

CONNECTICUT OFFICE OF EARLY CHILDHOOD

Date: December 22, 2022

Subject: PA 19-61: Proposed Early Childhood Educator Compensation Schedule

Contents

E	XECUTIVE SUMMARY	3
В	ACKGROUND	7
	Context	7
	State Compensation Schedule Development: Public Act 19-61	7
	Federal Legislation	8
	Working Group Process and Progress To-Date	8
	Decision Making Approach	9
P.	ROPOSED ENTRY LEVEL SALARY SCHEDULE	9
О	VERVIEW OF KEY DECISIONS	10
	1. What levels of credential attainment should be linked to an increase in compensation schedule? [Structure]	10
	2a. Should a compensation schedule for early childhood educators in Connecticut seek to achieve parity with K-12 public school teachers or align primarily with livable wage standards? [Anchoring Benchmark]	12
	2b. What benchmark of public-school K-12 compensation should be considered our parity point? [Anchoring Benchmark]	14
	3a. Should the salary schedule increase by a fixed percentage between each credential level? [Design Parameter]	n 14
	3b. How much should salaries increase between levels? [Design Parameter]	15
	4. How much should salaries increase year-over-year? [Design Parameter]	16
В	ENEFITS	17
	5. What benefits should be included in a proposed compensation package?	17
C	ONSIDERATIONS	18
U	PCOMING WORK	18
	Additional Analyses	18
	Stakeholder Engagement	19
A	PPENDIX	20
	Appendix A: Self-Sufficiency Analysis Methodology	20
	Appendix B: Connecticut Department of Labor Public School Wage Estimates	21
	Appendix C: State Case Studies	22

EXECUTIVE SUMMARY

Introduction and Timeline Overview

The childcare industry in Connecticut is at an inflection point. Early childhood educators' wages are supported by a system that system that is both unaffordable for many families and unsustainable for providers. The pandemic exacerbated these issues, with programs unable to adequately compensate workers and therefore unable to recruit and retain staff. Median hourly pay for childcare workers in Connecticut in 2020 was below \$13, the state minimum wage from August 1, 2021, through July, 1, 2022, with early childhood educators with a bachelor's degree make nearly one-third less than educators in the K-8 system^{1,2}. In a recent survey of 4,300+ CT childcare providers, 68% of respondents indicated they have experienced staffing shortages in recent months³. In a recent Children and Education Committee Forum on the sustainability of early childhood education centers -educators, legislators and early childhood education advocates argued that the investments passed in the 2022 legislative session were historic, but predominately offered short-term support. Long-term solutions will require a federal response which recognizes the important role early childhood education plays in development of children. Childcare providers offering equitable and sufficient compensation for early childhood educators is critical to ensuring that the state has an adequate and accessible supply of high-quality early care and education.

In July 2019, the Connecticut General Assembly passed Public Act 19-61, an Act requiring the Office of Early Childhood (OEC) to develop a proposed early childhood educator compensation schedule for lead teachers employed by State-funded programs. Lead educators working in State-funded programs are required by Public Act 19-34, also known as the Qualified Staff Member requirement, to achieve a bachelor's degree by 2029, with a phased in grace period for those holding a Child Development Associate (CDA) credential and associate degree. PA 19-61 was enacted during a time of unprecedent emphasis at the federal level on early education - the intent of the act was to position the state to be better prepared for a federal commitment to this area, as such the OEC expanded the scope of the salary scale to include credential levels beyond those considered in the Qualified Staff Member requirement. Additionally, the OEC leveraged this momentum to demonstrate alignment with the nationally recognized Power to the Profession's "Unifying Framework", a product of a collaboration of 15 national organizations which moves the field towards long overdue professional recognition and highlights the role of the bachelor's degree in the lead teacher (or ECE III) position.

¹ Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, (May 2020). (Accessed <u>here</u>).

² Center for the Study of Child Care Employment at University of California, Berkely, "Connecticut State Profile," (2020). (Accessed here).

³ Stabilization Survey Round 2," OEC – University of Connecticut Research Partnership.

Over the course of 2021, a workgroup of OEC staff worked through a series of key considerations to develop an initial recommendation for an entry level, minimum salary schedule and accompanying benefits, which together make up a proposed compensation schedule.

Recommended Salary Schedule

The following salary schedule is the primary deliverable of this report, and in its current form provides guidance to state-funded programs to meet minimum compensation recommendations for ECE educators to help sustain the workforce It is not currently a mandate for providers, as the OEC acknowledges that the compensation levels in this proposed schedule are not feasible for most providers in the current funding environment.

The OEC suggests the following minimum salary schedule for entry-level lead educators in State-funded programs. Hourly wages are based on 2,080 hours worked per year.

The OEC suggests that programs strive for a 3% annual increase for educators to account for yearly cost-of-living adjustments and accrued experience. This document does not currently include a proposal for how to incorporate years of experience for the current workforce (see below, "Considerations and Outstanding Questions").

Level	Minimum Salary	Minimum Hourly Wage	Rationale
<u>Level 1</u> High school degree	\$36,434	\$17.52	At least \$1 above the 2023 statewide minimum wage target of \$15/hour
<u>Level 2</u> CDA Credential	\$41,900	\$20.14	15% increase from high school degree
 Level 3 Associate degree in ECE OR Associate degree and Early Childhood Teacher Credential 	\$48,185	\$23.17	15% increase from CDA
 Level 4 Bachelor's degree in ECE OR Bachelor's degree and Current ECE State Teaching License OR Bachelor's degree and Early Childhood Teacher Credential 	\$57,822	\$27.80	25% increase from A.A.; parity with median K-12 entry level salary ⁴
Level 5 ■ Master's degree (MA) or higher in ECE OR	\$66,495	\$31.97	15% increase from B.A.

⁴ Connecticut Department of Labor, "Occupational Employment and Wage Statistics," (Quarter 1, 2022). (Accessed here). According to the Department of Labor, state wage estimates are based on approximately 21,000 sampled establishments.

4

MA or higher and Current ECE State Teaching License OR		
 MA or higher and Early Childhood Teacher Credential 		

Benefits

The OEC recommends provider compensation include benefits similar to public school systems, including health insurance, paid leave, education and professional development benefits, and retirement plans.

Supporting Information

Beyond the compensation schedule itself, the Legislature also requested that the OEC address four additional factors, which are detailed below in response to Public Act 19-61:

1. Any recommendations for legislation relating to state-wide implementation of the proposed early childhood educator compensation schedule

To sustain the early education workforce in Connecticut, educators must be compensated with a livable wage. One option to get closer to meet these goals is to increase subsidy rates associated with each public state and federal funding stream supporting Connecticut early childhood settings. In their Narrow Cost Analysis⁵, the UCONN research team modeled several scenarios representing the cost of care which include the minimum salary levels indicated in this compensation schedule. An increase in subsidy rates is one way a larger portion of programs could pay livable salaries to early childhood educators to recruit and retain staff. To ensure a close connection between an increase in rates and an increase in wages, the OEC acknowledges additional reinforcing policy adjustments may be needed, such as through contracts with providers.

The OEC recommends the proposed compensation schedule be viewed as a guideline for programs, not a requirement to adhere to, due to variants in funding and staffing shortages across the state. The OEC also recommends that the compensation schedule be shared statewide as a baseline goal for ECE wages - inviting all providers to assess the possibility of these expectations regardless of whether they are state funded. These recommendations are currently for teaching staff only. Further analysis would be needed to address additional early childhood roles. This compensation schedule will be submitted to the legislature in response to PA-19-61.

⁵UCONN, OEC, "The Cost of Providing Early Childhood Education and Care in Connecticut: A Narrow Cost Analysis" (2022) Accessed <u>here</u>

2. An estimate of the cost of implementing the proposed early childhood educator compensation schedule state-wide

The cost that ECE programs incur to provide care to children far exceeds the price that programs can charge to families, forcing programs to bear the brunt of the costs, resulting in low compensation. To address this gap, the OEC is hopeful for additional essential federal revenue and recognizes that these and state efforts could work together to increase state and federal subsidy rates. This increased funding would create a pathway to compensate staff at the levels indicated in the compensation schedule over time. An increase in subsidy rates would also support an expansion of access for families, by encouraging a greater number of providers to participate.

3. An analysis of the effect of the state-wide implementation of the proposed early childhood educator compensation schedule on the number of available preschool seats

The impact of compensation schedule implementation on preschool seats will depend on how providers leverage funding, and how increased wages impact the number of new providers coming into the field. If provider pay increases supports programs in filling staffing shortages by retaining existing providers and attracting new providers, then access may expand.

4. An explanation of how the proposed early childhood educator compensation schedule will be included in any quality rating and improvement system developed by the office, pursuant to subdivision (15) of subsection (b) of section 10-500 of the general statutes

The OEC's recently launched Quality Improvement System, Elevate, is a system of free tools, resources and expert information helping programs advance their quality and work toward national accreditation. The OEC acknowledges that higher quality costs more to provide and has put several incentives and payments in place to reinforce the importance of high quality to children and families. At this time, the compensation schedule will not be included in the Quality Improvement System measurements as there is no state-based compensation assessment of program compliance. The OEC is instead providing supports and benchmarking program planning and goals as markers of success. National accreditation provides the assessment of highest achievement in our system.

Design Principles

The OEC working group used the following principles to determine the recommended compensation schedule:

- Parity with the K-12 System: In alignment with previously proposed federal legislation, the OEC suggests that early childhood educators with the same qualifications as Connecticut's K-12 public school teachers should be paid commensurately. As one of the primary tenets guiding this work, the OEC began by anchoring the salary schedule to parity with the K-12 system at the bachelor's degree. Additionally, the OEC prioritized K-12 parity with the recognition that early childhood educators with a bachelor's degree are often incentivized to leave the field for the K-12 system to seek equitable wages and benefits.
- Livable and Professional Recognition for All: Early childhood educators of all credential levels are professionals that play a critical role in the development of Connecticut's children. As such, the OEC proposes a base wage that is at least \$1 above the State's minimum wage target for 2023.
- Existing Connecticut Policy: The Qualified Staff Member requirement, alongside other OEC policies, such as the Qualified Workforce Incentive, highlight the importance of a bachelor's degree in the education of young children. The recommended salary schedule reflects this by incentivizing a bachelor's degree with a larger salary increase upon attainment compared to increases between other credential levels.
- National Landscape and the Unifying Framework: The OEC recognizes the value in aligning with broadly supported and field-advancing movements such as the <u>Unifying Framework for the Early Childhood Education profession</u>. This document is a product of a collaboration of 15 national organizations to define the profession by establishing a framework for career pathways, preparation, competencies, responsibilities, and compensation. The spotlight that the COVID-19 pandemic has shined on the early childhood system as a critical workforce serving the economy results in the opportunity for the field to unite to advocate for professional recognition and adequate funding. A central tenet of the Unifying Framework is a streamlined approach to credentials in the ECE workforce that includes three levels: 1) ECE I CDA or equivalent professional credential, 2) ECE II associate degree in early childhood education, and 3) ECE III bachelor's degree in early childhood education. The OEC leveraged this structure to form the core of the salary schedule, with two additional credential levels (high school degree and master's degree) added to be reflective of the current field, as well as the current Office of Early Childhood Career Ladder.
- Cost of Degree Attainment: Based on the standard credit system, an educator advancing from an associate degree to a bachelor's degree must complete two times as many credits as an educator advancing from a high school degree to a CDA or from a CDA to an associate degree. This significant time and cost investment was another rationale for the OEC to include a larger salary increase between the associate and bachelor's degrees.

Considerations and Outstanding Questions

As noted, the Office of Early Childhood considers this work to be preliminary without additional stakeholder input. There are also several outstanding questions for implementation that are not addressed in this work, including, but not limited to:

- If the compensation schedule proposed here in response to PA 19-61 were applied broadly to the field, would the salary schedule and benefits apply uniformly to all early childhood staff, including those who do not work in the classroom? How would the salary schedule apply to Family Child Care providers, whose subsidy rates are negotiated? PA 19-61 applies narrowly to teachers in State-funded programs.
- How will years of experience for the current workforce be considered in implementing the salary schedule? The salary schedule puts forth recommendations for annual increases built upon entry level wages for early childhood educators.

The Office of Early Childhood will work with providers, policy experts, and other stakeholders to determine answers to these, and other, key questions as appropriate.

BACKGROUND

Context

Even before the fallout of the COVID-19 pandemic, the early care and education industry was in crisis across the country and in Connecticut. Families struggle to access affordable and high-quality child care options while, at the same time, compensation of early childhood educators is well below other occupations that require similar qualifications. In 2020, the median hourly pay for childcare workers in Connecticut was \$12.98; for context, Connecticut minimum wage is now \$14.⁶ Early childhood educators with a bachelor's degree make nearly one-third less than educators in the K-8 system in Connecticut. As a result, the poverty rate of early childhood educators is 14%, much higher than the rates for general Connecticut workers (7.3%) and K-8 teachers (2%). The burden of this inequitable compensation is carried disproportionately by women of color, who make up roughly 40% of the workforce nationwide, two times as large a share than in the K-12 system. ⁸

Equitable and sufficient compensation for early childhood educators is critical to ensuring that the state has an adequate and accessible supply of high-quality early care and education and must accompany any state mandate requirements for credential obtainment. The current state of compensation drives staff turnover, difficulties in recruiting new educators, and barriers to educators accessing and pursuing professional development opportunities.

State Compensation Schedule Development: Public Act 19-61

In an effort to understand the current compensation landscape for early childhood educators, the Connecticut General Assembly passed Public Act (PA) 19-61 in July 2019: "an act requiring the Office of Early Childhood (OEC) to develop a proposed early childhood educator compensation schedule." ^{9,10} Under PA 19-61, the OEC is mandated to develop a compensation schedule for lead teachers employed by programs that accept state funds. ^{11,12} PA 19-61 follows PA 19-34 of the General Statutes, which mandates that each classroom in a program which accepts state funds must have a designated Qualified Staff Member (QSM) that meets credential standards. ^{13,14} By 2029, designated QSMs are required to hold a bachelor's degree.

PA 19-61 directs the OEC to consider five factors in developing the schedule:

- i. Level of education
- ii. Training in early childhood education or child development

⁶ Bureau of Labor Statistics, State Occupational Employment and Wage Estimates, (July 2022). (Accessed <u>here</u>).

⁷ Center for the Study of Child Care Employment at University of California, Berkely, "Connecticut State Profile," (2020). (Accessed <u>here</u>).

⁸ Whitebook, M., McLean, C., Austin, L. J. E., & Edwards, B, "Early childhood workforce index: 2018," Center for the Study of Child Care Employment, University of California, Berkeley, (2018). (Accessed here).

⁹ Compensation looks beyond wages to consider benefits and "other forms of valuable consideration."

¹⁰ Connecticut General Assembly, Public Act No. 19-61. (Accessed <u>here</u>).

¹¹ Office of Early Childhood, "OEC At-a-Glance." (2021). (Accessed here).

¹² State-funded programs include School Readiness, State Head Start, Smart Start, and Child Day Care Contracts.

¹³ Section 10-16p, which is referenced in the text of Public Act 19-61, was replaced by Public Act 19-34.

¹⁴ "An Act Concerning the Staff Qualifications Requirement for Early Childhood Educators," Substitute Senate Bill No. 932, Public Act No. 19-34, State of Connecticut. (Accessed <u>here</u>).

- iii. Relevant employment experience, including the number of years an individual has been employed in an early childhood education program
- iv. Compensation levels for certified teachers employed in a preschool program operation by a local or regional board of education or regional educational service center
- v. Cost of living in in the state

PA 19-61 does not prescribe a path forward for implementation of a compensation schedule, which would require significant changes to funding levels for early care and education. Federal legislative efforts would be required to create a viable path to reforming compensation standards for early childhood educators across the country, including those under the purview of PA 19-61.

Federal Legislation

A significantly increased commitment to early childhood education at the federal level has the potential to significantly change the field, including the compensation of the early childhood workforce. As such, the 2021 working group aligned its work and vision to the framework of the federal legislation proposed at that time. Early iterations of the proposed federal legislation required states to develop compensation standards for early childhood educators. ¹⁵ In response, the OEC expanded the scope of the salary scale at hand to include credential levels held by many in the early childhood teaching workforce that are not considered in the Qualified Staff Member requirement, such as a high-school degree without a CDA and master's degrees. This aligns with the national framework called Power to the Profession, which is a set of national standards that clarify professional standards for ECE workforce, developed by 15 leading child care organizations and inclusive of broad stakeholder feedback. While the inclusion of these additional levels is not mandated by Public Act 19-61 given its orientation around Public Act 19-34, the OEC viewed this work as an opportunity to lay the foundation for potential system-wide redesign efforts. It is important to note that while federal guidance on ECE compensation was expected in 2021, no federal legislation has been announced to date. Despite not having an immediately clear funding picture, the OEC wishes to be prepared with a clear, aspirational vision for the compensation schedule.

Working Group Process

The OEC stood up an internal working group to approach the development of a compensation schedule. The initial working group included OEC staff and Lauren Hogan (Managing Director of Policy and Professional Advancement at National Association for the Education of Young Children (NAEYC)), with project management and analytical support from Social Finance, Inc. Over the course of 2021, the working group convened nine times formally, with informal correspondence and smaller group meetings in-between. This document lays out the detailed decision-making process that the workgroup stepped through and gives a comprehensive snapshot of all approaches that the OEC considered, including those that did not ultimately inform the compensation schedule.

Social Finance developed a set of materials to guide the working group, including 1) a framework of key strategic and design decisions and an analysis of their corresponding implications, and 2) an interactive tool that allows the working group to explore how key design

¹⁵ Hunt Institute, "Child Care and Prekindergarten in the Build Back Better Act: A Guide for Policymakers", (December 12,2021). (Accessed here).

decisions impact the compensation schedule numerically. The interactive tool leverages analytical inputs from multiple sources, including the Connecticut Department of Labor, Connecticut Office of Health Strategy, Bureau of Labor Statistics, and local school districts across the state. Conversations supported by those materials are summarized in this document.

The working group sought to align on a preliminary proposal for a salary schedule by early 2022. Throughout the first half of 2022, the OEC began soliciting feedback from key internal OEC stakeholders. Throughout the second half of 2022 the OEC solicited external feedback from the CT Alliance Steering Committee, full CT Alliance, a special CT Alliance meeting for FCCs, and external stakeholders included in the OEC External Stakeholder Steering Committee.

The OEC has continued to seek feedback from stakeholders, including providers, advocacy groups, families, and the legislature, through the second half of 2022.

Decision Making Approach

In conducting this work, the working group leveraged learnings from the national policy landscape (e.g., examples set by organizations such as NAEYC), compensation schedules developed by other states and territories (e.g., Minnesota, North Carolina, Rhode Island, Oregon, Nebraska, Washington, Delaware, and the District of Columbia), and existing OEC policies and strategic priorities.

The OEC began by considering the primary goals of the compensation schedule, recognizing that those goals would heavily influence subsequent decisions.

After determining the high-level goals of the compensation schedule, the OEC worked through the following decision points over the course of 2021, organized by category:

Structure. Decisions to create the skeleton of the schedule.

1. What levels of credential attainment should be linked to an increase in the salary schedule?

Anchoring Benchmark. Decisions to determine which salary benchmarks will ground the schedule.

- 2a. Should a salary schedule for early childhood educators in Connecticut be anchored to parity with K-12 public school teachers or align primarily with livable wage standards?
- 2b. What benchmark of public-school K-12 compensation should be considered our parity point?

Design Parameters. Decisions to fill in the rest of the salary schedule.

- 3a. Should the salary schedule increase by a fixed percentage between each credential level?
- 3b. How much should salaries increase between credential levels?
- 4. How much should salaries increase year-over-year?

Benefits

5. What benefits should be included in the proposed compensation package?

Over the course of 2021, the working group systematically considered each of the decisions outlined above to arrive at an initial hypothesis to socialize with and seek feedback from the field (i.e., providers, advocates, families) and the legislature.

PROPOSED ENTRY LEVEL SALARY SCHEDULE

The OEC suggests the following salary schedule for entry-level lead educators in State-funded programs. Hourly wages are based on 2,080 hours worked per year.

Level	Minimum Salary	Minimum Hourly Wage	Rationale
<u>Level 1</u> High school degree	\$36,434	\$17.52	At least \$1 above the 2023 statewide minimum wage target of \$15/hour
<u>Level 2</u> CDA Credential	\$41,900	\$20.14	15% increase from high school degree
 Level 3 Associate degree in ECE OR associate degree and Early Childhood Teacher Credential 	\$48,185	\$23.17	15% increase from CDA
 Level 4 Bachelor's degree in ECE OR Bachelor's degree and Current ECE State Teaching License OR bachelor's degree and Early Childhood Teacher Credential 	\$57,822	\$27.80	25% increase from AA; parity with median K-12 entry level salary ¹⁶
Level 5 Master's degree (MA) or higher in ECE OR MA or higher and Current ECE State Teaching License OR MA or higher and Early Childhood Teacher Credential	\$66,495	\$31.97	15% increase from BA

OVERVIEW OF KEY DECISIONS

1. What levels of credential attainment should be linked to an increase in compensation schedule? [Structure]

Overview: The working group began by determining the credential levels that would be included in a salary schedule.

¹⁶ Connecticut Department of Labor, "Occupational Employment and Wage Statistics," (Quarter 1, 2022). (Accessed here).

Preliminary Hypothesis:

Salary schedule will include five levels:

- Level 1: Minimum (high school degree)¹⁷
- Level 2: Current Child Development Associate (CDA) Credential
- Level 3: Associate degree in ECE or associate degree + Early Childhood Teacher Credential

Level 4: Bachelor's degree in ECE or bachelor's degree + Current ECE State Teaching License or bachelor's degree and Early Childhood Teacher Credential Level 5: Master's degree or higher in ECE or master's degree or higher + Current ECE State Teaching License or master's degree or higher and Early Childhood Teacher Credential

Key Considerations:

- Existing Connecticut Policy: The working group began with the credential levels included in the Qualified Staff Member requirement: CDA, associate degree, and bachelor's degree. More broadly, the working group considered the existing OEC Career Ladder, which includes 15 steps ranging from an OEC Registry Member with no documents on file or no education recognized by Connecticut (Level 1) to an advanced degree in ECE or an advanced degree with a Current ECE State Teaching Endorsement (Level 15). Although the working group was not bound to the structure of the Career Ladder, it was important to ensure that the salary schedule did not depart completely from the ladder. The working group determined it was appropriate to retain the career ladder structure but extract the specific levels of the career ladder that would be included in the wage schedule.
- National Landscape. The working group recognized the value of aligning with the position put forth by the "Unifying Framework," which is the product of a collaboration of 15 national organizations (the "Power to the Profession" collaboration) to define the profession by establishing a framework for career pathways, preparation, competencies, responsibilities, and compensation. This document outlines a streamlined structure for the early childhood workforce that includes three levels: 1) ECE I CDA or equivalent professional credential, 2) ECE II associate degree in early childhood education, and 3) ECE III bachelor's degree in early childhood education.²⁰
- Other States' Compensation Schedules. The working group conducted a landscape analysis to determine if there was a clear pattern set by other states. Although there was significant variability, many states opted for streamlined ladders. Examples from other states are included in Appendix C: State Case Studies.
- **Feasibility for Implementation.** The working group recognized that although there could be value in including incremental increases to incentivize movement along the ladder, including more levels would complicate implementation, as program directors and/or the OEC Registry would need to track credit attainment between degrees and potentially increase wages multiple times in relatively short time periods.

¹⁷ Level 1 also requires providers to complete the Care4Kids Health and Safety Orientation for program settings.

¹⁸ Connecticut Office of Early Childhood website, "Qualified Staff Member Requirements for State-Funded Programs." (Accessed <u>here).</u>

¹⁹ Connecticut Office of Early Childhood, "Connecticut Early Childhood Career Ladder." (Accessed here).

²⁰ National Association for the Education of Young Children, "Unifying Framework for the Early Childhood Education Profession," (2020). (Accessed <u>here</u>).

Given these considerations, the working group identified a streamlined number of credential levels that leverage national best practices, establish a minimum salary for providers, and provide incentives for providers to advance up the career ladder.

Outstanding Questions for Implementation:

• Will certain providers be grandfathered into specific levels of the compensation schedule?

2a. Should a compensation schedule for early childhood educators in Connecticut seek to achieve parity with K-12 public school teachers or align primarily with livable wage standards? [Anchoring Benchmark]

Overview: The working group considered anchoring the compensation schedule on the two principles described below.

- **K-12 Parity.** Compensation for early childhood educators should achieve parity with Connecticut K-12 public school teachers with the same qualifications. Under this approach, the compensation schedule begins with achieving parity for early childhood educators at Level 4 (bachelor's degree in ECE or bachelor's degree + Current ECE State Teaching Endorsement). To establish a K-12 parity point, the working group averaged statewide starting salaries for Kindergarten, Elementary, Middle, and High School teachers as reported by the Connecticut Department of Labor Quarter 1 Occupational Employment and Wage Statistics to develop an estimate for K-12 parity.²¹
- Livable Wage Standards. The compensation schedule should focus on achieving a livable wage for early childhood educators, as measured by living wage studies. Under this approach, the compensation schedule begins with establishing a base salary for early childhood educators at Level 1. To establish a base salary, the working group leveraged the Connecticut Self-Sufficiency Standard Report, prepared for Connecticut Office of Health Strategy and Connecticut Office of the State Comptroller.²² The report describes the level of income that families of various composition and geographic location need to make to make ends meet without public assistance.

To incorporate the Self-Sufficiency Standard information (or similar data) the working group needed to decide the composition (i.e., number of adults and children) of the household it was accounting for.²³ Using available information on family composition in Connecticut, the working group determined that the "typical" household in Connecticut is a two-adult household with one child, in which one adult works full time and one adult

²¹ Connecticut Department of Labor, "Occupational Employment and Wage Statistics," (Quarter 1 2022). (Accessed here).

²² Prepared by the University of Washington School of Social Work for the Office of Health Strategy and Office of the State Comptroller, "The Self-Sufficiency Standard for Connecticut 2019," (2019). (Accessed here).

²³ The working group also considered the United Way's 2020 ALICE (Asset Limited Income Constrained Employed) Report, which yielded very similar results. (Accessed <u>here</u>).

works part-time.²⁴ The working group then averaged the necessary salary for the one adult working full-time across towns in Connecticut, to estimate the salary that would form the base of the salary structure. See Appendix A: Self-Sufficiency Analysis Methodology for more detail.

Preliminary Hypothesis: The salary schedule will be centered around achieving parity with the K-12 system.

Key Considerations:

- **Simplicity.** As noted in the overview, the Connecticut Self-Sufficiency Standard approach introduces complexity into the salary schedule and requires broad assumptions from the OEC as to what the typical household composition of early childhood educators is.
- Wage vs. Salary Parity. The working group acknowledges that unlike K-12 educators who are in the classroom roughly ten months a year, most early childhood educators provide care twelve months a year. As such, salary parity with the K-12 system does not equate to wage parity; early childhood educators would be paid less per hour with salary parity. The working group considered incorporating a 20% salary increase for the early childhood workforce to account for this discrepancy.²⁵ Ultimately, the OEC did not incorporate this adjustment into the proposed salaries.
- **Regional Cost of Living Adjustments.** The cost of living varies significantly across Connecticut. For example, the Connecticut self-sufficiency standard for one adult in Sharon, Connecticut is \$37,703; in Glastonbury, a single adult household requires \$22, 398 to be self-sufficient. The working group recognizes that regional cost of living adjustments must be incorporated into the salary schedule regardless of the chosen anchoring benchmark; the best method for this will be considered in the implementation planning process.
- Other States. Although many states made references to the self-sufficiency standards in their reports, all founded their approach on achieving parity with the K-12 system (whether that be Kindergarten, K-5, K-8, or K-12, see Appendix C).
- **Federal Legislation.** Preliminary versions of potential federal legislation included text that requires salaries of early childhood educators to achieve parity with elementary school teachers with similar qualifications. ²⁷

Given the benefits of aligning the early childhood field to the K-12 system, the preliminary hypothesis is to anchor the compensation schedule to the principle of K-12 parity.

²⁴ U.S. Census Bureau, American Community Survey 1-Year Estimates, Table S1101. (Accessed here).

²⁵ A 20% adjustment accounts for an increase of two months to a ten-month work year.

²⁶ Prepared by the University of Washington School of Social Work for the Office of Health Strategy and Office of the State Comptroller, "The Self-Sufficiency Standard for Connecticut 2019," (2019). (Accessed here).

²⁷ Hunt Institute, "Child Care and Prekindergarten in the Build Back Better Act: A Guide for Policymakers", (December 12,2021). (Accessed here).

Outstanding Questions for Implementation:

 Should the compensation schedule vary by geographic location given that the salaries of K-12 educators are defined at and differ significantly across local education agencies (LEA)?

2b. What benchmark of public-school K-12 compensation should be considered our parity point? [Anchoring Benchmark]

Overview: After determining that the OEC would tie the salary schedule to parity with the K-12 system, the working group considered whether parity should be reached with K-12 teachers broadly or specific subsections of educators in the public school system (i.e., Kindergarten teachers or K-5).

Preliminary Hypothesis: The working group determined that parity should consider the full K-12 system.

Key Considerations:

- Comparable Credentials. Although there are specific competencies associated with early childhood education that differentiate it from K-12 education, as recognized through the Early Childhood Education State Teaching Endorsement, early childhood educators with a bachelor's degree have achieved the same credential level as K-12 educators writ large.
- Salary Differences. Salaries of Kindergarten, Elementary, Middle, and High School teachers do not meaningfully differ. Also, in an analysis of a sample of Local Education Agencies' bargaining agreements with teachers' unions, the working group found that salaries schedules were not differentiated by the age of children taught.

3a. Should the salary schedule increase by a fixed percentage between each credential level? [Design Parameter]

Overview: Prior to identifying how much compensation should increase between different credential levels, the working group considered whether increases should increase by a fixed or variable percentage.

Preliminary Hypothesis: Salaries will increase by a larger percentage between Level 3 (associate degree in ECE or associate degree + Early Childhood Teacher Credential) and Level 4 (bachelor's degree in ECE or bachelor's degree + Current ECE State Teaching Endorsement) compared to percentage increases between other levels.

Key Considerations:

• Alignment With Existing OEC Policies. Connecticut has a policy designed to ensure that young children attending state-funded programs are taught by teachers with college degree work in early childhood education. Public Act 19-34 requires that all state-funded programs must have a designated Qualified Staff Member (QSM) with a qualifying bachelor's degree

²⁸ Connecticut Department of Labor, "Occupational Employment and Wage Statistics," (Quarter 1, 2022). (Accessed).

per room or classroom by July 1, 2029.^{29,30} The OEC has also implemented a new initiative to help recruit and retain a qualified early childhood teaching workforce, Qualified Workforce Incentives, where early childhood educators are awarded \$500 for obtaining a Child Development Associate (CDA) credential, \$1,000 for an associate degree, and \$2,000 for a bachelor's degree.³¹

- **Preventing Turnover.** Early childhood educators are most likely to leave the field for a better-paying profession, particularly the K-12 system, when they achieve their bachelor's degree. A larger pay increase for early childhood educators when they achieve their bachelor's degree may help prevent departures from the field.
- Opportunity Cost of Credentials. The working group recognized that based on a traditional credit system, the advancement from an associate degree to a bachelor's degree requires twice as much time (on average) as the advancement from a high school degree to a CDA and a CDA to an associate degree.
- **Simplicity.** The working group sought to avoid complexity. Having salaries increase by a fixed percentage provides a straightforward methodology that is easy to implement.

Balancing these considerations, the OEC decided that percent increases between levels of the compensation schedule would remain uniform, except for the increase between Level 3 (associate degree in ECE or associate degree + Early Childhood Teacher Credential) and Level 4 (bachelor's degree in ECE or bachelor's degree + Current ECE State Teaching Endorsement) to signal the OEC's priority to incentivize obtainment of bachelor's degrees.

Outstanding Questions for Implementation:

• Is it feasible to roll out one-time bonuses to ensure that providers still feel incentivized to achieve lower credential levels?

3b. How much should salaries increase between levels? [Design Parameter]

Overview: After determining that the step from an associate degree to a bachelor's degree would correspond to a larger salary percentage increase than that of other credential steps, the OEC addressed the question of the percentages by which salaries would increase between levels. In thinking through this decision, the OEC balanced i) avoiding salary compression between levels with ii) the recognition that larger percentage increases in the steps leading to a bachelor's degree (Level 4) would result in a lower salary for Level 1, as the bachelor's degree salary was anchored to a specific number (K-12 parity).

Preliminary Hypothesis:

²⁹ "An Act Concerning the Staff Qualifications Requirement for Early Childhood Educators," Substitute Senate Bill No. 932, Public Act No. 19-34, State of Connecticut. (Accessed here).

³⁰ Including Child Day Care, School Readiness, Smart Start or State Head Start Supplement. Source: "Legislative Requirements for Staff Qualifications in State-Funded Programs," General Policy A-01, State of Connecticut Office of Early Childhood. (Accessed here).

³¹ CT Office of Early Childhood, Qualified Workforce Incentives. (Accessed <u>here</u>).

Percentage increase in salaries across levels of the schedule:

Credential Step	Percentage Salary Increase
<u>Level 1 to Level 2</u> High school degree to CDA	15%
<u>Level 2 to Level 3</u> CDA to associate degree	15%
Level 3 to Level 4 Associate degree to bachelor's degree	25%
Level 4 to Level 5 Bachelor's degree to master's degree	15%

Key Considerations:

- Establishing an Equitable Minimum. Although the OEC ultimately did not establish the Self-Sufficiency Standard as the guiding principle, the agency holds that all individuals working in early childhood education deserve, at minimum, a livable wage that does not fall below Connecticut's minimum wage standard and reflects the professional status of the workforce.
- **Differentiating the bachelor's degree.** Given the aforementioned focus on the bachelor's degree, the OEC believes that the salary schedule should meaningfully differentiate between the associate degree to bachelor's degree increase and other levels. However, other levels should have a fixed percentage increase.

Working from decisions that i) the base salary would not fall below minimum wage plus \$1, ii) the bachelor's degree level would be tied to parity with K-12 and correspond to a meaningfully larger percentage increase, and iii) all other increases would be a fixed percentage, the OEC arrived at the proposed percentage increases.

4. How much should salaries increase year-over-year? [Design Parameter]

Overview:

The OEC focused workgroup efforts on developing an entry level salary schedule that would serve as a base for early childhood educators. However, the OEC found it important to ensure that any proposal included a recognition of the value of professional experience and realities of inflation year-over-year. As noted in the "Outstanding Questions for Implementation" section, this work does not weigh in on how previously accumulated years of experience for the current workforce should be incorporated into the schedule.

Preliminary Hypothesis: The OEC recommends programs strive for a 3% annual increase for educators to account for accrued experience and increased cost of living.

Key Considerations:

• Other States. Of the states reviewed by the working group (see Appendix C), only the District of Columbia and Washington included explicit guidelines for accounting for years of experience. The District of Columbia provides no salary increase during the first three

years of educators' tenures. In year four, salaries increase 10%, followed by 3% increases in the years that follow. The state of Washington provides an increase of \$0.15 per hour each year.

- **K-12 System Parity.** The working group analyzed a sample of salary schedules from over fifteen Local Education Agencies in Connecticut. The average salary increases included between years of experience in the schedule was 3.8%.
- **Simplicity.** While the working group found it important to take a stance on the value of experience, the OEC recognizes that each program is unique and wanted to avoid being overly prescriptive.

With these considerations in mind, the working group landed on a high-level recommendation for an annual increase, to capture both experience and cost of living increases, that was comparable to those seen in both Connecticut's K-12 system and other states' ECE schedules.

Outstanding Questions for Implementation:

• The salary schedule puts forth recommendations for annual increases built upon entry level wages for early childhood educators. How will years of experience for the current workforce be considered in implementing the salary schedule?

BENEFITS

5. What benefits should be included in the proposed compensation package?

Overview: Benefits can include health insurance, paid leave, education and professional development benefits, and retirement plans. Although there is limited information on benefits currently available to providers, anecdotal evidence suggests that most childcare centers in Connecticut can currently only support mandatory state benefits, such as Workers Compensation, Disability, and Unemployment Insurance.

Preliminary Hypothesis: The compensation schedule will include benefits comparable to public school systems, which largely align with the NAEYC accreditation standards.

Key Considerations:

- Lack of Precedent. Few states included positions on benefits (see Appendix C).
- NAEYC Guidelines. State-funded programs that are not based in public schools (i.e., School Readiness, Child Day Care, and Even Start) are required to hold NAEYC accreditation. NAEYC standards for benefits for the center-based ECE workforce include health insurance (Standard 6A.11), paid leave (Standard 6A.12), education benefits (6A.13), and a retirement plan (6A.14).³²
- **K-12 Parity.** As public employees, Connecticut K-12 teachers are eligible for a pension upon retirement. Additional benefits, such as insurance and leave, are negotiated at the Local Education Agency-level.

³² National Association for the Education of Young Children, "NAEYC Early Learning Program Accreditation Standards and Assessment Item," (2019). (Accessed here).

Outstanding Questions for Implementation:

• Similar to the question of wages, the OEC will need to determine how best to account for differences across Local Education Agencies if striving for benefit parity with K-12 schools.

CONSIDERATIONS

The OEC views the compensation schedule work mandated by PA 19-61 as a critical foundation for the broader compensation standards that would likely be required as part of any potential federal legislation. However, as PA 19-61 applies specifically to lead teachers in state-funded programs, which do not include family child care programs, there are gaps that the OEC will need to address as part of a broader system redesign. These unanswered questions include:

- Should the compensation schedule apply uniformly to all ECE staff, including those who do not work in the classroom? The OEC will need to determine whether the compensation schedule is agnostic to position, both within the classroom (i.e., lead teachers vs. assistant teacher) and beyond the classroom (e.g., Directors, Education Coordinators, etc.).
- How does the compensation schedule apply to family child care providers who are self-employed? Many family child care providers work more than 40 hours per-week to support their business, effectively operating as multiple Full Time Employees (FTEs). In forthcoming system redesign efforts, OEC will ensure that family child care providers are fully compensated for their time and do not need to work overtime hours to support their business model. Existing labor contracts with CSEA SEIU Local 2001 will need to be considered.

APPENDIX

Appendix A: Self-Sufficiency Analysis Methodology

Self-Sufficiency Standard Level	Annual Salary
Household income for one adult	\$27,204
Household income for one adult and one child	\$49,732
Total household income for two adults and one child	\$58,123
Annual income for one adult working full time in "typical" household	\$38,749

The table above shows the minimum annual salary needed for each household to be considered self-sufficient based on their family composition, as reported by the "Self-Sufficiency Standard for Connecticut 2019."³³ For each estimate the working group calculated the unweighted average across all towns in Connecticut.

The most common family composition in Connecticut is two adults and one child. Two adult family households represent a plurality of all households in Connecticut, at 47%. Of those two adult family households, the average family size is 3.15, or two adults and one child.³⁴ And according to the Connecticut Department of Labor, the average weekly hours worked in Connecticut is 34.³⁵ From this, we assume that in the typical household of two adults and one child, the combined weekly hours worked would be between 65 and 70 hours, which equates to one full-time worker and one part-time worker. Assuming that the early childhood educator would be the full-time worker in the typical household, we multiply the total family salary needed to achieve self-sufficiency for that family (\$58,123) by two-thirds (one full-time worker of one and a half total full-time workers in the home) to calculate the annual salary of the early childhood educator, \$38,749 (row four). For reference the MIT Living Wage calculator estimates the statewide average living wage per adult in a household with two working adults and one child is \$17.98, or \$37,398. ³⁶ This is likely lower than the estimate included in the table because it assumes two full-time working adults, as opposed to one and a half.

³³ Prepared by the University of Washington School of Social Work for the Office of Health Strategy and Office of the State Comptroller, "The Self-Sufficiency Standard for Connecticut 2019," (2019). (Accessed here).

³⁴ U.S. Census Bureau, American Community Survey 1-Year Estimates, Table S1101. (Accessed <u>here</u>).

³⁵ Connecticut Department of Labor. (Accessed <u>here</u>).

³⁶ Massachusetts Institute of Technology, "Living Wage Calculator for Connecticut." (Accessed here).

Appendix B: Connecticut Department of Labor Public School Wage Estimates³⁷

Occupation	Q1 2022 Entry Level Salary Estimate				
Kindergarten Teachers (SOC 25-2031)	\$59,052				
Elementary School Teachers (SOC 25-2021)	\$57,767				
Middle School Teachers (SOC 25-2022)	\$60,036				
Secondary School Teachers (SOC 25-2031)	\$54,434				

Note: All listed positions exclude Special Education and Career/Technical Education teachers.

³⁷ Connecticut Department of Labor, "Occupational Employment and Wage Statistics," (Quarter 1, 2022). (Accessed here). According to the Department of Labor, state wage estimates are based on approximately 21,000 sampled establishments.

Appendix C: State Case Studies

State	Description	Minimum	Parity Point	Years of Experience?	Includes Benefits?	Differentiates by Position?	Cost of Living Adjustment?
District of Columbia	Includes a series of proposed wage scales for lead and assistant teachers working in community-based organizations at the pre-K and infant/toddler level	CDA is the lowest credential included in the scale; no rationale for the minimum included	Bachelor's degree achieves parity with District of Columbia Public Schools	Yes – there is no increase in years one through three, followed by a 10% increase in the fourth year and a 3% increase in subsequent years	No	Presents a separate scale for assistant teachers. However, the proposed salary for credential levels that are present on both scales (i.e., associate and bachelor's degree) is consistent	N/A
Delaware	Voluntary wage scale that establishes guidelines for five credential levels	Entry level is high school diploma or equivalent plus 6 ECE credits or equivalent; paid \$35,880/year, \$2 more than Delaware minimum wage in 2025	Bachelor's degree in early childhood education approaches parity with K-12 (parity with Step 1 on PK-12 public school educator salary)	No	Yes - includes references to "health insurance pooling, coverage stipends, retirement, and paid family leave"	Yes - includes increases from base scale for lead teachers (10%) and administrators (additional 10% over lead teachers)	No
Illinois	Wage scale developed for 10 different positions, including five non-teaching staff. Although	Considers a 2025 minimum wage	Achieves wage parity with beginning licensed public school teachers; accounts for discrepancy in	No	No, but mentioned concurrent work addressing benefits	Yes	Two regions; Downstate and Chicago Metro Area

State	Description	Minimum	Parity Point	Years of Experience?	Includes Benefits?	Differentiates by Position?	Cost of Living Adjustment?
	not mandatory, the report includes specific proposals for implementing the wage scale into existing programs and policy		weeks worked per year (49 in ECE vs. 38 in public school)				
Minnesota	A four-level voluntary scale based on the Power to the Profession Framework	High school diploma without a CDA paid \$31,200, which is the cost of living for a single person based on Minnesota Cost of Living analysis	ECE III (bachelor's degree in early education) paid \$59,000, equivalent to public school PreK and K teachers	No	No	No - applies broadly to ECE professionals	No - acknowledges that it does not incorporate regional cost of living
Nebraska	A four-level compensation scale based on achieving parity with public school kindergarten teachers	Compensation for a high school diploma is 91% of the CDA level	Parity with kindergarten teachers recommended plus 10% more for 12-month schedule	No	Yes - a constant factor of 31.5% is added to salaries to cover benefits including health care, retirement, payroll tax contributions, and paid leave	Yes	No

State	Description	Minimum	Parity Point	Years of Experience?	Includes Benefits?	Differentiates by Position?	Cost of Living Adjustment?
North Carolina	A voluntary scale that is based on paying parity with entry-level teachers in public schools	The minimum wage (\$11.98 per hour) is based on the state average of a living wage as determined by the Living Wage Calculator from the Massachusetts Institute of Technology	Wage parity for teachers with a BA/BS degree plus B-K License (state certification requirement for public school teachers) in early childhood programs with entry-level public-school teachers	No	No	No	The scale is offered only as a guide and sets expectations for minimum standards in education and compensation. Local early childhood programs are advised to incorporate this scale into their own salary and personnel systems, and adjust for regional and local living wage standards
Oregon	Establishes minimum and target salaries for three lead teacher credential levels and two assistant teacher levels for the Oregon Pre- Kindergarten Program and Oregon	For ECE professionals without a CDA, minimum salary is defined by minimum wage and target salary is set to 50% of lead teacher target salary	Bachelor's degree target salary achieves parity with kindergarten teacher; minimum salary for bachelor's degree is 70% of kindergarten salary	No - notes that "salaries are differentiated at the program- level for years of experience"	No	Yes - separate scales for lead and assistant teachers	Working group considered regional and statewide salary zones; ultimately recommended statewide

State	Description	Minimum	Parity Point	Years of Experience?	Includes Benefits?	Differentiates by Position?	Cost of Living Adjustment?
	Preschool Promise. The minimum salary scale cannot be set below 65% of the target salary scale						
Rhode Island	A voluntary scale that establishes parity with kindergarten at the highest of six levels of compensation	CDA Credential or 3 ECE credits paid \$33,280, \$1/hr. more than the target minimum wage	Bachelor's degree & 24 ECE Credits (Level 6) paid \$50,240, which reaches parity with kindergarten teachers	No	No	No	No
Washingto n	Includes 15 levels of credential and education attainment and accounts for five different positions	Entry-level wages were determined based on comparison to the Washington state classification for early childhood program specialists	Bachelor's degree reaches parity with K-3 educators (specifically Seattle School District staff)	Yes - increase of \$0.15 per hour, per year	Yes	Yes	Yes