

# Early Childhood Educator Compensation: Literature and Landscape Scan

January 2019

## *Policies Affecting Educator Salaries/Wages and Benefits*

### **Wage Scales**

Wage scales, or wage ladders, are pre-determined rates paid to early childhood educators based upon criteria that could include role, qualifications, experience, tenure, etc. This strategy promotes continuing education along a career pathway while also creating a wage floor. Funding should be consistent, ideally written into statute to ensure stability and longevity. An initial step in this strategy may be creation of a wage or salary schedule across ECE professions, based on some or all of the criteria above, to serve as a resource in guiding future policy and funding decisions.

<b>State</b>	<b>Practice</b>	<b>Mechanism</b>	<b>Outcomes</b>
<b>Illinois</b>	Early Childhood Block Grant RFP	The Preschool for All Expansion RFP requires that teaching staff salaries are comparable to the local K-12 salary scale; the Prevention Initiative RFP recommends that teaching staff salaries are comparable to local K-12 teaching staff salaries; and the Preschool for All RFP recommends that teaching staff salaries and benefits are comparable to local K-12 teaching staff salaries and benefits.	N/A
<b>Connecticut</b>	Proposal by Connecticut Office of Early Childhood	Connecticut has proposed to “secure funds to ensure state funded early childhood programs can recruit and retain an adequately and appropriately compensated workforce.” They intend to use their <i>Cost of Quality</i> report produced to make a salary schedule and incentives package, leveraging funds from multiple funding streams (including philanthropy) to increase compensation. <sup>1</sup>	Not yet implemented.
<b>North Carolina</b>	Salary scale	North Carolina’s “compensation collaborative,” led by DHS, developed a salary scale that will have wage parity with Kindergarten and minimum wage earnings for those with the lowest qualifications. This scale is being shared with center directors via focus groups.	In process
<b>Washington</b>	Early Childhood Education Career and Wage Ladder	This ladder was developed in 1999 and included increments based on qualifications such as the CDA, Associate’s degree, and Bachelor’s degree in ECE. Interest in the program is so great that centers must be chosen via lottery to participate. While the ladder is	A program evaluation highlighted positive outcomes in seven areas, ranging from

<sup>1</sup> A Plan to Assist Early Education State Funded Providers to Degree Attainment and Increased Compensation. Connecticut Office of Early Childhood, 2015. [http://www.ct.gov/oec/lib/oec/OEC\\_Worforce\\_Report\\_Final\\_2.10.16.pdf](http://www.ct.gov/oec/lib/oec/OEC_Worforce_Report_Final_2.10.16.pdf).

		written into statute, funding was cut in 2002 and is not currently funded through the state formula. <sup>2,3</sup>  Washington is proposing several recommendations following a budget proviso drafted by advocates and a legislative request to compile a technical report of recommendations. Recommendations include a salary schedule, including benefits through shared services; a substitute pool; and child care coverage while educators are attaining additional postsecondary education for ECE. The salary schedule appears in \$0.15 increments based on qualifications, role, and experience.	retention to teacher-child interactions. <sup>4</sup>
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**QRIS and Tiered Reimbursement**

As educator compensation can affect setting quality, tiered reimbursement can be used to provide greater reimbursement to settings who provide greater rates of compensation. To receive such funds, settings would be required to participate in the state’s QRIS. Language within QRIS policy may be necessary to require that participating settings channel a specific portion of reimbursement toward educator salaries or offer benefits, or to provide higher levels of tiered reimbursement for settings that do so. A challenge associated with this policy option is that ongoing funding is not guaranteed.<sup>5</sup>

State	Practice	Mechanism	Outcomes
Illinois	ExceleRate	Licensed providers with Silver or Gold ExceleRate levels can receive a quality add-on of 10-15%, respectively. License-exempt family child care homes can participate in a tiered training program and receive a quality add-on of 10-20% depending on the level of training completed.	N/A
Kentucky	STARS for KIDS NOW	Kentucky’s QRIS includes requirements for personnel policies. To reach level 3, programs must offer six days of paid leave to personnel employed at the program for less than one year and 11 days of paid leave to personnel employed for more than one year. To reach Level 4, programs must pay at least 50% of the cost of a single health insurance plan for each employee. <sup>6,7</sup>	N/A

<sup>2</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.  
<sup>3</sup> Washington’s Early Childhood Education Career and Wage Ladder. Economic Opportunity Institute, 2008. <http://www.eoionline.org/education/early-learning/washingtons-early-childhood-education-career-and-wage-ladder/>.  
<sup>4</sup> The Early Childhood Education Career and Wage Ladder. Economic Opportunity Institute, 2008. <http://www.eoionline.org/wp/wp-content/uploads/early-learning/ECECareerWageLadderOverview-Jan08.pdf>.  
<sup>5</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.  
<sup>6</sup> Chadwick, C. Early Childhood Workforce Policy and Program Scan. 2018.  
<sup>7</sup> STARS for KIDS NOW. Commonwealth of Kentucky Governor’s Office of Early Childhood. <https://kidsnow.ky.gov/professionals/Pages/stars-for-kidsnow.aspx>.

<b>Massachusetts</b>	CCDBG rate increase	Massachusetts provided additional general revenue funding to support the workforce and to expand the CCDF-funded quality rate add-on. There is no requirement to use this funding on compensation, though.	N/A
<b>Montana</b>	CCDBG compensation set-aside funds	Montana’s QRIS requires programs to allocate a portion of their incentive dollars toward the base pay of early educators. <sup>8</sup> The Montana QRIS star level dictates the share of a setting’s budget that must be directed toward personnel costs such as salary and staff support (20-50%). If a setting is serving families receiving CCDBG subsidy, that setting may receive a star rating increase and an associated increase in tiered reimbursement. <sup>9</sup>	N/A

### Compensation Regulations

Requirements around compensation can be written directly into public funding disbursement documents, such as contracts for child care subsidies or requests for proposal for state preschool. Such regulations often reference a salary schedule or baseline so as to take into consideration educator role, qualifications, experience, and tenure.

State	Practice	Mechanism <sup>10</sup>	Outcomes
<b>Illinois</b>	Sub-parity	The Preschool for All Expansion RFP requires that teaching staff salaries are comparable to the local K-12 salary scale; the Prevention Initiative RFP recommends that teaching staff salaries are comparable to local K-12 teaching staff salaries; and the Preschool for All RFP recommends that teaching staff salaries and benefits are comparable to local K-12 teaching staff salaries and benefits.  Child Care Assistance Program: Compensation requirements are not written into CCAP certificates or contracts.	N/A
<b>Alabama</b>	Full parity	Pre-k teachers across settings receive the same starting salary. Pre-k teachers receive annual raises in line with K-12 teacher levels. Pay scales were implemented from the beginning, with a	Increased kindergarten teacher

<sup>8</sup> Whitebook, M., McLean, C., Austin, L.J.E., & Edwards, B. (2018). Early Childhood Workforce Index – 2018. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley. Retrieved from <http://cscce.berkeley.edu/topic/early-childhood-workforce-index/2018/>; Stars Incentives, Montana DPHHS. <https://dphhs.mt.gov/hcsd/ChildCare/STARS/incentives>.

<sup>9</sup> Phone conversation with Lea Austin, Center for the Study of Child Care Employment. November 2018.

<sup>10</sup> McLean, C., Dichter, H., & Whitebook, M. (2017). *Strategies in Pursuit of Pre-K Teacher Compensation Parity: Lessons From Seven States and Cities*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley and New Brunswick, NJ: The National Institute for Early Education Research. <http://cscce.berkeley.edu/files/2017/10/Strategies-in-Pursuit-of-Pre-K.pdf>.

		recent shift (and accompanying budget increase) to focus on parity.	interest in teaching pre-k
<b>Georgia</b>	Full parity	Pre-k teachers in public and private settings receive the same minimum salary based on equivalent education. Recently, ongoing wage raises (salary supplements) were introduced based on experience and credentials through a budget increase.	N/A
<b>New Jersey (former Abbott)</b>	Full parity	Salaries were built into the beginning of the program in response to a NJ Supreme Court mandate.	Decreased teacher turnover
<b>New York City, NY</b>	Full parity in public schools	Pre-k teachers in public schools in NYC's teachers union are paid on the same salary schedule. Funds have been budgeted to increase CBO salaries; school-based and CBO-based educators are represented by different unions and so have different negotiations and agreements.	N/A
<b>North Carolina</b>	Contracting	Approximately 20 of North Carolina's 90 state-county contracts for layered ECE funding include clauses regarding compensation requirements. These contracts with compensation clauses are infused with additional local funding support.	N/A
<b>Oregon (Preschool Promise)</b>	Sub-parity	Uses mandatory minimum salaries for educators. Mandatory minimum salaries for public pre-k educators are set lower than those of K-3 educators, even though starting salary targets are intended to be comparable. This process was built in from the start via legislation, which was revised and weakened by including the language "to the extent practicable."	N/A
<b>San Antonio, TX</b>	Beyond salary parity in model centers	In San Antonio's four model pre-k centers, educators are paid at a level above K-3 teachers and above market rates. Such salaries are built into the beginning of the program.	N/A
<b>West Virginia</b>	Full parity in public schools	Pre-k teachers in public schools are paid equivalent salaries to K-12 teachers; CBO-based teachers are not. Salaries are determined by school districts, but the state provides guidance and funding to allow for districts to move to pay parity.	N/A

### Wage Stipends

Wage stipends can supplement educator compensation. They are often only provided biannually or annually, are subject to specific eligibility, cap the amount of additional compensation available to ECE professionals, and are subject to funding cuts. Typically, wage ceilings for eligibility are set at \$15-16 per hour.

State	Practice	Mechanism	Outcomes
Illinois	Great Start Wage Supplement	Great Start provides wage supplements to educators enrolled in the Gateways registry and earning less than \$15/hr. or \$31,200/yr. Supplements range from between \$150-1,950.	Decreased teacher turnover.
NM, KS, IA, NC, FL	Child Care WAGE\$ Project	WAGE\$ provides salary supplements through varying implementation methods across states. Some programs are implemented through local partners, while others flow through counties. WAGE\$ stipends can total from between \$100-6,250 per year. <sup>11</sup>	North Carolina has reached pay parity with the median earnings of a Kindergarten teacher through using these stipends.
Georgia	DECAL Scholars Awards and Scholars Incentives.	Scholars awards are one-time awards for early childhood educators who have earned an ECE Credential or degree in the past 12 months, work in an eligible position and setting, and have been with their current employer for at least six months. Awards are based on qualifications and range from \$1,200-2,500.  Incentives is a salary bonus program that rewards education and tenure. Eligible educators have earned an ECE Credential or degree in the past five years, work in an eligible position and setting, have been with their current employer for at least 12 months, work a minimum of 25 hours per week and make less than \$15.50 per hour. Awards are based on qualifications and range from \$250-1,250. <sup>12,13</sup>	N/A

### Scholarships and Bonuses

Scholarships can be provided directly to ECE professionals who enroll in programs to further their education and credentialing. In addition, 15 states offer bonuses to ECE professionals who complete continuing education and gain core knowledge and competencies. Scholarships and bonuses are unlikely

<sup>11</sup> Key Variables to Consider for Getting a Child Care WAGE\$ Program Started in Your State. T.E.A.CH. National Center. <http://teachecnationalcenter.org/child-care-wage/how-to-bring-wage-to-your-state/>.

<sup>12</sup> Chadwick, C. Early Childhood Workforce Policy and Program Scan. 2018.

<sup>13</sup> Awards. DECAL Scholars. [https://www.decalscholars.com/pages/awa\\_landing.cfm](https://www.decalscholars.com/pages/awa_landing.cfm).

to lead to wage and salary gains that are sufficient to create parity; further, they are often funded through grants or other unstable funding structures rather than cemented into statute or rule.<sup>14</sup>

State	Practice	Mechanism	Outcomes
Illinois	Gateways Scholarship	Gateways Scholarships pay a portion of tuition for eligible professionals working in ECE or school-age programs who want to earn college credit, Gateways Credentials, or degrees. Eligible educators must have been working in a licensed setting for at least a year at at least 15 hours per week, and must commit to working in ECE or school-age care in the future. Scholarships range from 60-100% of tuition based on the educator’s hourly wage and gross yearly wage.	N/A
24 states and DC (not including IL)	T.E.A.C.H. Scholarship program	T.E.A.C.H., or Teacher Education and Compensation Helps, is an early childhood program that provides scholarships to professionals to address high turnover, poor compensation, and lack of education within the workforce. Scholarships have five components, comprehensive scholarship, college education, compensation, commitment, and counselor. <sup>15</sup>	N/A

### Loan Forgiveness

These programs forgive student loan debt based upon maintaining employment in a certain field, position, or geographic area. Most state loan forgiveness plans are only available for K-12 educators or ECE professionals working in school settings. ECE professionals must incur education debt in advance while earning a low salary/wage, and acceptance into such loan forgiveness programs may not always be guaranteed prior to incurring the debt nor over the full amount of debt incurred.<sup>16</sup>

State	Practice	Mechanism	Outcomes
Maine	Educators for Maine Loan Forgiveness Program	Allows for one year of student loans to be forgiven for each eligible year served as a teacher, speech pathologist, or child care provider. The Finance Authority of Maine (FAME) sets the terms of this program, determining which ECE degree and certification programs are eligible and which family child care homes or child care centers are eligible. Forgiveness covers up to \$3,000 a year toward a Bachelor’s degree or \$2,000 a year toward a Master’s degree. <sup>17,18,19</sup>	N/A

### Refundable Tax Credit

<sup>14</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.

<sup>15</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018

<sup>16</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018

<sup>17</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.

<sup>18</sup> Educators for Main Loan Forgiveness. Finance Authority of Maine.

[https://www.famemaine.com/maine\\_grants\\_loans/educators-for-maine-loan-forgiveness/](https://www.famemaine.com/maine_grants_loans/educators-for-maine-loan-forgiveness/)

<sup>19</sup> Educators for Main: Loan Forgiveness and Repayment Options. Finance Authority of Maine, 2015.

<http://www.famemaine.com/wp-content/uploads/2015/06/Educators-for-Maine-Loan-Forgiveness-and-Repayment-Options-brochure.pdf>.

This strategy is a supplement or bonus paid out to child care businesses, directors, educators, or families on an annual basis in the form of a credit on the recipient’s tax return. The credit may or may not be refundable, and credit size varies by recipient and state. Refundable tax credits may be more politically feasible as a bipartisan issue, but they may not be sizable or frequent enough to create a significant increase in compensation.

State	Practice	Mechanism	Outcomes
Illinois		Illinois does not have a refundable tax credit for ECE professionals.	N/A
Nebraska	Early Childhood Workforce Credit, part of the School Readiness Tax Credits <sup>20</sup>	The ECWC is a refundable credit for ECE professionals. The SRTC supports businesses, ECE programs, ECE professionals, and families. Educators are eligible if they have worked at least 6 months for an eligible ECE program participating in QRIS and have registered in ECE registry. There are four levels of tax credits, based on education attained, and ECE professionals can receive between \$1,500-3,000 annually. Funding is limited to \$5M per year and is distributed first come, first served.	Educators receiving the credit can effectively see up to a \$0.75 per hour increase in salary.
Louisiana	School Readiness Tax Credit <sup>21</sup>	The SRTC is offered to child care teachers and directors working at licensed center-based programs participating in the state’s QRIS and enrolled in the state’s career registry. Four levels of tax credits for teachers and directors range from \$1,620-3,260 depending on the professional’s qualifications. Credits are re-evaluated annually using the Consumer Price Index. <sup>22,23</sup>  In addition, the SRTC allows corporations to write donation checks to local CCR&Rs in exchange for dollar-for-dollar tax credits. Local parishes can supplement these donations. Parishes conduct outreach to local CPAs to seek donations.	Educators receiving the credit can effectively see up to a \$1.50 per hour increase in salary.

<sup>20</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.

<sup>21</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.

<sup>22</sup> NGA TA Memo on Early Childhood Professional Compensation, 2018.

<sup>23</sup> School Readiness Tax Credits (SRTC) Guidance. Louisiana Department of Education, 2017.

[https://www.louisianabelieves.com/docs/default-source/early-childhood/school-readiness-tax-credits-\(srtc\)-guidance.pdf?sfvrsn=5](https://www.louisianabelieves.com/docs/default-source/early-childhood/school-readiness-tax-credits-(srtc)-guidance.pdf?sfvrsn=5).

**Appendix A: Excerpt from *In Pursuit of Pre-K Parity* (CEELO and NIEER, 2017)**

<b>Table 1: Compensation Parity and Related Forms of Compensation Improvement: A Framework</b>				
	<b>Components of Compensation</b>			
<b>Type of Compensation Improvement</b>	<b>Salary</b>		<b>Benefits</b>	<b>Payment for Professional Responsibilities<sup>4</sup></b>
	<b>Starting Salary</b>	<b>Salary Schedule<sup>3</sup></b>		
Parity (defined as equivalent)	Same, prorated for day length and number	Same, prorated for day length and number	Same package, same options for coverage for health, retirement, and vacation/holiday/sick leave	Same menu of supports and dosage for non-child contact responsibilities (e.g., planning time, professional development days)
Partial Parity (defined as equivalent for select components)	Same, prorated for day length and number	Not same or absent	Equivalent options for some benefits, but not full package of benefits	Equivalent options for some supports, but not full menu of supports
Sub-Parity (defined as similar but not equivalent)	Same, not prorated	Same, not prorated or not same/absent	Same package of benefits, not equivalent value	Same menu of supports, not equivalent value
Alternative Forms of Compensation Improvement	Strategies that improve pre-K compensation in order to close the gap with teachers of older children but fall well short of parity. In theory, compensation improvement strategies could also set goals higher than earnings of K-12 teachers in public schools, though in practice this is rare. <sup>5</sup>			

Source: Whitebook, M. & McLean, C. (2017). *In Pursuit of Pre-K Parity: A Proposed Framework for Understanding and Advancing Policy and Practice*. Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley and New Brunswick, NJ: The National Institute for Early Education Research.

<b>Table 2: State Policies for Lead Pre-K Teachers: Do They Meet the Criteria for Salary Parity?</b>		
States with self-reported salary parity policies for lead teachers	Georgia, Hawaii, Iowa, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Rhode Island, Tennessee, Texas, Virginia, West Virginia	18 states
YES: Salary parity (same starting salary and salary schedule) at least for teachers in public schools	Hawaii, Iowa, Kentucky, Maryland, Mississippi, Missouri, Nevada, New Jersey, New Mexico, North Carolina, Oklahoma, Tennessee, Texas, West Virginia <sup>21</sup>	14 states
For public and private settings (prorated)	New Jersey (2 out of 3 state programs), Oklahoma, Tennessee, West Virginia	4 states
NO: Partial salary parity (same starting salary only, prorated)		0 states
NO: Sub-parity (same starting and ongoing salary, not prorated; or same starting, not prorated and not same salary schedule)	Georgia, Louisiana, Rhode Island, Virginia	4 states

Source: Barnett, W.S. & Kasmin, R. (2017). *Teacher Compensation Parity Policies and State-Funded Pre-K Programs*. New Brunswick, NJ: the National Institute for Early Education Research and Berkeley, CA: Center for the Study of Child Care Employment, University of California, Berkeley.