

Improving Child Care Compensation Backgrounder 2021



About BUILD and the National Collaborative for Infants and Toddlers Capacity-Building Hub

The BUILD Initiative is a national organization that advances work on behalf of young children from prenatal to five, their families, and communities. The BUILD Initiative partners with leaders to promote equitable, high-quality child- and family-serving systems that result in young children thriving and learning. BUILD envisions a time when all children reach their full potential and when race, place, and income are no longer predictors of outcomes.

The National Collaborative for Infants & Toddlers (NCIT) Capacity-Building Hub, funded by the Pritzker Children's Initiative (PCI), and powered by the BUILD Initiative, supports pregnant and parenting families, infants, and toddlers by working with state and community leaders and coalitions committed to advancing policies and programs that provide for this strong start in life. PCI envisions a time when every child is supported in their physical, social-emotional, and cognitive development, beginning prenatally, to build a strong foundation for success in school and in life. Recognizing the deep disparities along racial/ethnic, socioeconomic, and geographic lines, PCI and the NCIT Capacity-Building Hub are committed to closing the gap by ensuring equitable access to high-quality services.

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Introduction

By pay, child care ranks in the 2nd percentile of all occupations. By way of comparison, kindergarten teachers rank in the 61st percentile.¹ Compensation has been a longstanding, pressing issue that has gone largely unaddressed. However, current federal investments in child care and the increased awareness of how essential child care programs are to families and the economy present an unprecedented opportunity to address the gross under-resourcing of the child care workforce. As we anticipate Build Back Better, compensation for early educators is front and center, with new efforts to secure living wages for the workforce.

The purpose of this backgrounder is to provide states, communities, and tribes the tactical information they need to better understand if and how they want to pursue policy levers to support early educator compensation. The information in this document is not theoretical. We highlight strategies that are currently underway, showing decisionmakers a potential path forward in their efforts to address this perennial issue.

Most of the strategies noted are incremental in one or more ways. Typically, the strategies are geared to providing an increment of resources that will improve compensation but do not yield a living or middle-class wage. Most often, the strategies provide point-in-time financial relief, which is a much-needed benefit for early educators but does not produce sustained, long-term increase in their regular paychecks. Existing strategies are also often limited to certain segments of the child care market, such as teachers or staff in one age band (i.e., preschool or infants and toddlers); teachers who are improving their credentials or degrees; specific categories of personnel (lead teachers, assistant teachers, etc.); or programs participating in the state's child care assistance program, quality improvement, or the state's pre-K program. In short, the current strategies are invaluable – and yet do not holistically address the challenges embedded within early educator compensation. It is crucial that, moving forward, we evolve and build on current strategies and continue to pursue new approaches. These future efforts should 1) significantly increase compensation so that the workforce is earning a living wage and 2) work within the context of an entire program in which revenue is mixed between public payment (i.e., pre-K and child care assistance) and private payment (i.e., tuition paid by families).

As the field strives to support early educator compensation, several questions must be at the forefront of future decision making:

1. What is (are) the purpose(s) of the compensation strategy? For example, is the strategy designed to incentivize improved credentials? To create a “floor” for wages? To support a living wage? To increase the compensation for the workforce for certain subpopulations (such as infants/toddlers or dual language learners)?
2. What benchmark(s) the north star for improved compensation? Is it parity with pre-K teachers, K-12 teachers? A “living wage?” A minimum wage for all?
3. What level of predictability for the payments is needed? What is the desirable distribution for compensation improvements? For example, through regular paychecks? Through a bonus payment or supplement offered monthly, quarterly, semiannually, annually?
4. Given the low wages of so many in child care, and the known reliance of the workforce on public benefits, how does the proposed approach interact with access to public benefit programs?
5. Will the proposed strategy result in improvements for the teacher/staff? For example, merely increasing child care assistance rates does not necessarily translate into improved compensation since the providers can use the rates however they see fit. If child care assistance/subsidy programs become the vehicle for improved compensation, how is the payment structured to guarantee changes in teacher compensation?

¹ C McLean, LJE Austin, M Whitebook, & KL Olson, *Early Childhood Workforce Index – 2020*, (Center for the Study of Child Care Employment, 2021), available at <https://cscce.berkeley.edu/workforce-index-2020/the-early-educator-workforce/early-educator-pay-economic-insecurity-across-the-states/>

How to Use this Document

Increasing compensation in a systematic, sustainable way, while simultaneously addressing the pressing needs of the current workforce, is a complex undertaking. And there is no one right answer for all environments: a compensation strategy that is effective in one state may set off unintended consequences when implemented elsewhere. Others may layer the same set of strategies in different ways. *Improving Child Care Compensation Backgrounder 2021* explores eight strategies for increasing early childhood workforce compensation.



Compensation Scales and Standards



Wage Stipends and Bonus Payments



Individual Tax Credits for Child Care Educators



ARPA Child Care Provider Stabilization Subgrants



Child Care Assistance



Benefits



Apprenticeships



Pre-K Parity for Child Care

Click an icon above to jump to that strategy. Within the document, use the tabs on the left to navigate between strategies.

Each section includes an overview of the strategy and considerations for its use, as well as profiles or examples of how states and municipalities have developed and implemented the strategy. The profiles highlight key design decisions that a state, municipality, or tribe would have to grapple with, addressing details as broad as method of payment and as minute as funding formula calculations.



Compensation Scales and Standards

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Introduction

Compensation scales and standards provide opportunities for states to define the compensation and benefits connected to the many different roles in home- and center-based delivery of early care and education services. Compensation standards outline the expected compensation and benefits, and may include role, setting, qualifications, and experience. These standards are an important tool for improving compensation. However, standing alone, without a connection to an implementation strategy, they can be limited in their impact, and primarily serve to raise awareness of what compensation should be provided. As states consider use of compensation standards, developing implementation strategies to ensure that the standards are used is essential. For example, if the compensation standards will become part of cost modeling, it may be necessary to increase the numbers in the cost modeling to account for variation in actual salaries based on experience levels. Some compensation scales have ranges that can be helpful for this.

Existing compensation scales and standards vary in how they are organized. For example, they may be limited to instructional personnel or applied across all roles. Some compensation scales and standards are organized by role while others are organized by educational qualification. States with career ladders may use these to organize the compensation standard.

Compensation scales and standards use different starting points to specify the hourly or yearly compensation. For example, scales may be set to achieve pay parity with the public school workforce or may be set to achieve a living wage (see, for example, the MIT Living Wage Calculator, Amy K. Glasmeier, *Living Wage Calculator*, 2020, Massachusetts Institute of Technology, available at <https://livingwage.mit.edu>). Another consideration beyond setting the compensation range is planning for growth—how does the scale address compensation improvements as individuals attain greater experience or as the cost of living increases?

Benefits, such as health insurance, retirement, and paid time off, may be included in compensation scales and standards. An additional consideration is professional supports, such as non-child contact responsibilities (e.g., planning time, professional development days). This also has implications overall for the staffing model that is being implemented in terms of overall number of staff needed to meet the expectations.

In addition to the information provided in this section, the T.E.A.C.H. Early Childhood National Center, a division of Child Care Services Association, recently published *A Look at Salary/Wage Scales for the Early Childhood Educator Workforce*, which is available at https://www.teachecnationalcenter.org/wp-content/uploads/2021/11/CCSA_2021_Salary-Scale-White-Paper-FINAL.pdf

Profiles of Completed Compensation Scales and Standards

Illinois	
Name of compensation scale/standard	Consensus Statement on Early Childhood Educator Compensation (2019) https://www2.illinois.gov/sites/OECD/Documents/7_ECE%20Educator%20Compensation%20Consensus%20Statement%20190726.pdf
Overview	The state of Illinois developed the wage scale as part of its work to transform financing, access, and quality for its early care and education system. The schedule was created using initial calculations from the Illinois Early Learning Council report Achieving Compensation Parity: Illinois Goal for the Field of Early Childhood Care and Education , (report summary can be found here), labor statistics data by occupation, and minimum wage law calculations; it was then vetted by those involved in drafting this consensus statement. This schedule is recommended as a draft starting point of average rates of compensation for FY20, allowing for variation within each position for differences in expertise and with a need to scale beyond FY20 to account for minimum wage law implementation. Further analysis will consider how this proposed schedule would shift educators' eligibility for public benefits. Ultimately, this draft scale will be expanded to create a more detailed matrix identifying how wages could vary higher or lower from the averages listed here based on other factors such as qualifications and tenure and incorporating cost of living adjustments (COLAs). As of November 2021, the scale is being updated to take into account recent minimum wage increases in Illinois.
Organizational approach (e.g., roles, education/experience, career ladder)	The Illinois approach is based on roles within the early care and education system, specifying target salary levels from administrative assistant through site director.
Incorporation of living wage or public school parity?	The scale is intended to take steps towards public school compensation parity.
Examples of salaries	<p>The approach provides for two state regions. No salaries specific to family child care are included. Please note that the scale is currently being updated due to increases in minimum wage.</p> <p>Site Director, Early Childhood Block Grant \$30.65-\$36.06 hourly and \$63,750-\$75,000 yearly</p> <p>Site Director, Department of Children and Family Services, \$22.48-\$26.44 hourly and \$46,750-\$55,000 yearly</p> <p>Teacher (BA) \$20.02-\$23.56 hourly and \$41,650-\$49,000 yearly</p> <p>Teacher (AA) \$17.57-\$20.67 hourly and \$36,550-\$43,000 yearly</p> <p>Teacher Assistant \$15.94-\$18.75 hourly and \$33,150-\$39,000 yearly</p> <p>Lead Floater teacher/sub (AA) \$16.75-\$19.71 hourly and \$34,850-\$41,000 yearly</p> <p>Assistant Floater teacher/sub \$14.71-\$17.31 hourly and \$30,600-\$36,000 yearly</p> <p>Family Engagement Specialist \$16.35-\$19.23 hourly and \$34,000-\$40,000 yearly</p> <p>Administrative Assistant \$14.30-\$16.83 hourly and \$29,750-\$35,000 yearly</p>
Benefits	Not included
How it is used	Illinois conducted a pilot for improving compensation and quality through its quality improvement system, ExceleRate, and the Consensus Statement on Compensation was used to inform its facility-wide approach to improving compensation. Additional information on the pilot is found in the section on Wage Stipends and Bonus Payments .

Minnesota	
Name of compensation scale/standard	Minnesota Early Care and Education Wage Scale (2021) https://mn.gov/deed/newscenter/publications/trends/march-2021/earlycare-wagescale.jsp
Overview	This wage scale is intended as a recommendation that can be used to inform cost-estimate modeling for expanding access to high-quality early care and education programming, to advocate for state and local investments in early care and education markets, to provide a guide for fair and just compensation, and to strengthen the state's existing Quality Improvement and Assessment System (QRIS). The analysis was developed by the <i>Transforming Minnesota's Early Childhood Workforce Compensation Committee</i> , available at https://ecworkforcemn.org/compensation-reform/
Organizational approach (e.g., roles, education/experience, career ladder)	This model uses the NAEYC Power to the Profession recommendations of ECE I, ECE II, and ECE III, which are organized by educational qualification and specify instructional roles that correspond with each level. It adds one additional level, called ECE +.
Incorporation of living wage or public school parity?	The model calls for public school compensation parity for the individuals in the ECE + role. The Minnesota Living Wage Calculator informs the other targets in this model. See https://mn.gov/deed/data/data-tools/col/
Examples of salaries	A minimum wage of \$15.00 hour is the floor, with ECE I at \$18.20/hour, ECE II at \$22.75/hour, and ECE III at \$28.44/hour. No hourly specification is provided for ECE +.
Benefits	No benefits are included in the model.
How it is used	Minnesota has not implemented the use of the wage scale.

North Carolina	
Name of compensation scale/standard	North Carolina Early Childhood Compensation Collaborative Model Salary Scale for Early Education Teachers (2021) https://www.childcareservices.org/wp-content/uploads/North-Carolina-Early-Childhood-Compensation-Collaborative-Model-Salary-Scale-for-Early-Education-Teachers-final-1.pdf
Overview	The North Carolina Early Childhood Compensation Collaborative developed a model salary scale to guide providers in establishing better wage standards for early educators. The scale is education based; at the highest tier, educators with a BA/BS and B-5 License receive wage parity with entry-level public school teachers. The scale also accounts for current NC standards for early educators as defined by the state's Quality Rating and Improvement System (QRIS) and higher education system. Implementation is voluntary for providers, who are advised to tailor the scale to regional and local wage standards. The state incentivizes providers to use the scale. For example, in its formula for allocating funding from ARPA Stabilization Grants, providers that commit to increasing base pay for educators based on a salary scale for teaching and non-teaching staff will receive higher grant awards than providers that only offer staff bonuses or that do not increase compensation at all. Additional information on North Carolina's ARPA approach is found the section on ARPA Stabilization Provider Subgrants .
Organizational approach (e.g., roles, education/experience, career ladder)	This compensation model salary scale is organized around three educational qualifications.
Incorporation of living wage or public school parity?	Pay parity with starting salaries for public school teachers is included, and the MIT Living Wage Calculator was used to determine the minimum hourly pay for the lowest level on the scale.

North Carolina

Examples of salaries	Based on the 2019 report: B-K Public School License \$20.19/hour or \$42,000/yearly BA/BS in ECE/Child Development \$19.18/hour or \$39,900/yearly AAS in ECE/Child Development \$15.14/hour or \$31,500/yearly
Benefits	These are not included.
How it is used	Currently the scale is available to local early care and education programs to use to inform their compensation policy and practice.

Rhode Island

Name of compensation scale/standard	Task Force Draft Infant/Toddler Educator Target Wage Scale, Rhode Island (2019) Recommendations endorsed by RI Early Learning Council with Draft Target Wage Scale https://www.earlylearningri.org/sites/default/files/site-content/docs/RI%20InfantToddlerEducatorCompensation%20Recommendations%20%20-%20December%202019.pdf Full Report: https://www.rikidscount.org/Portals/0/FINAL%20InfantToddlerComp%20%20page_web.pdf?ver=2019-12-06-163316-177
Overview	In 2018, Rhode Island KIDS COUNT and the Rhode Island Association for the Education of Young Children (RIAEYC) convened a Task Force to review the current data on compensation and develop a set of recommended strategies to improve the compensation of infant/toddler educators who work in child care, family home visiting, and Early Intervention. The Target Hourly Wage and Target Annual Salary represent the “floor” for compensation, not the ceiling or maximum amount. The wage scale model illustrates targets for compensation reform associated with an individual’s education. The educational levels of the model are aligned with the BrightStars educational requirements at Star Rating 3, 4, and 5, which is Rhode Island’s Quality Rating and Improvement System.
Organizational approach (e.g., roles, education/experience, career ladder)	The scale is organized by educational level, and in turn, these educational levels are matched to those required by the Rhode Island BrightStars quality improvement program for early care and education.
Incorporation of living wage or public school parity?	Public school teacher parity is included in this wage scale for those with bachelor’s degrees (aligned with entry-level public school teacher salaries and does not include parity re: benefits and time off). The Living Wage calculator provided by MIT informed the development of the scale.
Examples of salaries	As published in 2019: CDA credential or 3 ECE credits \$16 hourly and \$33,280 yearly 12 ECE credits \$17 hourly and \$35,360 yearly Associate’s degree \$19 hourly and \$39,520 yearly Associate’s degree & 24 ECE credits \$20 hourly and \$41,600 yearly Bachelor’s degree \$22 hourly and \$45,760 yearly Bachelor’s degree & 24 ECE credits \$24.15 hourly and \$50,240 yearly
Benefits	These are not included.
How it is used	Advocates have been working to pass legislation in Rhode Island that would require the Governor’s Children’s cabinet to officially establish a cross-department target wage scale for early educators in Child Care, Early Intervention, Family Home Visiting, and RI Pre-K to include parity with K-12 educators. The legislation also requires state agencies to develop strategies to close the wage gaps, including rate increases, contract adjustments, and wage supplements. In 2021, the bill passed the Senate but did not pass the house. Advocates are working with legislators to revise and re-introduce the legislation in 2022.

Washington	
Name of compensation scale/standard	Recommended Salary Scale and Budget Documentation (2019) https://www.dcyf.wa.gov/sites/default/files/pdf/reports/CompensationTechWrkgrpRprt.pdf
Overview	The Compensation Technical Work Group was convened at the direction of the state legislature to address solutions in four areas: (1) increasing child care workforce wages, (2) reducing workforce turnover, (3) enabling child care providers to recruit more qualified educators, and (4) maintaining the diversity of the current workforce. The proposed salary scale addresses specific roles in centers and homes, suggesting base hourly and annual pay; providing for increments based on education, dual language, serving specialized populations; and providing for longevity.
Organizational approach (e.g., roles, education/experience, career ladder)	Organized by role in center or family home setting, with additional increments set based on educational credentialing.
Incorporation of living wage or public school parity?	To calculate the scale, pay was compared to specific positions within the public sector including in public schools.
Examples of salaries	Based on 2019 report: Aide \$15.21 hourly base with increments up to \$2.60 hourly depending on educational level, for yearly range of \$31,764-\$47,237 Family Home Provider and Director \$24.04-\$31.54 hourly, \$50,004-\$65,604, based on educational level Lead Teacher \$20.22-\$27.72 hourly, \$42,060-\$57,660 yearly, based on educational level Note: Increases for all roles based on dual language, serving specialized populations, and longevity.
Benefits	Discussed in report, include health, retirement, and paid time off
How it is used	The Compensation Technical Workgroup report to the Legislature was leveraged in 2SHB 1344 tasking the Department of Commerce with reviewing the recommendations within the Compensation Report and making recommendations on how to implement the named recommendations by 2025. The scale is referenced in nearly every conversation about workforce and compensation. Additional explorations to date have related to options for state/industry-recognized apprenticeships or federal apprenticeships. Federal relief funding has been given to programs for workforce supports including wages but without the requirement that the scale must be used.

Pending Compensation Scales Pursuant to State Legislation

Connecticut is directed to provide a compensation schedule through Public Act 19-61. Passed in July 2019, Act 19-61 requires the Connecticut Office of Early Childhood (OEC) to provide the legislature with a report on an early childhood compensation schedule. The report must include recommendations for the design of a statewide compensation schedule, as well as analysis of the design of a statewide compensation schedule, as well as considerations for implementation. The compensation schedule must incorporate several factors, including educational attainment, years of experience, compensation levels at local school districts, and cost of level in the state. The state pushed back the deadline due to the pandemic; the OEC plans to deliver the report and recommendations by January 1, 2022.

Delaware, through Senate Concurrent Resolution 36, requires the Delaware Department of Education and the Delaware Early Childhood Council to create a state target compensation scale and professional career pathway for early childhood educators. The compensation scale and career pathway must be presented to the state legislature by December 1, 2021 and was released as this report in its final stages. The *Initial Framework Early Childhood Educator Target Compensation Scale and Professional Pathway* is available at <https://files.ctcusercontent.com/f6736190301/37822583-eab8-4485-88cd-e9569397877f.pdf?rdr=true>. For the next update of this backgrounder, we will provide a profile with details. The scale is to be used to inform a cost of care calculator and a quality-based cost model for rate setting in the state's child care assistance program. This law covers centers and family child care homes, as well as home visiting and Early Intervention, and references both living wage and pay parity regarding K-12 educators with the initial work focusing on child care.

District of Columbia, through the Budget Support Act of 2021, requires the D.C. Council to establish the Early Childhood Educator Equitable Compensation Task Force, which will develop a report proposing an employee compensation scale for early childhood educators. The scale must factor in educator role, credentials, and experience. The task force must also share guidance for implementation, including recommendations for ensuring that the scale equitably accounts for different staffing models, types, and provider sizes. The compensation scale must be presented to the Mayor and Council by January 15, 2022. The Budget Support Act further establishes the Early Childhood Educator Pay Equity Fund, which will be used to implement the compensation scale and increase the minimum compensation of early educators.



Wage Stipends and Bonus Payments

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Introduction

Wage stipends and bonus payments are among the most frequently used approaches to improve compensation. Both are interim measures, providing educators with point-in-time monetary awards without systematic changes to compensation structure. The key difference between stipends and bonuses is frequency. Stipends are recurring, granted to educators on a predetermined timeline - often every six months or annually - for as long as educators are eligible and funding is available. Bonuses are one-time awards. Historically, bonuses were connected to educational attainment; that is not consistently the case in the examples highlighted here. To learn more about this terminology, please refer to the Center for the Study of Child Care Employment's [2020 Workforce Index](#).

Stipends and bonuses are such a common strategy for both political and practical reasons. Systematic, structural strategies - like [compensation scales and standards](#) - often require legislative changes and, with that, expending a good deal of political capital. Further, as a practical matter, early educators require financial relief now. They cannot afford to wait for policy to catch up.

It is crucial, however, that wage stipends and bonuses complement, not replace, larger-scale compensation efforts. In their effort to address current needs, states and municipalities risk losing sight of the longer-term goal in mind, whether that is a living wage, a middle-class salary, or pay parity. Policymakers cannot fund a stipend or bonus and consider early educator compensation “fixed.”

This section profiles how six states designed and implemented stipend and bonus programs. Table 1 provides a high-level overview of key design elements of each approach. Each individual profile includes information about overall program investment and structure, as well as additional details about eligibility criteria.

Both program- and individual-level criteria determine if an educator is eligible for an award. Educators might only be eligible, for example, if they are employed at a program that meets a certain level of quality on the state's quality improvement system, or if they earn below a certain wage. Further, the criteria might differ across programs in a single region, depending on the purpose of the award. In Wisconsin, for example, only professionals who work directly with young children are eligible for the [REWARD](#) stipend, which is designed to reduce turnover. [Wisconsin's Workforce Retention Bonus](#), on the other hand, is open to all professionals, regardless of role, in part because its goal is to secure background checks and fingerprinting for all staff.

Program design also differs in the method of payment. There are generally two approaches: funding flows from the state to the program to educators, or funding flows from the state to an intermediary to educators. There are advantages and risks to both approaches. In the former situation, programs can set their own criteria and timeline for disbursing awards, with or without guardrails from the state or municipality. Administrators might award a large one-time bonus tiered based on education level, increase the minimum hourly wage for all roles, fund retirement benefits or paid time off, or offer hiring bonuses to new staff. In this approach, administrators can tailor compensation increases to their program's context and their staff's needs. At the same time, programs must provide documentation, such as payroll reports, to show that funds were spent within the allowed parameters, creating an administrative burden for both the state and programs. Awards that flow from intermediaries directly to educators involve fewer decisions and less attestation, allowing educators to receive awards more quickly. Most states that use this approach allocate funds based on educator role, education attainment, and working hours— but states define those priorities, not programs.

Cities and counties are pursuing similar efforts to provide early educators with stipends and bonuses. In [Milwaukee](#), more than \$5.1 million of American Rescue Plan funding is currently slated to finance stipends for early educators employed in the city.

Table 1. Summary of Wage Stipend and Bonus Payment Initiatives

		Illinois			Louisiana	Minnesota	New Mexico			North Carolina		Wisconsin			
		ExceleRate Pilot	Great START	Workforce Bonuses	Teacher Support Grants	RETAIN	Bilingual Incentive	Pre-K Pay Parity	Wage Supplements	WAGE\$	Infant/Toddler Educator AWARD\$	REWARD	Workforce Retention		
Program eligibility	Child care centers	●	●	●	●	●	●	●	●	●	●	●	●		
	Family child care/home-based settings		●	●		●	●	●	●	●	●	●	●		
	Required participation in child care assistance	●		●	●										
	Required participation in quality improvement system	●	●	●	●			●		●	●	●			
Staff eligibility	Instructional staff	●	●	At program discretion	At program discretion	●	●	●	●	●	●	●	●		
	Support staff					●								●	
	Current wage limits	●	●			●	●	●	●	●	●	●	●	●	
	Minimum education requirements	●	●			●	●	●	●	●	●	●	●	●	
	Minimum work hours		●			●	●	●	●	●	●	●	●	●	
Financing	Source of funding	PDG B-5	CCDF	ARPA Stabilization	CRRSA, ARPA Stabilization	CCDF, ARPA Stabilization	State funding	State funding	State funding	Local funding, CCDF	CCDF	State funding	CRRSA		
	Program investment amount (annual)	\$3.4 million	\$6.7 million	\$100 million	\$31.9 million	\$1.1 million	\$150,000	\$3 million	\$850,000 - \$1.5 million	\$8.5 million	\$3.9 million	\$700k-\$800k	\$10 million		
	Method of payment	Program to educator	Intermediary to educator	Program to educator	Program to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator	Intermediary to educator		
	Staff wage increase type	Guaranteed wage	Stipend	Bonus	Varies	Stipend	Bonus	Guaranteed wage	Stipend	Stipend	Stipend	Stipend	Bonus		
	Staff wage increase amount (annual)	\$12.25 - \$20.50/hour	\$75 - \$3,900	Varies (estimated \$1,000)	Varies	Varies (\$500 - \$3,000)	\$1,500 per language	Salary range \$20,500 to \$65,613	\$250 - \$5,096	\$450 - \$6,250	\$2,000 - \$4,000	\$100 - \$900	\$300 - \$550		
	Staff wage increase frequency	Salary	Every six months	One-time	Varies	Every six months	One-time	Built into salary	Every six months	Every six months	Every six months	Every six months	One time		

Profiles

Illinois	
Name of program	ExceleRate Pilot
Overview	The ExceleRate Pilot is designed to increase quality in participating centers by providing funding to increase wages for staff required by licensing and covering the cost of added staff required to meet quality standards. Note: The information below describes the structure used in FY22, which is different from the pilot design in previous years.
Total annual investment and source	\$3.4 million funded in FY22 through the Preschool Development Grant B-5.
Funding time period	PDG B-5 funding is committed through December 2022.
Method of payment	The Illinois Department of Human Services administers the funding to participating centers, which administer wage increases to staff.
Program Information	
Program funding calculation, if relevant	Each participating center earns a per-staff member rate based on qualifications and/or credentials. The number of staff is based on the number of classrooms and the number of positions per classroom. Defined minimum salary must be paid to earn the rate. For positions required by licensing, the rate supports incremental increases based on credential level. For additional positions required by quality standards, the rate supports the entire cost of the position.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	The ExceleRate Pilot is only open to licensed child care centers in counties identified by the state as rural counties.
Child care assistance program participation	At least 40 percent of enrolled children must participate in CCAP for a center to be eligible for funding through the ExceleRate Pilot.
Child care quality improvement system participation	One goal of the pilot is to test proposed changes to the Continuous Quality Improvement standards that are currently in the state's QRIS. Participating centers in the Pilot must commit to implementing the new CQI standards.
Individual Information	
Amount paid and frequency	In order for the center to receive funding, educators must earn the minimum baseline salary according to the salary scale. The salary scale is based on the educator's educational attainment and position. In FY21, the minimum salaries ranged from \$12.25/hour (teacher assistant with no credential) to \$20.50/hour (Illinois Director Credential, Level III). There is a proposed higher salary scale that may be implemented moving forward.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	All teachers and assistant teaching staff are eligible for wage increases; one director at each center is also eligible.
Current wages	Educators must earn the minimum baseline salary according to the salary scale. There is no maximum salary limit that educators can earn.
Education attainment	Employee credentials and positions are used to determine the minimum baseline salary.
Work hours	Educators are not required to work a minimum number of hours; however, rates are calculated per worked hour.

Illinois	
Name of program	Great START Wage Supplements
Overview	Great START Wage Supplements are biannual wage supplements for instructional staff designed to reward education attainment and program tenure. All eligible applicants can receive a supplement pending funding availability.
Total annual investment and source	\$6.68 million funded through the Child Care and Development Fund.
Funding time period	Funding for Great START was written into state law in 2004 and continues annually.
Method of payment	Illinois Department of Human Services contracts with Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) to disburse funding to staff.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators must be employed at a licensed center-based or family child care provider that offers full-day (8+ consecutive hours) and full-year (47+ weeks) programming.
Child care assistance program participation	Not required.
Child care quality improvement system participation	All programs must participate in ExceleRate, the state's QRIS.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate wage supplement based on their role, setting type, working hours, and educational attainment. Annual wage supplement rates range from \$75 (educators who work 15-19 hours/week with minimum education requirements) to \$3,900 (full-time, educators with a master's degree or above in all roles, all settings). Wage supplements are divided in half and issued every six months for as long as practitioners remain eligible.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Center directors, assistant directors, teachers, and assistant teachers are eligible. Family child care and group home providers and assistants are also eligible.
Current wages	Educators must earn less than \$18/hour and \$37,440/year.
Education attainment	Educators must have at least 6 semester hours in early childhood education or child development to receive a wage supplement. An educator's educational attainment determines, in part, the supplement amount that they receive.
Work hours	Educators must work at least 15 hours/week for 12 consecutive months. Supplement amounts are prorated for educators who work 15-29 hours/week.

Illinois	
Name of program	Child Care Workforce Bonus
Overview	Child Care Workforce Bonuses are one-time financial awards designed to support currently employed child care staff. Funding levels allow for all staff to receive a bonus, though it is up to the program administrator to determine which staff receive a bonus.
Total annual investment and source	\$100 million funded through ARPA Stabilization.
Funding time period	One-time awards disbursed by June 2022.
Method of payment	For licensed centers and group homes, Illinois Department of Human Services (IDHS) contracts with Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) to disburse funding to the program, which administers bonuses to staff. For licensed family child care homes, INCCRRA issues a check directly to the individual. For license-exempt relative home providers, non-relative home providers, and centers, IDHS issues bonus payments directly.
Program Information	
Program funding calculation, if relevant	<p>All programs receive a lump sum payment.</p> <ul style="list-style-type: none"> Licensed programs receive \$1100 per qualified staff member, plus an additional 20 percent for support staff. Additional funding is provided to cover payroll taxes. License-exempt centers will receive a payment based on the number of children enrolled in the child care subsidy program. Family Child Care will receive \$1000 and Group Family Child Care will receive \$2000.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators must be employed at a licensed or license-exempt center-based or family child care provider that offers full-day (8+ consecutive hours) and full-year (47+ weeks) programming to be eligible for bonuses.
Child care assistance program participation	License-exempt centers and homes must serve children who are enrolled in the Child Care Assistance Program for their staff to be eligible for workforce bonuses. Licensed centers and family child care do not need to enroll CCAP children to receive funding.
Child care quality improvement system participation	Not required.
Individual Information	
Amount paid and frequency	All personnel at eligible programs can receive a bonus. Which staff, the amount, and on what timeline staff receive bonuses is at the discretion of the program administration.
INDIVIDUAL ELIGIBILITY CRITERIA	Guidance encourages programs to distribute bonuses in multiple payments and to distribute them to every staff member, regardless of role, current wages, educational attainment, and work hours. The program funding calculation would allow programs to allocate approximately \$1000 in bonuses per staff member.
Role requirements	
Current wages	
Education attainment	
Work hours	

Louisiana

Name of program	Teacher Support Grant
Overview	Teacher Support Grants are awarded to center directors or owners to provide stipends, bonuses, and/or wage supplements to their staff.
Total annual investment and source	\$13 million funded through the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), \$18.9 million funded through American Rescue Plan Act Stabilization grants.
Funding time period	Teacher Support Grants are funded through FY22.
Method of payment	Louisiana Department of Education administers funding to Type III centers, which then disburse funding to child care staff.

Program Information

Program funding calculation, if relevant	Eligible providers receive funding based on the number of classrooms within the center. Each provider receives \$3,200 per classroom.
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PROGRAM ELIGIBILITY CRITERIA

Setting type	Only educators employed in Type III centers - early learning centers that are authorized to accept public funding - are eligible for Teacher Support Grants.
Child care assistance program participation	Educators must be employed at centers that are authorized to receive Child Care Assistance Program funding.
Child care quality improvement system participation	Educators must be employed at centers that participate in the state's QRIS.

Individual Information

Amount paid and frequency	The amount that staff receive, and on what timeline, is at the discretion of the center's administration. Grant guidance explicitly notes that instructional and non-instructional support staff are eligible to receive compensation increases. Teacher Support Grants funded through CRRSA must be disbursed by December 31, 2022.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Because Teacher Support Grants are taxable income, it is possible that staff who receive grants might experience "the benefits cliff," wherein the increase in income renders them ineligible for public assistance that they currently receive. The state encouraged centers to consider the benefits cliff when allocating funding to staff and partnered with the Louisiana Budget Project to provide guidance to centers on doing so.
Current wages	
Education attainment	
Work hours	

Minnesota

Name of program	REETAIN Bonuses
Overview	REETAIN Bonuses are intended to complement Minnesota's T.E.A.C.H. program, providing a financial incentive for former T.E.A.C.H. recipients and other highly qualified educators to remain in the field. Not all eligible educators who apply for REETAIN bonuses receive them; applications are scored based on additional criteria (see below).
Total annual investment and source	\$520,000 funded through the Child Care and Development Fund and \$480,000 funded through the American Rescue Plan Act.
Funding time period	REETAIN bonuses are funded through FY23.
Method of payment	Minnesota Department of Human Services contracts with Child Care Aware of Minnesota to disburse bonuses to educators.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Eligible educators must work in a center or family child care setting to be eligible for REETAIN.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Not required.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate bonus based on education level. Additionally, REETAIN bonuses may reflect priorities defined by the state's CCDF plan. The amounts range from \$500 to \$3000 annually. Not all eligible educators who apply for REETAIN bonuses receive them. Applications are scored based on the following criteria: length of service in current position, current wages, career lattice step, training hours in past year, leadership activities, ages of children currently served, and prior receipt of REETAIN grant.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Teachers, assistant teachers, primary care providers, or aides working directly with children are eligible for REETAIN bonuses. Educators must be enrolled in the state's early childhood registry.
Current wages	Educators in center-based settings must earn \$25/hour or less to receive a REETAIN bonus. The educator cannot be a current T.E.A.C.H. Scholarship recipient.
Education attainment	An educator's REETAIN bonus is based in part on their educational attainment. Educators receive higher REETAIN awards based on their education level. To be eligible for a REETAIN bonus, an educator must be at Step 5 or above on the state's career lattice.
Work hours	Eligible educators must work with children directly for at least 30 hours per week to be eligible for REETAIN bonuses. They must be employed for at least one year before applying and commit to remaining in the field for at least one year after receiving the award.

New Mexico	
Name of program	Bilingual Incentive
Overview	The New Mexico Early Childhood Education and Care Department (ECECD) provides a one-time bonus that rewards early childhood staff for bilingual proficiency. Staff are eligible for multiple bonuses, based on the number of additional languages in which they are proficient.
Total annual investment and source	\$150,000 from state general funds.
Funding time period	The Bilingual Incentive is budgeted for FY22 and FY23.
Method of payment	ECECD contracts with CNM-Ingenuity, an intermediary, to administer stipends.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Staff can receive Bilingual Incentives if they are employed at an eligible program. Eligible programs include New Mexico licensed or registered childcare settings; New Mexico Pre-K or Early Pre-K programs in community-based settings or authorized by a district or charter school (including Title I or 619 Preschool Program); and Head Start or Early Head Start programs. Additionally, staff who work in New Mexico Home Visiting programs or New Mexico Family Infant Toddler-Early Intervention programs are eligible.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Not required.
Individual Information	
Amount paid and frequency	Staff receive a one-time \$1,500 stipend for each additional language in which they demonstrate proficiency.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Only instructional staff are eligible for the Bilingual Incentive.
Current wages	There are no wage restrictions to receive the Bilingual Incentive.
Education attainment	To be eligible, staff must demonstrate a minimum level of bilingual proficiency, as measured by the PRAXIS-TESOL or La Prueba. or have a bilingual seal on their high school diploma, a Tribal/Pueblo/National Certification for indigenous languages, or other documentation showing proficiency.
Work hours	There are no minimum work hour requirements.

New Mexico

Name of program	Pre-K Pay Parity Program
Overview	The New Mexico Early Childhood Education and Care Department (ECECD) provides funding to support pay parity between NM Pre-K educators in community-based settings and pre-K teachers in public school settings.
Total annual investment and source	\$3 million through the Early Childhood Trust Fund.
Funding time period	The ECECD Pre-K Pay Parity program is currently funded through June 2022.
Method of payment	ECECD contracts with CNM-Ingenuity, an intermediary, to administer funding to educators.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators must work in community-based programs that participate in NM Pre-K, Early Pre-K, or Mixed-Age Pre-K.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Educators must work in programs that participate in the state's QRIS.
Individual Information	
Amount paid and frequency	Individuals receive an award equal to the difference between their current salary and a standard salary defined by the state. The state defines standard salaries based on the individual's region and education level . Salary amounts range from \$20,500/year (part-time educator in the Northeast region with a bachelor's degree and fewer than 3 years of experience) to \$65,613 (full-time educator in the Northwest region with a master's or above and more than five years' experience). The amount is divided into equal payments and paid monthly through June 2022.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Teachers and directors are eligible for Pre-K Pay Parity award.
Current wages	Educators only receive a Pre-K Pay Parity award if they earn below the standard salary for their education level and region.
Education attainment	Educators must have a bachelor's degree or higher in early childhood education, early childhood multicultural education, or in another subject area with either alternative licensure or a minimum of 18 credit hours in early childhood. Educators' award amounts are determined in part by their educational attainment.
Work hours	Educators must work at least part-time to be eligible for an award. Educators' award amounts are determined in part by the number of hours they work.

New Mexico	
Name of program	Wage Supplement Program
Overview	The New Mexico Early Childhood Education and Care Department (ECECD) offers wage supplements to instructional staff who earn below a minimum hourly threshold. The wage supplements can continue over multiple years, assuming educators continue to meet eligibility requirements.
Total annual investment and source	The ECECD Wage Supplement Program is funded for \$850,000 for FY2022 and \$1.5 million for FY2023 through state general funds.
Funding time period	The ECECD Wage Supplement Program is budgeted for FY2022 and FY2023.
Method of payment	ECECD allocates funding to CNM-Ingenuity, an intermediary, which then administers funding to educators.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	To be eligible for wage supplements, educators must be employed in a New Mexico licensed or registered childcare setting, New Mexico Pre-K or Early Pre-K program in community-based settings or authorized by a district or charter school (including Title I or 619 Preschool Program), or in a Head Start or Early Head Start program.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Not required.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate supplement based on their educational attainment and hours worked. Wage supplement payments are issued every six months, based on the date that the individual applies for funding. For each six-month eligibility period, wage supplement rates range from \$125 (part-time staff with minimum education requirements) to \$2,548 (full-time staff with a bachelor's or master's in early childhood).
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Teachers, teacher's assistants, and home care professionals who work with children birth-age 5 are eligible for supplements.
Current wages	To be eligible for the wages supplement, educators must earn less than \$16.00 an hour.
Education attainment	To be eligible for the wages supplement , educators must have a minimum of 5 credit hours in early childhood education. Educators who do not have an associate's degree or 60 credit hours in early education must work toward higher education attainment, achieving key benchmarks within set timeframes, in order to continue receiving the wage supplement. Educators who already have an associate's degree or 60 credit hours in ECE are not required to take additional courses to remain eligible, but they are encouraged to do so.
Work hours	Educators who do not have an associate's degree or 60 credit hours in early childhood must work at least 20 hours a week to be eligible for wage supplements. Educators who have an associate's degree/60 credit hours or above do not need to meet any minimum hour requirements. For all educators, the wage supplement rate is based on the number of hours they work.

North Carolina

Name of program	Child Care WAGE\$
Overview	Child Care WAGE\$ is an education-based salary supplement program for low-paid teachers, directors, and family child care educators working with children from birth to five. It is a statewide opportunity in which local Smart Start partnerships can elect to participate. Currently, 58 counties participate in the program.
Total annual investment and source	\$8.5 million funded through Smart Start partnerships and Child Care and Development Fund (CCDF).
Funding time period	Started as a pilot program in 1994 and became a statewide partnership opportunity in 1999; funding decisions are made annually.
Method of payment	The Division of Child Development and Early Education contracts with Child Care Services Association to disburse funding to educators.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators must be employed at licensed or license exempt child care programs in the 58 participating counties.
Child care assistance program participation	Not required.
Child care quality improvement system participation	All programs must participate in the state's QRIS. Local partnerships may decide to restrict their funding based on a program's QRIS rating.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate wage supplement based on their county, education level, and work hours. Annual supplement amounts range from \$450 (minimum education requirements in Tier 1 counties) to \$6,250 (doctorate degree with 18 credit hours in B-5 content in Tier 3 counties). These supplement amounts are divided in half and paid out every six months.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Teachers, directors, and family child care educators who work with children birth to age five are eligible to receive salary supplements.
Current wages	To be eligible for WAGE\$, educators must earn below a certain hourly wage, determined by each county. Depending on the county, the hourly wage maximum is \$15, \$17, or \$19/hour.
Education attainment	The amount of an educator's WAGE\$ supplement is based in part on their education attainment. To be eligible for a WAGE\$ supplement, educators must have, at a minimum, a CDA earned with formal course credit or equivalent coursework (see comparable attainment thresholds here). If an educator has less than an associate's degree with 24 credit hours of B-5 content, they must continue moving up the education scale in order to continue receiving WAGE\$ supplements.
Work hours	Eligible educators must work 10 hours or more per week to receive WAGE\$.

North Carolina

Name of program	Infant/Toddler Educator AWARD\$
Overview	AWARD\$ are education-based salary supplements for low-paid early educators working full-time with children birth through age two. AWARD\$ is a state-wide program, accessible to all infant/toddler educators who meet the eligibility criteria.
Total annual investment and source	\$3.9 million funded through the Child Care and Development Fund
Funding time period	Originally funded in 2018; funding decisions are made annually.
Method of payment	The Division of Child Development and Early Education contracts with Child Care Services Association to disburse funding to educators.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators in center or home settings are eligible for AWARD\$.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Sites must have at least three stars on the state's QRIS for their staff to participate in AWARD\$.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate wage supplement based on their education level. Annual award amounts range from \$2,000 (associate's degree with at least 24 semester hours focused on B-5 content) to \$4,000 (doctorate degree with at least 18 semester hours in B-5 content). These supplement amounts are divided in half and paid out every six months.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Educators must work with infants, one-year-olds, or two-year-olds,
Current wages	To be eligible, an educator must earn \$19/hour or less.
Education attainment	To be eligible, educators must have at least an associate's degree plus/or including at least 24 birth-to-five-focused semester hours from regionally accredited schools. The amount an educator is eligible to receive increases with education level.
Work hours	Educators must work at least 30 hours per week with infants, one-year-olds, or two-year-olds to be eligible for AWARD\$. Educators must work at the same child care program for six months.

Wisconsin	
Name of program	REWARD Stipend Program
Overview	REWARD stipends are designed to support retention and increase compensation of instructional staff who earn below a minimum hourly wage. Staff are awarded for increasing levels of education attainment and program tenure.
Total annual investment and source	\$700-\$800k annually funded through the Wisconsin Scholarship and Bonus Program
Funding time period	The Wisconsin State legislature determines every two years how the grant monies are allocated.
Method of payment	The WI Department of Children and Families contracts with Wisconsin Early Childhood Association to disseminate these stipends.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators who work in a licensed or certified family child care program or who work in group child care program that is licensed and/or participates in YoungStar are eligible for REWARD stipends.
Child care assistance program participation	Not required.
Child care quality improvement system participation	Providers that are not licensed must participate in YoungStar, the state's QRIS, for their educators to be eligible for REWARD stipends.
Individual Information	
Amount paid and frequency	Educators receive a flat-rate wage supplement based on their current wages, working hours, educational attainment, and program tenure. Educators must have worked at their current employer for three continuous years or have six years of experience in regulated child care programs, which are documented by the Registry. Stipends are paid out every six months and range from \$50 to \$450 per six-month period (range from \$100 and \$900 annually).
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	To be eligible, the individual must spend at least 5 percent of their time in an early childhood classroom, either working directly with children or supervising and supporting staff.
Current wages	Educators must earn \$16.50/hour or less to be eligible to receive the REWARD Wisconsin stipend.
Education attainment	To be eligible for the stipend, educators must be at Registry Level 7 or above (have completed 6 credits related to early care and education or more). If an educator is below Registry Level 11 (has less than an associate's degree), they must complete early childhood credits to continue to participate in REWARD. Educators with less than an associate's degree (Levels 7-10) can receive a maximum of four stipends at each Registry level. Educators with an associate's degree or more do not need to meet educational requirements. Educators' supplement amounts vary based on their education attainment.
Work hours	Eligible educators must work 20 hours or more to be eligible to receive the REWARD Wisconsin stipend.

Wisconsin	
Name of program	Workforce Retention and Recognition Stipend Program
Overview	Wisconsin awarded two rounds of stipends to caregiving professionals for submitting background checks and fingerprints.
Total annual investment and source	\$10 million, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)
Funding time period	Two rounds funded with a one-time investment
Method of payment	The WI Department of Children and Families contracted with Wisconsin Early Childhood Association to disseminate these stipends using their existing REWARD Wisconsin Stipend Program system.
Program Information	
Program funding calculation, if relevant	N/A - Programs do not administer funding.
PROGRAM ELIGIBILITY CRITERIA	
Setting type	Educators must be employed in a licensed group child care program, a licensed day camp, a program operated by or under contract with a public school board, or a licensed or certified family child care program. Programs had to have been open and in good standing by May 1, 2021 (Round 1) or June 1, 2021 (Round 2).
Child care assistance program participation	Not required.
Child care quality improvement system participation	Not required.
Individual Information	
Amount paid and frequency	Educators received a stipend of \$300 (Round 2) or \$550 (Round 1) for submitting fingerprints and background checks.
INDIVIDUAL ELIGIBILITY CRITERIA	
Role requirements	Individuals caring for children directly and identified as directors, assistant directors, lead teachers, teachers, assistant teachers, and family providers (licensed or certified) are eligible.
Current wages	None.
Education attainment	None.
Work hours	None.



Individual Tax Credits for Child Care Educators

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Introduction and Examples

Tax credits can be structured in many ways; the focus in this section is on states that have created tax credits that are available to individuals who work in early care and education. Louisiana and Nebraska offer examples of states that have successfully enacted tax credit programs that are specifically designed for individual members of the child care workforce.

Louisiana's individual child care workforce program is known as the Teacher and Director Tax Credit, [https://www.louisianabelieves.com/docs/default-source/early-childhood/school-readiness-tax-credits-\(srtc\)-guidance.pdf?sfvrsn=3](https://www.louisianabelieves.com/docs/default-source/early-childhood/school-readiness-tax-credits-(srtc)-guidance.pdf?sfvrsn=3). It is one of five “School Readiness Tax Credits,” all of which became law in 2007; together, these tax credits represent a \$16 million state investment in child care that helps Louisiana secure more than \$80 million in federal funding through the Child Care and Development Fund (CCDF).

The Teacher and Director Tax Credit is available to individuals who are working in what Louisiana calls its Type III child care centers, which are authorized to accept the state’s Child Care Assistance Program (CCAP) and required to participate in the state’s quality rating system. See <https://www.louisianabelieves.com/docs/default-source/early-childhood/understanding-types-of-child-care-providers.pdf> for more information. Eligible individuals include Early Learning Assistant Teacher, Early Learning Center Teacher, and Director at the Type III child care centers; they must work 30 or more hours per week. Teachers and directors claim this refundable credit through their state tax filing; the refundable tax credit ranges from \$1788 to \$3574 depending on the level of the teacher or director. See <http://www.revenue.louisiana.gov/IndividualIncomeTax/SchoolReadinessTaxCredit> for more information.

Nebraska has a nonrefundable income tax credit available to owners or operators of an eligible child care program serving children who participate in Nebraska’s child care subsidy program. The credit ranges from \$250 to \$750 and is only available for programs rated Step 3 in the QRIS. A refundable income tax credit is available to staff members who are employed with an eligible child care program for at least six months during the taxable year and are classified in the Nebraska Early Childhood Professional Record System (NECPRS). Staff members receive tax credits ranging from \$500 to \$1,500 based on their classification.



ARPA Child Care Provider Stabilization Subgrants

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Introduction

Through the American Rescue Plan Act, states, tribes, and territories have access to \$24 billion in child care stabilization grant funding. States and territories must subgrant at least 90 percent of their ARPA stabilization funding directly to eligible child care programs; tribes must subgrant at least 80 percent.

As part of the subgranting process, states and territories develop formulas to calculate how much funding programs will receive. The subgrants [available to date](#) indicate that almost all states and territories include program setting and capacity in their grant formulas, and many states include additional factors through which programs can receive additional funding. The factors that a state or territory includes in its formula signals, to an extent, the agency's priorities. See the textbox for definitions of common grant formula factors.

States, territories, and tribes incorporate formula factors in different ways. Serving infants and toddlers, for example, is a shared priority. In the [Massachusetts](#) subgrant formula, programs receive a funding bump for being licensed to serve infants and toddlers; in [North Dakota](#), programs receive a higher per-child funding rate for each infant or toddler they enroll; and in [North Carolina](#), programs receive additional funding based on the proportion of infants and toddlers that make up their licensed capacity.

States incorporate equity factors in a range of ways. [Oregon](#), for example, awards bonuses to programs that are serving or are located in communities of color, marginalized low-income communities, and communities with high concentrations of young children in racial and ethnic groups that experience disproportionality in kindergarten readiness. In [Louisiana](#), programs can receive a 20 percent increase in their grant award if they are located in a socially vulnerable census tract, as defined by the [Social Vulnerability Index](#) (SVI).

Workforce compensation surfaces as a consistent priority across state and territory subgrant applications. States take one of two approaches to supporting workforce compensation:

- Require programs to spend a minimum portion of their stabilization grants, as calculated by the state formula, on increasing workforce compensation (e.g., [Minnesota](#)).
- Award programs optional additional funding contingent on increasing, or meeting a certain standard for, workforce compensation (e.g., [Kentucky](#)).

"Compensation" carries different meanings across states, but overall is broadly defined. Programs can use funding to raise hourly wages, provide additional benefits (e.g., health, retirement, education), distribute pay enhancements (e.g., bonuses), or any combination. Further, "increasing compensation" is intentionally worded. Federal statute dictates that programs that accept ARPA Stabilization Grants cannot reduce benefits or compensation at any point through the end of the grant, and several states (e.g., [Connecticut](#), [Tennessee](#), and [Rhode Island](#)) require programs to provide evidence of staff compensation increases.

Common grant formula factors

States, territories, and tribes include a range of factors in their subgrant formulas. By including these factors, they communicate that the category is a priority in the state. Below are examples of the ways in which subgrant applications measure these factors. Each profile notes which of these factors are included in the formula, and if the factor is a requirement for funding or if it is a bonus factor.

Quality: Participating in or meeting a certain level within the state quality improvement system; meeting Head Start Program Performance Standards; earning accreditation through an external body (e.g., National Association for Family Child Care accreditation)

Equity: [Social Vulnerability Index](#); demographics and characteristics of location or population served

Infants/toddlers: Eligible to serve infants and toddlers; enrollment of infants and toddlers; proportion of licensed capacity

Nontraditional hours: Extended operating hours (e.g., before 6AM, after 7PM); operating on weekends

Child care subsidies: Eligible to accept child care subsidies; recently received payment via child care subsidies; enrollment of children via child care subsidies; proportion of licensed capacity

Profiles

This section profiles how six states design and implement program subgrant applications. Each individual profile includes information about the program grant structure, formula factors, and staff award structure.

Connecticut	
Name of program	Ready Set Rebuild: Child Care Program Stabilization Funding
ARPA Stabilization funding	\$120 million
Program eligibility	Providers that are licensed family or group child care homes or licensed child care centers are eligible for stabilization funding. License-exempt center- or school-based programs that are eligible to receive Care 4 Kids (state subsidy) funding are also eligible.
Program grant structure	Each provider is eligible for a maximum grant amount according to an eight-factor formula, defined by the state, including setting type and eligibility to serve infants and toddlers. Providers can only access their maximum grant amount if they commit to using at least 25 percent of funds to increase compensation for program staff. If a provider does not make that commitment, they can only receive 75 percent of their maximum grant amount.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	★
Equity	★
Infants/toddlers	●
Nontraditional hours	●
Child care subsidies	★
Required uses	Compensation funding can go to bonuses or wage increases, health insurance, retirement plans, tuition reimbursement, or it can cover child care costs for staff.
Staff award structure	Providers determine the type and amount of compensation that caregivers receive and on what timeline.

Kentucky

Name of program	Stabilization Funds
ARPA Stabilization funding	\$470.1 million
Program eligibility	Programs must be licensed, participate in the state's QRIS, and be approved to accept state child care subsidies to be eligible for stabilization funding.
Program grant structure	Programs can receive an additional 10 percent above their base grant amount if they pay staff \$10/hour or more, and they can receive an additional 20 percent if they pay staff \$13/hour or more. All staff members on the program's payroll must earn the minimum salary for the duration of the grant to qualify for the bonus funding.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	●
Equity	
Infants/toddlers	
Nontraditional hours	
Child care subsidies	●
Required uses	Compensation funding can go to bonuses or wage increases, health insurance, retirement plans, tuition reimbursement, or it can cover child care costs for staff.
Staff award structure	Providers determine the type and amount of compensation that caregivers receive and on what timeline.

Minnesota

Name of program	Child Care Stabilization Base Grant
ARPA Stabilization funding	\$324.2 million
Program eligibility	State and tribal licensed family, group family, and center-based child care providers, as well as certified license-exempt child care centers, are eligible for grants. Legal non-licensed providers are eligible for grants if they enroll children who receive child care subsidies.
Program grant structure	Each provider is eligible for a maximum grant amount based on the number of full-time caregiving staff employed in the program. "Caregiving staff" are defined as paid staff whose job description or responsibilities include interacting with, caring for, and supervising children enrolled in the program. Providers can also receive funding bonuses if they accept child care subsidies or Early Learning Scholarships, the state's preschool voucher program. Providers must use at least 70 percent of their total grant amount toward increasing compensation.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	
Equity	
Infants/toddlers	
Nontraditional hours	
Child care subsidies	★
Required uses	Compensation funding can go to increased hourly wages, additional benefits (health, retirement, educational, etc.), or providing enhanced pay (staff bonus, hiring bonus etc.) to staff.
Staff award structure	Only caregiving staff are eligible for compensation increases. Providers determine the type and amount of compensation that caregivers receive and on what timeline.

North Carolina	
Name of program	NC Child Care Stabilization Grants
ARPA Stabilization funding	\$805.8 million
Program eligibility	Private and nonprofit child care programs, family child care homes, and faith-based programs are eligible for stabilization grants. Head Start, Early Head Start, and public NC pre-K programs are not eligible for funding.
Program grant structure	Providers receive a base grant amount, called Fixed Cost and Families grants, based on a six-factor formula, defined by the state. The base grant formula includes factors on setting type, capacity, and quality. Providers can opt into a separate stabilization grant program focused on compensation. If providers opt into the compensation grant, they commit to spending funding on: Option #1 - staff bonuses or Option #2 - base pay increases and/or benefits. Compensation grant amounts are determined based on the providers Fixed Cost and Families grant amount, the number of full- and part-time teaching and non-teaching staff, and the compensation grant option that they select. If the provider opts for compensation grant Option #2, they receive additional per-staff member funding; if the provider also has a 3-5 Star rating on the state's QRIS, they receive an additional 10 percent bonus.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	●
Equity	★
Infants/toddlers	★
Nontraditional hours	
Child care subsidies	★
Required uses	Compensation grant funds must be used for staff bonuses or base pay increases/staff benefits.
Staff award structure	Both teaching and non-teaching staff are eligible to receive compensation increases under Option #1 and Option #2. Providers determine the type and amount of compensation that staff receive and on what timeline. If the provider selects Option #1, they are encouraged to create a bonus structure that considers staff education attainment and program tenure. If the provider selects Option #2 and increases base pay, they must use a salary scale based on educational attainment for teaching staff and program tenure for teaching and non-teaching staff. The state developed a model salary scale as an example for providers.

Oregon

Name of program	Child Care Stabilization Grant Funding Opportunity
ARPA Stabilization funding	\$248.9 million
Program eligibility	Licensed child care providers and license-exempt family child care and center-based providers are eligible for funding. Programs that receive funding through Early Head Start, Head Start, Oregon Pre-K, or Relief Nurseries are not eligible.
Program grant structure	Each provider is eligible for a grant amount based on setting type and capacity; they can also receive additional bonuses based on the factors listed below, as well as providing culturally responsive care. Providers must use at least 20 percent of their total grant amount to increase compensation.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	
Equity	
Infants/toddlers	★
Nontraditional hours	★
Child care subsidies	★
Required uses	Funding must cover the cost of "increasing compensation of child care staff."
Staff award structure	Providers determine the type and amount of compensation that staff receive and on what timeline.

Tennessee

Name of program	Child Care Stabilization Grants: Staff Retention Awards
ARPA Stabilization funding	\$796.3 million
Program eligibility	Tennessee Department of Human Services licensed child care providers and Tennessee Department of Education regulated child care agencies that accept child care subsidies are eligible for grants. Head Start and Voluntary Pre-K programs are not eligible.
Program grant structure	Each provider is eligible for a maximum grant amount based on capacity and hours of operation; they can also receive several additional bonuses based on the factors listed below. Providers receive additional funding in their grant dedicated exclusively to staff retention awards and must administer those funds directly to staff.
Grant calculation factors (Base = ● Bonus = ★)	
Quality	
Equity	★
Infants/toddlers	
Nontraditional hours	
Child care subsidies	★
Required uses	Staff retention awards must go directly to staff in the form of bonuses.
Staff award structure	Staff members receive one-time bonuses from providers. Each full-time staff member receives a \$2,000 bonus; each part-time staff member receives a \$1,000 bonus. Providers must pay awards directly to staff within 30 days of receiving the grant.



Child Care Assistance

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Introduction

Child care assistance contributes to staff compensation in early care and education programs that participate. It is well understood that market-rate pricing for child care assistance does not adequately address significant improvements in compensating those working in child care. The market-rate pricing approach to setting rates reflects the disproportionate reliance on parents as the primary payors for early care and education; it reflects current norms that under-compensate the workforce.

We outline two promising approaches that can be combined to leverage child care assistance towards improvements in compensation and benefits. First we look at the basis for determining the rates that are paid. Then we discuss moving from vouchers (money follows the child) to contracts (program funding) as the financing mechanism used to pay for the services. We focus on these approaches since just increasing subsidy rates can help compensation by giving programs additional funding, but it's not enough for two reasons: 1) rate increases offered through vouchers are not guaranteed to get passed on to educators and 2) market rate increases, as typically provided, are not high enough to materially impact compensation. Contracts are examined as they can provide an accountable method for states to know that compensation increases are being implemented at the program level.

Combining a cost model that includes attention to compensation, along with a contract/grant approach, may yield more predictable and systemic consequences for compensation. The cost model lays out the expectations for what center- and home-based staff should be paid, and the contract/grant provides opportunities for monitoring and oversight to ensure the improvements in rates are passed along to the staff in the form of improved compensation.

However, as child care programs typically combine revenue from child care assistance and private tuition payments from families, and thus rely on extensive family contribution to costs, limiting compensation improvement to child care assistance payments alone will be insufficient to address the needs of the staff working in these programs unless the programs raise private pay rates. Data from the National Survey on Early Care and Education confirms that only a small percentage of young children receive public funding for their early care and education services—in centers, as few as three percent for children three and under and 14 percent for preschool age children and in paid home, as few as 10 percent of children (infants, toddlers and preschoolers combined).² Early care and education programs rely on a mix of revenue from parents, the public sector, and other fundraising efforts.³

In short, unless child care assistance expands significantly, reaching more children and their families (as is proposed in the pending Build Back Better plan), and resources to address compensation inequality increase as well, additional compensation strategies, beyond child care assistance strategies alone, are needed.

² National Survey of Early Care and Education Project Team, *How Much of Children's Early Care and Education Participation in 2012 Was Publicly Funded?* OPRE Report #2020-69, (Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2020), available at https://www.acf.hhs.gov/sites/default/files/documents/opre/how_much_eca_publicly_funded.pdf

³ National Survey of Early Care and Education Project Team, *Fact Sheet: Characteristics of Center-based Early Care and Education Programs*, OPRE Report No. 2014-73b, (Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2014), available at https://www.acf.hhs.gov/sites/default/files/documents/opre/characteristics_of_cb_fact_sheet_final_111014.pdf

Cost Modeling Examples

To get away from a market-based pricing approach to rates, an option is to create and use a cost of quality model to set the state's payment rates for its child care assistance program. The market rate approach that is currently dominant undercuts the financing needed. Providers must charge the lowest prices possible to keep the services available for those who are the primary payors—families. As noted by the U.S. Treasury Department, “[child care] firms must keep costs low because their potential revenue is severely constrained.”⁴ Families are purchasing services at a time in their lifecycle when they can least afford to do so. Research indicates that paying the “true cost” of licensed child care is 43 percent more than what is typically paid through a state child care assistance program and 42 percent more than the prices programs charge families outside of child care assistance.⁵

Use of a cost of quality model to inform the payment levels (rates) in child care assistance can address the problem found in market pricing by providing for an appropriate level of compensation. This approach to rate setting is currently in place for the state's child care assistance program in the District of Columbia, see Office of the State Superintendent of Education, *Modeling the Cost of Child Care in the District of Columbia*, (2021), available at <https://osse.dc.gov/page/modeling-cost-child-care-district-columbia> and New Mexico, see Jeanna Capito, Jessica Rodriguez-Duggan, and Simon Workman, *Understanding the Cost of Quality Child Care in New Mexico: A Cost Estimation Model to Inform Subsidy Rate Setting* (Prenatal to Five Fiscal Strategies, 2021), available at <https://www.nmececd.org/about-ececd/>. Other states are active in conducting the underlying studies needed to move toward this type of rate setting. P5FiscalStrategies has mapped publicly available information on studies across the country, found at Fiscal P5Fiscal Strategies, *Fiscal Modeling Studies*, (n.d.), available at <https://www.prenatal5fiscal.org/fiscal-modeling>.

States that use a cost model to set child care assistance rates and continue to use a traditional voucher method of payment typically may not always find that the assumptions about improved compensation translate into improvements for the child care workforce. In the traditional voucher payment system, the child care program budget—including the amounts paid for compensation and benefits—are not visible to the state, there are no requirements or conditions put on the voucher payments, and monitoring does not include budget review. To assure that a cost model that improves compensation results in meaningful improvement in compensation, the model requires a financing mechanism that can assure the cost model is implemented.

⁴ U.S. Department of the Treasury, *The Economics of Child Care Supply in the United States*, (September 2021), available at <https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf>

⁵ Simon Workman, *The True Cost of High-Quality Child Care Across the United States* (Center for American Progress, 2021), available at <https://www.americanprogress.org/issues/early-childhood/reports/2021/06/28/501067/true-cost-high-quality-child-care-across-united-states/>

Child Care Assistance Contracts and Grants Examples

Child Care Assistance contracts and grants can also be structured to impact compensation. For example, they may include salary standards that are a condition of the contract, which can be enforced through contract monitoring.

Pennsylvania has a contracted-slots program that focuses on enrollment of infants and toddlers. This program pilot for infants and toddlers uses the infrastructure of the state's pre-K program, Pennsylvania Pre-K Counts (PA PKC). See *Infant Toddler Contracted Slots*, (Pennsylvania Key, n.d.), available at <https://www.pakeys.org/getting-started/ocdel-programs/pre-k-counts/infant-toddler-contracted-slots/>.

Pennsylvania significantly increased child care assistance rates and encouraged improvement in salaries for infant/toddler educators. Pennsylvania's [evaluation](#) assessed impact on teacher compensation and showed that the increased rate did result in improved compensation for the staff.⁶

Oregon's Baby Promise is a contract-based child care assistance program that focuses on infants and toddlers. It addresses compensation through its program manual: "Salary. To support the retention of highly qualified staff, early education programs are encouraged to strive to compensate early educators at \$40,000 - \$45,000 annually based upon education and qualifications." In the implementation of this initiative, Oregon has learned that in the smaller family-based programs, where ratio requirements limit the number of infant/toddler slots, this goal is difficult to attain. Ideas for addressing this include combining the infant/toddler contracted child care assistance slots with another public program, such as state pre-K, or using a formula that addresses how many publicly funded slots are available in the home-based setting.

Colorado initiated a contracted slots model for three counties that primarily served infants and toddlers. <https://earlymilestones.org/wp-content/uploads/2020/03/CCCAP-Contracted-Slots-Pilot-Final-Report.pdf>. This pilot focused primarily on stabilization and supply. Participating programs improved their revenue yields but the evaluation did not focus specifically on compensation increases for staff.

⁶ Chad Dorn, *Infant and Toddler Contracted Slots Pilot Program: Evaluation Report*, (Pennsylvania Office of Child Development and Early Learning, 2020), available at https://s35729.pcdn.co/wp-content/uploads/2020/11/IT-Pilot-Evaluation-Report_PA_Final.V2.pdf



Benefits

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Introduction

Benefits in the form of health, retirement, paid time off, family leave, and professional supports are critical to improving compensation. A recent report from the Bureau of Labor Statistics details the provision of key benefits.⁷ Child care workers, who are in the second percentile of pay across all occupations, do not have the same access to benefits as those with higher earnings. For example:

- Health care benefits are available to 71 percent of private industry workers; paid sick leave to 77 percent; and paid family leave to 23 percent, as of March 2021.
- Paid sick leave is available to 93 percent of those in management or professional positions, compared to 59 percent of those in service occupations.
- Paid family leave is available to 12 percent of workers in the lowest 25th percent wage category, compared to 37 percent of workers in the highest 25th percent wage category.

For child care specifically, the Georgetown Center for Children and Families analysis of the IPUMs data indicates that 13 to 16 percent of the child care workforce is uninsured. (Personal Communication, October 2021).

In this section we highlight recent efforts in Washington to provide health care coverage to the child care sector. To learn more about state policies to address issues of paid sick and family leave, the *Early Childhood Workforce Index-2020* provides details on state policy to require these. See <https://cscce.berkeley.edu/workforce-index-2020/state-policies-to-improve-early-childhood-educator-jobs/family-and-income-support-policies/health-well-being-supports/>.

Health

Washington has created the Washington Licensed Childcare Worker Premium Assistance Program. A partnership of the state child care agency (Department of Children, Youth, and Families), the state's health care exchange (Washington Health Benefit Exchange), and one of the nine health navigator organizations connected to the exchange (Yakima Neighborhood Health Services), this program is providing individual health care coverage for qualified individuals working in licensed home- and center-based child care programs.⁸

The Washington Licensed Childcare Worker Premium Assistance Program is providing access to a quality health care plan (e.g., Silver level) offered by the state's health care exchange. Pursuant to a legislative appropriation of \$30 million (see <https://lawfilesexternal.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5092-S.PL.pdf?q=20210518205948>) in federal COVID relief funds from the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act, participants will not pay any premiums. Health coverage is available for those with income up to 300 percent of the federal poverty level, which is up to \$38,640 for a single person and up to \$79,500 for a family of four. The coverage is limited to the child care worker and does not cover the family of the worker. It is estimated that as many as 33,000 people may be able to gain health care coverage through this initiative. The Licensed Childcare Worker Premium Assistance Program

⁷ Bureau of Labor Statistics, *Employee Benefits in the United States-March 2021*, (Bureau of Labor Statistics, United States Department of Labor, 2021), available at <https://www.bls.gov/news.release/pdf/ebs2.pdf>

⁸ Washington Health Care Plan Finder at <https://www.wahealthplanfinder.org/us/en/get-coverage/getting-started/child-care-learn-more.html> and the Economic Opportunity Institute, Sam Hatzenbeler and Sara Bekele, *Coming this Fall: Brand New Program Will Help Low-Income Child Care Workers Afford Health Insurance*, (Economic Opportunity Institute, August 2021), available at <https://www.opportunityinstitute.org/blog/post/coming-this-fall-brand-new-program-will-help-an-estimated-40000-child-care-workers-afford-health-insurance/>

is administered by the Exchange as a sponsorship program (see <https://app.leg.wa.gov/rcw/default.aspx?cite=43.71.030> and <https://lawfilesexternal.leg.wa.gov/biennium/2021-22/Pdf/Bills/Senate%20Passed%20Legislature/5377-S2.PL.pdf?q=20210518195728>) that enables third party payors to pay for health coverage for sponsored enrollees.

One of the state's designated navigator organizations, Yakima Neighborhood Health Services, is conducting outreach and assisting child care staff in family and center settings with enrollment. These services are funded up to \$400,000 through CRRSA and ARPA. For child care staff who qualify for the state's Medicaid program, enrollment assistance is also provided by Yakima Neighborhood Health Services. These outreach and enrollment assistance services are offered in multiple languages. The Department of Children, Youth, and Families is also conducting outreach for the program through direct notification and sharing information with the Exchange.

Prior to full-scale implementation, a pilot was conducted. During this two-month pilot, 144 were assisted. Eighty-six percent enrolled in health coverage, with 74 percent (92) enrolling in Washington Apple Health (the state's Medicaid program) and 32 enrolling in a qualifying health plan on the Exchange. Yakima Neighborhood Health Services supported the effort with a bilingual Navigator who was available to provide direct support in English and Spanish (additional language assistance was provided through interpreter services) and address specific questions regarding seasonal employment, and deductions available to small business owners and self-employed workers. The most frequent enrollment barrier noted by the child care workers assisted was difficulty understanding how to enter income/deductions due to self-employed and/or small business owner status.

The navigator aspect of the Washington program could be adapted in states and localities even if premium assistance is not available, so that center and home-based child care personnel get support in navigating applications to Medicaid and/or to the Exchange. The American Rescue Plan Act is currently assisting with lowering premium coverage for those accessing their health care coverage through an Exchange.



Apprenticeships

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Introduction

Apprenticeships are included as a compensation improvement strategy given the economic reward they offer for improving skills. Apprenticeships can focus on individuals working in early care and education and support a combination of on-the-job learning and acquisition of a credential. The U.S. Department of Labor, in explaining the Registered Apprenticeship Program, notes that apprenticeships are “an industry-driven, high-quality career pathway where employers can develop and prepare their future workforce, and individuals can obtain paid work experience, classroom instruction, and a portable, nationally-recognized credential.”⁹ Apprenticeships have five primary components:

- Employer involvement
- Structured on-the-job learning
- Related instruction
- Rewards for skill gains
- An industry-recognized credential

Examples

In **California**, Early Care and Education Pathways to Success (ECEPTS) sponsors multiple early childhood apprenticeship programs. ECEPTS apprentices complete 2000 hours of paid, supervised on-the-job training, earn no-cost college degrees and teaching permits, receive steadily increasing wages, and are assured of a job upon graduation. They have offerings for early educators, family child care providers, home visitors, and youth in ten counties in California, leveraging a range of public and private investments to support the work. For more detail on this work, visit <https://ecepts.org/apprenticeships/#early-educator-apprenticeship>.

Colorado has the [Red Rocks Community College Child Care Innovations Apprenticeship Program](#). Additional details are found here: <https://www.rcc.edu/sites/default/files/u3708/Child%20Care%20Development%20Specialist%20Federally%20Registered%20Apprenticeship%20CCI%2010.19%20FINAL%202019-20.pdf>. The Child Care Development Specialist Apprenticeship allows job seekers and early learning professionals to choose their own path to becoming early childhood teacher/director-qualified while learning on the job skills with on-site support. Apprentices can participate in an expedited pathway to Early Childhood Teacher Qualifications (Colorado Shines level 3-5.) Employer Requirements: 1) Willingness to sign Employer Sponsor Agreement stating the employer will follow all Child Care Development Specialist federal standards and requirements; and 2) Agree to provide progressive wage increases as apprentices complete benchmarks within the program.

Pennsylvania has an apprenticeship program operated through the 1199c Training and Upgrading Fund that focuses on CDA to AA degree attainment. The apprenticeship includes onsite job coaching, competency assessment, and incremental wage increases as skills, competencies, and knowledge progress. It is a career pathway option within the state’s system. To learn more, <https://1199ctraining.org/ECEapprentice> or <https://www.pakeys.org/get-professional-development/credentials-degrees/early-childhood-education-apprenticeship/>

The West Virginia Apprenticeship for Child Development Specialist (ACDS) registered apprenticeship program is a partnership between the U.S. Department of Labor, River Valley Child Development Services (RVCDS), and early child care programs throughout the state. The program is designed as a blend of classroom instruction and work experience.

⁹ United States Department of Labor, *Jump Start Your Career Through Apprenticeship*, (n.d.), available at <https://www.apprenticeship.gov/career-seekers>.



Pre-K Parity for Child Care

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Introduction

Preschool programs may be offered by public schools and child care and Head Start programs. According to the Center for the Study of Child Care Employment's *2020 Workforce Index*:

The number of states that met the criteria for pre-K salary parity in all settings/programs doubled from three to six between 2018 and 2020. Hawaii, Nevada, New Jersey, and Rhode Island were added, while Tennessee was removed as it no longer met pre-K salary parity. As of the 2018-2019 school year, just six states met these criteria for pre-K salary parity in all settings/programs (Alabama, Hawaii, Nevada, New Jersey, Oklahoma, and Rhode Island), while another 18 required salary parity for some pre-K teachers (e.g., in public schools only or only in some pre-K programs, if the state had more than one).

An additional three states (Alaska, Minnesota, Missouri) met the criteria for partial or sub-parity, at least for some pre-K teachers. Compared with 2018, there was a net increase of eight states requiring salary parity for some pre-K teachers only. In some cases, these differences may reflect changes in how state pre-K administrators reported their policies to the NIEER State of Preschool survey, rather than actual changes in the policies themselves.

Individual cities have also been moving forward with implementing their own pre-K programs, and some (e.g., New York City, San Antonio) have actively addressed compensation parity.¹⁰

Since the most recent version of the Index was published, New Mexico initiated a pre-K parity program for its community-based pre-K program. For more details on this effort, see the [profile](#) in Wage Stipends and Bonuses.

State and City Examples

Alabama's First Class Pre-K program was designed to pay teachers across settings the same starting salary; pre-K teachers receive annual raises designed to be in line with K-12 teacher levels, though on a different [schedule](#).

Georgia's pre-K teachers in public and private settings receive the same minimum salary based on equivalent education; ongoing raises were recently introduced through the state budget. Parity is determined with a state average salary and does not provide for a local supplement. For example, a pre-K teacher in Atlanta is making the state average for a kindergarten teacher, which may not be commensurate with the salary of a kindergarten teacher in [Atlanta](#). [Here is additional information](#).

New York City public school teachers are part of the city's teacher union and are paid on the same salary scale. Funds are budgeted to increase salaries in community-based settings, but a substantial gap remains despite equivalent education levels. More information on this can be found here: <http://www.centernyc.org/salary-parity-in-nyc>.

¹⁰ C McLean, LJE Austin, M Whitebook, & KL Olson, *Early Childhood Workforce Index – 2020*, (Center for the Study of Child Care Employment, 2021), available at <https://cscce.berkeley.edu/workforce-index-2020/state-policies-to-improve-early-childhood-educator-jobs/early-childhood-educator-workforce-policies/compensation-financial-relief/>

Oregon's Preschool Promise, as well as Oregon's Pre-K program, which is a Head Start and Early Head Start model, are impacted by the recently passed Student Success Act HB 3380 as well as the authorizing legislation for Preschool Promise, which directs Oregon's Early Learning Council to establish minimum salaries and target salary requirements for lead preschool teachers employed in Preschool Promise classrooms, regardless of setting. The legislation originally specified that "target salary requirements shall be comparable to lead kindergarten teacher salaries in public schools," which in practice have been set based on the median salary of kindergarten teachers.

San Antonio has moved beyond pre-K parity to set salaries deliberately above market rates, including making them higher than those of K-3 teachers. This applies to the teachers participating in the four model programs for the San Antonio pre-K initiative.

Washington, D.C. enacted comprehensive legislation that expands a current subsidy program so that more families become eligible for it. It imposes a cap on how much of a family's income can go towards child care costs and raises the pay of pre-K teachers to parity with [kindergarten teachers](#).

