

August 17, 2022

Recurring Themes in Workforce Wednesday Compensation Office Hours Discussions

- ◆ **Compensation:** Increase it to reach living wages and pay parity.
- ◆ **Build a pipeline:** Ensure a path for effective early educators.
- ◆ **Maintain diversity:** Ensure continued diversity of the early childhood education workforce.
- ◆ **Equitable access:** Ensure all children have great educators.
- ◆ **High-quality practices:** Ensure the workforce has skills to implement.

Compensation

Compensation includes:

- ◆ Wages
- ◆ Benefits
 - Health insurance
 - Retirement account
 - Retirement matching funds
 - Company shares
 - Paid planning time (facilitated by substitute pools or other staffing strategies)
- ◆ Work-life benefits
 - Paid leave, including vacation and sick time
 - Training and professional development
 - Child care benefits
 - Tuition assistance and student-loan repayment
 - Paid family leave

Types of Compensation

- ◆ Employees
 - Wages and salaries

- Bonuses and stipends
 - Legally required benefits
 - Paid time off
 - Health insurance
 - Retirement contributions
 - Education benefits (scholarships, stipends, loan repayment, etc.)
 - Child care benefits
- ◆ Business owners may also benefit from types of employee compensation as well as
- Business profit and owner's draw
 - Bonuses and stipends
 - Tax benefits

Other Funding Sources to Consider for Strategies

- ◆ Federal relief funds (including state and local funds)
- ◆ City or state tax revenue
- ◆ Tax credits
- ◆ Partnerships with local employers, businesses, or foundations
- ◆ Annually appropriated Child Care and Development Fund (CCDF) and Head Start funds
- ◆ Preschool Development Grants Birth through Five (PDG B-5)
- ◆ Department of Labor registered apprenticeships or other workforce funds

CCDF Lead Agency Efforts to Increase Early Educator Compensation

Strategies include the following:

- ◆ Raising provider reimbursement rates, which could translate to higher wages for staff
- ◆ Creating individual tax credits through which early educators can claim a refundable credit during their state filing
- ◆ Creating registered apprenticeships with an “earn while you learn” structure, allowing participating educators to improve their skills through job-embedded learning opportunities and, in doing so, earn additional credentials and higher wages
- ◆ Creating credential support programs that provide early educators with grants or scholarships to use toward education attainment, which can then lead to higher wages
- ◆ Supporting access to benefits such as providing funding to help cover the cost of health insurance premiums
- ◆ Supporting eligible early educators in accessing [Public Service Loan Forgiveness Program 2022](#)
- ◆ Improving payment policies, such as paying by enrollment rather than attendance, which increases stability leading to higher compensation for staff and a most sustainable financial outlook

Head Start Suggestions for Improving Compensation

◆ **Competitive Bonuses for the Head Start Workforce ACF-IM-HS-22-04**

OHS strongly encourages all Head Start programs to use American Rescue Plan funds, base grant operations funds, and other COVID-19 relief funds to offer competitive financial incentives to staff, such as retention and hiring bonuses, to help stabilize and support their workforce in the near term.

General Resources

[Office of Early Childhood Development’s workforce web page](#) has curated technical assistance resources to support state and local efforts to address the early childhood education workforce shortage.

Workforce Wages and Benefits

Purpose: Increase Compensation for the Workforce to Improve the Quality of Care, Reduce Turnover, Increase Professionalization, and Promote a Fairer Wage for Child Care Providers

Examples may include the following:

- ◆ Providing direct payments, such as bonuses and stipends, to child care educators
- ◆ Offering scholarships and incentives for continuing education
- ◆ Supporting career pathways through coursework, credentials, and apprenticeships
- ◆ Providing student loan debt relief for early childhood educators
- ◆ Supporting access to ongoing training and professional development
- ◆ Developing a wage ladder
- ◆ Improving access to benefits, such as health insurance, wellness, and mental health services
- ◆ Using terms and conditions for grants and contracts to require providers to use the funds to increase salaries and wages, and establish and invest in retirement accounts for staff

Considerations include the following questions:

- ◆ What was your process for selecting the approaches to address workforce compensation and support?
- ◆ Who did you consult, and how were your workforce supports and initiatives prioritized?
- ◆ What role did diversity, equity, and inclusion play in your decision-making?
- ◆ What policies were affected?
- ◆ What data are you collecting to follow the impact of your efforts?

Examples

Additional Strategies	Examples	Sources
Access to tax credits	Louisiana has changed its policy to expand eligibility for the School Readiness Tax Credit to include family child care providers. This refundable tax credit is state funded. Additional information can be found from the Louisiana Department of Revenue .	<p>Early Childhood Connection. (2022). <i>Early Childhood newsletter</i>. https://files.constantcontact.com/f4600336201/8de7293b-e456-44ce-a843-aa3c283766e3.pdf</p> <p>Louisiana Believes, & Early Childhood Connection. (n.d.) <i>2022-2023 family child care (FCC) provider academic approval frequently asked questions and answers</i>. https://www.louisianabelieves.com/docs/default-source/child-care-providers/2022-2023-family-child-care-(fcc)-provider-academic-approval-frequently-asked-questions-answers.pdf?sfvrsn=e28d6218_2</p>

Additional Strategies	Examples	Sources
Paid planning time	New Mexico is offering a Planning Time Grant as a one-time per classroom payment to supplement the cost of staffing or materials related to activity planning.	New Mexico Early Childhood Education & Care Department. (n.d.). <i>Focus planning time grant</i> . https://www.nmececd.org/focus-planning-time-grant/
Wage enhancement	The Idaho Child Care Wage Enhancement Grant is a temporary, noncompetitive wage supplement for eligible child care staff. The goal is to recruit and retain a qualified workforce. Eligible providers will receive a monthly award based on their number of eligible staff. The provider receives the pretax wage enhancement of \$300 for each employee as well as \$30 for payroll and administration. A total of \$30 million in grant awards, funded with Coronavirus Response and Relief Supplemental Appropriations Act and American Rescue Plan Act funds, will be distributed monthly until funds are exhausted, which is estimated to be in May 2023. Applications are open until August 15.	Idaho Department of Health & Welfare. (2022). <i>Idaho child care wage enhancement grant: Grant guide for child care providers</i> . https://publicdocuments.dhw.idaho.gov/WebLink/DocView.aspx?id=17432&dbid=0&repo=PUBLIC-DOCUMENTS Idaho Stars. (2022). <i>Child care wage enhancement grant</i> . https://idahostars.org/About-Us/Our-Blog/wage-enhancement-grant
Career pathways	<p>The Colorado Department of Early Childhood is using their American Rescue Plan Act supplemental funds to support the child care workforce via career pathways and access to early childhood education in several ways. Initiatives include the following:</p> <ul style="list-style-type: none"> ◆ A federally registered apprenticeship program in partnership with Red Rocks Community College offering scholarships for on-the-job training and professional development. Child care programs receive incentives to host apprentices. ◆ Free coursework, including paid tuition and fees, for 2,500 students to help these teachers meet the minimum early childhood teacher licensing requirements. ◆ The Professional Development Information System (PDIS) Dashboard Modernization and the PDIS Help Desk and Operations will support the state’s understanding of workforce size, roles, geographic distribution, turnover, and other child care data in real time. 	n/a
Offer free counseling, legal and financial consultation, work-life assistance, and crisis intervention services	Indiana implemented a shared employee assistance program for early care and education and out-of-school time providers, their employees, and their employees’ household family members or dependents.	Brighter Futures Indiana. (n.d.). <i>BuildLearnGrow: Helping working families connect to early care & education</i> . https://brighterfuturesindiana.org/build-learn-grow/faq#closed

Additional Strategies	Examples	Sources
Support career pathways through coursework, credentials, and apprenticeships	Kentucky is offering trainer academies, apprenticeships, and scholarships.	Kentucky Cabinet for Health and Family Services. (2021). <i>American Rescue Plan funding for child care</i> . https://chfs.ky.gov/layouts/15/download.aspx?SourceUrl=https://chfs.ky.gov/agencies/dcbs/dcc/Documents/americanrescueplanpresentation.pptx
Support pay equity	District of Columbia is implementing the Early Childhood Educator Pay Equity Fund to support pay parity for early childhood educators in accordance with the recommendations of the Early Childhood Educator Equitable Compensation Task Force. Depending on their position, individuals will receive between \$10,000 and \$14,000. Directors are ineligible.	Office of the State Superintendent of Education. (n.d.). <i>Early childhood educator pay equity fund</i> . https://osse.dc.gov/ecepayequity
Family, friend, and neighbor provider support	Culturally appropriate training and support for family, friends, and neighbors is being provided by Minnesota through grants to organizations serving unlicensed family, friend, and neighbor child care providers.	Minnesota Department of Human Services. (2022). <i>New grants benefit community child care providers</i> . https://mn.gov/dhs/media/news/#/detail/appd/1/id/529796

Please note: The list is meant to illustrate the variety of approaches that states are taking and is not exhaustive. The examples below are based on publicly available information compiled in July and August 2022 and have not been validated by Lead Agencies.

Workforce Resources

The webinar, *Workforce Wednesday: Strategies to Support Equitable Compensation, Wages, and Benefits for the ECE Workforce*, provided examples of innovations and resources to address early care and education (ECE) workforce compensation issues. [A recording of the webinar is available](#).

[Competitive Bonuses for the Head Start Workforce: ACF-IM-HS-22-04](#)

This information memorandum and [video](#) from the Office of Head Start encourages all Head Start programs to use the American Rescue Plan Act, base grant operations, and other coronavirus disease 2019 (COVID-19) relief funds to offer competitive financial incentives to staff. Incentives such as retention and hiring bonuses can help stabilize and support their workforce in the near term.

[What Is the Best Business Structure for a Family Child Care Provider?](#)

This webinar explores four different types of business structures and five factors to consider before family child care providers choose the best structure for themselves.

[How Do Providers Pay Themselves?](#)

Watch this webinar to understand the ways in which providers earn money from a variety of sources and the differences between a sole proprietor and a corporation. Learn about tax consequences and the best ways to manage bank accounts, and explore the impact of business profits on Social Security benefits.

[Increasing Workforce Compensation Implementation Guide: Immediate Relief for the Workforce](#)

This resource can help Lead Agencies rebuild their early childhood and school-age care workforce through American Rescue Plan Act funding.

Payment Rates and Policies

Purpose: Move Toward Payment Rates That Cover the Cost of Quality Care and Adopt Payment Policies That Stabilize Provider Business Operations

Related Purpose: May Indirectly Increase Workforce Compensation

Examples may include, but are not limited to, the following:

- ◆ Increasing base subsidy payment rates
- ◆ Increasing quality rating and improvement system reimbursement rates
- ◆ Paying based on enrollment instead of attendance
- ◆ Conducting cost of quality studies
- ◆ Using cost information to set rates and any related activity
- ◆ Using grants and contracts for slots

Considerations include the following questions:

- ◆ What tools have you used to understand the personnel costs in the total cost of child care in your jurisdiction?
- ◆ How have you worked with providers and advocates to increase payment rates?

Examples

Additional Strategies	Examples	Sources
Increase subsidy provider rates through daily tiered reimbursement	Colorado established a daily tiered reimbursement rate for licensed providers that included a 5 percent base increase, plus additional increases to licensed infant, toddler, and preschool rates to reflect the higher costs of care for these age groups.	<p>Colorado Department of Human Services. (2021). <i>Operation memo</i>. https://dcfs.my.salesforce.com/sfc/p/#410000012srR/a/4N000000a9VD/UcGwwQNOJDDh9r0JpmqAWqbg8EaRvNypPojHUIlv23w</p> <p>Colorado Office of Early Childhood. (2021). <i>State and federal stimulus strategies: Ensure all families have equitable and easy access</i>. https://drive.google.com/file/d/1iaJ0bkZj7S3o48s_-HjfBerWkb1Fcc35/view</p>
Increased rates for children with special needs	In Maine, providers caring for a child with documented special needs (submitted with a parent’s application) receive an additional 35 percent rate increase in this state.	<p>Maine Department of Health and Human Services. (2021). <i>Child Care Subsidy Program (CCSP) provider reimbursement updates</i>. https://www.maine.gov/dhhs/sites/maine.gov.dhhs/files/inline-files/CCSP%20Provider%20Reimbursement%20Updates%2009242021.pdf</p>
Pay based on enrollment instead of attendance	Massachusetts is continuing to pay for children who have confirmed enrollment, even if the child is not attending.	<p>Massachusetts Department of Early Education and Care. (2022). <i>Financial assistance policy guide</i>. https://www.mass.gov/doc/eecs-financial-assistance-policy-guide-february-1-2022/download</p>
Use grants and contracts for slots	New York is using American Rescue Plan Act funds for child care desert grants for existing providers. The request for applications includes a component that requires providers to expand up to 25 new child care slots under their existing license.	<p>Office of Children and Family Services. (n.d.) <i>Invest in New York – Child care deserts grant for existing providers</i>. https://ocfs.ny.gov/programs/childcare/deserts/existing.php</p>

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Payment Rates and Policies Resources

[Strategies to Increase Base Payment Rates](#)

This guide addresses hurdles to increasing payment rates and offers strategies for overcoming concerns and increasing payment rates.

[Profiles of Innovation: New Mexico Subsidy Rate Increased Based on Cost of Care](#)

The New Mexico Early Childhood Education and Care Department worked in partnership with external fiscal consultants to develop a robust alternative methodology, incorporating a cost study and development of a cost estimation model. They increased base subsidy rates across settings and age groupings based on the cost of care.

[Innovative Strategies to Support Use of Contracts in Child Care Systems](#)

This implementation guide focuses on the use of contracts to stabilize child care and support overall improvements to the child care system. Potential challenges to using contracts are identified, and strategies and resources are offered to overcome concerns.

Staff Wellness

Purpose: Support Workforce to Maintain Mental Wellness, Which Enhances Their Ability to Provide High-Quality Services to Children and Families

Related Purpose: May Improve Workforce Recruitment and Retention

Examples may include, but are not limited to, the following:

- ◆ Access to health and mental health services for workers and family members
- ◆ Child care infant and early childhood mental health consultation supports the classroom teacher to understand their own needs and those of each child
- ◆ Workforce wellness supports embedded in state and grantee policies

Considerations include the following questions:

- ◆ How has the workforce responded to services that support their social-emotional and mental health?
- ◆ Has training on trauma-responsive care given staff tools that reduce their on-the-job stress?
- ◆ Does the workforce have opportunities that support their daily wellness?

Examples

Additional Strategies	Examples	Sources
Focus on wellness	Indiana is offering a shared employee assistance program, short-term counseling, legal and financial consultation, work-life assistance, and crisis intervention services to early care and education and out-of-school time providers, their employees, and their employees' household family members or dependents.	Brighter Futures Indiana. (n.d.). <i>Support & resources to be at your best.</i> https://brighterfuturesindiana.org/build-learn-grow/building-wellness

Additional Strategies	Examples	Sources
Shared services approach to health and wellness	Kansas is using CCDF COVID-19 relief funding to develop an Early Childhood Shared Resources platform, which will provide access to pooled resources and services for child care providers. Providers will be able to purchase telehealth and teletherapy services for themselves and their families for less than \$20 per month. The platform will offer basic medical coverage and mental health support with prescription-writing discounts and access to nonemergency medical care.	Accessing Employee Benefit Programs- Telehealth and More https://www.ecsharedresources.com/solutions-through-scale/supporting-workforce-health-and-wellbeing/
Free virtual therapy for birth–12 educators	Louisiana is offering a secure virtual visit tool for appointments with licensed psychologists or therapists via smartphone, tablet, or personal computer.	Early Childhood Connection. (2022). <i>Early Childhood newsletter</i> . https://files.constantcontact.com/f4600336201/8de7293b-e456-44ce-a843-aa3c283766e3.pdf
Be Well Care Well	South Carolina and Arkansas have implemented a workforce wellness program, titled Be Well Care Well (BWCW). The objective of BWCW is to build resiliency in the early childhood workforce to reduce the effects of stress and increase their ability to provide high-quality care.	South Carolina Program for Infant/Toddler Care. <i>Promoting the well-being of child care providers</i> . https://scpitc.org/be-well-care-well/ Curricula Concepts. (n.d.). <i>Child care providers need support</i> . https://curriculaconcepts.com/be-well-care-well/
Child care infant and early childhood mental health consultation supports	Georgia is planning a mental health consultation pilot to increase support for families in accessing mental health services and for teachers in understanding mental health development and mental health supports. Department of Early Care and Learning will fund a cohort of infant and early childhood mental health (I-ECMH) consultants and support up to five I-ECMH consultation contracts to expand community and family-based mental health supports.	Georgia Department of Early Care and Learning’s Spending Plan for CRRSA and ARP Funds http://www.dec.al.gov/documents/attachments/DECALCRRSAandARPSpendingPlan.pdf

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Staff Wellness Resources

[Dear Colleague Letter on Social-Emotional Development and Mental Health](#)

This letter includes recommendations and action steps intended to help early childhood systems work collaboratively to ensure that young children and their caregivers have access to high-quality resources that equitably support social-emotional development and mental health.

[Staff Wellness Resources](#)

These resources help develop a culture of wellness by focusing on overall organizational wellness. This collection also includes information on how to develop a staff wellness plan.

[Infant/Toddler Workforce Wellness](#)

This web page provides an array of approaches to reducing stress and promoting wellness. Whether you prefer worksheets, articles, slides, activities, exercises, videos, reflective questions, or graphics, there is a tool for you.

[Professional Growth: Self-Care and Professionalism](#)

This web page provides several resources in various modalities, including articles, videos, and infographics on the importance of self-care for the early childhood workforce.

[Profiles of Innovation: COVID-19 Recovery – Three Approaches to Social-Emotional Support and Mental Health](#)

This profile of innovation describes three state strategies to address social-emotional and mental health needs of children, families, providers, and staff during the pandemic.