ECE Workforce Policy Highlight

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How States Are Addressing ECE Workforce Compensation

Three Things We Learned from 2025-2027 CCDF Plans

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National ECE Workforce Center Policy Highlights provide a focused look at topics relevant to the ECE workforce. These topics emerge through technical assistance activities or learnings from the state or federal policy landscape.

The goal of the Child Care and Development Fund (CCDF) is to increase the availability, affordability, and quality of child care services for families with low-incomes and other key populations identified by each state. Efforts to increase families' access to high-quality care requires a dual focus on meeting the needs of families and building a robust, well-qualified early care and education (ECE) workforce. The ECE workforce currently receives low wages and limited benefits - states are aiming to address these issues by blending and braiding public and private dollars.

CCDF plans offer a look into how states are using these funds to improve compensation via short- and long-term solutions. State plans also describe other non-CCDF-funded initiatives that address ECE educator compensation and career pathways to increase families' access to high-quality care (e.g., educational scholarships for educators).

In this policy highlight, we feature three trends in improving compensation from the 2025-2027 CCDF plans submitted by 49 states (minus Wyoming[a]) and Washington, DC. States may be engaging in other workforce initiatives not captured by their CCDF plans, but this information provides a helpful indication of the patterns in workforce compensation. Importantly, we found evidence that nearly every state and DC are seeking to increase workforce compensation.

CCDF Overview

The Child Care and Development Fund (CCDF) is a federal-state partnership program authorized under the Child Care and Development Block Grant Act (CCDBG). It is administered by states, territories, and tribes with funding and support from the Administration for Children and Families' Office of Child Care in the U.S. Department of Health and Human Services.

States, tribes and territories receiving CCDF funds must prepare and submit to the federal government a three-year plan detailing how these funds will be allocated and expended. Draft and final plans are publicly-available.

[a] Neither Wyoming's draft nor final CCDF plans were publicly available at the time of publication.

1 About one-third of states aim to revise and/or implement updated salary scales

Salary scales provide a structured framework to ensure fair compensation for ECE educators, attract and retain qualified staff, and, as a result, improve the quality of care for children. Salary scales play a key role in ensuring that educators' pay is based on their qualifications and job responsibilities and not by the setting (center or home) in which they work or their individual characteristics. We review the CCDF plans that mentioned planning for, piloting, proposing, or implementing salary scales:

- Three states—Arizona, Delaware, Oregon—and DC have **required salary scales for segments of their workforce**. In Arizona, this includes educators participating in their ECE apprenticeship pathway and Preschool Development Grant Birth through Five (PDG B-5) grantees. In Delaware, salary scales apply to those in state-funded ECE programs. Oregon has a salary scale for those participating in their Baby Promise and Preschool Promise programs, which provide early education for families with low incomes. DC has a required salary scale for programs participating in the Pay Equity Fund.
- Seven states—Colorado, Connecticut, Illinois, Iowa, North Carolina, Rhode Island, and Vermont—have **proposed or recommended salary scales**. These range from scales that could apply to lead educators in state-funded programs to scales that include other types of roles and settings, such as classroom aides, family child care (FCC) assistants, and program directors.
- Seven states are **in various stages of updating salary scales.** For instance, Massachusetts, Maryland, Mississippi, New Jersey, and South Carolina are gathering information, including conducting cost analyses, to develop updated or new salary scales. Minnesota delivered a report in January 2025 to the legislature with a proposed salary scale, which included regional and cost-of-living adjustments. New Mexico has been implementing Pre-K, Head Start, and infant/toddler pay parity programs, which align with the K-12 salary scale, which depends on credentials and experience; they are now developing a unified salary scale for all early childhood professionals, including home visitors and early interventionists serving families with children ages 0-5.

2 Apart from salary scales tied to career advancement, several states offer bonuses and stipends to incentivize professional development and caring for particular populations

Bonuses and stipends are popular strategies for promoting recruitment and retention and are most often tied to completion of professional development or credentialing programs. A limited number of studies suggest that bonuses paid directly to educators help with retention (see evidence from Virginia and Minnesota). CCDF plans mentioned the following bonus or stipend strategies:

- Twelve states included stipends or bonuses that incentivize **advancement/professional growth**; Arizona, California, Connecticut, Georgia, Idaho, Kentucky, Louisiana, Maryland, Montana, Oregon, South Carolina, and West Virgina mentioned offering bonuses based on achieving professional development goals or credentials. Arizona and Michigan are tying salary increases to completion of an apprenticeship program. Oklahoma and Vermont have plans to provide bonuses for achievements or increase professional development stipends, but these have not been implemented yet.
- Georgia, Tennessee, and Virginia mentioned **retention** bonuses.

- Another two states mentioned bonuses or stipends for serving **children from specific populations,** such as children who use subsidies (California) and infants (Maine).
- Ten states—Arkansas, Florida, Iowa, Kansas, Massachusetts, New Hampshire, Pennsylvania, Rhode Island, South Dakota, and Washington—mentioned **using a study,** such as a needs assessment, workforce study, cost study, or their market rate survey to **inform decisions** regarding how to raise salaries, mostly through increased reimbursement rates.

3 States are varied in their efforts to increase educators' access to benefits

Benefits, including health insurance, retirement, paid time off for sick leave or vacation, and reduced tuition for an educator's own child, are not commonly available to educators. Evidence from a 2019 national survey of early educators found that 18% of full-time, non-public-school-based center educators did not have health insurance, which is 5 percentage points higher than the national average for full time working U.S. adults. In addition, while almost two thirds of kindergarten educators reported receiving employer-sponsored health insurance, only 23% of non-public-school-based center ECE educators did. Research indicates that benefits are an important predictor of career intentions, and thus can be a key component of recruitment and retention initiatives. We review the various strategies and foci of initiatives aimed at improving educators' access to benefits:

- Eleven states—Connecticut, Iowa, Kansas, Kentucky, Louisiana, North Carolina, New Jersey, New York, New Mexico, South Carolina, and Vermont—noted that they work with a broker, shared services or business support contractor, their health services department, or Medicaid office **to connect programs and providers to health care options** through Medicaid or the Health Insurance Marketplace. North Dakota and Idaho are planning similar initiatives.
- Twelve states mentioned **expanding health insurance eligibility or offsetting the cost of health insurance and health care.** Oregon, Nevada, Missouri, Hawaii, and Arkansas all mentioned telehealth benefits. Colorado, Illinois, Oregon, New York, and Washington specifically mentioned FCC programs as a beneficiary of their health insurance initiatives. FCCs are also eligible for benefits initiatives in California, DC, Delaware, Hawaii, Minnesota, Missouri, Montana, New Mexico, and Nevada. Note that New Mexico's child care subsidy rate calculation, or methodology, included funds for educator health and/or retirement benefits.
- Very few states explicitly mentioned **sick time, vacation time, or retirement benefits** in their state plans. Those that did (Delaware, Minnesota, Texas) noted that they can use available funds, such as quality improvement funds or compensation support programs, to support such benefits. Kansas and Vermont indicated an interest in supporting these particular benefits. New York noted that the state passed paid sick leave for all private sector workers at employers with 5 or more employees, likely only impacting center-based educators. Arizona mentioned providing coaching to assist programs in maximizing revenue to reinvest in benefits.

There are other ways CCDF funds can support educator compensation that are not reviewed in this piece. For example, CCDF plans also reflect moves to increase reimbursement rates and introduce and increase tiered reimbursement for quality or serving children from special populations (e.g., children with disabilities, children in foster care, infants and toddlers, children from families experiencing homelessness). The combination of these innovations and trends signals a clear interest in nearly every single state and DC to leverage CCDF funds to increase educator compensation.

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Who Are We?

The National Early Care and Education (ECE) Workforce Center is a joint research and technical assistance center that equips state and local leaders to drive change in ECE workforce policy. This center uses a research-to-practice model to advance compensation and career advancement for early educators.

Learn more and get in touch with us at our website:
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