How are states tackling the early educator compensation crisis? [1]

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EXCERPTS

The early childhood education and care (ECE) workforce is facing dire problems. Despite the efforts of progressive House and Senate leaders, Republicans and moderate Democrats remain unwilling to pass comprehensive early education reform with the necessary funds for the educators who carry our ECE system. Under this disappointing reality, state leadership is as urgent as ever.

Almost all other occupations (98 percent) earn more than child care teachers, and as a result, early educators face poverty rates nearly eight times higher on average than K-8 teachers. Raising compensation for the ECE workforce is also a matter of racial and gender justice: most early educators are women and many of them are women of color. The COVID-19 pandemic pushed the growing early childhood teacher shortage to the brink with a loss of one in ten jobs, and those educators that continued to work were expected to risk their health and the health of their families in exchange for so little compensation and recognition.

States Can Take Action

With the American Rescue Plan Act (ARPA) and other COVID relief funds, some states and localities have already taken action to address early educator compensation. Two projects at the Center for the Study of Child Care Employment (CSCCE) at UC Berkeley seek to understand and share what states are doing to address early educator compensation. CSCCE's database for strategies to improve ECE workforce compensation demonstrates the many ways states, tribes, and territories are using public funds like ARPA to directly pay or incentivize payments to educators. Our Bold on Early Educator Compensation Learning Community brings together leaders and advocates from seven states to share understanding about how to compensate, support, and uplift early educators in policy decisions. Though these projects are ongoing, we can share some promising approaches to the compensation crisis.

When exploring compensation strategies, it is useful to consider the intention, mechanism, and timeline, especially as the ARPA stabilization funds sunset in 2024. Yet, it is crucial not to confuse the intention of a one-time relief payment with sustained wage increases and access to benefits that can permanently transform the livelihood of an educator. Even though there is now broad consensus in the field that ECE teachers need better pay and access to benefits, there remains disagreement on a single mechanism. Ongoing debates exist about whether to send payments to educators through programs or directly to educators themselves. As we track states trying different compensation strategies, some themes have emerged.

Compensation Strategies: Direct Pay vs. Funds to Employers

The most typical strategies emerging from the database include giving one-time limited bonuses or paying programs to require or incentivize program directors to use funds for compensation or bonuses.

Direct to Educator: Some states are sending payments directly to educators, bypassing employers. For example, New Mexico contracted with a third party to send checks to educators to provide short-term bonuses for child care teachers using COVID relief funds. Pre-pandemic examples of direct-to-educator pay supplements were used in the WAGE$ program and the Infant-Toddler Educator AWARD$ program in North Carolina as well as the REWARD program in Wisconsin.

Funds to Employers: Other states use the ARPA stabilization grants to encourage or require employers to raise wages or provide direct payments to staff. States like Minnesota included a requirement in their ARPA stabilization grant that a certain percentage of funds go toward compensation. Other stabilization grants offer extra funds (12 percent in the case of North Carolina and 25 percent in the case of Connecticut) if programs agree to use this money for compensation.

Some states are sending money to employers, but instead of relying on employer discretion around how they use compensation funds, the states specify a dollar amount to be paid to staff as wages or bonuses. For example, Utah offers an ARPA stabilization grant compensation boost for providers who agree to pay $15/hour for at least half of their staff, and Kentucky offers an enhancement for providers who are not already paying $10 or $13/hour (depending on tier of application). In the case of bonuses, Maine is using ARPA stabilization grants to pay $200 monthly bonuses to staff via employers, and Illinois offers a Child Care Workforce Bonus of up to $1000 to eligible early educators through employers.

There Is No Single Solution

In the long-term, we need sustained public funding for appropriate compensation. In the short-term, we urge states to move forward with strategies that are feasible for them. We know that sustained wage increases through a paycheck can avoid more complicated tax situations and alleviate the burden from individual educators of applying for one-time relief funds. Better wages are also more promising as a recruitment and retention strategy for new educators. In the interim, a direct relief payment to educators may be an attainable solution, given inadequate funding to cover increases across the field or concerns about employer accountability when it comes to passing on funds intended for the workforce.

Or states and localities can resist scarcity thinking by doing both! Recent developments in Washington, D.C., illustrate an approach that provides short-term relief with an eye towards long-term compensation reform. After more than a decade of successful organizing, the District of Columbia advanced pay parity for infant-toddler teachers with recent recommendations from the Early Childhood Educator Equitable Compensation Task Force. The recommendations included short-term direct payments of $10,000-14,000 to eligible educators to meet their immediate needs, while the foundation for compensation reform is being built. In the long term, a program-level funding formula will include a salary scale that offers parity for educators across settings, including infant-toddler educators, with their K-8 counterparts. All of this is possible because of public funds dedicated for early childhood pay equity, highlighting the importance of a local revenue strategy.

Benefits and Revenue Strategies: Washington, D.C. and New Mexico Address Common Challenges

We hear from learning community state leaders that despite wins on compensation in terms of wages or relief payments, finding funding and political will to cover benefits for early educators remains a challenge. Some states, such as Washington, used state funds to cover healthcare premiums for early educators who were not eligible for Medicaid.

Yet, we are learning that successful compensation strategies are limited when states lack sustained and adequate funding. This frustration is amplified by the stalling of Build Back Better legislation that would have provided transformational federal investments. Nonetheless, some states and localities like the District of Columbia and New Mexico have moved forward to raise local revenue dedicated to early care and education. Even with funding, challenges and promises are evident in the different strategies. One recurrent theme in the learning community is the need for equity and inclusion of educators across settings and in underserved communities such as people who are undocumented or do not have bank accounts.

Above all, we are hearing that a successful approach requires engaging a diverse range of early educator perspectives at policy tables to understand the merits and pitfalls of a strategy. In the meantime, we continue to listen, learn, and celebrate those pushing forward sorely needed solutions for early educator compensation.

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