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Progress Through Persistence and Partnership

Minnesota's Collaborative Effort to Advance
Early Educator Compensation

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Introduction

Background

Minnesota has emerged as a national example of how sustained state investment in early educator compensation can create long-term workforce stability—especially now that federal pandemic relief has ended and no sustained federal funding exists. The state has moved beyond temporary pandemic-era measures to adopt initiatives that treat fair compensation as a foundational element of its early care and education (ECE) system. Central to this approach is the [Great Start Compensation Support Payment Program](#), which provides monthly payments to programs that can be used for bonuses, wage increases, or benefits (Minnesota Department of Children, Youth, and Families, n.d.b). These efforts reflect years of advocacy, interagency collaboration, and equity-focused leadership, offering a roadmap for other states seeking to translate short-term relief into lasting improvements.

A long-term commitment to such investment is key in light of the challenges confronting the ECE workforce. Early educators are skilled, committed professionals who play a vital role in children's cognitive, social, and emotional development during their most formative years. Yet, despite the importance of their work, the ECE workforce continues to endure persistent low wages, limited access to benefits, and poor working conditions that undermine both individual well-being and workforce stability. Nationally, 97 percent of other occupations pay more than early educator roles, which have a median wage of just \$13.07 per hour, and nearly one half of early educators live below the poverty line (McLean et al., 2024). These financial hardships are tied to systemic underinvestment and a historical devaluation of caregiving work, especially when performed by women and people of color (Whitebook et al., 2024).

Federal pandemic relief—such as the Coronavirus Aid, Relief, and Economic Security ([CARES](#)) Act in 2020, the Coronavirus Response and Relief Supplemental Appropriations ([CRRSA](#)) Act in 2021, and the American Rescue Plan Act ([ARPA](#)) in 2021—provided critical short-term stabilization, preventing widespread program closures, and offering temporary pay increases (McLean et al., 2024). However, as these funds expired in late 2024, states faced the pressing challenge of sustaining compensation improvements without ongoing federal support (McLean et al., 2024).

Minnesota's long-term strategy illustrates how a state can move beyond temporary fixes to implement enduring, equitable compensation reforms. Through coordinated policy development, targeted funding mechanisms, and a commitment to equity, Minnesota demonstrates that

investments in early educator compensation are not just temporary supports, but essential to building a stable, skilled, and resilient ECE workforce. As the field confronts a new chapter without federal stabilization funds, Minnesota's approach provides valuable insights into what can be possible when livable and equitable compensation is treated as foundational, not optional.

About This Case Study

Minnesota has made headlines for its evolving approach to improving early educator compensation, particularly in the wake of the COVID-19 pandemic. Initially, the state utilized federal COVID-relief dollars—such as funding from the CARES Act, CRRSA Act, and the ARPA [Child Care Stabilization Grants](#)—to support temporary wage increases and stabilize child care programs during the height of the crisis (Office of Child Care, 2022). These efforts were part of a broader national push to provide immediate relief to early educators who had faced extreme financial uncertainty.

However, as federal funding began to wind down, Minnesota made a strategic pivot, shifting toward more sustainable, long-term solutions. The state has committed to funding ongoing initiatives to support early educator compensation through state dollars, ensuring that wage improvements are not reliant on short-term federal support. This transition from temporary relief to state-funded stability highlights Minnesota's dedication to creating more equitable and sustainable policies for the workforce and offers a model for other states looking to secure lasting improvements in educator compensation and support.

Methodology

This case study explores Minnesota's ongoing efforts to improve compensation for the ECE workforce, drawing on both background research and interviews with key stakeholders. We spoke with policy experts and advocacy groups in Minnesota to better understand the political and fiscal landscape surrounding ECE compensation, gathering their perspectives on the strategies being employed to ensure long-term sustainability. We also engaged with early educators to hear firsthand about their experiences with the recent compensation efforts and the challenges they face in their work. Between June and September 2025, the CSCCE research team conducted interviews with five individuals from key groups in the state, including the Department of Children, Youth, and Families (DCYF) and advocacy organizations involved in compensation policy efforts. We also spoke with six early educators working in a mix of center- and home-based settings.

These interviews were designed to foster a deeper understanding of how compensation efforts are being experienced by educators and shaped by policy leaders. While not representative of the entire workforce, the conversations help illustrate the real-world impacts of Minnesota's compensation initiatives. In addition to the interviews, we reviewed publicly available state documents, legislative summaries, and national research to provide context and track how Minnesota's strategies have developed over time. Given the evolving nature of Minnesota's initiatives and the relatively recent transition to state-funded solutions, this case study does not aim to evaluate the impact of these efforts, but instead seeks to offer valuable lessons on implementation for other states working to advance ECE compensation.

Why Minnesota?

Minnesota exemplifies what sustained state leadership on compensation can look like in the absence of federal support. While many states used federal pandemic relief funds to provide temporary wage increases, Minnesota has sustained those gains through the Great Start Compensation Support Payment Program. The state's approach recognizes that fair, stable compensation is foundational to a high-quality early learning system. By embedding compensation in its long-term system planning, Minnesota offers lessons for how other states can transform temporary relief into enduring policy solutions (Office of Governor Tim Walz & Lt. Governor Peggy Flanagan, 2024).

Overview of Findings

Minnesota's experience shows how temporary relief can be leveraged to support long-term reform. The state has moved from modest pre-pandemic efforts to a robust, publicly funded compensation infrastructure, grounded in equity and sustainability.

Key contributors to progress include:

- **Strategic use of federal and state funding:** Minnesota maximized pandemic-era relief to stabilize the workforce while simultaneously laying the groundwork for permanent state investments.
- **Continued policy integration and statewide scaling:** Initiatives such as Teacher Education And Compensation Helps ([TEACH](#)) Early Childhood® Scholarships, Retaining Early Educators Through Attaining Incentives Now ([REETAIN](#)), and [Empower to Educate](#) were expanded or codified to support recruitment, retention, and advancement across diverse workforce settings (Minnesota Department of Children, Youth, and Families, n.d.a, n.d.e, n.d.f).

- **Equity and inclusion built into program design:** Diverse advisory structures, culturally responsive supports, and funding flexibility were embedded into multiple initiatives, especially those supporting rural educators and educators of color.

Key challenges that remain:

- **Initiative sustainability:** Despite recent gains, long-term funding for compensation initiatives is not yet guaranteed. Some initiatives face potential reductions as initial multi-year appropriations come to an end.
- **Limited outreach and access to information:** Awareness of key initiatives among educators and full utilization of available supports remain limited.
- **Persistent wage gaps:** The median hourly wage for early educators in Minnesota was \$13.66 in 2022 (equivalent to about \$28,000 annually for full-time work), while the average salary for public school teachers in 2022-23 was \$77,005, illustrating a substantial pay gap between early educators and their K-12 counterparts (McLean et al., 2024; National Education Association, 2025). Although this data is older, the amounts provided by Great Start are still well below what is needed to erase this wage gap.

Together, these contributors to progress and ongoing challenges demonstrate that while no single initiative can resolve the sector's structural underfunding, sustained progress depends on pairing strong policy design and equity-centered investments, with attention to implementation, communication, and long-term funding stability.

Minnesota's Approach

Pre-Pandemic Compensation

Before the COVID-19 pandemic, Minnesota had taken initial steps to support the ECE workforce. Programs such as TEACH (launched in 2002) and REETAIN (launched in 2003) were established to support educator retention and professional development. TEACH provides scholarships and mentoring to help educators pursue college credits while remaining in the field, and REETAIN offers annual bonuses tied to education, experience, and program commitment.

However, in the pre-pandemic period, these initiatives reached only a small portion of the workforce. In the 2019-20 fiscal year, TEACH served just 232 early childhood professionals in the state (Young, 2020). The average hourly wage of the workforce participating in the program at that time was about \$15.86, which was well below the national median hourly wage for all occupations of \$19.33 and far below the average hourly wage for all workers, \$28.37 (T.E.A.C.H. Early Childhood® National Center & Child Care Services Association, 2021; Gould, 2020).

For REETAIN, the average bonus was approximately \$2,270, and more than one half of eligible applicants were turned away due to insufficient funding (Child Care Aware of Minnesota, n.d.). Yet the number of participants was low relative to the estimated tens of thousands of early educators in Minnesota, and average compensation remained far below national wage benchmarks.

These initiatives, although meaningful, were not positioned to create broad or sustained improvements in compensation or staffing patterns before the pandemic nor to ensure a livable wage for the majority of the workforce. Interviewees described this period as a time when “a little bit of work” was underway, but support systems were minimal and lacked visibility.

Building the Groundwork for Future Reform

Nonetheless, Minnesota began building the groundwork for future reform long before the pandemic. In 2011, Minnesota was awarded a [Race to the Top Early Learning Challenge \(RTT-ELC\)](#) grant, one of nine states funded in Phase 1 by the U.S. Department of Education and the Department of Health and Human Services (Office of Early Childhood Development, 2019). The RTT-ELC grant emphasized supporting the ECE workforce by strengthening professional development systems, creating clearer career pathways, and developing strategies for compensation and workforce advancement. The grant also catalyzed interagency collaboration between the Department of Education and the Department of Human Services.

Soon after, the 2015 [Early Childhood Workforce Knowledge and Competency Framework](#) defined educator competencies, aligned professional development across early learning settings, and identified compensation and advancement as integral to quality improvement (Transforming Minnesota's Early Childhood Workforce, n.d.c).

This initiative funded enhancements to the state's [Early Childhood Longitudinal Data System \(ECLDS\)](#), allowing Minnesota to track families' participation across various ECE settings (Minnesota Early Childhood Longitudinal Data System, n.d.). Currently efforts are being made to track workforce data through ECLDS, including early educator education, credentials, and employment patterns, laying the foundation for more data-driven workforce policy.

Career Pathways to Prioritize Racial and Gender Equity

Building on this foundation, in 2016 Minnesota launched the [Transforming Minnesota's Early Childhood Workforce](#) (TMECW) initiative through the B8 State Pathways to Implementation Project, a National Academy of Medicine (NAM) initiative inspired by its 2015 report, [Transforming the Workforce for Children Birth Through Age 8: A Unifying Foundation](#) (Transforming Minnesota's Early Childhood Workforce, n.d.b; Institute of Medicine & National Research Council, 2015). This initiative encouraged states to implement the report's recommendations to strengthen and professionalize the ECE workforce. In Minnesota, this effort convened a cross-sector partnership of government agencies, higher education institutions, advocacy groups, and community organizations to coordinate state-level strategies addressing workforce quality, equity, and compensation.

Through the B8 initiative, the Transforming Minnesota's Early Childhood Workforce team undertook several coordinated efforts: collecting and integrating workforce data; advancing discussions around state-level wage scale development; and building career pathways that aligned educator roles, competencies, and compensation. Importantly, the initiative prioritized racial and gender equity. Leadership used a Racial Justice Equity Assessment tool to evaluate proposed policies and detect whether they might perpetuate or worsen racial disparities in wages, access, or professional advancement. This focus reflected the fact that Black, Indigenous, and People of Color (BIPOC) workers comprise 23 percent of the ECE workforce, compared to 15 percent across all industries in the state. The workforce is overwhelmingly composed of women with women of color, who are disproportionately concentrated in lower-paid positions (Casale et al., 2020). Transforming Minnesota's Early Childhood Workforce framed compensation as an equity issue and committed to expanding decision-making tables to include Indigenous educators and educators of color.

The Transforming Minnesota's Early Childhood Workforce's work on wage scale development was designed to address these inequities by linking pay progression, credentials, and professional growth, recognizing that educators of color are often concentrated in lower credential levels and lower pay tiers. For example, the proposed wage scale developed through the Compensation Committee included tiered levels tied to credentials and experience. It aimed

to advance pay equity by ensuring that educators with comparable qualifications and responsibilities are paid consistently, regardless of program type or racial/ethnic makeup of the workforce. In practice, this meant establishing clear minimum pay thresholds for each tier and reducing the wide wage variation that disproportionately affects educators of color. On the professional development side, Transforming Minnesota's Early Childhood Workforce emphasized career pathways that are accessible and affordable for educators of color and Indigenous educators, addressing systemic barriers such as cost, transportation, and access to higher education that disproportionately affect these early educators.

These collaborations helped align workforce policies across sectors and strengthened the infrastructure needed to support more comprehensive compensation strategies in later years. While these early efforts did not yet translate into major statewide funding or large-scale wage increases, they played a pivotal role in shaping Minnesota's long-term approach to early educator compensation. Together, these initiatives built the advocacy infrastructure, data systems, and shared understanding necessary to make compensation a visible policy priority in the years leading up to and following the pandemic.

Minnesota's COVID-19 Response

During the pandemic, Minnesota responded with urgency and foresight to stabilize the ECE field and support early educators and providers. Recognizing that early educators were essential workers and that program closures would ripple across communities and the broader economy, the state launched a series of emergency initiatives that not only provided immediate financial relief, but also laid groundwork for future workforce investments.

Peacetime Emergency Child Care Grant Program

Minnesota launched the [Peacetime Emergency Child Care Grant \(PECC\)](#) program in March 2020 (Warner-Richter et al., 2021). That same month, the Minnesota legislature approved a \$30 million supplemental budget. The program was administered through the Minnesota Department of Human Services (DHS) in partnership with Child Care Aware of Minnesota and the state's Children's Cabinet. The first round of funding totaled more than \$41 million, combining state general funds and federal funds from the CARES Act. Eligibility was open to programs serving essential worker families: licensed child care centers, licensed family child care providers, and tribally licensed programs. The award process used a data-driven scoring rubric, prioritizing providers located in counties with high proportions of essential worker families, programs near hospitals and other critical facilities, historical child care shortage areas, and programs serving children with special needs or whose first language was not English (Minnesota Department of Human Services, 2021). Providers used their grants for a variety of operational costs: for example, 79 percent used funds for wages and 64 percent for cleaning and sanitizing supplies (Warner et al., 2021). While the PECC grants did not mandate that a specific share go to

educator compensation, the rapid deployment helped establish the infrastructure and trust needed to pivot toward workforce pay in later efforts.

COVID-19 Public Health Support Funds for Child Care

As the pandemic evolved, Minnesota followed the PECC grants with the [COVID-19 Public Health Support Funds for Child Care](#) program (Minnesota Department of Human Services, 2021). From July 2020 to May 2021, nearly \$200 million was awarded in direct payments to child care providers. Funding sources included the federal CARES and CRRSA Acts. The program was noncompetitive. Applications were open to eligible licensed providers, including tribally licensed programs and certified, license-exempt care. Payment amounts in the early months were standardized. Licensed child care centers received up to \$8,500/month, licensed family child care providers up to \$1,200/month, and certified centers up to \$3,000 per month (H.F.5 - 7th Spec. Sess, 2020). Funding was structured to help providers absorb added costs from pandemic-related public health requirements (e.g., reduced class sizes, cleaning/sanitizing, personal protective equipment, reduced enrollment) and to support them in maintaining operations when revenue dropped.

Child Care Stabilization Grant Program

In 2021, as pandemic recovery funds from ARPA became available, Minnesota launched the [Child Care Stabilization Grant](#) program (Minnesota Department of Management and Budget, n.d.a). The Minnesota legislature allocated about \$304 million in ARPA funds for this program, of which more than \$299 million was available for provider grants. The program was structured to require at least 70 percent of each base grant to go toward increased compensation, benefits, or premium pay for staff working directly with children. Monthly base grants were calculated using a formula: providers multiplied a starting grant rate by the number of full-time equivalent (FTE) staff regularly caring for children. Programs serving families with low incomes received a 10 percent bonus. By June 2022, more than 7,500 providers had participated, and the average monthly grant amount was about \$1,657 (Minnesota Department of Human Services, 2022). The vast majority (96 percent) of providers said the grants were helpful in keeping their program open and operating. One state administrator commented, "I just think the availability of that COVID relief funding opened that door of opportunity for us." Providers who received stabilization base grants had lower closure rates than non-recipients, and the grants were associated with an increase of approximately 5.5 percent in cumulative monthly compensation per staff hour worked (Minnesota Department of Management and Budget, n.d.a).

Investing in Longer-Term Infrastructure

While responding to the immediate crisis, Minnesota also seized the moment to invest in longer-term infrastructure. In March 2021, the [Minnesota Department of Employment and Economic Development \(DEED\)](#) analyzed the rationale for an early childhood wage scale and proposed the [Minnesota Early Care and Education Wage Scale](#) on behalf of the Transforming Minnesota's Early Childhood Workforce team (Minnesota Department of Employment and Economic Development, n.d.; Casale & Noel, 2021). The scale set structured pay-range targets

linked to educator roles, credentials, and experience. For example, the scale outlined a starting wage of about \$18.20/hour for entry-level assistant teachers (ECE I), \$22.75 for ECE II, and \$28.44 for ECE III. The methodology linked ECE I to Minnesota's cost-of-living "family living wage" (\$18.20) and then used 1.25x multipliers for each higher level (Casale & Noel, 2021). The wage scale emerged from years of advocacy by provider associations and workforce coalitions highlighting that early educator wages lagged behind those for K-12 educators and that inconsistency in pay undermined retention and equity. Although the wage scale itself did not tie directly to a specific funding stream in the first phase, it became an important tool for discussing cost modeling and funding formulas, as well as state-level workforce planning.

During the pandemic, Minnesota also expanded or sustained longstanding initiatives to strengthen the educator pipeline, credentials, and compensation trajectories. [Empower to Educate](#) (launched in 2022) aimed to recruit and retain early educators, particularly from under-represented communities, via flexible stipends (up to \$900) for needs such as groceries, gas, or technology, plus advising and access to coursework (Minnesota Department of Children, Youth, and Families, n.d.a). The [Workforce Development Scholarships](#) (launched in 2018, expanded in 2021) provided up to \$2,500 per year to students enrolled in early childhood education programs at state colleges and universities, targeted to low-income individuals and those already working in child care settings (Minnesota State Community and Technical College, n.d.). While these scholarships primarily serve as education supports, they also help strengthen the link between credentials and compensation by enabling more educators to obtain the qualifications associated with higher wages. Existing initiatives like TEACH and REETAIN were also elevated during the pandemic as retention tools and included in the overall workforce stabilization strategy. Pandemic federal relief funding allowed the programs to expand and serve more educators. For example, for several years during the pandemic, REETAIN was able to provide bonuses to all applicants.

In December 2021, Minnesota convened the [Great Start for All Minnesota Children Task Force](#), charged with developing a roadmap for a more equitable, sustainable ECE system (Minnesota Department of Management and Budget, n.d.b). The initiative's [final report](#) called on state leaders to commit to long-term investment in the workforce, particularly in historically underserved communities (Minnesota Department of Management and Budget, 2023). Recommendations from the Task Force led to the October 2023 launch of the [Great Start Compensation Support Payment](#) Program, a state-funded, noncompetitive initiative (signed into law in May 2023) that issues monthly payments to ECE programs to fund compensation and benefits for educators (Minnesota Department of Children, Youth, and Families, n.d.b). Also in 2023, the Minnesota legislature passed and Governor Tim Walz signed legislation to establish the [Department of Children, Youth, and Families](#) (DCYF). On July 1, 2024, DCYF was launched. The new department [houses many programs](#) serving children, youth, and families, consolidating what had been dispersed across four agencies in order to streamline program access, funding, and administration (Minnesota Department of Children, Youth, and Families, n.d.g).

Together, these reforms show how Minnesota used the immediate crisis of the pandemic as a catalyst for systemic change: from rapid emergency relief through targeted stabilization tied to workforce compensation to laying the groundwork for a more equitable, sustainable ECE system with transparent wage frameworks and dedicated compensation supports.

Post-Pandemic Response: Transitioning From Emergency Relief to Long-Term Reform

As federal pandemic relief funds began to wind down in late 2023 and officially sunsetted in September 2024, Minnesota faced a critical transition: whether to let new initiatives lapse or continue building a more durable infrastructure. Encouragingly, the state has sustained and expanded several key initiatives—though not without challenges.

Sustained and expanded efforts:

- The Great Start Compensation Support Payment Program, codified into law in May 2023 and launched that October, provides up to \$375 per full-time equivalent (FTE) position every month. Payment amounts are calculated based on the total number of provider and staff FTEs, with each individual counting for up to two FTEs. Providers who are located in [child care access equity areas](#) or who serve children through subsidies or early learning scholarships receive a 10 percent increase to their payment (JUSTIA, 2014). Unlike pandemic-only grant models, these payments were embedded in statute and included multiyear appropriations ([\\$316.1 million for FY 24-25 and \\$259.7 million for FY 26-27](#); The Family Partnership, n.d.). While center-based providers must use the funds for increased compensation, benefits, premium pay, or other employer costs tied to workforce retention, home-based providers have more flexibility because their business model is different. The administering agency, DCYF, began transitioning applications into a virtual portal called the [Provider Hub](#) (Minnesota Department of Human Services, 2024). DCYF is currently developing a process for requiring greater enrollment and attendance data for payments.
- Initially developed during the pandemic to address recruitment and retention challenges, Empower to Educate was scaled statewide and embedded in statute. The initiative continues to offer flexible stipends, career advising, and support for educators from underresourced communities (e.g., BIPOC, home-based providers).
- TEACH and REETAIN initiatives received continued investment, enabling support for educators pursuing higher education or remaining in the field long term. Legislation clarified and expanded eligibility and reduced recipient match requirements for those in

family child care settings to help cement longer-term infrastructure for continuing education, career ladders, and workforce retention. These programs also now integrate with newer initiatives like the TEACH Apprenticeship Program, launched in 2023, which combines on-the-job training with scholarships and mentorship.

- In June 2024, Minnesota invested more than \$2.3 million in [Grow Your Own Early Childhood and Family Educator Grants](#) to expand educator pipelines into the profession (Minnesota Department of Children, Youth, and Families, n.d.c). Grantees are to use the funding to provide scholarships and stipends to eligible students.
- In summer 2024, the [Early Care and Education Workforce Pay Equity Pilot](#) was conducted in four selected communities: Cook County, the Itasca Area Schools Collaborative region, Rochester, and Willmar (Hudson et al., 2024). The pilot tested a wage-scale model that aligned compensation for the ECE workforce with the wages of K-12 teachers with comparable credentials and experience. Individuals working at least 15 hours per week in direct ECE roles at licensed or certified programs in those ZIP Codes were eligible. The payments in the pilot were made directly to individual staff rather than through programs as a supplement (i.e., participants received the difference between their current hourly rate and the higher target wage). Payments were capped at a 40-hour work week. Participants reported improved financial stability, fewer financial stressors, and greater job satisfaction (Hudson & Mauzy, 2024).
- DCYF launched consolidated programs that were previously spread across agencies. The single cabinet-level home reduces fragmentation and enables more unified compensation policy, including the release of the January 2025 [statewide wage scale](#), a refinement of the 2021 model that provided regional variation and parity with K-12 educators (Minnesota Department of Children, Youth, and Families, 2025a).
- With the goal of expanding and stabilizing the ECE workforce, Minnesota launched a new round of [Child Care Economic Development Grants \(CCEDG\)](#), totaling \$6.1 million across 25 organizations, in February 2025 (Office of Governor Tim Walz & Lt. Governor Peggy Flanagan, 2025). Administered by DEED through its Office of Child Care Community Partnerships, the grants fund facility improvements, program expansions, and workforce-focused activities such as training, recruitment, and retention support. Most of the funds (about 84 percent) were designated for programs outside the Twin Cities metro area, aiming to address shortages and increase access in underserved areas, with an estimated 1,337 new child care slots expected. While these grants do not directly provide wage increases for educators, they have important implications for workforce compensation: by strengthening program infrastructure and enabling higher enrollment, they create conditions in which programs can sustainably support higher pay and benefits. The CCEDG initiative complements other workforce-focused programs by

addressing structural barriers and helping ensure that Minnesota's ECE system can attract, retain, and fairly compensate high-quality educators, particularly in historically underserved or rural communities.

Ongoing gaps and challenges:

- Approximately one quarter of Minnesota's ECE workforce earns less than \$26,000 annually, a level that remains below self-sufficiency wages in most regions of the state (Casale, 2024). While the Great Start Compensation Payment program has raised baseline earnings, wages still lag behind K-12 teachers and comparable professions.
- Although the Great Start Compensation Support Payment Program is now codified, many supporting initiatives (e.g., scholarships, apprenticeships) still rely on multiyear appropriations rather than long-term guaranteed funding. The 2023 legislative update flagged \$316.1 million for the Great Start Compensation Support Payment Program and \$259.7 million for 2026-27 but indicated that this funding does not represent the full original ambition of the workforce initiatives (Child Care Aware of Minnesota, 2023). Thus, longer-term sustainability and expansion is uncertain.
- Administrative complexity continues to burden smaller providers. Policy experts we spoke with noted that smaller programs (particularly home-based providers) face barriers navigating applications, eligibility requirements, and reporting systems (e.g., Provider Hub migration, enrollment and attendance requirements).
- Information gaps persist. Several of the educators we spoke with were not familiar with some of the initiatives highlighted in this report and were generally only aware of the Great Start Compensation Support Payment Program, suggesting gaps in outreach and visibility.
- Access to health care remains a persistent challenge for Minnesota's early childhood workforce. Medicaid and MinnesotaCare provide coverage for roughly one in four Minnesotans, including various low-income workers, such as early childhood educators (Minnesota Department of Human Services, n.d.). Evidence from interviews with early educators suggests that some are hesitant to increase their salaries due to concerns about losing eligibility for [MinnesotaCare](#), a public health insurance program with low income eligibility thresholds (Minnesota Department of Human Services, 2025).

“There is a provider who won't raise her salary because it will bump her off MinnesotaCare. It's more valuable to stay on MinnesotaCare than to raise her salary.” – ECE Advocate

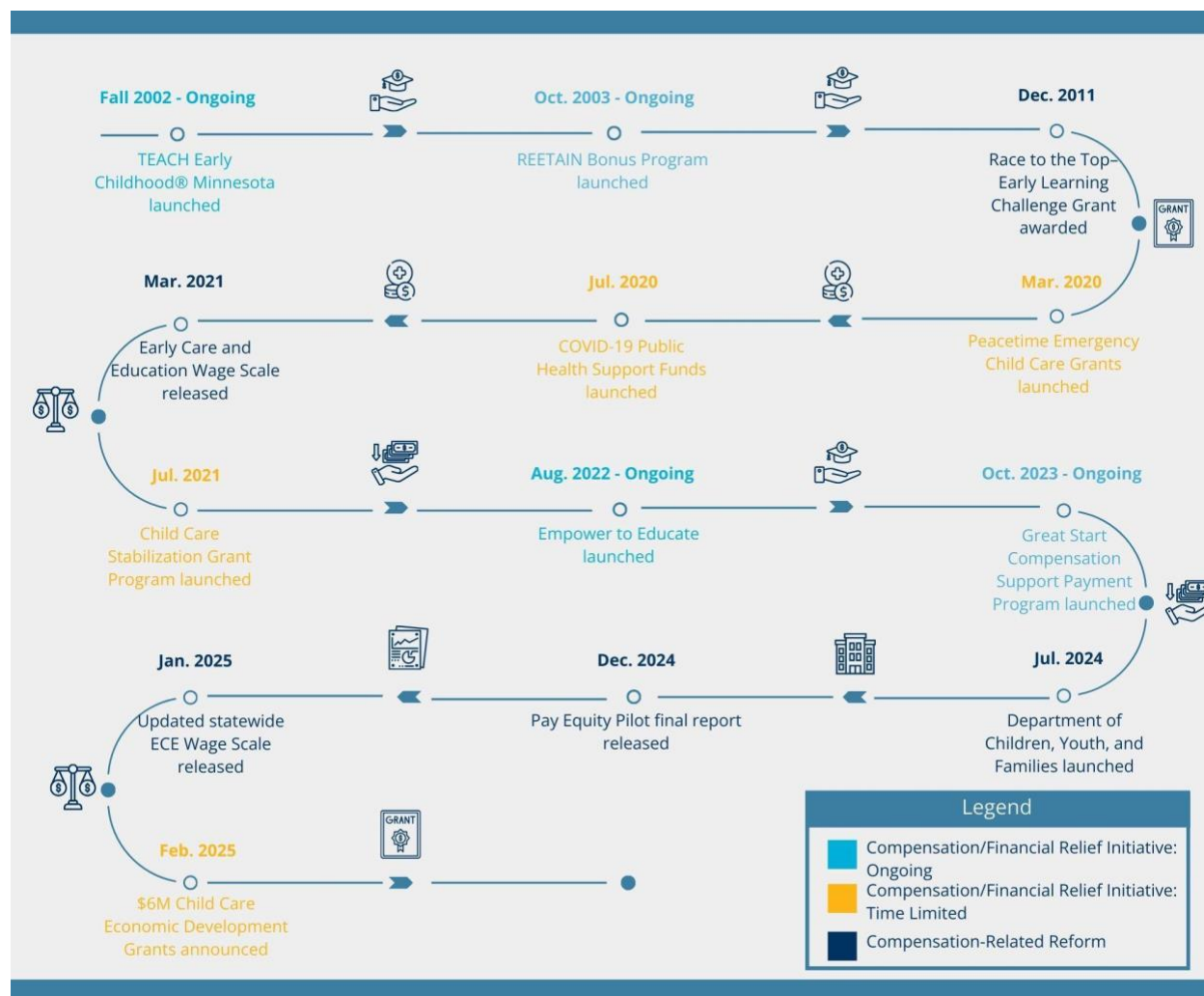
This unintended consequence highlights a broader challenge in designing compensation systems: ensuring that wage increases do not result in the loss of essential benefits.

Despite these challenges, Minnesota's post-pandemic trajectory demonstrates that emergency measures can serve as catalysts for long-term system transformation.

- Educator-led advisory structures are now embedded across agencies, and equity-centered program design has become standard practice.
- Virtual engagement, normalized during the pandemic, has improved participation, especially among family child care providers.
- Stipends for technology or coverage support also help address barriers to participation.
- The creation of DCYF consolidates programs previously spread across multiple agencies, enabling more coherent governance and policy alignment.

While permanent funding, wage parity with K-12, and program outreach to early educators remain challenges, Minnesota has made measurable progress toward sustainable infrastructure. The state demonstrates that with strategic design, advocacy, and political will, temporary emergency measures can be leveraged to create lasting, system-wide improvements that both stabilize and elevate the ECE workforce.

A Brief Timeline of Minnesota's Compensation Efforts



Elements for Minnesota's Success

Minnesota's evolving compensation initiatives have been shaped by a combination of sustained grassroots advocacy, strategic public investment, and an equity-centered policy approach. Through bold experimentation and deep collaboration among state officials, advocacy organizations, and early educators, the state has made progress in stabilizing the ECE workforce and advancing compensation reform. The following elements have been key to Minnesota's progress and may offer guidance for other states seeking to strengthen early educator compensation.

1. Prioritizing Workforce Stability Through Compensation Reform

Minnesota has increasingly sought to address workforce stability and the recruitment and retention of qualified early educators through compensation-focused policy tools. State leaders, providers, and advocates widely recognize that chronically low wages are a primary driver of turnover and program instability. Across interviews, providers and advocates described staffing shortages as the main barrier to sustaining quality and access, with one ECE advocate explaining: "...most of our centers, I would say, even were running at below license capacity because they cannot [find] staff."

To counteract these losses, Minnesota used pandemic-era relief as a testing ground for stabilizing the workforce through direct compensation support to programs. When Child Care Stabilization Grants ended, the state institutionalized these temporary measures by creating the Great Start Compensation Support Payment Program. These payments helped providers retain staff who otherwise might have left the field due to financial strain. In its first year, the initiative issued nearly \$142 million in payments to more than 70 percent of eligible providers (Minnesota Department of Children, Youth, and Families, 2025b). One advocate emphasized the program's significance: "It's very clear [that] if the centers were not getting [these payments], they would not have the staff to even run their centers."

The state's decision to transition emergency relief into an enduring compensation stream marked a pivotal shift from crisis stabilization to system reform, signaling a policy commitment to treating educator compensation as a workforce investment rather than a temporary fix.

At the same time, Minnesota policymakers and advocates have acknowledged that these payments alone cannot close the persistent wage gap between early educators and K-12 teachers. Some educators described the payments as "helpful, but not transformative," vital for

keeping programs open but insufficient to ensure long-term retention and professional parity. In response, the state launched the Pay Equity Pilot in summer 2024 to test a potential model for wage increases for selected roles.

Together, these initiatives illustrate a two-pronged approach to workforce stability:

- Short-term stabilization through predictable, state-funded compensation support that prevents further erosion of the workforce.
- Long-term reform through piloted wage alignment efforts that begin to define a professional compensation standard for early educators.

While Minnesota's reforms are still in their early stages, they represent intentional state efforts to link compensation directly to workforce stability. By coupling ongoing fiscal commitment with continuous learning and evaluation, Minnesota is moving toward a compensation system that supports not only retention and recruitment, but also the professional recognition early educators deserve.

2. Equity-Focused Compensation Adjustments

Minnesota has embedded equity considerations into its funding formulas. The Great Start Compensation Support Payment Program requires a 10 percent increase for programs serving families receiving child care assistance or located in [child care access equity areas](#), which are defined by low access to child care, high poverty and unemployment, low home ownership, and low median incomes (JUSTIA, 2024). This approach helps direct additional resources to providers serving historically under-resourced communities.

Minnesota's equity-focused design is particularly important given the state's shifting demographics and economic diversity. From 2020 to 2024, immigration accounted for 94 percent of the state's net population growth, driven largely by new communities from Southeast Asia, East Africa, and Central America (Minnesota Chamber Foundation, 2025). Many of these families, especially in rural areas, depend on accessible, affordable early care and education to support both family stability and labor force participation (Werner, 2022). Interviewees highlighted that these demographic changes have expanded demand for culturally and linguistically responsive care options, particularly in communities with long-standing Hmong and Somali populations and growing numbers of Spanish-speaking families in rural regions. Regional economic factors also shape care needs: in mining areas such as the Iron Range, family child care often provides the flexibility needed for shift-based or overnight work schedules.

These dynamics underscore why embedding equity in compensation policy is essential, not only to ensure fair pay but also to sustain a diverse and responsive ECE system that meets the needs of all families. Several interviewees emphasized that equitable funding mechanisms and

provider representation are necessary to ensure that compensation supports reach educators serving the most under-resourced communities.

Moreover, [Minnesota's equity commitments](#) appear backed by structural policy design: initiatives like Empower to Educate created district-specific advisory committees with representation from both center- and home-based providers, ensuring input from rural communities and providers of color (Transforming Minnesota's Early Childhood Workforce, n.d.a). The state also emphasized ZIP Code mapping and district-level data analysis to guide equitable implementation. In spring 2024 and 2025, proposed adjustments to this equity bump in Great Start Compensation Support Payments were met with significant pushback from providers and advocates, who successfully lobbied to maintain the increase. Their efforts demonstrate the value of continuous engagement and vigilance in preserving hard-won policy gains.

3. Data Collection and the Role of the New Department

In 2023, Minnesota established the Department of Children, Youth, and Families (DCYF), officially launched in July 2024 to provide more-focused governance for child care and related services. This restructuring aims to align with compensation and workforce policy reforms to support streamlined funding, unified oversight, and clearer data pathways.

Stakeholders expressed hope that DCYF will lead to more coordinated, transparent, and responsive data systems, particularly those used to administer compensation supports. A policy expert noted that for compensation policies like the Great Start Compensation Support Payments to remain effective, administrative systems must be easy to navigate and minimize reporting burden on providers. While many interviewees praised the initiative's consistency and predictability, others described challenges in the administrative process, particularly during the initial rollout when monthly application submissions and verification requirements were handled through separate portals. Some providers, especially smaller ones without dedicated administrative staff, found the paperwork and documentation expectations burdensome. One ECE advocate shared: "To collect data on that, they had [...] a Google form, and it would take an average of four hours for a provider to fill out that information."

To address these concerns, state administrators began developing a unified digital system to simplify reporting and data entry. The Provider Hub, set to become the central access point for submitting the Great Start Compensation Support Payment Program applications, integrates attendance, enrollment, and staffing data into a single platform.

In this way, the creation of DCYF represents not just a structural change, but an opportunity to modernize how the state collects, interprets, and applies workforce data, making compensation supports more efficient, equitable, and sustainable.

4. Provider-Led Organizing and Sustained Advocacy

Minnesota's recent compensation policy wins did not come easily, even under unified Democratic-Farmer-Labor (DFL) control of the Minnesota governorship and legislature in 2023. These advances were achieved through persistent advocacy, strategic budget negotiations, and coalition-building among state agencies, advocacy organizations, and legislative champions. Despite fiscal constraints, a pronounced rural–urban divide, and ongoing debates about the role of public investment in caregiving, advocates succeeded in maintaining compensation as a top legislative priority. As of 2025, Minnesota's House of Representatives is divided in a 50–50 tie between parties, but the senate and governorship remain under DFL control.

At the heart of Minnesota's compensation policy achievements is a powerful organizing infrastructure led by providers and community advocates. Organizations like [ISAIAH](#) and its coalition [Kids Count On Us](#) have mobilized child care providers and families for years, laying the groundwork for recent legislative wins (ISAIAH, n.d.; Kids Count On Us, n.d.). One ECE advocate reflected:

“Truly organizing people to have agency in saying what they want for our child care program and organizing their legislators and community members around it is the only way that we will be able to win anything in child care.”

Minnesota's approach demonstrates the importance of persistent organizing, coalition building, and relationship building with legislators. Providers are not just policy recipients, but active agents who are co-governing and shaping the future of the ECE system. Through direct action, testimony, and policy campaigns, they've made compensation a centerpiece of early childhood reform. As one advocate put it:

“It's building those deep relationships and building the power to make it happen [...] where your people are ready to go into legislators' offices [...] and tell those legislators that ‘we want to co-govern with you.’”

In our interviews, educators shared a desire to continue this momentum and to organize other educators to advocate for increased compensation and supports that reflect the value of their work. As an assistant teacher at a center-based program told us:

“I feel like so often we just do it [care work], because we care so much and then our time isn't really being valued. People take advantage of it. So I just want people in this field to learn to speak up for themselves. What we are doing is so valuable, and we deserve to get paid for it.”

This same educator told us that she had recently started advocating for increased compensation for the workforce. She was interviewed on her experience as an early educator in Minnesota and had even spoken at a rally on the topic. She reflected:

“Yes. It was scary, but I did it, because I know it's so important. And I'm hoping the more I put myself out there, more people will follow in my footsteps and do it, too, and all of our voices will be stronger together.”

Minnesota's experience demonstrates the power of persistent community-led advocacy combined with strategic public investment. By integrating educator voices into policy development, the state has made compensation reform not only achievable, but durable, creating a framework that can continue to evolve with workforce needs.

What's Next for Minnesota?

As Minnesota moves beyond the era of federal COVID-relief funding, the state stands at a pivotal crossroads. Its compensation infrastructure—anchored by initiatives like the Great Start Compensation Support Payment Program, REETAIN, and Empower to Educate—has created real momentum. Yet, the long-term future of these initiatives hinges on continued political commitment, sustainable funding, and structural refinement within the newly established DCYF.

Interviewees noted that although key legislation has passed, marking major policy wins, sustaining this progress remains a challenge. Others pointed to the high stakes of upcoming budget cycles and elections that could determine whether programs are maintained, expanded, or downsized.

Looking ahead, interviews and background research identified several key priorities to ensure lasting progress.

- **Secure sustainable funding.** The top concern across interviews was the need to ensure long-term state funding for compensation initiatives. Stakeholders worry that without reliable appropriations, hard-won initiatives could erode. Some interviewees discussed the potential of creating dedicated funding streams or embedding compensation supports into broader ECE budgets to ensure that wage stabilization is treated as a permanent, predictable cost for running the system, not a temporary supplement. Others highlighted opportunities to tie compensation investments to the state's broader goals for expanding access to high-quality ECE.
- **Improve compensation amounts.** While the Great Start program has been widely celebrated and interviewees generally expressed satisfaction with its impact, some respondents noted that payment amounts remain limited. Maintaining payment levels that don't account for cost of living and inflation could risk undermining the initiative's long-term credibility and its ability to fully meet workforce needs. Educators and advocates alike stressed the importance of regular evaluation and adjustment mechanisms to achieve meaningful wage parity and workforce stability.
- **Institutionalize equity.** Minnesota's compensation strategies have made strides toward equity by embedding targeted funding adjustments and inclusive governance structures into initiative design. Yet, interviewees emphasized that achieving equitable access and outcomes will require sustained attention as the state's demographic and economic landscape continues to evolve. Disparities persist in who benefits most from these initiatives. Some providers, particularly those who operate in languages other than English or who lack administrative capacity, continue to face barriers in navigating application systems or accessing technical assistance. Others noted that smaller home-

based providers and those serving culturally diverse communities often have less time or infrastructure to engage with state processes or advocacy works. To ensure that equity goals translate into consistent impact, interviewees underscored the need to deepen and institutionalize Minnesota's equity infrastructure, which includes:

- Expanding culturally and linguistically responsive supports, such as translation services and peer navigators, to ensure that information about compensation initiatives reaches all eligible educators;
 - Targeted outreach and technical assistance for family child care providers, educators of color, and rural providers that build on, rather than replace the inclusive structures established under Empower to Educate and other initiatives.¹
 - Ongoing stipend-supported educator engagement, particularly from underrepresented groups, to sustain feedback loops that keep policy responsive to lived experience.
- **Align and streamlining systems.** Several system-level experts highlighted the need to better integrate compensation with professional development, quality improvement, and licensing systems. They described how lingering administrative complexity, such as duplicative documentation or unclear eligibility processes, can discourage participation, particularly among smaller or rural programs. Streamlining data systems and application processes could reduce burden, improve transparency, and strengthen coordination across the ECE infrastructure.
 - **Sustain ECE workforce voices.** A notable culture shift during the pandemic was the elevation of educators' voices in decision-making. Interviewees emphasized the importance of maintaining this norm, ensuring that future system changes continue to be co-designed with providers.

"This time, it feels authentic and shared and collaborative, because the field is telling us what they need, and we're responding to what they're saying. I don't know if that's a [...] post-COVID shift. I don't know what it is, but we are seeing providers are more open to collaborate and tell us what they actually need." – State Administrator

Minnesota's story shows that compensation reform is not a one-time policy victory, but an ongoing process of systems building, shared accountability, and cultural change. By embedding compensation into broader child care and workforce strategies, the state has laid strong groundwork for an ECE system that is more resilient and more inclusive.

¹ For example, [Minnesota's Family, Friend, and Neighbor \(FFN\) grant program](#) supports community-based organizations that work with informal caregivers (such as relatives, friends, and neighbors) to provide culturally and linguistically appropriate training, resources, and support for unlicensed child care providers (Benjamin, 2025). [Child Care Wayfinder](#) provides navigation support for individuals interested in starting, sustaining, or expanding a child care program, offering much of this type of support for family child care providers (Child Care Wayfinder, 2026).

Minnesota's approach demonstrates how political will, grassroots advocacy, and a clear long-term vision can make compensation a powerful lever for improving workforce stability and advancing equity. Continued collaboration and sustained, reliable funding will be essential to ensure early educators are truly valued and the system endures. Other states navigating similar post-pandemic challenges can draw from Minnesota's example: these policies, though still early in their implementation, have the potential to drive meaningful and lasting change across the ECE system.

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Appendix 1. Timeline of Key Compensation Initiatives in Minnesota, 2002-2025

2002	Minnesota launched the T.E.A.C.H. Early Childhood® program to provide scholarships supporting early educators pursuing CDA credentials and higher education degrees.
October 2003	The REETAIN Bonus Program was created to provide annual bonuses ranging from \$500 to \$3,000 to early educators as an incentive to remain in the field.
December 2011	Minnesota was awarded the Race to the Top–Early Learning Challenge Grant, which included a focus on improving workforce compensation and professional development.
March 2020	Minnesota launched the Peacetime Emergency Child Care Grants to help early learning programs remain open for essential workers during the pandemic, distributing about \$40 million in total.
July 2020	The COVID-19 Public Health Support Funds for Child Care were introduced to offset the costs of implementing health and safety measures, with approximately \$69 million distributed.
August 2022	Empower to Educate was launched to provide mentorship, financial assistance, and professional development opportunities for current and aspiring early educators.
October 2023	The Great Start Compensation Support Payment Program launched, providing eligible early educators with monthly payments of up to \$375 to promote workforce stability.
July 2024	The Department of Children, Youth, and Families (DCYF) launched, consolidating early childhood and family programs previously housed in four separate state agencies.
December 2024	Minnesota released the Final Pay Equity Pilot Report, which examined findings from a wage scale pilot aligning early educator pay with K–12 salaries and identified lessons for advancing compensation equity.

January 2025	The Department of Children, Youth, and Families released an updated statewide wage scale that incorporated comparable competencies and accounted for regional wage variation.
February 2025	Governor Tim Walz announced an additional \$6.1 million for Child Care Economic Development Grants to expand access to child care and strengthen workforce recruitment and retention throughout the state.

Appendix 2. Summary of Compensation and Financial Relief Initiatives in Minnesota, 2002-2025

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Participants	Funding Mechanism	Funding Source
Compensation Grant	Child Care Stabilization Grants	7/2021 - 6/2023	\$342 million in total \$10,400 on average for home-based programs \$98,000 on average for center-based programs	8,640 programs in total 2,290 center-based programs; 6,350 home-based programs in FY 2023	Monthly non-competitive grants to programs; at least 70 percent required to compensation, benefits, or premium pay	ARPA Funds
Workforce Infrastructure Investment Grant	Child Care Economic Development Grants	2/2025	\$6.1 million in total Of the funds awarded, \$5.1 million go towards increasing child care availability, creating 1,337 slots.	25 organizations	Competitive infrastructure and workforce grants to organizations and programs	State Funds
Salary Scale Pilot	Minnesota Early Care and Education Workforce Pay Equity Pilot	6/2024 - 8/2024	\$1,202,082 total payments from May to Jul. 2024 The pilot paid participants the difference between their hourly pay/earnings and the pilot wage scale.	226	Direct payments to educators to raise hourly wages to target levels	PDG B-5 Funds
Wage Supplement	Great Start Compensation Support Payment Program	2023 - Present	\$375/month per educator (this per FTE payment amount will remain at \$375 through 6/2026)	Not Available	Monthly non-competitive payments to programs; required for compensation and benefits	State Funds

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Participants	Funding Mechanism	Funding Source
Wage Supplement	REETAIN Bonus Program	10/2003 - Present	\$500 - 3,000 annually per educator (as of 12/2025)	971 in FY 2024	Annual bonuses directly to educators based on education, experience, and continuity	ARPA Funds; CCDF Funds; State Funds (FY 2024)
One-Time Payment	Peacetime Emergency Child Care Grants	3/2020 - 6/2020	\$40 million in total On average, \$5,223 for family child care, \$16,481 for centers, and \$21,000 for certified centers	5,403	Competitive emergency grants to programs	CARES Act; CCDBG Funds; State Funds
Repeated Payment	COVID-19 Public Health Support Funds	7/2020 - 5/2021	\$199.645 million in total \$1,200/month (licensed family child care providers and/or certified centers) \$8,500/month (licensed child care centers)	Not Available	Monthly non-competitive public health support payments to programs	CARES Act; CRRSA Funds
Educational Support (with Compensation or Financial Relief component)	TEACH Early Childhood® Minnesota Scholarship Program	2002 - Present	Covers 85 percent of tuition and book fees for up to 18 semester credits each year \$120 stipend awarded each semester for internet and travel 3 hours of paid release time \$500 TEACH bonus and a bonus or raise from employer (upon completion)	Not Available	Scholarships, stipends, and completion bonuses to educators; paid release time funded via program agreements	State Funds

Type of Strategy	Name of Initiative	Timeframe	Payment Amount	Participants	Funding Mechanism	Funding Source
Educational Support (with Compensation or Financial Relief component)	Empower to Educate	8/2022 - Present	\$300 for every 3 months of mentorship completed \$300 to help complete training requirements \$600 after working in a Minnesota child care program for six months (as of 12/2025)	866 (as of 10/2024)	Stipends directly to educators; advising and pathway supports	State Funds