Leadership Forums, Symposia, and Roundtables

NCCIC State Technical Assistance Audioconference Report

Recruitment, Retention, and Compensation of the Early Childhood Workforce

June 18, 2001

On June 18, 2001, the National Child Care Information Center coordinated the first in a series of audioconferences as a response to numerous requests from states for information and technical assistance on the issue of early childhood workforce recruitment, retention, and compensation, particularly compensation tied to professional development.

Presenters:

North Carolina	Washington	Wisconsin	National Resources
Peggy Ball, N.C. Department of Health and Human Services	**Rachael Langen**, Washington State Economic Services Administration	**David Edie**, Wisconsin Department of Workforce Development	**Anne Mitchell**, Early Childhood Policy Research, New York
Edith Locke, Child Care Services Association		**Kath McGurk**, Wisconsin Department of Workforce Development	**Marci Young**, Center for the Child Care Workforce (CCW), Washington, DC
Sue Russell, Child Care Services Association			
Kathy Shepherd, North Carolina Department of Health and Human Services			

While this discussion was not inclusive or exhaustive of all the efforts taking place nationwide, it served as a snapshot of state strategies and approaches, funding issues, and evaluation considerations. Highlights of recruitment, retention, and compensation initiatives of the three featured states included:

- North Carolina’s T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood® Project, the Child Care WAGE$® Project, and the T.E.A.C.H. Early Childhood® Health Insurance Program;
- Wisconsin’s T.E.A.C.H. Early Childhood® Project and the R.E.W.A.R.D.™ Program; and
- Washington’s Career and Wage Ladder Pilot Project, the STARS (State Training & Registry System) Program, Child Care Careers Program, Child Care Micro Loan Program and Child Care Facility Fund, Child Care Capacity and Access Funds, and the T.E.A.C.H. Early Childhood® Project.

Driving Forces

There were two primary forces identified by the states (in their opening remarks). The first driving force behind the states’ efforts to address the topic of recruitment, retention and compensation is research, including recent brain development research and research on quality child care. Another driving force in the states is the grassroots influence of advocates in the early childhood field.

In Wisconsin, concern about the quality of services young children were receiving, particularly as related to school readiness, played a significant role. Research tying the quality of child care to staff qualifications, and correlating staff qualifications with compensation, also made discussions regarding recruitment, retention, and compensation of the early childhood workforce more palatable in the political arena. Interest in early learning and infant brain development also advanced workforce initiatives in Washington State.

In North Carolina, providers who participated in T.E.A.C.H and WAGE$ served as effective advocates for the initiatives. Wisconsin’s efforts were buoyed by political pressure from the child care field, and in Washington, a strong and active child care coordinating committee served as a valuable ally of state workforce initiatives. Participants reported that most state legislators are aware of the difficulty programs face in attracting and retaining qualified child care staff.

Support from the Field

Edie emphasized that programs created "at the state level without input from the early childhood field will be flawed in conception and will lack grassroots support," and that states must maintain this communication with advocates during program implementation. Young commented that CCW often hears from its constituents about "how important it is for teachers and providers, those who are really going to be impacted," to have a significant role in both the development and implementation of programs.

Strategic, Systemwide Planning

North Carolina’s recruitment, retention and compensation efforts date back to 1990, when T.E.A.C.H., the state’s "foundational piece," according to Sue Russell, was first implemented. North Carolina tried to integrate its initiatives into a whole systems approach to improving professional development, and sought to convey a consistent message that education is important, that the early childhood workforce must be fairly compensated, and that these efforts will result in better retention of early childhood educators. The state uses data from its professional development initiatives to show that such efforts create better outcomes for children. Data also illustrate that the additional education, higher wages, and health insurance provided through the T.E.A.C.H, WAGE$, and Health Insurance projects help the participating early childhood caregivers become more economically stable members of the community, contributing to the overall economic development of the state.

As Edie indicated, "all states face competing child care needs – primarily, the pressure to fund the child care subsidy program for low-income families *and* to improve the quality of child care." To address these demands, Wisconsin first created a coherent subsidy program designed to be easy to understand, and worked out a bipartisan compromise around eligibility, co-payment and payment rates; since 1997, the state has fully funded its subsidy program without a waiting list. Edie emphasized that this was important because "if you do not solve the subsidy issues, you may not be able to take on quality improvement issues at any meaningful level."

Wisconsin's Office of Child Care went on to examine its growing number of quality initiatives and decided that significant strategic planning was needed to improve its system. An Abt Associates report, *National Study of Child Care for Low-Income Families: State and Community Substudy Interim Report* (November 2000), underscored Wisconsin's concerns:

> Many states' uses of quality set-aside funds reflected no clear strategy. With few exceptions, quality monies funded many small, local projects, none of them large enough, by themselves, to make a noticeable difference in the amount and quality of child care available in the community, although they may make a significant difference to individual providers." (p. 105)

Wisconsin created a plan that reduced the number of quality initiatives, outlined priorities, and consolidated funding into a few systematic statewide efforts. The goal was to build systems instead of simply funding individual programs that were popular. The planning process was undertaken in close collaboration with the child care community, including a state-level child care council, and several early childhood coalitions. Wisconsin also drew upon the experience of other states that had done systematic planning, particularly North Carolina.

Mitchell noted a shift in policy thinking toward a strategic approach emphasizing the consolidation of quality improvement efforts into a statewide system of indirect support for programs. She stressed that quality initiatives involving recruitment, retention and compensation can be built into existing early childhood professional development systems. For example, all of North Carolina's community colleges are now offering Early Childhood Associate's degrees, and a clear set of staff qualifications is imbedded in the Rated License system. Washington State, Rachael Langen noted, integrates "professional development requirements that we call STARS for particular levels of employees and center and family homes … and we support that with scholarships and mentoring, and other forms of technical assistance. And in the world of compensation, we have what we call a career and wage ladder [which provides] reimbursement to providers for the additional salaries that their staff are getting in exchange for training and education."

Young pointed out the need for an infrastructure that supports recruitment, retention, and compensation strategies with a breadth of scope and a capacity for sustainability, so that these programs can have long-term impact.

Funding

North Carolina recognized that sustaining its popular recruitment, retention, and compensation activities would require significant and stable funding sources. A direct state allocation currently funds T.E.A.C.H. at $2.6 million per year statewide. The Division of Child Development uses federal funds as a portion of the WAGE$ allocation, amounting to approximately $700,000 in 2001. The county-level Smart Start partnerships also designate a portion of their resources for WAGE$; this source currently yields approximately $5.7 million per year. Federal Child Care and Development Fund (CCDF) dollars are currently used to fund the health insurance program at $1.5 million.

In all three states, TANF has played an important role in funding child care and has afforded the states greater opportunity to implement workforce initiatives. For example, Wisconsin transfers the maximum amount allowable to CCDF, and additionally spends TANF funds directly on child care. TANF funding currently comprises more than 70 percent of the child care budget in Wisconsin and may reach as high as 80 percent in the next biennium. Because of this TANF support, the state was able to increase the portion of CCDF dollars used for quality purposes to a level about four to five times greater than the required 4 percent. Wisconsin plans to increase funding for its recruitment, retention, and compensation initiatives over a three-year period, from a little over $1 million to $6 million. This increased funding comes at a time when there's no increase in overall quality funding. "This is partly because we packaged the program well [and] we were strategic about what we did," Edie explained.

North Carolina and Washington State also use both TANF transfer and TANF direct spending for child care; in fact, one-third of North Carolina's child care subsidy funds are from TANF. Once transferred to CCDF, TANF funds can be spent according to somewhat broader CCDF rules.

In Washington, a driving force for workforce initiatives has been the opportunity to "reinvest" TANF caseload savings in those and other child care projects. TANF savings helped fund the Career and Wage Ladder Pilot Project, the Child Care Micro Loan program, the nutrition program, and a capacity-building initiative that created approximately 2,000 child care slots in the state and supported quality improvement activities for those new slots.

Attempting to break the link between what parents can afford to pay and what it will cost states to move to a better quality system is a funding challenge facing states that seek to grow workforce initiatives. The states indicated that, despite the high cost that parents are already paying for care, it would be extremely difficult to achieve and maintain a high level of quality in their child care facilities with only parent fees and direct subsidies. Therefore, the states have designed workforce initiatives that serve as indirect subsidies to offset the cost of the care, thereby increasing the funds available to programs for other costs.

Outcomes

North Carolina has been able to collect solid data from the start, including general, statewide and county-specific workforce data. Evidence of positive outcomes has been a useful tool for convincing funders and public policy makers that it is worthwhile to invest in recruitment, retention, and compensation initiatives.

North Carolina's programs collect data both on programmatic and system outcomes. For example, data indicate that for T.E.A.C.H participants who are working full-time and obtaining Associate's degrees compensation has increased more than 10 percent and turnover rates have fallen to less than 10 percent a year. System-wide, turnover rates in North Carolina fell from 42 percent five years ago to 31 percent last year, an unexpected decline at a time when the economy was strong and jobs plentiful. The state attributes this decrease in turnover to the impact of the T.E.A.C.H. program. Similar positive outcomes can be documented for the WAGE$ project. Fifty-seven percent of participants have taken coursework since they began WAGE$, and 94 percent say they will take coursework. Turnover rates for WAGE$ participants dropped by half last year, to 16 percent statewide.

Mitchell noted that the evaluation underway in Washington on the Career and Wage Ladder Pilot Project will be especially useful once completed because it is currently the only compensation initiative in which money goes to a program (as opposed to directly to individuals) to improve its compensation structure.

For additional information about any of the state initiatives discussed during the June 18, 2001, Recruitment, Retention, and Compensation audioconference, please contact the National Child Care Information Center at 800-616-2242.

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