WHAT STATES CAN DO

To Secure a Skilled and Stable Child Care Work Force

Strategies to Use the New Federal Funds for Child Care Quality

by the

Child Care Employee Project

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ACKNOWLEDGMENTS

Special thanks to the following people who provided assistance as we gathered information for this report: Gina Adams, Nancy Alexander, Helen Blank, Margaret Boyer, Harry Brown, Alice Cody, Nancy DeProsse, Jack Haley, Diane Lindbeck, Joan Lombardi, Annie Lunt, Larry Macmillan, Carolyn Shapiro, Linda Stoller, Louise Stoney, Letty Thall, Marjorie Warlick, Prudy Van Winkle and Patricia Young.

This report was supported by funds from the Carnegie Corporation of New York and the Ford Foundation.

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INTRODUCTION

The federal **Child Care and Development Block Grant (CCDBG)**, which will send $732 million in new child care funding to the states in 1991, and several billion dollars more in the next four years, provides a new opportunity and challenge for those who are working to ensure child care quality at the state level. In particular, as the U.S. faces a worsening child care staffing crisis, the legislation specifies staff training and compensation as two of five priority "activities to improve the quality of child care." States must spend at least five percent of their total grants on such activities.

Since the block grant gives the states considerable flexibility in how to use the funds, child care advocates and administrators now face the task of weighing many alternative options and deciding which kind of plan to implement, given their own state's resources. The **Child Care Employee Project (CCEP)** has prepared this booklet to offer the child care community a range of strategies to investigate in preparing their state block grant plans.

CCEP's **National Child Care Staffing Study** in 1989 demonstrated what many had long suspected and what other researchers were also beginning to discover: the quality of care that young children receive is directly related to the training and compensation of their caregivers. Low pay fuels high turnover, and the study found that children in programs with high turnover and undertrained staff were less competent in language and social development. Infants and toddlers, the age group most sensitive to constant changes in caregiving personnel, were particularly found to suffer when their teachers lacked specialized training.

The Staffing Study rated the quality of services provided by most of the centers it examined as "barely adequate." Better quality centers had higher wages, better adult work environments, lower teaching staff turnover, better educated and trained staff, and more teachers caring for fewer children. But in this predominantly female work force, the average hourly wage remains an abysmally low $5.35; when adjusted for inflation, child care wages actually decreased more than 20 percent during the past decade. In the same period, teacher turnover nearly tripled--from an annual rate of 15 percent in 1977 to 41 percent in 1988.

The Child Care and Development Block Grant now gives states an historic opportunity to address child care quality, and the child care staffing crisis in particular. The five key recommendations from the National Child Care Staffing Study can serve as one guide to how states might direct the "quality" portion of their block grant dollars:

- Increase child care teacher salaries in order to recruit and retain a qualified work force;
- Expand the proportion of teaching staff in the total work force who have formal education and specialized training in early childhood education, in order to improve their ability to interact effectively with children;
- Adopt state and federal standards for adult-child ratios, staff training, education and compensation to raise the baseline of quality in U.S. child care centers;

- Develop industry standards for the adult work environment to minimize disparities in quality among types of child care programs; and

- Promote public education about the importance of adequately trained and compensated teaching staff, in order to secure support for meeting the full cost of child care services.

Looking at the Legislation Flexibly

The block grant bill specifies that 25 percent of a state's allocation must be spent on specific child care activities, and that at least one-fifth of this portion (or five percent of the total grant) must be spent on one or more of the following areas of quality improvement:
1) Upgrading of salaries and other compensation for child care staff;
2) Training and technical assistance;
3) Resource and referral programs;
4) Grants or loans to help providers meet state and local standards; and
5) Monitoring of compliance with licensing or other regulations. The remaining 75 percent of a state's allocation must be spent in direct payments to help families pay for child care, or to increase the child care supply or improve its quality.

It's true that if the five-percent portion were the only money available for addressing child care quality issues, very little could be done. But it's important to look at this legislation flexibly, because it holds more opportunity for creative planning than may at first meet the eye. The bill states that *at least* five percent of the funds (not *only* five percent) are to be spent on quality, and that part of the 75-percent portion can also be used for this purpose. While the law is intended to increase the level of child care supply, it can also be interpreted as intending to increase the quality of services.

For example, of the 75 percent targeted for direct services, a significant proportion could be set aside for program improvements, since most states reimburse subsidized programs at rates that are well below true costs. Of the total grant, a state could reasonably choose to spend 75 percent on direct services and 25 percent on enhancing quality.

The **Head Start** program could serve as a useful benchmark of how much funding to set aside for child care quality: under last year's **Human Services Reauthorization Act**, 10 percent of Head Start's $1.95 billion budget for 1991 is to be set aside for quality improvements, and an additional two percent for training; half of the 10-percent set-aside for program quality is designated for improving staff compensation. With this in mind, you might wish to tabulate all of your state's child care dollars (**Social Services Block Grant**, **Title IV-A**, **JOBS**, etc.) and measure 12 percent of <u>that</u> total; this might be the appropriate sum for your state to use for child care quality, including better staff compensation, even if it comes to considerably more than 12 percent of the state's block grant.

Articulating Long-Term Visions

Ironically, this long-awaited infusion of child care funding is arriving during a climate of recession, program cutbacks and unprecedented budget deficits in many states. This year, for example, **California** is facing a deficit of $12 billion, a larger sum than what most states allot in their total budgets. And while the states are specifically prohibited from using CCDBG funds to supplant their own state child care funding, it could prove to be a major challenge in many states to monitor this issue and prevent supplanting of funds from happening. Some state administrations have already proposed child care budget cuts that equal or surpass their CCDBG allotment. While this may be a violation of the law, it's still unclear as of this writing what safeguards there will be in the CCDBG guidelines to prevent it. Child care planners and advocates will need to be particularly aware of this issue in the coming year.

Even more ironically, child care may be viewed as a "favored child" this year, receiving new federal funds while other programs receive cutback notices. Proposals for new child care funding at the state level may therefore receive relatively little support. But even if states achieve only modest gains in child care programming this year, CCDBG is a multi-year bill intended as an ongoing stream of funding, offering a critical opportunity to develop new program models and guide child care policy for years to come.

Long-term visions should be articulated and precedents set *now*, even if new programs can only be carried out on a limited basis--for example, as pilots in several communities or counties. Funding increases may have to come later, but they can only occur if there are programs to build on.

Child care planners in some states may feel that the staff compensation issue is too complicated to address meaningfully with CCDBG funds, or that there are too many other needs--such as licensing, or resource and referral services--that need to be met first. But provider compensation is a crucial infrastructure issue that affects the stability of a state's entire child care system and its ability to expand to meet growing needs. Furthermore, the legislation is intended to serve low-income working families--and it is important to recognize that most child care providers themselves are part of this target population. Each state should therefore make it a priority at least to use a portion of the CCDBG funds to undertake a review of its entire child care career development system and to develop a blueprint for future progress. Since the funds are "obligated" for two years, states will still have time to develop plans during the first year of funding.

A comprehensive state child care career development system should contain the following elements:

- a certification process covering providers and teachers working with children from birth to age eight which clearly measures providers' skill and experience levels;
- a coordinated training system which covers all the content areas, provider skill and experience levels, and geographic areas in which training is needed, and which provides adequate resources for trainers;
- a training approval system which can approve various training experiences as meeting state licensing requirements and other professional standards;
- a compensation mechanism which is graduated according to providers' training background, job require-

ments, skill levels, tenure and continuing education.

CCDBG is a rare opportunity to make significant improvements in all areas of child care quality, and we simply can't afford to let it pass by.

A REVIEW OF LEGISLATIVE AND BUDGET STRATEGIES

Although the CCDBG bill marks the first time that states will receive federal funds for child care staff compensation, many states and communities have long been aware of the staffing crisis and have developed a wide range of responses to it. To date, the two major mechanisms for increasing child care staff salaries have been reimbursement rates and salary enhancement grants. Health benefit packages are a third way to directly impact compensation. Ideally, states would use all these approaches to address the crisis, but the first step may be to select the method that is most immediately appropriate for your state; priorities will vary based on each state's own circumstances. The following discussion of potential salary enhancement strategies for the use of CCDBG funds-- **1) Reimbursement Rate Increases; 2) Quality Improvements or Salary Enhancement Grants; 3) Health Benefits**--draws upon past state and local experience, and analyzes each strategy in order to help you decide which is most appropriate for your state.

Reimbursement Rate Increases

Some states, either through legislation or through the budget process, have increased their reimbursement rates for child care programs and targeted the increases specifically to staff salaries. Other states have indirectly improved salaries through overall increases in reimbursement rates.

An increase in reimbursement rates does have the advantage of becoming part of the ongoing base of funds available to providers; it may be more stable than a special grant fund, which can easily be discontinued. It is a particularly effective strategy in states whose reimbursement level has fallen well below child care market rates. States might also consider an *advance* reimbursement system, which could especially help family day care and other small providers to manage the serious problem of limited cash flow. In addition, reimbursement rate levels should receive regular, if not yearly, cost-of-living increases.

Under the **Family Support Act of 1988**, child care reimbursement rates are limited by the federal government to the 75th percentile of the market rate in a community; i.e., the rate at (or below) which 75 percent of local programs currently set their fees. It is not yet known whether CCDBG regulations will also set this limit, but if they do, this would create another impetus for child care advocates to work for rate increases, so as not to keep the entire field "depressed" at low rates.

But there are several complications in relying on a reimbursement rate strategy alone:

First, increasing reimbursement rates often means increasing costs for fee-paying parents, since child care programs in most states cannot charge the state more than they charge the public. In some states, therefore, this strategy has worsened the problem of child care affordability. Some child care programs have even chosen not to accept the entire reimbursement rate to which they are entitled--for example, providers in low-income areas who are wary of pricing their customers out. Others, however, argue for raising fees in the belief that it is necessary to "force the issue" of the true cost of providing child care, and to demonstrate the enormity of the child care affordability problem. To ease the burden on parents, states might choose to adjust sliding fee scales and/or expand parent eligibility for child care subsidy, helping low-income families keep their child care arrangements if and when rates are raised to cover staff salaries. Although the CCDBG bill places a cap on family eligibility at 75 percent of the state median income, states could use their own funds (and/or create a match with county and municipal funds) to supplement parent access to subsidized care.

Second, it is difficult to ensure that general rate increases--without specific guidelines for salary enhancement or wage scale targets--will indeed improve staff compensation, instead of being used to meet other escalating business costs such as rent and insurance. Some argue that the best safeguard here is for child care employees to be organized--whether in a union or another kind of advocacy or professional group--in order to monitor how program funds are spent. A complementary approach would be to tie rate increases to a center's level of budgetary commitment to personnel costs. The **National Child Care Staffing Study** found that better quality centers spent at least 60 percent of their total budgets on teaching staff costs, and that in most cases this amount was at least 80 percent of their personnel budget. In addition, nonprofit centers were found to allot a considerably higher portion of their budgets to teaching staff costs than for-profit centers. These findings could serve as one guide for determining increases in child care programs' reimbursement rates.

Third, an increase in reimbursement rates will not help programs that do not serve subsidized families--although increased salaries in one sector of the child care community have been shown to stimulate wage increases overall, as other programs adjust in order to remain competitive. In states which use a child care voucher or vendor system instead of (or in addition to) direct contracts with providers, rate increases can potentially impact all programs, both public and private. These can be very hard to earmark directly to staff salaries, however, since any given program will serve varying numbers of (and perhaps very few) voucher-eligible children.

Finally, since caregivers' salaries are generally very low, rates must be increased substantially on an annual basis in order to make a significant difference in wage levels and to ensure quality. Child care planners therefore need to reach a consensus about appropriate wage scales for their state, so that there is a common goal to work toward when seeking increases in the reimbursement rate.

In **Minnesota**, for example, child care advocates have developed a set of 1991-92 "consensus standards" for child care wages, benefits and working conditions. Although these are a voluntary set of guidelines not intended as a proposal for state regulation, advocates hope they can be used to influence the setting of state reimbursement rates. The standards define three graduated levels of quality, as a way of setting minimum requirements as well as goals for future progress. The "minimum standard" is intended to be a level of decency below which no child care employer should remain; the "industry standard" represents the best of the field based on current funding, a level most programs are expected to be able to reach within one to three years; and the "professional standard" outlines an ideal level of quality that teachers, parents and children deserve, but that cannot be achieved without substantial new public or private funding. To account for economic differences, separate sets of standards have been developed for Minnesota's urban and rural areas.

In **Massachusetts**, beginning in 1986, the state budget included salary enhancement money which was distributed through rate increases to providers serving subsidized families. As part of this effort, the state established recommended salary ranges. More than $15 million was spent to upgrade salaries during the first three years. In the first two years, average salaries for center-based direct care staff increased by 32 percent; over three years, the average daily rate for family day care providers increased by 41 percent. Although salary enhancement funds have not been available since 1989, due to state budget cuts, much higher wage scales than before are now locked into the state's child care reimbursement rate system. The mid-1980s effort, therefore, did manage to substantially raise the "floor" of child care compensation in Massachusetts.

<u>Quality Improvement or Salary Enhancement Grants</u>

A state or local child care quality improvement fund can provide money to improve quality in a variety of ways, including staff salaries. Unlike increases in reimbursement rates, such a program can be made available to a wider range of providers, including those who do not presently serve subsidized families. In particular, many providers serve low-income families who are eligible for subsidy but do not receive it because of limited funding. Unlike a reimbursement rate strategy, a state quality improvement fund can also leverage other local and private funding.

In **Washington** state, child care advocates are proposing a program of community block grants to address child care quality issues, including staff turnover and salaries. Funds would be appropriated on the basis of the number of low-income people living in a particular area; for the purposes of the grant, a "community" could be defined as a county, part of a county, or several counties together. Communities would be required to develop a child care partnership plan in which a variety of players from the public and private sectors share an understanding and "ownership" of child care issues, and work together to meet local needs. While the state Senate proposed $20 million for the fund, the House of Representatives recommended only $1 million; the program, therefore, might begin on a pilot basis in several communities, rather than statewide.

Alaska established a **Quality Enhancement Grant Program** in 1981. Under this program, providers who are willing to serve subsidized families are awarded monthly grants of roughly $25 per enrolled child. While the funds can be used for six different purposes, the state reports that as much as 90 percent of the money is used to upgrade staff compensation.

Salary enhancement grants are similar to quality improvement funds, but are targeted for salaries and benefits. For example, the **Military Child Care Act of 1989** included a "Caregiver Personnel Pay Plan" to make child care staff salaries competitive with comparable Armed Services professions. This and other federal precedents, such as the **Head Start Reauthorization** and the CCDBG bill's mention of staff compensation as a component of child care quality, might help to justify this approach to legislators or governors, who are often wary of legislation that benefits only one segment of the work force. **New York**'s salary enhancement program, in fact, did meet this kind of resistance; although the state legislature approved a $12 million fund in both 1989 and 1990, it was not popular with the governor or the state Department of Social Services. The state government and child care advocates are now working to develop a mechanism to substantially raise reimbursement rates instead. Local salary enhancement grant programs created to supplement the state effort, however, continue in several New York counties.

Salary enhancement grants have generally been hard to rely on as long-term solutions to the staffing crisis; often, there is little assurance that they can be institutionalized in a state's budget or child care funding system. Instead, some have been used as one-time staff bonuses rather than as a mechanism to truly upgrade the professional level of staff wages. But since the new CCDBG program is a multi-year effort, advocates in some states are taking a second look at this strategy.

One possibility would be for child care programs to be awarded a state salary enhancement grant if they spend a certain percentage or more of their total budget on personnel costs; this would reward programs which have shown a good-faith attempt to use public funds to upgrade salaries and benefits, and exclude those which have not. The funds would go toward helping programs reach an agreed-upon wage scale appropriate for that state. Grants could take the form of flat raises (a lump sum for each employee, based on current job level, experience and/or qualifications) or percentage raises (in which the amount per employee would vary considerably, based on each person's current wage level).

Health Benefits

CCEP's **National Child Care Staffing Study** found that only about one third of child care employees nationwide are covered by health insurance, even though their work routinely exposes them to considerable stress and communicable illness. Currently, no data is available on health coverage for family day care providers.

This lack of health care assistance is an issue that affects millions of Americans, and some states are working to develop solutions. In 1990, for example, **Maine** initiated a state health insurance plan for low-income people (at or below 95 percent of the federal poverty level) who are not eligible for Medicaid and Medicare. Initially funded at $20 million for two years, the program currently serves about 11,000 adults and children. **Washington** and **California** are also experimenting with providing health insurance for certain targeted groups.

Given these state precedents, child care providers can easily be seen as an appropriate target group for a new health care initiative. And since funds spent by employers on staff benefits are not taxed, a health care fund could potentially go further and benefit more people than the same amount spent on salary enhancement.

Yet a comprehensive health insurance plan minimally costs $1,200 to $1,500 per year per employee. Since it would be difficult in most states to initiate a comprehensive plan serving all child care workers in need, some states are considering the possibility of targeting a subgroup of the work force, creating a public/private partnership, or beginning with a pilot project in several counties. For instance, $2.5 million might be allocated to insure roughly 2,000 child care workers in three counties; or if there is a mechanism for both centers and employees (and/or other private funding sources) to pay a portion of the premium based on income, such an amount might serve many more people. As in **Washington** state's health insurance program, the state could take on the role of brokering a plan with insurance companies. At the very least, child care staff (typically employed in small workplaces) would gain access to a more economical group health plan--a plan other than Medicaid, that is, since it should *not* be assumed that child care employees are going to remain at poverty level.

The **Coalition for Families and Children**, an ad-hoc group monitoring **Louisiana**'s CCDBG plan, is considering a proposal to grant child care programs which already provide employee health benefits an additional reimbursement which could be used for salaries or to cover employees' co-payments. Such a plan would serve to reward child care programs which are already making an effort to address health care needs, and it could stimulate others to provide health coverage because of the reimbursement.

Although the lack of health insurance may seem too large a problem to tackle with CCDBG funds, spending even a small portion of a state's block grant to study the feasibility of a health care plan could have a significant impact on the child care field in future years.

TRAINING INITIATIVES LINKED TO COMPENSATION AND FINANCIAL ASSISTANCE

The CCDBG legislation includes some specific suggestions of what kinds of training might be offered by the states to upgrade child care quality: "health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the care of children with special needs." But these suggestions fall short of what research suggests is truly needed to upgrade and stabilize the field. Child care providers need access to various levels of training--not just minimal, base-line training for entry-level workers, but also opportunities that will encourage experienced staff to move up the career ladder and remain in the field. These options are an indirect way to influence compensation.

While states should work to develop comprehensive, multi-tiered training systems, it is also important to recognize that better training alone is not likely to drive up the level of worker compensation. Many efforts to address the child care staffing crisis thus far have focused only on training, but this single focus hasn't been very successful; well-trained teachers continue to leave the field because of inadequate wages and benefits. Several promising program models to link training and compensation, however, have emerged in recent years:

Training-Related Salary Increases. In **North Carolina**, the **Day Care Services Association of Chapel Hill**--with private foundation and other support--has developed a program that encourages child care teachers to receive additional training in exchange for a guarantee of higher wages from their employers. Up to 26 scholarships are being provided in the pilot year, covering 80 percent of tuition costs and 90 percent of textbook costs at two local community colleges. After completing six courses, students must receive a five percent merit raise from their employers, in exchange for which they agree to continue working for that employer for another year. This program may soon expand to four additional areas of North Carolina.

Pinellas County, **Florida** has developed a similar model, with support from the State Department of Labor. Under its **Child Care Apprenticeship Program**, teachers receive a "child care development specialist" certificate after completing a certain amount of classroom and on-the-job training; in return, employers must guarantee raises as set by an apprenticeship committee composed of local child care providers.

It is worth noting that such training-related salary increases should *not* be used to supplant other efforts (such as cost-of-living adjustments or reimbursement rate increases) to raise the "floor" of child care compensation.

Mentor Teacher Programs. The Child Care Employee Project, in conjunction with the Early Childhood Development Department at Chabot College in Hayward, **California**, launched an **Early Childhood Mentor Teacher Program** in 1988. This program identifies experienced teachers in the community and offers them an intensive advanced supervision class. Teachers are then eligible to become mentors, and the centers where they are employed conduct a program quality self-assessment. The college places students to work with mentors to fulfill their classroom experience requirements, and mentors receive a stipend for each student placed with them. CCEP is now seeking to expand this program to other community colleges throughout California, perhaps using a portion of the state's CCDBG funds.

In **Massachusetts**, the state **Office for Children** sponsors a **Mentor Program** which operates through several colleges. Child care advocates are now studying the possibility of using some of the state's CCDBG funds to set higher salary standards for teachers who have completed the Mentor Program.

Scholarships and Loan Forgiveness. Several states have developed scholarship funds or loan forgiveness programs for early childhood staff. Under **Maryland**'s child care tuition assistance program, people who receive an A.A. or B.A. in child development or early childhood education, or a Child Development Associate (CDA) credential, are eligible to apply for a loan of up to $2,000 a year, for up to four years. After graduation, they can then have a year of loan repayments waived for each year they work in a child care center or as a registered family day care provider. The Maryland General Assembly approved $100,000 for this program in 1990.

In **Minnesota**, a fund is available to provide half the costs of accreditation of a center by the **National Association for the Education of Young Children (NAEYC)** or of a CDA credential for a family day care provider. **Virginia**'s legislature recently passed a bill making child care teachers eligible for the **Virginia Teaching Scholarship Loan Program**. Applicants must be full-time students at a Virginia college or university offering a teacher preparation program. A student can receive an annual loan of $2,000, and as in Maryland, one year of the loan is forgiven for each year a recipient teaches. **California**'s legislature approved a bill in 1990 to establish a child care teacher **Loan Assumption Program**, but it was vetoed by the governor; the bill has recently been reintroduced, including a new clause to target CCDBG funds to help support the program. It would award 100 warrants each year, entitling recipients to have their student loans assumed after completing certain educational requirements and working as a child care provider.

In addition to such efforts, child care advocates are considering other training-related uses of CCDBG funds. In order to set some precedents, however modest, during the first year of CCDBG funding, states might choose to create a pilot project fund, encouraging the child care community to think through the issues of training and compensation, develop experimental models, and perhaps seek private matching funds; programs could be expanded in subsequent years. Alternatively, an "access to training" fund could be awarded to counties or communities to help child care programs pay for training-related supplies, transportation, staff release time and/or substitute teachers. (A substitute pool is especially important for family day care providers, who often work alone.) If such a fund starts out at a minimal level, it might best be targeted to experienced teachers who need further training opportunities as an incentive to stay in the field.

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DATA COLLECTION

The new legislation also requires each state to collect data on child care salaries and benefits annually, beginning in 1992, and to report on the progress of their efforts to improve the quality of child care. Staff salary and turnover data are essential components of measuring child care quality enhancement. Provided that the states collect data in a consistent and coherent manner, this could be an excellent opportunity to establish the first national data base on the child care work force. In addition, states which conduct salary and benefits surveys this year, and again next year, would be able to begin measuring the impact of CCDBG funds. CCEP has begun consultation with the **Administration for Children and Families** (formerly the Family Support Administration), as well as several research organizations and child care resource and referral agencies around the country, to coordinate data collection efforts.

The following are the most crucial issues for states to consider as they undertake the collection of child care provider data:

1) All types of caregivers in the state--both center-based teachers and family day care providers, and not just those who receive CCDBG funds--should be included in the survey. Without comparative data, there is no way to develop a meaningful picture of the child care work force or to assess the impact of federal funds on child care salaries, recruitment and retention.

2) Appropriate sampling and reporting procedures should be adopted to ensure that the survey yields information about the various economic and geographic subgroups of caregivers within the state. Given limited funds and the challenges of salary research, efforts should be directed toward developing a small but representative sample of the work force. A stratified random sample, reflecting various program auspices and regions of the state, can yield valid results even if only a small population is surveyed.

3) Staff turnover rates should be included in the survey; this information is easy to collect, and it measures a significant component of child care quality. Child care centers can be asked how many persons in each job category are on the payroll, and how many in each category have left the center in the past 12 months. If states are willing to conduct a more involved survey, centers can also be asked why staff members left and how long they were employed. Family day care turnover is more difficult to measure, but providers can be asked how long their program has been in operation.

4) The data should be collected in a standardized manner in order to ensure comparability among states and with other data available in the community. Much of the child care work force data now collected uses CCEP's **Child Care Salary and Working Conditions Survey** instrument, which is compatible with the questions posed in the National Child Care Staffing Study. If the CCDBG regulations do not require a

standardized approach, child care advocates should encourage the states to do so nevertheless. CCEP is now developing a shortened form of our survey instrument which can be used by every state for this purpose.

CCEP recommends using the following job titles for center-based caregivers so that comparisons can be made among states: *teacher* for persons who are in charge of a group of children and/or have staff supervision responsibilities, such as head teachers; *assistant teacher* for persons working under the supervision of a teacher, who help with the care and education of a group of children; *teacher-director* for persons with both teaching and administrative duties; and *director* for persons with primary responsibility for the administration of a program.

In the case of family day care, it would be important to include an "assistant" category when surveying larger facilities with more than one provider.

In order for salary data on center-based teachers to be useful for comparison, it is also important to collect *hourly* wage figures. States should collect both starting and highest hourly wages to determine the extent to which providers are compensated for training and experience. The following three questions can be asked:

1) Do all teachers receive the same starting salary regardless of qualifications?

2) What hourly wage does the highest-paid person in each category currently earn?

3) What hourly wage does the lowest-paid person in each category currently earn?

The best way to obtain salary data for family day care providers is to ask about net earnings (income after expenses) as reported on providers' tax forms.

For the past ten years, CCEP has been collecting child care salary and benefits data in a number of communities, as well as assisting other groups in their data collection efforts. We are currently revising our survey instrument and adapting it for use in family day care. CCEP is available to assist states by providing general technical assistance about sample design, and if desired, contracting to provide data analysis. For more information on our data collection services and fees, please contact us at the CCEP office.

A REVIEW: ISSUES TO CONSIDER IN DEVELOPING YOUR STATE PLAN TO IMPROVE COMPENSATION AND ACCESS TO TRAINING

Although the CCDBG program represents a major new federal commitment to child care, it is not likely, of course, to solve the child care staffing crisis completely. In developing plans for the use of CCDBG funds to upgrade quality, each state will have to make tough decisions about priorities, taking into consideration how the state's current child care system works, as well as the limits on these federal funds. Whether you choose to implement a **reimbursement rate increase, a quality enhancement fund**, a **benefits pool** and/or develop a **compensation-based training system**, the following are as a range of issues for statewide task forces or planning groups to consider.

- *Population*. Salary enhancement or access to training funds can be targeted either to a limited group or to all child care providers; for example, to centers, family day care providers, or both; to some counties or communities, or all; to providers who currently receive public funding, or also to those who do not.

Target populations can also be selected by using certain mechanisms to measure child care program quality: for example, giving funding priority to accredited providers, or to those which are already meeting certain minimum salary standards, or to those which allot a certain percentage or more of their total budgets to personnel costs.

Training efforts might reach entry-level personnel, or trained and experienced providers, or both. They can focus on bringing everyone in the field to a certain minimum level of qualification, or they might also work to create a viable career ladder to keep experienced teachers in the field once public funds have been invested in training them.

Estimate the total number of people who will be served, and evaluate whether the target group is the one you consider to be most in need. If the program is beginning on a pilot basis, determine whether it can eventually impact the broader child care field in your state.

- *Timeline*. Some efforts will have an immediate effect, whereas others, such as loan forgiveness programs for child development students, focus on the future child care work force and are therefore a longer-term investment with more delayed results. Consider also whether the program is designed to offer a short-term or one-time-only boost in compensation for child care employees, or whether it can become more permanently institutionalized.

- *Other Funding Options*. There may be a variety of ways to augment state and federal funding for this child care effort. Consider, for example, public-private partnerships, matching grants, tax credits, and collaborations with community agencies, child care resource and referral programs, colleges, or other private or public funding sources.

- *Administration*. Evaluate how easy the program will be to administer, and whether it will be worth the effort involved. A county-based reimbursement rate system was recently discontinued in Minnesota, for instance, largely because many counties found it too burdensome and complicated to manage.

- *Community Involvement*. Consider whether the program is designed to promote provider and community participation. For example, it could require centers to make quality improvements in order to receive funds; build public awareness of the need for quality child care; and/or encourage child care teachers and family day care providers themselves, who are often left out of policy discussions, to become involved in seeking solutions to the staffing crisis.

- *Evaluation*. Determine how the program's effectiveness will be assessed, and which data collection methods, standards of measurement and evaluation models will be used.

HOW CCEP CAN HELP

Founded in 1978, the Child Care Employee Project serves as a national resource clearinghouse on child care staffing issues and an advocacy organization seeking to improve the regulation and funding of child care services. Our active role as a founding member of the Alliance for Better Child Care helped secure the inclusion of provisions for staff training and compensation in the CCDBG bill. Our work involves: research to document the relationship between teacher compensation, training and quality; advocacy in support of creative policy alternatives both locally and nationally; leadership development and training among child care staff; and public education and coalition-building with parents and other constituencies seeking quality child care. In addition to our 1,500 members who receive our quarterly newsletter, *Child Care Employee News*, we respond to over 3,000 requests for information or technical assistance each year over the telephone, in person, and through our publications.

Funding from the Carnegie Corporation of New York and the Ford Foundation has made it possible for CCEP to develop this booklet and to provide other assistance to state child care planning groups regarding CCDBG implementation during the coming year. We urge you to contact us to discuss ideas about using block grant funds to address child care staffing issues, and to let us know about block grant plans as they develop in your state. CCEP will continue to provide up-to-date information in our newsletter about local, state and national efforts to improve child care compensation and training.

CCEP members receive a one-year subscription to Child Care Employee News and an annual salary summary that reports on findings from state and local surveys. Our membership rates are: $25/year for regular membership ($15/year for child care workers); $35/year for organization/center membership; $50/year for supporting membership ($40/year for child care workers); and $100/year for sustaining membership ($90/year for child care workers).

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