

National Governors Association Center for Best Practices: Supporting States' Policy Strategy to Improve Compensation for Early Care and Education Workforce

October 2018

Project Charge

Examine compensation issues related to early childhood care and education and present recommendations to the Children's Cabinet and Governor

VISION

Minnesota will have a well-trained, well compensated early childhood workforce as a critical component to providing early childhood care and education that supports Minnesota's communities and industry

Process

- National Governor's Association meeting to Improve ECE Workforce
- Apply for and receive NGA grant
- Convene decisions makers at state agencies
- Examine strategies
- Identify ideal and feasible
- Arrive at recommendations
- Obtain feedback from Subcabinet and Children's Cabinet
- Submit recommendations to Governor

Themes

The best interest of children must be paramount.

Research has demonstrated birth – kindergarten years are critical to brain and social development

Early care and education is essential and worth the collective investment

Available, affordable quality care and education enables parents to fully engage in the workforce

Employers have a stake in supporting a highly qualified, diverse workforce for the economic health of their communities

The care and education of young children birth to age 8 is a public good and responsibility.

Early childhood educators deserve compensation in line with their education and experience

Communities need quality care in order to allow families and businesses to thrive

What We Know About the Early Childhood Workforce in Minnesota

- Predominately female workforce
- Aging out and fewer individuals are entering the early childhood workforce
- Lacks diversity
- Poorly compensated (average compensation \$10.80/hour)
- Pervasive economic insecurity
- Reliance on public income support
- Turnover rates are high, retention is suffering

5 strategic goals for increasing compensation

1. Raise base pay
2. Reward for quality (program level)
3. Reward for education (individual level)
4. Bring more resources into programs so they can pay better
5. Provide other resources to individuals (not base pay) to increase financial well-being

Approaches

Tax Credits

Investing in Training and Education

Loan Forgiveness

Business Education and Shared Services

Tying Compensation to State Funding and Quality Initiatives

Wage Ladder

Private Sector Support

Career Pathways

Increase Overall Funding Early Childhood Care and Education

Review of Approaches

Approaches were reviewed for:

- Alignment to strategic goal
- Ideal way to address the issue
- Feasible way to address the issue

Recommendation

1 – Provide tax credits

Consider and support both refundable and non-refundable tax credits for individuals (as supplement to pay, and/or as reward for educational attainment) and non-refundable tax credits for providers (for meeting quality standards, or for increasing staff compensation).

Recommendation

2 – Invest in training and education

Continue and increase funding for T.E.A.C.H.
and R.E.E.T.A.I.N.

Recommendation

3– Increase access to business education and shared services

Invest in business education by providing increased funding for coaching and training. Encourage higher education institutions to include business education in the curriculum for early childhood degree programs and certifications.

Recommendation

4 – Tie compensation to increased public funding

Leverage all applicable existing programs and tie compensation and quality

Recommendation 5 – Wage Ladder

Conduct further research on the Wage Ladder concept to determine if such an approach would be beneficial in Minnesota

Recommendation

6 – Increase private sector support

Raise private sector awareness of the advantages of and opportunities for supporting or providing child care for their employees. Possibly link to tax credit options.

Recommendation 7 – Collaborate

Participate in implementing the plan created by the initiative on Transforming the Workforce made in collaboration with the National Academy of Sciences

Recommendation

8 –

Raise awareness about the need for a well-trained, well compensated workforce as a critical component to providing early care and education that supports Minnesota's communities and industry

What's next in the process?

- Provide final recommendations to the Governor
- Make report available to stakeholders
- Continue to raise awareness about this issue
- Participate in events with National Academy of Sciences and NAEYC