

# How the American Rescue Plan Can Increase Compensation for Early Childhood Educators

*Recommendations from*

The Center for the Study of Child Care Employment (CSCCE) &  
National Association for the Education of Young Children (NAEYC)

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# \$39 Billion in Child Care Relief

Guidance from the Administration for Children and Families is unequivocally supportive of increasing compensation through the stabilization grants *and* the emergency supplemental CCDF funds:

- *“Raising the wages of child care staff is a central part of stabilizing the industry, and lead agencies are strongly encouraged to prioritize this use of funds.”*
- *“Lead agencies can prioritize increasing payment rates to child care providers and improving compensation of the child care workforce.”*

# Direct Payments, Made Equitably, Are Important

**Ensure federal child care relief funds reach individual early care and education staff in the form of direct cash payments.**

*Require a portion of program grants to be applied to employee compensation which can include a combination of premium pay, retention and recruitment allowances*

**Prioritize equitable distribution of funding to programs located in communities with the most need, which have been impacted most acutely by this pandemic.**

*For example, prioritizing programs in under-resourced areas that do not typically receive public contracts*

# Direct Payments Can Be Strategic

- Bonuses, hazard pay, and premium pay for early childhood educators are meaningful.
- Multiple states have, will, and should require, for example, that certain percentages of stabilization grant funds be spent on compensation for the workforce.
- This is part of a progression towards longer-term change by signaling priority and accountability for workforce compensation, and putting an emphasis on paying programs upfront, instead of by reimbursement.

# And Direct Payments Aren't Enough

To build towards more sustainable change, states need to:

- Increase Access to Benefits
- Build Equity, Stability, and Accountability
- Invest in Systems, Data, and Evaluation
- Prepare for Mixed-Delivery Success

# Increase Access to Benefits

**Ensure health coverage and guaranteed paid leave of at least two weeks for all staff working in regulated early care and education programs.**

Provide resources to assist with health insurance premiums and cover at least 14 days of absence per employee due to COVID-19-related needs

**Establish and expand substitute pools to provide support as educators pursue professional development or take advantage of paid leave time.**

Where possible, build on existing substitute pools that are anchored by shared service or family child care networks and seek partnerships with institutions of higher education

**Adjust eligibility requirements for public safety net programs utilized by ECE personnel until all state ARPA funds related to child care are liquidated**

Income disregards help to ensure that early educators do not lose valuable assistance as a result of receiving premium pay or retention and recruitment allowances

**Ensure child care providers have access to child care subsidies for their own children**

Provide targeted assistance or establish categorical eligibility for ECEs working in licensed and regulated settings to ensure they have access to child care subsidies for their own children

# Build Equity, Stability, and Accountability

**Raise eligibility and payment rates to increase access to subsidy and create scale**

Help more families and more providers participate in the subsidy system to contribute towards the effort to meet the true cost of providing quality child care, which by definition must include compensation

**Pay programs using capacity or enrollment, rather than attendance**

Provide a reliable, consistent, and predictable level of revenue, not subject to the fluctuating attendance rates of any individual child, in order to improve the ability of a program to increase baseline compensation

**Equitably increase the use of contracts and grants to improve program stability and support the workforce**

Design them specifically to hold programs accountable for how they compensate educators, including solely operating family child care providers, by requiring programs to meet minimum standards for compensation and provide disaggregated data about salary and benefits

# Invest in Systems, Data, and Evaluation

**Improve systems administration and technical assistance to facilitate accessible, simple application processes.**

- Take necessary steps to reach all programs and workforce members
- Keep application guidance and procedures brief
- Work with local community-based organizations
- Establish multiple channels of engagement for information and feedback
- Increase capacity to audit funding

**Support real-time data for full enrollment, improved business practices, and equitable participation in grants and contracts by investing in provider-level data systems**

- Consider purchasing, implementing, and providing training for the increased usage of child care management systems at the provider level
- Link them to state data systems

**Establish essential, yet simple data collection protocols to examine the utilization and impact of ARPA funding in order to inform future policies and resource allocation.**

- Draw on existing data before requiring redundant information
- Invest in systems to streamline reporting for applicants
- Build in the capacity for disaggregated data by race, setting & gender
- Ensure data collection efforts that facilitate equitable allocation of resources



# Prepare for Mixed-Delivery Success

**Establish and implement a compensation schedule that leads to parity with K-3 teachers**

Establish minimum salaries, incentivize credential attainment and high-quality early childhood education, and serve as an anchoring tool for equitably and comparably increasing compensation.

**Invest heavily in comprehensive scholarships and apprenticeship programs with built-in wage increases**

Use in combination with additional supports that spur innovation in professional preparation and increase equitable access to credentials and degrees through coursework and field experiences that are high-quality, flexible and accessible.

**Build supply in underserved communities and settings**

Target compensation increases towards the goal of increasing quality supply in child care deserts, creating slots for dual language learners and infants and toddlers, and responding to community-identified needs.

# Wisconsin

*Erin Arango-Escalante, Division of Early Care and Education*

# Investing in Early Care and Education: A Powerful Strategy

Funding to enhance an accessible, affordable, high-quality, and equitable early care and education system that values our educators, their families, and Wisconsin's economy.



# Child Care Counts: Immediate Relief

Emergency Payments
Supplementary Payments
Response & Relief Payments
Facility List
Export Data

Funding Period  
(All)

## Child Care Counts: COVID-19 Response & Relief Payment Program

[Need help finding child c](#)


The COVID-19 pandemic continues to strain the early care and education system. Increased costs associated with providing early care and education along with lowered enrollment and available child care slots are leaving early care and education providers in need of additional support.

The Wisconsin Department of Children and Families (DCF) is committed to continuing to support the demand for high-quality child care for Wisconsin's families by launching an additional payment program targeting the current challenges early care and education providers are facing. These programs will support the cost of providing safe, healthy, and high-quality care, and funding staff recruitment and retention efforts.


For more information on the Child Care Counts Response and Relief Payment Program visit DCF's website: [https://www.wisconsin.gov/dcf/child-care-counts-response-and-relief-payment-program](#)

**\$105 Million** allocated to Response & Relief payment program


**\$105,441,915** was paid to **3,253** child care providers



**Helped over 21,711** child care professionals remain employed, or become employed, during Spring 2021



**Assisted over 3,200** providers to remain open safely and continue to provide high-quality care



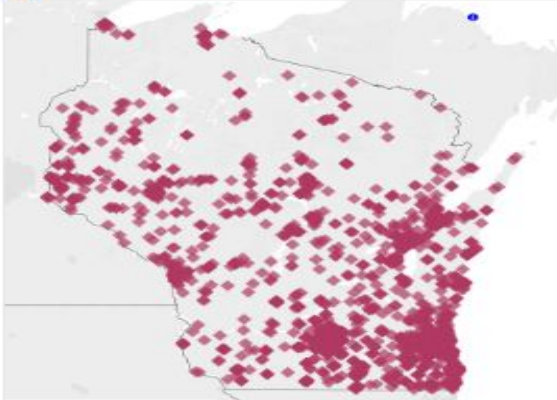
Enabled child care to continue for over 98,000 children

**Over 3,200\*** child care providers applied for the Child Care Counts program, seeking financial assistance due to COVID-19

Over 3,238 for the Supporting Quality Care payment program and over 3,141 for the Staff Retention and Recruitment payment program

\* This is a unique count, as providers could apply for multiple programs, depending on circumstances

**Payment Assistance to Child Care Providers**



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\$ Ranges	Provider Count	Total Payments
Less than \$10,000	542	\$5,752,220
\$10,000-\$20,000	1,258	\$18,511,895
\$20,000-\$30,000	323	\$7,940,150
\$30,000-\$40,000	249	\$8,603,745
\$40,000-\$50,000	190	\$8,516,590
\$50,000-\$75,000	323	\$10,650,395
\$75,000-\$100,000	200	\$17,011,130
Over \$100,000	191	\$25,655,56

Department of Children and Families | Division of Early Care and Education
Data updated 6/24/2021



# Child Care Strong: Long-Term Investment

## Child Care Strong

Making critical investments in Wisconsin's early care and education field to support families, communities, and the economy



Child Care Strong has two goals:

1. Targeting the high cost of infant and toddler care, and
2. Lifting wages of the early care and education workforce to retain top talent.

The COVID-19 pandemic exacerbated existing structural problems in the child care industry and laid bare its critical importance to Wisconsin's communities and economy. Throughout the public health emergency, Wisconsin led by prioritizing the needs of the early care and education community and we need to continue those vital investments.

The centerpiece of the Governor's early care and education budget, Child Care Strong is a \$106 million investment over the biennium in our early care and education system that provides bonus payments and per child stipends to providers to address quality, affordability, accessibility, and equity for children both in Wisconsin Shares and unsubsidized childcare.

Child Care Strong consists of three separate programs:

**Base payments of up to \$250 per month**, providing resources for providers to meet regulatory and quality requirements

**A bonus payment of up to \$150 per month** for providers who serve at least 25% infant and toddlers, incentivizing the provision of care to infants and toddlers

**Per child monthly stipends** for YoungStar 3-, 4-, and 5-star programs, with higher stipend amounts for infants, toddlers, and Wisconsin Shares recipients, helping providers maintain and increase their quality

All programs require providers to allocate more than half of the total monthly payments towards staff salaries and benefits

