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Department of Early Childhood

Colorado Early Childhood Compensation & Benefits Task Force

December 12th, 2022

Agenda

- | | |
|--------|---|
| 5 min | Welcome |
| 45 min | Point-in-Time Compensation Discussion Final Alignment <ul style="list-style-type: none">• Task Force Survey Responses |
| 45 min | Final Report Discussion <ul style="list-style-type: none">• Feedback on Framing• One-Pager Action Items Brainstorm |
| 15 min | Benefit Memos Presentation |
| 5 min | Closing & Next Steps |

Develop a compensation and benefits plan for Colorado's ECE workforce, building on the EC Workforce 2020 Plan.



Deliverable Due December 31, 2022



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Point-in-Time Financial Compensation

Feedback Discussion & Final Alignment

From our initial conversation about point-in-time financial supports for ECE educators, we heard the following:

- **Retention** is top priority for Task Force members and focus groups
- **Majority** of Task Force members and focus groups supported **stipends as the best solution**

Appropriate framing for this recommendation is critical. Stipends will be:

- Part of a **portfolio of workforce solutions** (e.g., tax credits and salary scales); **should resources allow**, other point in time strategies, such as **bonuses**, could complement stipends
- **Interim solutions** that should not **jeopardize systemic permanent wage increases**
- Based on **funding available** and analysis of effects on **access to benefits** and **individual tax liability**

As discussed, our path forward is a two-prong approach:
a **universal** stipend and a **targeted** stipend

Survey results

We utilized your feedback from the surveys to define **who** will receive the universal stipend

Based on the results, we are including **all instructional, administrative, and support staff** in the universal stipend



Survey results

We utilized your feedback from the surveys to define **who** will receive the universal stipend

Based on the results, we are including **both full-time and part-time staff** in the universal stipend

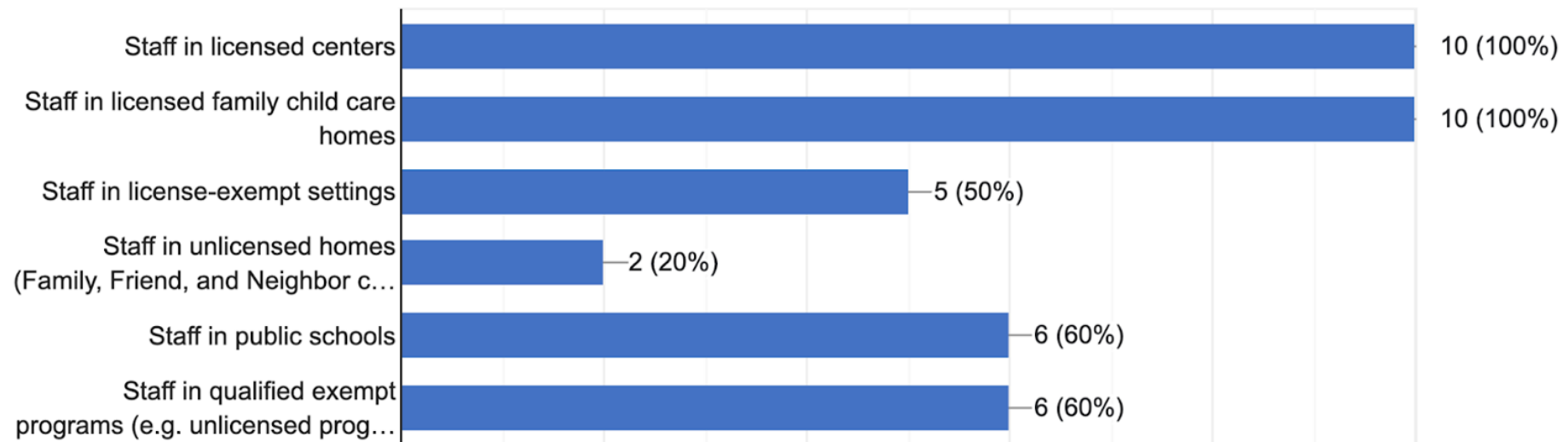


Note: the stipend will be tiered based on full/part-time status

Survey results

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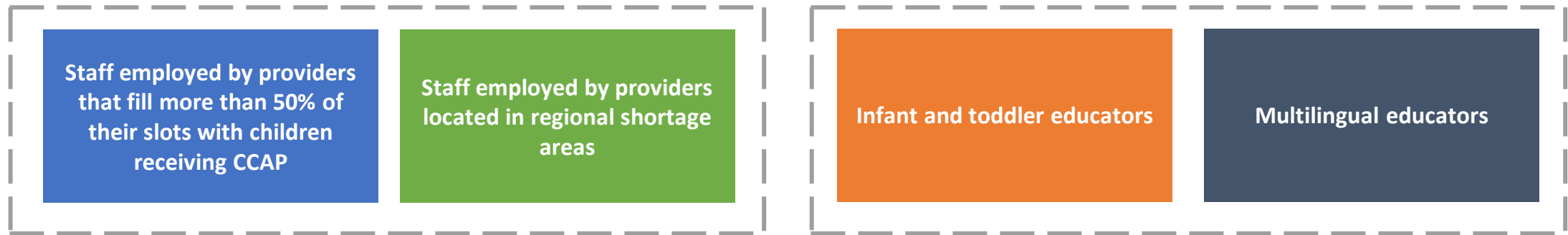
Based on the results, we are including staff in **all setting types *except* family, friend, and neighbor care**



Stipend flow chart

Provider Characteristics

Educator Characteristics



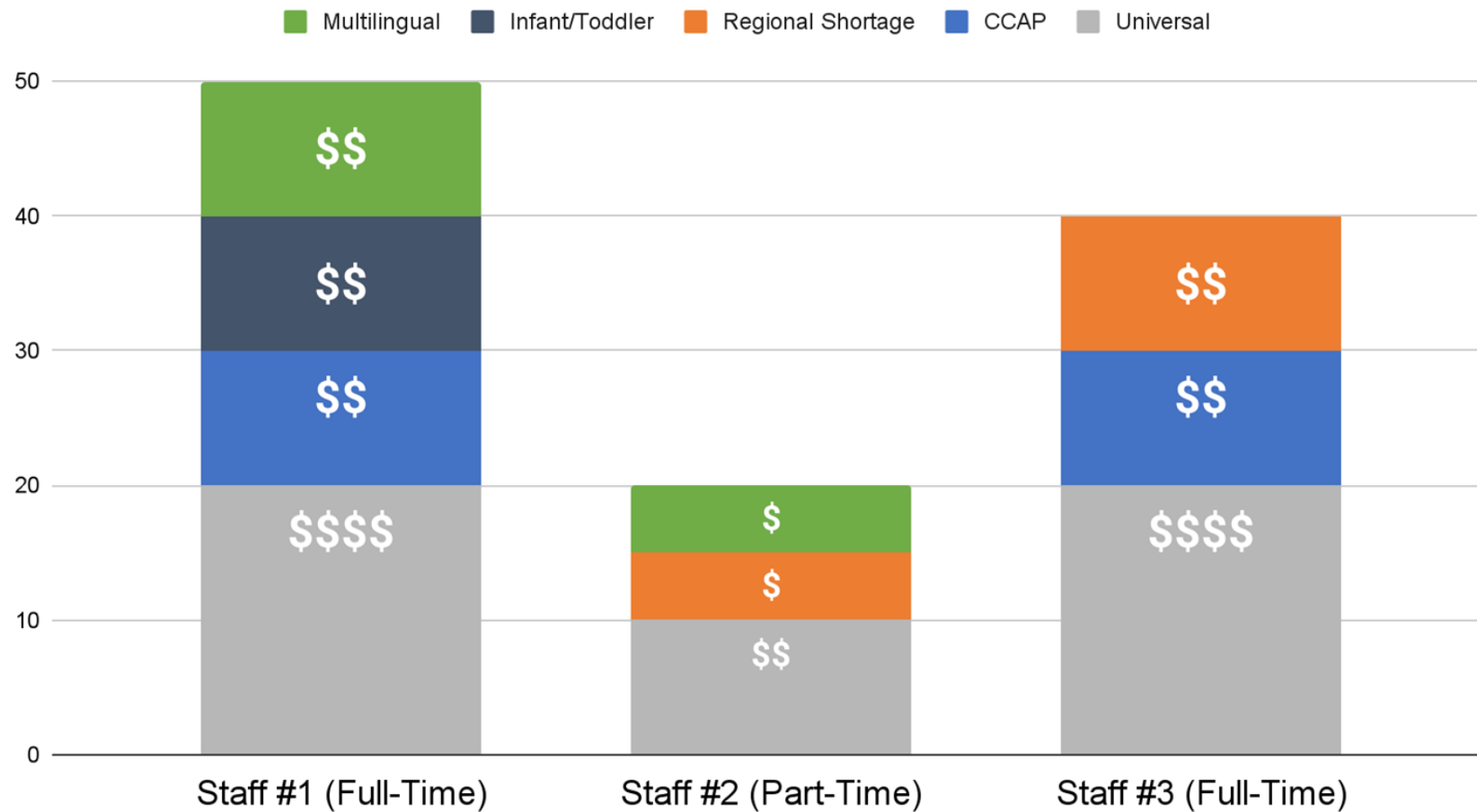
Stipend amounts are **layered** and **tiered** by part/full-time status (i.e., educators receive different stipend amounts based on status). In addition to the **universal stipend**, each educator could receive a **targeted stipend** based on their **employer and individual characteristics**.



Universal stipend: all instructional, support, and administrative staff in all settings except for family, friend, neighbor care

Example staff profiles

Example staff profiles





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Final Report

Feedback Discussion

Supplemental “One-Pagers”

Target Audiences: Option A

1. Legislators
2. State
3. Providers
4. Advocacy Groups/Businesses

Target Audiences: Option B

1. Policymakers (with distinct recs for legislators and state)
2. Providers
3. Advocacy
4. Businesses

Would you go with Option A or B for the target audiences?

One-Pager Outline

- Brief summary of recommendations
- Actions the intended audience can take to move forward recommendations

Final Report Outline

1. Context Setting: Colorado's ECE field and current compensation challenges
2. Overview of Colorado's ECE Compensation and Benefits Task Force
3. Final Recommendations
 - a. Salary Scales – Methodology & Results
 - b. Stipends – Methodology & Results
 - c. Benefits
 - d. Funding Considerations
4. Conclusion
5. Appendices
 - a. Child Care Stabilization Grant Data
 - b. Task Force Membership
 - c. Stakeholder Engagement Results
 - d. Further Salary Scale Research
 - e. Alternative Salary Scales – Family Structure
 - f. Benefits Memos: Health Insurance, Paid Time Off, Retirement

Overarching Context Setting

- ECE educators play an integral role in our society, yet they are under-respected and under-compensated
 - Low compensation is causing staffing shortages and reducing available options for families
 - The ECE workforce is worth investing in – it benefits children, the workforce, businesses, and society as a whole
- These are national challenges but they are particularly acute in Colorado
 - The current average pay for a member of the ECE workforce is \$19.59/hour, significantly lower than K-3 teachers in Colorado
 - Many workers don't receive benefits
 - Many ECE programs and providers are understaffed with current open position rates ranging from 16% to 32%
 - Colorado has an extremely high cost of living
- Increasing ECE compensation requires consideration of related factors, including affordability for families, limited profits for providers, “benefits” cliffs.

Task Force Overview

- Built on previous work and attempted to align with current work
 - Built on EC Workforce 2020 plan:
 - Research compensation, and make regionally-based recommendations for wages tied to roles, educational qualifications, and experience
 - Work with state partners to explore and recommend strategies using state programs, the market rate survey, the Talent Pipeline Report, and policy and/or rule changes to enhance compensation and benefits.
 - Lessons learned from Senate Bill 19-064:
 - Importance of stakeholder engagement
 - Give actionable recommendations for specific stakeholders (i.e. legislators, providers)
 - Make recommendations bold and long-term to hopefully enable partners at every level to take action when time is right because context has been set.
 - Worked to align with Universal Pre-K roll out:
 - Important to align across different settings of the early care and education field to send a unified message
 - Met with state leads on Universal PreK roll out multiple times to ensure alignment
 - Salary scales recommended below can be used informed Universal Pre-K cost modeling
- Definition of ECE workforce: For the purposes of this compensation plan, the Task Force has narrowed the recommendations to ECE workforce members who work with children ages 0-5 in:
 - licensed centers
 - licensed family child care homes
 - license-exempt centers
 - unlicensed homes (Family, Friend, and Neighbor care)
 - public schools

**unless otherwise specified within the recommendations.*

Salary Scales

- Our north star vision for compensation
- Includes methodology & results
- Critical notes about salary scales:
 - Represents a pay floor
 - Serve as a guide for all settings
 - Anchored to K-12 wages, which are low and should also be examined
 - Should be updated annually to reflect changes in cost of living
 - These salaries would represent drastic increases in compensation for many Colorado ECE workers
 - Top anchors should be further studied as they are not included in many union contracts
 - Anchored to credential system which accounts for education and experience
 - Increments honor pay equity across positions and increased responsibility at higher levels of credentials
 - Pay increases should be phased in over time
 - The state should explore strategies to mitigate benefit cliff effects

These salary scales do not represent a mandate for providers nor do they represent a call for provider to increase the amount families pay.

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- What might we be missing in the framing?
- What can you **not live** with in the report?
- Are you comfortable moving this forward?

“One-pager” Brainstorm

Thinking about the role these audiences play in the ECE ecosystem, what actions should they take to move forward our recommendations?

1. You will be put into a breakout room focused on one of our 4 target audiences
2. Brainstorm answers to this question for your audience for 10 minutes
3. Select a notetaker to record your ideas in [this Google doc](#)



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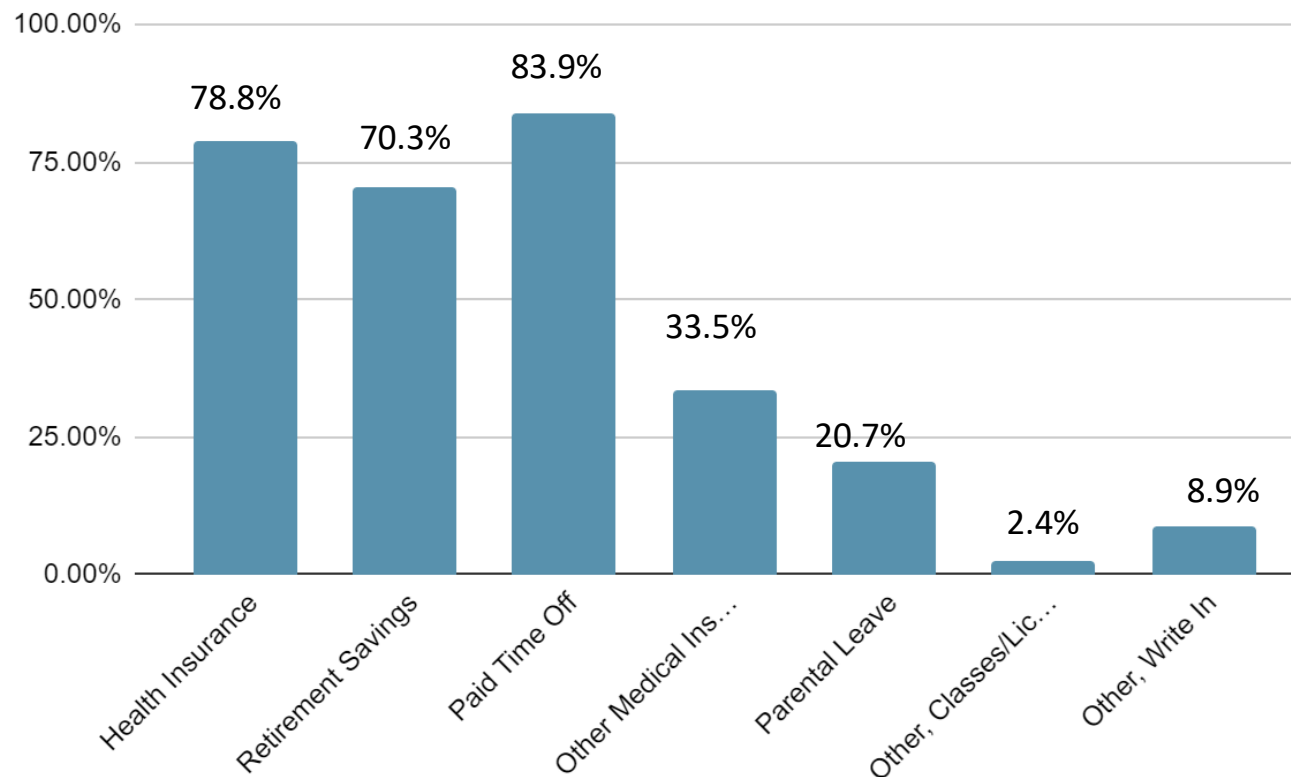
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Benefits Report Out

Feedback Discussion

Survey: What benefits are most important to you?

The following benefits are most important to respondents.
They could only choose 3.



Other included:

- higher wages
- bonuses
- COVID relief
- additional resources
- professional development
- ski pass
- housing
- childcare
- wellness program
- appreciate the work we do
- overtime pay
- benefits for hourly workers

Health Benefits

Access to health care across the ECE workforce

- Early educators are **more likely to be uninsured** and **lack access to health insurance** at higher rates than other educators and the workforce overall
- ECE providers are **less likely to offer health insurance as a benefit** than employers in other industries; doing so carries **steep financial implications**
- Early educators' wages often make them eligible for **free or low-cost health care** via publicly funded benefits, specifically Medicaid and the Premium Tax Credit (PTC)
- Colorado has invested in increasing including becoming a **Medicaid expansion state**, passing **HB1289**, and designing a **standardized benefit plan** and funneling any federal savings to **state-funded subsidies**

Future options for Colorado

- 1. Provide targeted enrollment assistance and outreach to educators.** Until there is systems-level change in early educator compensation, the most promising option to help educators access health insurance is to encourage access to existing publicly funded benefits.
- 2. Explore the implications of bringing early educators into the state employee health plan pool.** Colorado could include educators in publicly funded programs in the state employee health plan pool. The state would need to identify the financial and political implications of doing so.
- 3. Strategically complement existing efforts to increase access to health insurance.** There are existing efforts to increase access to health insurance among low-wage workers. Any efforts to increase access to insurance among early educators specifically should complement and align with, not stymie, broader efforts.

Paid Time Off

Access to paid time off

- **Low-wage employees across industries** have limited access to paid time off. Among workers in the bottom quarter of occupations by average hourly wage:
 - **51 percent** have access to paid sick leave
 - **9 percent** have access to paid family leave
 - **56 percent** have access to unpaid family leave
- Colorado passed the **Healthy Families and Workplaces Act** and approved the **Paid Family and Medical Leave Insurance** to support access to paid time off.

Substitute pools

Substitute pools are programs that consist of educational staff who trained and qualified to lead classes when regular educators are absent or unavailable. These pools allow providers to **offer paid time off to educators by covering vacancies.**

Colorado can invest in substitute pools in **two ways**:

1. Create **state-run substitute pools**, where state can connect a substitute to a provider when they put in a request.
 - Example: Washington state, along with Imagine Institute, designed a ECE substitute pool accessible and free to all licensed centers, family child care homes, and school-age programs
2. Invest in **child care resource networks**, which can offer substitute pools as a service to providers.
 - Example: Child Care Staffing Solutions in Ohio provides affordable staffing for centers across the states; they recruit and train candidates to become substitutes or long term child care staff

Retirement Savings

Retirement Considerations

Current state:

- We reasonably assume that only a minority of those in the ECE field have access to a retirement plan beyond the Social Security system
- In comparing retirement benefits between ECE educators (who mostly use social security) and public school teachers (who are eligible for Colorado's Public Employees' Retirement Association benefit pension)
 - Using commonly used assumptions for retirement funding, the private sector employees would **need to be saving an additional 9-10% of their salary each month** in a supplemental retirement program in order to receive the same monthly income in retirement as they would under CO PERA. This could be accomplished through a retirement program that incorporates a 5% contribution from employees (thus bringing their total contribution, inclusive of Social Security, to 11.2%, similar to the 11% required in PERA) and a 5% contribution from employers.

New developments in retirement savings vehicles:

- Colorado will soon be implementing a requirement that businesses provide access to a retirement savings plan
 - The state is establishing the **Colorado Secure Savings Program (CSSP)** that all employers with five or more employees eventually must participate in if they do not offer another qualified retirement savings program. Beginning in March 2023 and phasing in implementation through 2025, CSSP will require employers to enroll all employees and to set the default savings rate at 5% of wages.
- The federal Setting Every Community Up for Retirement Enhancement (SECURE) Act allows for the establishment of **multi-employer retirement savings plans**
 - Many investment companies now offer these plans, and there is a tax credit of up to \$5,000 available for employers establishing a new retirement plan

Retirement Strategies

There are several strategies the state can pursue to improve early childhood educators' access to retirement benefits

Cost Modeling

Include the cost of an employer contribution to retirement savings in cost models for early care and education services

Build Awareness

Spread awareness of the new Colorado Secure Savings Mandate among child care providers

Support Pooled Plans

Provide technical assistance and incentives for child care providers to join a Pooled Employer Plan for retirement benefits



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Closing Reflection

What steps should CDEC take to roll out these recommendations?

For example:

- Post to website
- Host webinars
- Mass email communication
- In-person briefing

From our time together, please share:

- Something you are proud of **OR**
- Something you learned **OR**
- Something you will do to advocate for our recommendations

Next Steps

- Look for the final report!



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APPENDIX

Expected Deliverables



Salary scales for specific Colorado regions



Options for additional point-in-time financial supports, such as bonuses and stipends



Overview of promising strategies from other states related to benefits and additional “perks”



Funding considerations in implementing wage scales and benefits, contextualized for Colorado and based on national best practices