

Compensation Capacity-Building Community of Practice



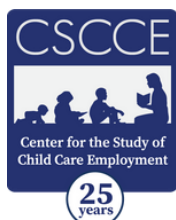
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**EARLY
EDUCATOR
INVESTMENT
COLLABORATIVE**
Professional Educators,
Professional Compensation,
Prepared Children.



Overview

The [Early Educator Investment Collaborative](#) (EEIC) is supporting the capacity of governments to implement systemic, innovative, and equitable solutions to increase wages and access to benefits in the early care and education (ECE) field. Teams from states and localities across the country convene quarterly in the Compensation Capacity-Building Community of Practice (CoP).

Supported by The Center for the Study of Child Care Employment (CSCCE), this CoP is a space for peer learning, where teams engage in collective problem-solving and coaching to support implementation of their projects. Each quarter, this newsletter will summarize the CoP convening and share emerging themes and takeaways from office hours and other technical assistance (TA) offerings.

In May 2025, the CoP met to discuss the shared challenge of financing compensation increases. Teams heard from experts in the cost modeling and revenue generation space and discussed shared challenges and opportunities. Between convenings, teams are utilizing the listserv and office hours with TA providers to continue to learn from experts and each other.

"In the current environment...it's even more important that states and localities are getting into the game. It really needs to be a collaborative effort across federal, state, and local to get to these big numbers that ultimately exist for things like child care and early childhood services."

- Elizabeth Gaines, Founder and CEO,
Children's Funding Project

Learnings From May 15 Convening

Key Highlights

CSCCE identified that creative financing strategies are a shared priority across CoP teams. The May 15 convening gave teams a chance to hear from experts and discuss shared challenges and opportunities around financing increased compensation.



First Children's Finance

First Children's Finance (FCF) is growing child care supply and helping to sustain child care businesses.

- FCF uses a combination of data, assumptions, and values to reflect actual, standardized, or aspirational costs. It advances compensation strategies through: 1) increased visibility and 2) increased capacity to compare options and their costs.
- FCF worked closely with Minnesota's Department of Children, Youth, and Families (DCYF) to create a cost model, with DCYF serving as the final decision maker. Strategies for gathering community input included:
 - An advisory group of child care business owners were engaged monthly to ensure findings were informed by and useful to the field.
 - Community conversations were held with associations, community leaders, and networks, creating space for comments and questions while generating awareness of the study.
 - **All** licensed child care businesses were asked to inform the study by completing a survey and/or participating in an in-depth interview.

Children's Funding Project

Children's Funding Project (CFP) works to ensure every community maintains an equitable, coordinated, and sustained set of funding streams to support comprehensive programs and services for children and youth from birth to young adulthood.

- CFP shared their multi-pronged approach to Strategic Public Financing:
 - **Local Revenue Sources:** Setting aside or generating local public tax revenue can "grow the pie" of funding.
 - **State Revenue Sources:** States can explore new state taxes, tax increases, changes to tax structure (like income tax brackets), or one-time streams like settlement dollars.
 - **Emerging Funding Sources:** CFP is exploring how non-traditional funding sources—like community benefits agreements, social impact bonds/Pay for Success, zoning and land use changes, economic incentive agreements, opioid settlement funds, and others—can be used to support ECE.

Spotlight: This Early Care & Education Funding dashboard helps stakeholders in **Louisiana** understand the diverse funding streams supporting early care and education.

Learnings From May 15 Convening

Group Discussion Highlights

Shared Opportunity: Connecting Economic Development & Child Care

- **Minnesota** supports a project called the [Rural Child Care Innovation Program](#). It brings together local cross-sector teams led by the Economic Development Director to determine right-size child care solutions for each participating county. Although there has not been a lot of traction on compensation, the effort has been helpful for capacity building.
- **Minnesota** also has an Office of Child Care and Community Partnerships within the [Department of Employment and Economic Development](#). It pushes the connection between economic stability of the workforce and the kind of care they can provide.
- **Illinois** connected with folks in [Iowa](#) about a project to get local businesses to invest in child care—without tying that investment to guaranteed spots for employees specifically. They saw some success in the idea of investing in child care as a community good.
- **Colorado** is using its EEIC grant to hire positions at the state Department of Labor and Employment and the Office of Economic Development and International Trade to better understand how partnerships with those agencies could support this work.
- **Colorado** has also worked with [Executives Partnering to Invest in Children](#) (EPIC), an organization that convenes business leaders to think about how the business community can support child care.

Shared Challenge: How to move towards funding and implementing a cost model?

- **Illinois** had a statewide commission to create a whole system cost model. The estimated cost was \$12 billion and moving from cost modeling to implementation is proving a challenge.
- **Minnesota** decided to include the \$2.1 billion price tag for its wage scale in a public report to familiarize people with the actual cost of providing care.
- **Colorado**, in their work with the Children's Funding Project, has talked about the importance of normalizing and socializing the true cost of care, especially in policy conversations.
- **Tarrant County, Texas**, expressed interest in cost modeling and fiscal mapping as strategies to support business engagement.



Meet the TA Providers

As part of the community of practice, teams have access to individualized technical assistance from experts on the ECE workforce. Beginning this quarter, teams can schedule time with leaders on compensation and workforce data at CSCCE.

Wage increases, salary scales, and benefits:



- **Dr. Caitlin McLean**: Caitlin has more than a decade of research experience in ECE systems and policy. As CSCCE's Director of Multi-State and International Programs, she leads cross-state ECE workforce policy projects. These include the biennial Early Childhood Workforce Index. Caitlin also provides and oversees technical assistance to state-level stakeholders looking to improve their policies to prepare, support, and compensate early educators. Prior to joining CSCCE in 2015, Caitlin's research focused on comparative ECE policy in the United States and Europe.



- **Hyeonjeong Lee**: As a member of the Multi-State team, Hyeonjeong (HJ) focuses on compensation policy-related projects, including maintaining the ECE Workforce Compensation Policy Database. Previously, HJ's career focused on comparative studies of early educators' well-being and policy across the United States, South Korea, and China.

Collecting and using workforce data:



- **Dr. Wanzi Muruvi**: As a Senior Research and Policy Associate, Wanzi leads CSCCE's work exploring the intersection between the well-being of educators and that of children and communities. The goal is to inform policy solutions and investments that support educator well-being, particularly in light of the COVID-19 pandemic. Previously, Wanzi worked in policy and planning in the early childhood education and care sector in Canada, where she supported the development of equitable implementation strategies for regional child care services.

Coming soon!



In the next few weeks, CSCCE is excited to be partnering with the Children's Funding Project as a technical assistance provider. CFP will share their expertise on strategic public financing, creative and emerging funding strategies, and conducting and using cost modeling to inform compensation.

Spotlight: Administering Wage Supplements

- Teams are seeking opportunities to learn from experts and each other about strategies for administering wage supplements. As one CoP participant shared, “We’ve been running our wage enhancement grant in what ends up being a high-effort way, and we’re looking for ways to streamline the process while maintaining accountability.”
- CSCCE has found that states and localities are taking a range of approaches to administering wage supplements, shaped by their priorities, whether that’s ease of delivery, tying funding directly to payroll, incentivizing credential attainment, or reducing administrative burdens on educators. Many have shifted over time to models that integrate with existing systems or encourage direct wage increases.

Here’s how states within and beyond the CoP are approaching wage supplements and wage increases:

- The **District of Columbia** has evolved from individual lump-sum grants to quarterly payments and now to program-level formula reimbursements aligned with salary scale targets.
- **Maine** chose a program-administered, payroll-integrated model: monthly stability grants (tiered based on registry level) paid directly to program owners via the DHHS portal, who then place these funds into staff payroll.
- **Virginia** automatically issues retention bonuses, either as lump sums or installments, to all workers in eligible centers, requiring no application and streamlining delivery.
- **New Mexico** leverages its Early Childhood Education & Care Department’s centralized database so that applying to one program auto-enrolls individuals into others, reducing paperwork.
- **Illinois** offers Smart Start Workforce Grants that provide classroom-level support to programs to raise wages based on specific classroom staffing needs.



Learn more:

- This [report](#) on designing a wage-increase pilot, while focused on Contra Costa County, shares questions and considerations for states or localities designing and implementing a wage increase. The appendix also includes an overview of ECE wage supplement pilots from across the country.
- The [ECE Workforce Compensation Policy Database](#) is a live resource that captures state and local efforts to boost wages and benefits for early educators. Users can filter the database for examples specifically related to wage increases.

Learn more:
www.cscce.berkeley.edu