 in 10 child care jobs have been lost, exacerbating recruitment challenges and high rates of turnover that already existed pre-pandemic.

Attaining higher education, though critical for preparing educators to support appropriate development and learning of young children, is either out of reach for many or creates substantial financial hardship. A 2022 national report found that 19% of early educators have student loan debt; given their wages, they have limited means to repay loans. Additionally, student debt, in particular, is a racial equity crisis, with the greatest burden of student loan debt falling on the shoulders of Black borrowers (CLASP, 2022). Black borrowers are both more likely to take on student loan debt and more likely to borrow greater amounts than any other racial demographic. These statistics are a reflection of decades of economic disinvestment in Black communities that have left Black Americans with lower family wealth and ability to finance their education; a discriminatory labor market that maintains racial disparities in employment and earnings including early care and education racial wage gaps that particularly harm Black early educators; and failures of the higher education system including inefficiencies in the student loan servicing system that have prevented Black and low income borrowers in particular from accessing relief.

Expanding the definition of qualified employers to include for-profit could help ensure that all early educators, especially home-based providers, have access to this opportunity to alleviate education-related debt. We urge the Department of Education to work with state agencies to develop a pathway for individuals to demonstrate PSLF eligibility that minimizes the administrative burden on applicants, who may already be navigating extensive reporting requirements for program funding and public assistance programs. The Department might consider methods to demonstrate that an individual is employed by a program providing educational services through options such as self-attestation, submitting evidence of the early childhood employer's state license or evidence of state registration, and/or submitting individual tax returns especially in the case of self-employed home-based providers.

Furthermore, we urge the Department of Education not to condition PSLF eligibility on receipt of federal funds. Receipt of federal funding is not currently a requirement in PSLF statute or regulations for non-profit early childhood education employers; thus, it would not be consistent to make this a requirement of for-profit early childhood education employers, and we believe it would exacerbate inequities for programs in historically underserved communities that have had inadequate access to public resources. Though there is public funding for some childcare slots, data demonstrates that only one in nine eligible children received a child care subsidy - underscoring the limited reach of federal funds for child care for those it intends to serve. In addition to public funding for child care being inadequate to reach all eligible children under 5 in the country, public reimbursement rates also do not cover the true cost of caring for children. As a result some child care providers opt out of providing publicly subsidized child care services because they can not afford to. Many educators would be excluded from accessing PSLF unless this condition is removed.

In recognition of poor compensation and economic insecurity experienced across the sector, the National Academies of Sciences recommended that early educators incur no additional debt to pursue higher education degrees. Until this recommendation is realized, we urge the Department of Education, for the purposes of the PSLF program, to expand the eligibility of 'qualified employers' to include all entities providing early care and education services – this expanded definition would include home-based providers who may be self-employed or operating an LLC, as well as for-profit centers. Early educators are providing a public good in the form of education and care services, irrespective of the setting in which they work.

Respectfully,

Center for the Study of Child Care Employment
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