

Compensation Capacity-Building Community of Practice



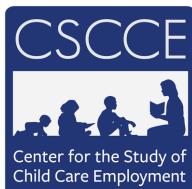
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**EARLY
EDUCATOR
INVESTMENT
COLLABORATIVE**
*Professional Educators.
Professional Compensation.
Prepared Children.*



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 summarizes the CoP convening and shares emerging themes and takeaways from office hours and other technical assistance (TA) offerings.

To begin Year Two of the CoP, teams reconvened for a half-day meeting in which they reflected on their triumphs and troubles in 2025, their objectives for 2026, and how the CoP can help them achieve those goals. Participants spent time in cross-team breakouts to identify shared challenges and opportunities and where they would like to provide and receive support from each other in the coming year. The session ended with group brainstorming on key topics to cover in 2026.

What did the CoP teams accomplish in 2025?



Colorado conducted research to better understand the current state of early childhood compensation and developed working group recommendations on a potential compensation initiative that could be funded in Colorado.



Louisiana saw measurable increases in early educator compensation statewide, advanced legislation to expand employer child care tax credits, and strengthened innovative workforce pipeline strategies, including the launch of Louisiana's first Registered Apprenticeship program for early educators.



Minnesota granted millions of dollars to child care programs to fund increases in compensation for educators and published a report on developing a professional wage scale that recognizes the education and experience of the ECE workforce.



Illinois allocated state dollars to continue funding compensation and its early childhood apprenticeship program and prepared for the launch of the state's new Department of Early Childhood.



Tarrant County, Texas, conducted a regional survey of child care providers across the Dallas–Fort Worth area, secured the inclusion of child care in Texas Education Savings Account legislation, and built strong bipartisan support for a Child Care Innovation Pilot.



Washington, D.C., sustained support for the ECE Pay Equity Fund in the FY26 budget and completed technology modifications to fully implement the Pay Equity Fund formula for award distribution.

At a Glance: CoP Teams' Impact

- Colorado anticipates that through its Care Worker Tax Credit, early educators and family, friend, and neighbor caregivers could get as much as **\$18 million back**.
- Illinois expanded its Early Childhood Apprenticeship Program from four to nine sites and now works with 60 apprentices.
- Average wages in Louisiana have increased to **\$13.59/hour**, reflecting continued progress toward a living wage.*
- Minnesota channeled approximately \$143 million to educators across the state through its Great Start and REETAIN programs.
- In Texas, programs participating in the Prime Early Learning Pilot have seen **97 percent** educator retention and increased wages to **\$18/hour**.*
- Washington, D.C., maintained **\$70 million** for the Pay Equity Fund in the FY26 budget.

**Information was provided by CoP team.*

What challenges are teams facing in 2026?

State budget shortfalls: Many states are facing fiscal constraints and uncertainty, particularly as they try to understand how H.R. 1 will impact state budgets. Teams shared concerns about translating support for the early childhood workforce into new or continued funding as legislators balance multiple priorities. There are also concerns about there being less “appetite” or political will for big projects and funding increases in the current climate. **Teams are responding by:**

- **Being reactive to changes in budget and maintaining transparency and clear communication with educators.**
 - The **District of Columbia** passed emergency legislation decreasing Pay Equity Fund minimum salaries in response to budget shortfalls. The Office of the State Superintendent of Education had to respond quickly with program modifications and continue to communicate with child care programs and educators to maintain trust.
- **Allocating state funds to continue programs started with federal relief funds.**
 - In **Illinois**, Governor J.B. Pritzker proposed and the legislature ultimately approved a \$90 million increase for the Smart Start Workforce Grants to replace expiring federal funds.
- **Conducting local and smaller scale pilots to create proof points with limited resources.**
 - Through the Prime Early Learning Pilot, Child Care Associates (CCA) offsets a portion of fixed costs for select child care providers, allowing them to boost teacher pay and expand access to high-quality care for children in high-need areas in **Tarrant County, Texas**. CCA is now working to expand the pilot statewide by proposing the Child Care Innovation Pilot legislation, which received support from more than 40 bipartisan organizations.
 - **Louisiana** is supporting local demonstration projects across the state that are exploring ways to raise compensation and increase access to benefits for early educators. A project administered by For Providers By Providers offers peer-to-peer business coaching for ECE providers: more than 80% of participants increased revenues and enrollment by strengthening budgeting, improving operations, and making more-strategic business decisions, and 45% raised wages or added benefits.





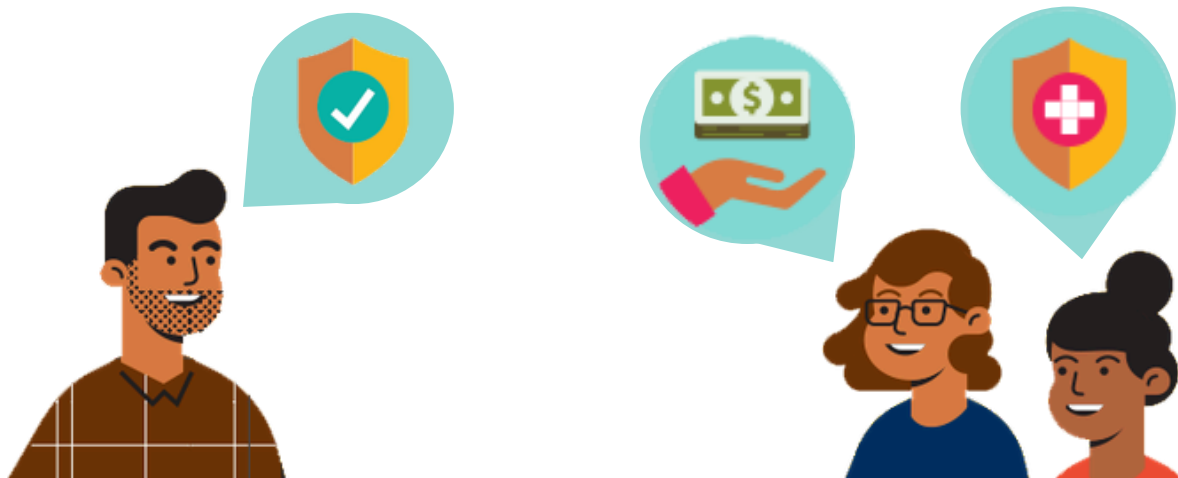
Challenging Federal Landscape

At the start of 2026, several of the state teams were impacted by freezes to Child Care and Development Fund (CCDF) dollars. As one team shared, these changes have put advocates and state agencies on the defensive, making it harder to think innovatively. The uncertainty and narratives about fraud have also impacted morale for educators and families.

Teams are responding by sharing clear, concise information to combat narratives about fraud. Fact sheets from Minnesota, which has faced intense scrutiny on this topic, and Colorado, which was impacted by the CCDF freeze, provide clear information about the essential work state agencies do to get this funding into the hands of the families and educators who need it.

Looking Forward: 2026 Goals

- Several teams are continuing to focus on increasing access to benefits in 2026. Strategies include developing new pilot programs and refining proposals to increase access to health benefits. The CoP is exploring ways to support these efforts, which could include working with experts on retirement and health insurance access beyond the ECE field.
- Teams are also realistic about the need to defend wins in a tough political and fiscal climate. The CoP will support these efforts by creating space for teams to learn from other states and experts about creative financing and revenue generation, as well as sharing strategies for messaging about the importance of compensation and building public will for investments in the ECE workforce.



In Case You Missed It: Resources From the CoP in 2025

- **Progress Through Persistence and Partnership: Minnesota's Collaborative Effort to Advance Early Educator Compensation**
 - This case study explores how Minnesota has successfully sustained its workforce initiatives through cross-agency partnerships and persistent advocacy. This progress offers a powerful roadmap for maintaining momentum in a shifting fiscal landscape even after the sunset of federal pandemic relief funds.
- **Webinar: How States are Improving Compensation for the ECE Workforce**
 - In the absence of federal action, states and communities are leading efforts to strengthen the child care system by increasing early educator compensation. This webinar featured states that are implementing innovative approaches to prioritize workforce stability through compensation reform. The panel reflected on findings from new compensation resources and shared what compensation efforts can look like in different geographic and political contexts.
- **Salary Scales: An Important Tool for Advancing ECE Compensation**
 - As states continue to explore methods for supporting the workforce, salary scales can serve as a tool for advancing early educator compensation and addressing systemic workforce issues within ECE. This blog post shows how states can use salary scales to support or plan for implementation of wage increases and move towards competitive wages and stable increases for early educators.
- **Covering Caregivers: What D.C.'s HealthCare4ChildCare Can Teach States**
 - In 2023, the District of Columbia launched the HealthCare4ChildCare program to tackle the high rates of uninsurance among early educators and further strengthen workforce stability. This blog post describes this innovative approach and poses questions for states interested in implementing a similar strategy.

To access these resources and more, visit the CoP landing page [here](#).