July 2026

# Compensation Capacity-Building Community of Practice

## WHAT'S INSIDE



# Overview

The Early Educator Investment Collaborative (The Collaborative) 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.

The May 2026 convening explored the role working conditions, alongside compensation, can play in retaining a strong ECE workforce. Teams learned more about tools to measure and address working conditions and shared their thoughts on about these topics. The group also discussed how the design and implementation of compensation programs can positively and negatively impact working conditions.

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

CSCCE
Center for the Study of Child Care Employment

# Why Working Conditions Matter

At the CoP convening in May, teams explored elements besides compensation that can drive early educators to stay in or leave the field of ECE.

Teams were asked to share the most common reasons they heard, and several key themes emerged:

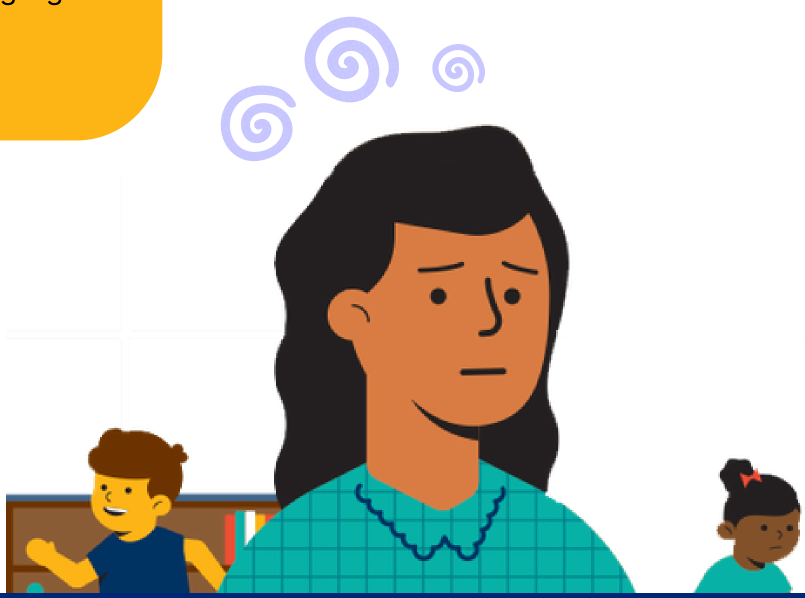
**Undervaluing of the ECE Workforce**
"Not treated as professionals"
"Overwork and/or underappreciation (internal and external"

**Burnout**
"Wearing too many hats"

**Workplace Environment or Climate**
"Staffing issues, no breaks"
"Dysfunctional work environments"

**Limited Career Growth and Development**
"Lack of autonomy"
"Lack of career advancement opportunities"

**Lack of Support or Training**
"Lack of support for doing very challenging work"
"Lack of resources and training around behavioral supports"



# Measuring and Addressing Working Conditions

By collecting data on early educators' working conditions and empowering educators to identify what they need from their workplace, policymakers and advocates can help support the workforce. CSCCE uses two complementary tools to help states, communities, and programs understand and address ECE working conditions:

- **Supportive Environmental Quality Underlying Adult Learning** (SEQUAL) is a survey tool that examines early educators' perspectives on their own work environments. It asks center-based educators about teaching supports, their learning community, job crafting supports, their well-being, and program leadership. A version of SEQUAL for family child care providers also asks about teaching supports, the learning community, adult well-being, business practice supports, and program management. SEQUAL data can be used to help improve program operations in any setting.

- Born from the Worthy Wage campaign in the 1990s, the **Model Work Standards** were informed by hundreds of ECE professionals and are built on the premise that good child care jobs are the cornerstone of high-quality services for children and families. While quality rating and improvement systems and other state or national standards identify the type of environments and activities that promote children's learning and development, engage families, and enhance daily program operation, model work standards complete the picture by defining the necessary components of the adult work environment. Through a self-assessment process, the Model Work Standards can help child care programs in centers and homes develop improvement plans that assure quality careers for adults and quality care for children.

## Spotlight: Illinois Model Work Standards Pilot

Illinois is piloting the use of the Model Work Standards (MWS) to guide program improvement in four programs with support from Shift Work Forward.

### How does it work?

Programs will complete a self-assessment based on the MWS. Then, teachers and leaders will identify priorities together around decision making, staffing patterns, and team culture to collaboratively create a site-specific job-quality improvement plan with support from a coach. Each program will receive about $5,000 in flexible program funds plus stipends to compensate participating teachers for their time.

### How does it connect to compensation?

In this pilot, the MWS are being used to fix the system, not the teachers, by surfacing systemic issues in decision making, leadership, and staffing. The MWS will guide concrete program-level changes in work environments that complement the state's existing compensation initiatives.

# State Approaches to Measuring Working Conditions

- **Colorado** and **Minnesota** are using workforce studies and surveys to learn more about educator compensation and working conditions in their states.
  - Colorado conducts an annual survey of wages and benefits using their workforce registry. Findings have shown that early educators leave jobs despite pay raises due to issues with job satisfaction (burnout, interpersonal conflicts, etc.). Colorado is also interested in implementing an exit survey for teachers to learn more about why they are leaving positions.

- **Louisiana** and **Texas** have partnered with experts at nonprofits and universities to gain insights on workforce conditions.
  - Louisiana is conducting a post-pandemic research study with the University of Virginia, Arlington, as well as additional studies on retention to highlight the early educator turnover crisis. The findings from these studies point to high rates of clinical depression among early educators and to teachers not being able to use paid sick leave because it would put them out of ratio regulations.

# State Approaches to Addressing Working Conditions

- In **Colorado**, the Rocky Mountain Prevention Research Center created the FREE Program for home-based providers and the WELL Program for early educators in Head Start programs. Both initiatives are exploring how to set up better working conditions within their respective environments, focusing on simple things like setting up standard break rooms or adult decompression spaces.

- **Washington, D.C.**, has focused on program sustainability, recognizing that providers often struggle with long-term financial planning because they rely on year-to-year budgeting. By helping providers forecast future program viability, the District of Columbia hopes to make it easier for providers and program owners to maintain increased compensation and improve working conditions in early care and education.

- **Minnesota** is exploring how to offer more robust supports for ECE program leaders to work with state leaders on improving working conditions.

- **Tarrant County, Texas**, is thinking through ways to recognize early educators just as other essential occupations like first responders and military personnel are recognized, for example, by offering early educators local discounts.

# Working Conditions and ECE Activism

**Did you know?** The Model Work Standards were created in the 1990s by hundreds of early educators organizing for better working conditions.

Learn more about this movement on the **Early Childhood History, Organizing, Ethos, and Strategy (ECHOES)** website, which documents early childhood history, educator activism, and how these efforts persist today. ECHOES is for anyone interested in creating a more equitable and sustainable ECE system, and the site is constantly evolving to reflect political and social changes and movements.

In May 2026, states and communities in the CoP and across the country recognized the importance of early educator activism and celebrated Worthy Wage Day (May 1) and Day Without Child Care (May 11).

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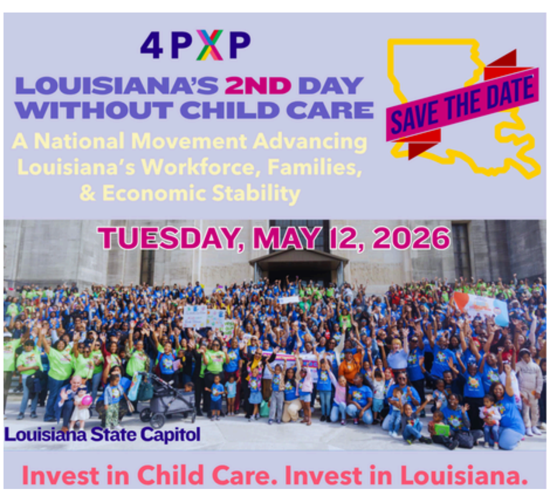
**Rally to Save Child Care in Washington, D.C.**: Advocates, early educators, and families rallied to sustain the Early Childhood Educator Pay Equity Fund after Mayor Muriel Bowser failed to include it in her FY2027 budget. In June, the D.C. Council proposed and passed a budget that maintains funding for the Pay Equity Fund and includes an additional $39 million to preserve the child care subsidy program, which had announced a waitlist.


**Day Without Child Care in Louisiana**: Hundreds of community members, educators, and parents gathered at the State Capitol to demand access to more affordable child care options and increased ECE funding.

# Supplementing Wages Through Tax Credits in Colorado

Beginning with the 2025 tax year, early educators in Colorado can receive a refundable $1,200 state income tax credit in recognition of their essential role providing care and education for the state's youngest learners. Notably, both formal early educators and family, friend, and neighbor (FFN) caregivers are eligible for the credit as long as they have provided at least 720 hours of care. Child care workers must complete a Care Worker Tax Credit Attestation in the **Colorado Shines Professional Development Information System (PDIS)** to be eligible. Care workers must earn less than $75,000 (single filers) or $100,000 (joint filers) and register with the Colorado Shines PDIS.

Starting in 2022 and through 2025, early educators in licensed settings could also receive the Early Childhood Educator Tax Credit. Educators who held an Early Childhood Professional Credential (ECPC), worked more than six months in a licensed child care center or family child care home, and had an adjusted gross income of $75,000 or less (single) or $150,000 or less (joint) were eligible. The credit varied based on ECPC level, meaning educators were rewarded for their education and experience. For the 2025 tax year, the credits overlapped, and early educators could receive nearly $3,000 in tax credits.

### ECE Tax Credit Levels

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| **ECPC Level 1** | **$872** |
| **ECPC Level 2** | **$1,162** |
| **ECPC Levels 3,4,5 or 6** | **$1,743** |

"Early child care and direct care workers are the heart of Colorado's communities, nurturing children and supporting families every day. Colorado Department of Early Childhood is proud to support the Care Worker Tax Credit and to help provide financial stability for these essential professionals. Licensed child care workers and FFN caregivers alike play a vital role in helping Colorado's youngest learners grow, thrive, and reach their full potential."

***– Dr. Lisa Roy, Executive Director, Colorado Department of Early Childhood***