



Wage and Compensation Model for Alaska's Early Care and Education

2019 Final Report

Executive Summary

Chapter 1. National Landscape Review

This chapter synthesizes information from multiple sources, including previous literature and national and state reports. The chapter aims to inform the development of an early childhood (EC) educator wage compensation model for Alaska.

Session 1 summarizes existing research on compensation. Research consistently reports that wages for EC educators are lower than those for other occupations requiring similar levels of education. Many EC educators experience financial difficulties, which may increase turnover, which compromises the consistency and quality of care for children. Low wages also discourage EC educators to advance their education and training, deterring the professional development of the EC workforce. In addition, EC educators rarely receive personal benefit packages (e.g., health insurance), although they are more likely to receive professional benefits (e.g., paid vacation days).

Session 2 reviews policies and practices across states and sectors. Many states are closing the gap between wage and compensation between EC educators and K–12 teachers in public schools. Similar efforts are present in Head Start, public pre-K programs, and Department of Defense.

Session 3 reviews current compensation strategies. **Louisiana School Readiness Tax Credits** provides tax credits for EC educators based on credential level attained and to programs based on **Quality Rating and Improvement System** (QRIS) rating. The **Child Care WAGES** is a wage supplement for EC educators earning an hourly wage below a threshold and is implemented in five states. Twenty-one states use the Teacher Education and Compensation Helps (**T.E.A.C.H.**) program, which provides supports for EC educators to receive college education and bonuses and/or raises after completion. Several states incorporate wage components into QRIS. For example, Massachusetts requires level 2 programs to provide a description of policies supporting teacher retention and requires Level 4 programs to offer a benefits package.

The Compensation and Wage Augmentation Grants for Economic Success, or **C-WAGES**, provides tiered incentives (e.g., salary increase and benefits) to EC educators working with children from low-income families or programs that are in neighborhoods with a high percentage of children receiving subsidies. Finally, **Pay for Success**, or a **Social Impact Bond**, is an innovative public-private funding mechanism. For example, in Utah, private investors funded an EC initiative up-front, absorbing the risk, and then the government paid them back when they reached their targets. Overall, these strategies showed success in teacher retention and improving educational attainment and training, as well as increasing the number of low-income children attending higher quality programs.

Session 4 summarizes common trends found in this report, key takeaways, and next steps for developing an Alaskan compensation model. EC educators experience considerable financial challenges and wage disparity, which leads to high levels of turnover. A potential solution is to incorporate compensation models into professional development systems and/or QRIS. An increasing number of states are implementing policies to impact salaries as well as personal and professional benefits.

Chapter 2. Research Findings

This chapter reports findings from studies conducted in Alaska in 2019. The chapter aims to understand Alaska's current early care and education landscape; the impacts, barriers, and benefits of current wage and compensation practices in Alaska; and early childhood educators' attitudes towards wage and compensation.

Session 1 provides the results from the Alaska Early Childhood and School-Age Educators Wage and Compensation Survey conducted in May 2019 to July 2019 with 288 early childhood (EC) and school-age (SA) educators. Most of the respondents were female, Caucasian, working full-time, and about half of them had a bachelor's degree or higher. About 30% of the respondents were directors/administrators and about 20% of the respondents were lead teachers in EC or SA programs. About 90% of the respondents reported that they received professional development (PD) activities during the current school year, but about 36% did not receive compensation for PD.

The results showed that although the participants were, on average, paid relatively high wages (\$18/hour), the data were skewed upward because of a high proportion of administrators and specialists. Lead teachers were paid an hourly wage of about \$14/hour. Over half of the participants said that their wage was insufficient for living expenses. About half of the participants said that they intended to leave their current jobs within five years, citing low pay and lack of benefits as primary reasons. Participants' wage increased with years of experience (\$1–\$3/hour increase for every five years of experience) and educational attainment.

Disparities in wage and compensation also existed. Assistant teachers received the lowest wage (on average \$13.30/hour compared to \$27.30/hour for supervisors) and the fewest benefits. Not surprisingly, more than half of assistant teachers (65%) were planning to leave their current position although they were intrinsically motivated to work in the EC education field. Participants who said that they were planning to leave had a slightly lower average salary and reported receiving fewer benefits than those who were planning to stay. The participants ranked **higher salary, full-time status, and job stability** as the most important factors.

Session 2 summarizes the results from in-depth interviews with EC and SA educators ($N = 12$, six directors and six teachers). The interview results corroborated survey results, indicating that teachers are underpaid, lack benefits, and feel undervalued, and that this leads to high levels of turnover. Participants were unaware of the benefits and support from SEED and Learn & Grow, and most of the participants were paying for their own PD. Participants showed preference to include both education and experience in the wage and compensation system. Among the compensation strategies, participants liked T.E.A.C.H. and C-Wages most.

We asked the directors/administrators particularly about hiring support they would like, and participants cited support with finding qualified candidates/substitutes, background checks, and providing orientation. Directors/administrators also said that frequent changes in state policies were difficult to keep up with regarding teacher qualifications and PD.

Session 3 describes the results from the SEED Steering Committee leadership survey ($N = 16$), a focus group ($N = 3$), and interviews ($N = 2$) conducted in August 2019. Overall, the leadership survey results were similar to the Alaska EC and SA Educators Wage and Compensation Survey. Participants ranked higher salary, health insurance, and full-time status as their organization's compensation priorities. The majority of the participants strongly agreed or agreed that both education and experience should be structured in the pay scale for EC and SA educators. They also provided suggestions for the wage and compensation system, SEED, and Learn & Grow, which echoed the opinions provided in the Alaska EC and SA Educators Wage and Compensation Survey. We particularly asked the leadership participants about perceived challenges to policy change and potential solutions. Participants mentioned limited funding and lack of public understanding of the importance of EC education. Potential solutions included increased communication and marketing efforts to improve public understanding of EC education.

Session 4 provides the results from a survey responded by state/agency and advocacy/think-tank leaders participating in the Johns Hopkins System-Level Shared Services Community of Practice ($N = 11$) conducted in September 2019. The participants were from California (3), Colorado (2), Pennsylvania (2), Florida (1), Idaho (1), Massachusetts (1) and Wisconsin (1). Participants' states funded professional activities such as college course tuition, workshop or training fees, and conference registration fees. Types of state QRIS incentives included bonus or salary increase, tiered reimbursement or incentive system based on the program's QRIS level, incentives for teacher PD, and tax credits. Child Care Development Block Grant was most frequently cited as the source of funding for QRIS PD and incentives.

Chapter 3. Recommendations - Wage and Compensation Model for Alaska

The investigation in Chapter 1 and 2 concluded with recommendations based on wage and compensation research and feedback from a representative cross-section of stakeholders in the Alaska early care and education (ECE) workforce. After we developed the recommendations, we conducted another round of in-depth interviews with eight EC educators to assess our recommendations.

Based on the evidence from multi-faceted research, we present "C³ Alaska: Alaska's Commitment to Compensation and Competency" as the wage and compensation model for Alaska. The C³ Alaska model is designed to help the Alaska ECE field meet the goals of (1) improving EC educators' compensation by closing the gap between ECE and K-3 education and improving equity within the ECE field; and (2) strengthening the competency of early childhood and school-age educators. We expect that achieving these goals will fundamentally help motivate EC educators to improve the quality of their practice and remain in the field with the support and commitment of Alaska's broader community of policy makers, business leaders, and for-profit and non-profit organizations and agencies.

The C³ Alaska model lies at the intersection of the state's support, SEED (Alaska's workforce registry and support system), and Learn & Grow (Alaska's Quality Recognition & Improvement System). Within that framework, we recommend:

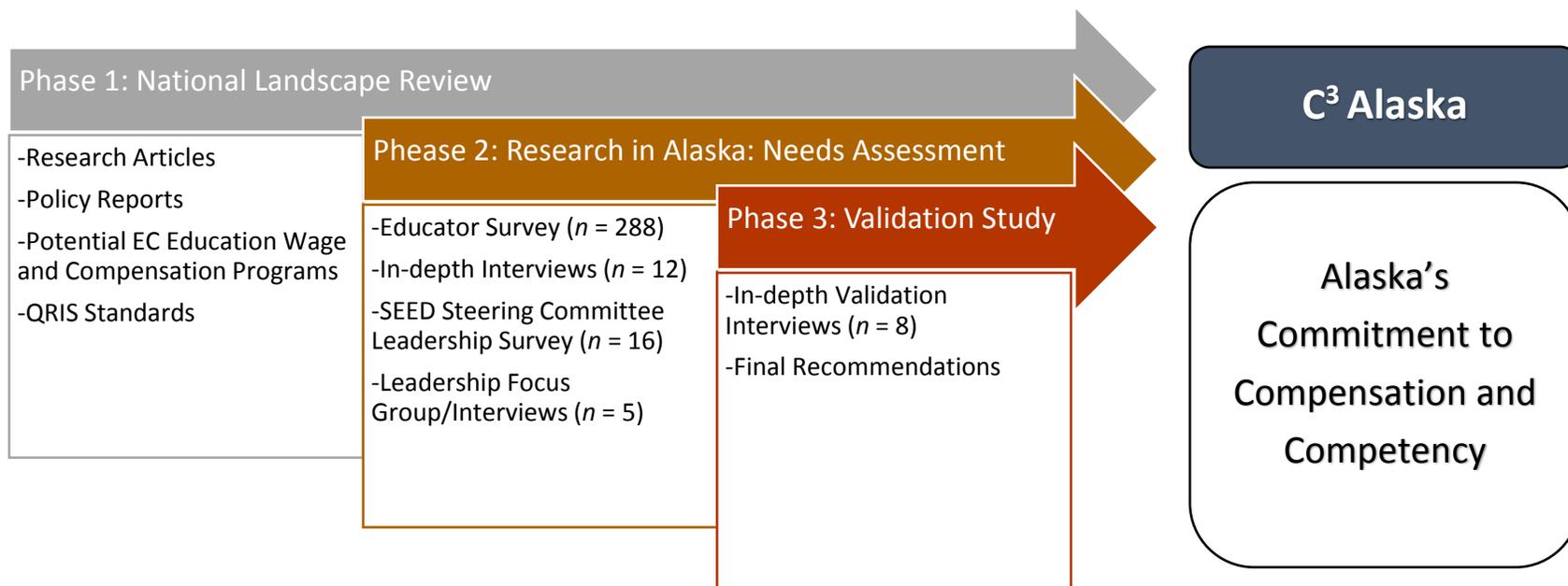
- Alaska sets a goal of accomplishing K-3 parity in minimum wage by 2025.
- Alaska encourages ECE programs to (a) establish their own pay scale that reflects experience and education, (b) provide transparent information for educators, and (c) provide valid data for leadership.

- Alaska rewards EC educators' tenure and competency.
- Alaska convenes a multi-sector taskforce to examine impact, barriers, and benefits of promoting more staff to full-time status.
- Alaska supports ECE programs to develop, deliver, and document benefit packages for educators. Long-term, we recommend exploring partnerships to provide universal health insurance options and retirement plans.
- Alaska seeks ways to address EC educators' living expenses needs through innovative partnerships with public and private sectors.
- Alaska addresses wage and compensation issues of the broader ECE community, including assistant teachers.
- Further examination of specific professional development needs related to content and delivery mechanisms for Alaskan EC educators.
- Improvement of the SEED Registry to provide seamless support for EC educators and to increase their participation.
- Exploration and consideration of the unique needs of the broader ECE community, including family child care providers, in Alaska.
- Alaska implements entry and exit surveys to better understand EC educators' job attitudes and turnover intention
- Alaska explores the possibility of providing a recruitment platform through the SEED Registry.

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Summary of Research Methodology



C³ Alaska Summary of Recommendations

Goals	Recommendations	Action Level			Implementation			High Cost High Return
		Long-term	Mid-range	Immediate	State	SEED	Learn & Grow	
1. Commitment to Compensation: Impact and Improve ECE Educators' Wage and Compensation								
1A. ECE and K–3 Minimum Wage Parity	Set a goal of accomplishing K–3 parity in minimum wage by 2025.	√			√			√
1B. Fair and Transparent Pay Scale	Support ECE programs to establish their own pay scale that reflects experience years and education.		√				√	√
	Encourage ECE programs to provide transparent pay scale information, which will provide valid data for leadership.			√			√	
1C. Tenure and Competency Recognition	Award ECE educators' tenure for demonstrated competency based on years of experience in the field.		√			√		√
1D. Full-Time Status	Convene a multi-sector taskforce to examine impact, barriers, and benefits of promoting more staff to full-time status.			√		√	√	
1E. Benefits	Support ECE programs to develop, deliver, and document benefits packages for educators.			√			√	
	Establish partnerships to provide universal health insurance options and retirement plans.	√			√	√		
1F. Support of Living Expenses	Seek ways to address ECE educators' living expenses needs through innovative partnerships with public and private sectors.		√		√	√		
1G. Broader ECE Community	Address wage and compensation issues of broader ECE community, including assistant teachers		√			√		
2. Commitment to Competency: Strengthen Competency of ECE educators (further research recommendations for thread)								
2A. Professional Development	Further examination of specific professional development needs related to content and delivery mechanisms for Alaskan ECE educators.							√
2B. Workforce Registry	Improvement of the SEED Registry to provide seamless support for ECE educators and to increase their participation.							√
2C. Support for Broader ECE	Exploration and consideration of the unique needs of the broader ECE community, including family child care.							
2D. Mental Health and Leadership Support	Offering mental health and leadership support to improve the quality of the workforce.							
2E. Retention and Turnover	Implementation of entry and exit surveys to understand ECE educators' job attitudes and turnover intention.							
	Exploration of the possibility of providing a recruitment platform through the SEED Registry.							