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ABSTRACT

Noting that wages for child care workers are among the lowest in the U.S. labor force and that generally caregivers are offered few employee benefits, this paper summarizes proposals and programs in the 50 states and the District of Columbia to raise child care worker compensation. The paper classifies state-level initiatives into two categories: indirect strategies emphasize training, mentoring, professional development, and better reimbursement rates for child care providers; direct strategies provide benefits or wage subsidies to child care workers. The paper highlights five key findings: (1) by the end of 2000, 37 states and the District of Columbia had initiated programs to address compensation in the child care industry; (2) states in the northeast are the most active in pursuing worker compensation strategies; (3) indirect strategies are significantly more popular than direct initiatives to improve child care worker compensation; (4) the most prevalent initiatives are professional development programs; and (5) executive leadership appears to be a key factor in the development of child care worker compensation programs. The paper concludes by noting that fundamental questions remain regarding the effectiveness of the initiatives in raising child care worker compensation. The paper's two appendices describe information sources and present sources for predictors of child care worker compensation proposals. (Contains 44 references.) (KB)

STATE INITIATIVES TO INCREASE COMPENSATION FOR CHILD CARE WORKERS

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EXECUTIVE SUMMARY
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More than half of mothers with preschool-age children work outside the home, creating a high demand for good quality and affordable child care. Although the demand for care is high, the supply of good quality child care is limited and costly. This situation defies the classic economic model of supply and demand and has confounded attempts to secure better compensation. Well-trained and experienced child care workers are relatively few in number. Recruitment and retention is difficult. Wages for child care workers are among the lowest paid in the U.S. labor force, and there generally are few employee benefits.

Both economically and politically, the issue of child care worker compensation has been difficult to advance because of the potential costs associated with assuring good quality care and the dearth of suitable policy or market mechanisms for achieving improvements in work force compensation. The issue has gained momentum in the past few years, however, because of tight labor markets and a healthy economy that has left the federal and state governments with budget surpluses. To take advantage of this situation and to promote quality care for young children, child advocates are advancing the idea of better compensation for child care workers.

This analysis provides a summary of proposals and programs in the 50 states and the District of Columbia to raise child care worker compensation. It classifies state-level initiatives into two categories: Indirect strategies emphasize training, mentoring, professional development and better reimbursement rates for child care providers. Direct strategies provide benefits or wage subsidies to child care workers. Five key findings emerge from this study.

- **By the end of 2000, 37 states and the District of Columbia had initiated programs to address compensation in the child care industry.** A few states—California, North Carolina, Oklahoma, and Wisconsin—have been highly experimental in addressing this issue. Each of these states used four of the five policy strategies identified in this review. California developed mentoring and professional development programs and has programs to subsidize health benefits and wage increments. North Carolina created the Teacher Education and Compensation Help (T.E.A.C.H.) scholarship program, and has worked to increase reimbursement rates for providers and institute better health and wage benefits. Oklahoma is developing a universal pre-kindergarten initiative. Wisconsin uses a mix of indirect and direct policy strategies, which include programs to stimulate training, mentoring, professional development, higher reimbursement rates, and increased in wage rates.

- **As a region, states in the Northeast are the most active in pursuing worker compensation strategies.** Each of the nine states in the Northeast, which includes the New England states, New York, New Jersey and Pennsylvania, initiated indirect programs to improve worker compensation. Seven of the nine states have used multiple program strategies. One-third of them used direct program strategies to address the issue of low child care worker compensation. Other regions of the country were less likely to use direct approaches. In the South, 29 percent of the states used direct compensation strategies, while one-quarter of the states in the Midwest used this approach. Only two of the 13 states in the West had direct programs by the end of 2000.

- **Indirect strategies are significantly more popular than direct initiatives to improve child care worker compensation.** Because most state and local policymakers prefer to sidestep the contentious issue of child care worker compensation, indirect strategies are more politically palatable than direct proposals to improve wages and benefits. By the end of 2000, 37 states and the District of Columbia initiated some type of indirect strategy. In contrast, only 13 states had directly addressed wage and benefit concerns. Most states begin with the passage of an indirect strategy; a few states later progress to a direct approach. Direct strategies are of recent vintage. Most have been introduced since 1998.

- **The most prevalent initiatives are professional development programs.** Half of the states have begun professional development programs to enhance the qualifications of workers already in the child care field. These initiatives provide child care workers with access to scholarships, student loan forgiveness programs, and continuing educational opportunities. The majority of these states have developed scholarship programs to help child care workers further their education in early childhood education. The scholarship approach is based primarily on the T.E.A.C.H. model, which operates in 15 states.

- **Executive leadership appears to be a key factor in the development of child care worker compensation programs.** Factors such as the rates of female labor market participation, state budget surpluses, unemployment rates, and changes in TANF caseloads did not significantly influence the development of worker compensation initiatives. The governor, however, appears to play an important role in the promotion of these programs. The governor's tenure, as measured by the number of consecutive months in office, was the strongest predictor. The governor's party affiliation was less critical to move this agenda forward.

Implications

Advancing the issue of child care worker compensation can be facilitated through strong and skillful political leadership. But even if policymakers decide to promote this issue, they must make difficult political choices about which initiative to pursue. Direct and indirect strategies offer different options, but there is little information to assess their outcomes. Fundamental questions remain: Have these initiatives been successful in raising child care worker compensation? And if so, who has benefited and by how much has compensation improved?

New coalitions of parents, child advocates, business leaders, and union representatives are forming at the state and local levels to address the needs of children. These coalitions are likely to be instrumental in determining how policies get implemented to meet local labor market conditions and community preferences. Analyses of these groups may provide new insights into ways to improve compensation for workers and the quality of care for children.

BACKGROUND

For more than 30 years, child advocates have fought for improvements in the quality, accessibility, and affordability of child care in the United States. While these issues have been the cornerstone of the child care debate, a small group of advocates have also sought to increase the compensation of child care workers. The success of their advocacy efforts, however, have been modest. Both economically and politically, the issue of worker compensation has been difficult to advance because of the potential costs associated with assuring good quality care and the dearth of suitable policy or market mechanisms for achieving systemic improvements in work force compensation. As a result, child care workers remain among the lowest paid workers in the U.S. labor force.

The issue of child care worker compensation has gained momentum in the past few years because of tight labor markets and a healthy economy that has left the federal government, as well as many state governments, with budget surpluses. The federal budget surplus alone is estimated to be close to $2.9 trillion over the next ten years, according to the Congressional Budget Office (Children's Defense Fund 2000). To take advantage of this healthy economic scenario, child advocates are turning their attention to child care worker compensation issues. They are building public support for better compensation policies, mobilizing workers, and shaping policy tools for improving the quality of child care programs. Because of the growing interest in worker compensation issues and the expanding array of policy proposals, this is a good time to review policies and initiatives that foster better compensation for child care workers.

This paper provides an overview of activities in the 50 states and the District of Columbia to raise child care worker compensation. Although several federal programs including Head Start, the Quality Child Care Initiative from the Department of Labor, and the child care system in the armed forces have been instrumental in improving wages and benefits of child care workers, this paper focuses on state initiatives. State and local governments are experimenting with new ways of delivering social services, and it is likely that future policy initiatives will emanate from these levels of government. This overview, therefore, presents an analysis of state proposals and programs that were in place at the end of 2000 and that are likely to serve as models for other localities.

The information for this report was obtained from a variety of sources. We conducted website searches and spoke with representatives from some of the largest organizations working on children and family policies, including the Legislative Service Bureau, the Center for the Child Care Workforce, the Children's Defense Fund, National Conference of State Legislatures, and the National Governors' Association (see Appendix A for more details). We classified policy interventions as either indirect or direct attempts to raise child care worker compensation levels. Using this two-fold classification system and information about the socioeconomic and political characteristics of the states, we investigated several factors that may influence a state's willingness to address the issue of compensation for child care workers.

UNDERSTANDING THE PROBLEM

Since the mid-1960s when women began entering the paid labor force in large numbers, child care has been an important social, economic, and political issue. Although the demand for child care has risen, the supply of good quality child care remains both limited and costly. This situation has defied the classic economic model of supply and demand and has confounded attempts to secure better compensation for child care workers. Although the demand for child care remains high, the supply of well-trained and adequately compensated workers remains low.

Demand for Care

Over the past four decades, the number of mothers who work outside the home has more than tripled. In 1998, there were 25.6 million mothers in the paid labor force, up from 8.1 million in 1960. Even mothers with very young children are working outside the home. Two of every three mothers with preschool children (10.7 million women) currently are employed, compared with only one in three in 1970 (U.S. Bureau of the Census 1999, table 659). Employed mothers have created a persistent demand for safe, reliable, and affordable child care.

But the demand for child care is not just fueled by working mothers. Increasingly, both employed and stay-at-home mothers view out-of-home child care as a way to enhance and enrich their children's development. By 1997, more than half (53 percent) of all 3- and 4-year olds were enrolled in preschool programs, compared with only 20 percent in 1970 (U.S. Bureau of the Census 1999, table 259).

Finding quality child care can be difficult, however. Studies of child care arrangements in the United States typically find that the quality of programs is mediocre to poor (Morris 1999). Programs tend to be characterized by high child-to-adult ratios, poorly trained teachers, low staff wages, and high staff turnover. Yet research has shown that good quality service can have a positive, albeit modest, effect on a child's cognitive and social development, even after controlling for the child's home environment (Burchinal 1999). For children from disadvantaged homes, quality child care is one more way of helping them become "school ready."

While almost everyone agrees that quality child care is desirable, it also is expensive. One estimate is that, on average, it costs $5,000 per year for a preschool child and $6,100 per year for infants or toddlers in a child care center. Fees in family child care arrangements are somewhat lower, averaging about $4,500 for preschoolers and $4,800 for infants or toddlers (Morris 1999). These costs can be prohibitive for many low-income and poor families. How to increase the supply of good quality child care services, while making it affordable for low- and moderate-income parents, is at the heart of current public policy debates. How to do this within a market economy, without undue regulatory burden, adds to the complexity of the challenge.

Supply Issues

During good economic times, tight labor markets can make it difficult for child care providers to recruit and retain staff. Low wages, long hours, and few benefits make child care an unattractive occupation for many potential workers. The typical child care worker is paid $6.91 per hour, which is roughly equivalent to the median salary of parking lot attendants (OES 2000). Child care workers often work 50 or more hours per week with children, plus additional hours shopping, cleaning, and preparing activities. Relatively few workers receive benefits. Despite high exposure to illness, less than one-third of child care centers provide fully paid health insurance (Whitebook 1999). Although some centers provide partial coverage, anecdotal evidence suggests that many workers do not participate in these plans because they cannot afford the premium (Ginsburg, Gabel and Hunt 1998). Few centers offer pension plans (Whitebook and Burton 1996).

Staff turnover is high. More than one-third of child care workers leave their jobs each year to seek better employment opportunities in other professions. Many are attracted to kindergartens and elementary schools where pay scales are higher, hours more regular, and benefits more generous. As a consequence, high turnover rates can undermine the quality of care that young children receive (Whitebook and Bellm 1998).

Research shows that regulation promotes quality, but there are many complexities and trade-offs in this approach (Gormley 1999). First, responsibility for licensing and regulation of child care resides with the states and produces a wide array of licensing standards. Second, the child care industry itself is very diverse, comprised of nonprofit and for-profit providers, in-home and center-based care, and care by relatives and nonrelatives. This diversity of care arrangements is not conducive to a one-size-fits-all policy or regulatory approach. Third, attempts to improve quality can undermine the availability and affordability of care, particularly for low-income and moderate-income families. Finally, the enforcement of regulatory standards is as problematic as the initial challenge of formulating standards to produce good quality care.

Although most policymakers are hesitant to enact policies that target increased wages and benefits for a specific group of workers, several states have introduced proposals or begun programs to address the problems of low compensation for the child care workforce. These bold policy moves were spurred in part by the rapid expansion of the U.S. economy in the late-1990s and the implementation of the 1996 welfare reforms. Welfare reform provided a dual impetus for this type of initiative. First, because women on welfare are required to find jobs, they also must find child care arrangements for their children. This work requirement increases the demand for good quality and affordable child care. Second, many welfare recipients have been encouraged to become child care providers in order to fulfill the work requirement. Given the low wages and benefits within this field, it will be difficult for these women to lift themselves out of poverty and into self-sufficiency.

While there is a mix of reasons for growing interest in promoting better child care policies, the current policy environment tends to promote a combination of goals: high quality, increased supply, better training and retention of child care workers, better compensation for workers, and affordable costs for low-income parents. A review of state initiatives highlights the myriad of ways that policymakers have approached this complex and perplexing issue.

POLICY INITIATIVES IN THE STATES

States generally have followed two trajectories to raise compensation levels for child care workers: indirect and direct policy approaches (see table 1). By far, the most common approach is indirect programs. Initiatives to provide mentoring, professional development, and improve reimbursement rates for child care providers are considered *indirect approaches* because they sidestep the issue of low wages in the child care industry. Instead, these strategies focus broadly on quality of care and access to care, particularly for lower-income families. Reimbursement rates, in particular, are generally designed to encourage providers to accept children from lower-income families by providing full- or partial-coverage of the costs of care. None of these approaches, however, directly addresses wage and benefit issues. Indirect strategies often function on the "trickle down" principle, that is, wages or employee benefits may accrue to child care workers over time, but the connection between the implementation of the strategy and improved compensation is not immediate.

In contrast, direct strategies address the issue of child care worker compensation in a less circuitous fashion. These strategies have become somewhat more prevalent in recent years, with 12 states and the District of Columbia reporting initiatives to increase wages or provide benefits to child care workers. Direct strategies are predicated on two premises: 1) better wages and benefits are linked to the recruitment and retention of competent workers, and 2) a more qualified and stable workforce will deliver higher quality child care.

Three Indirect Strategies

Thirty-seven states and the District of Columbia have initiated programs that indirectly address the issue of low compensation in the child care workforce. These initiatives include training and mentoring initiatives and professional development programs, which broadly focus on expanding the skills and qualifications of child care workers. They also include increased reimbursement rates for child care providers, which can reduce the cost of child care services for low-income families. Each of these strategies is discussed below.

Training and Mentoring Programs. Designed as policy initiatives to improve the quality of child care services, training and mentoring programs for child care workers are beginning to receive more attention from the states. These programs help to recruit new workers into the child care industry and often team them with experienced child care workers who give advice, counseling, and sometimes help them become qualified as head teachers. For experienced child care workers, participation in a mentoring program can be a professional development opportunity. These programs often have wage incentives as one component of the model. Several initiatives provide mentors with stipends in return for their participation in the program. It is hoped that this added pay will improve the retention of experienced workers in the child care work force.

Some mentoring programs are supported with funds from government programs, such as the Temporary Assistance for Needy Families (TANF). Others are funded by private or corporate foundations. At least three factors have combined to provide states with large pools of money with which to fund mentoring and training programs: 1) federal block grants for the TANF program; 2) state funding through the Maintenance of Effort provision of the 1996 welfare reform legislation, which requires states to maintain a minimum level of welfare funding; and 3) the booming U.S. economy in the late-1990s.

Mentoring programs also are used as part of broader state strategies to encourage certification and licensing of new workers. Some critics of the current child care system argue that the child care labor market contains a large pool of low-skilled workers who can enter the system because of inadequate regulatory or licensing requirements. To address this concern, 19 states require pre-service training or mentoring programs before issuing a child care license (Center for Career Development in Early Care Education 1999).

Like mentoring programs, job training programs are promoted as a mechanism to raise the quality of child care. They are not viewed as direct avenues to improve worker compensation. Using TANF funds, several states have instituted job training programs to increase the pool of qualified child care workers. These states target their child care training initiatives at current TANF recipients. From the states' perspective, training TANF recipients as child care providers not only helps remove these welfare clients from the public assistance rolls, but also increases the supply of trained child care providers. Advocates for welfare recipients question if this strategy will actually help former welfare recipients become self-sufficient because of the traditionally low wages and poor compensation in the child care field.

Fifteen states and the District of Columbia have implemented programs or passed legislation to spur mentoring arrangements or training programs in the child care industry (see table 2). Seven states—Florida, Illinois, Kentucky, Michigan, Minnesota, New Jersey, and Wisconsin—initiated mentor-based programs. Some are state-wide initiatives; others are being piloted in select communities. The often cited mentoring program in Wisconsin, for example, is a pilot initiative in Milwaukee. Job training programs are somewhat more pervasive than mentoring programs, and currently operate in eight states and the District of Columbia.[1] Most job training programs function as pilot projects. Massachusetts, for example, instituted the Child Care Careers Program, which is a pre-service training program in early childhood education for low-income women, and operates exclusively in Boston and Cambridge. Training programs have become a key strategy for moving people from welfare to work, as evidenced by the effort underway in California (see box 1).

Professional Development Programs. The most common indirect strategy used by states is professional development programs to improve the skills and qualifications of current child care workers. In contrast to training and mentoring programs, which aim to broaden the supply of child care workers, professional development programs attempt to improve the qualifications of individuals already in the child care field. The goals of both strategies, however, are similar: that is, to improve the quality of child care.

In part, because of low wages, many child care workers cannot afford to seek additional education or pursue other professional opportunities. Professional development initiatives are designed to overcome these obstacles by providing child care workers with access to scholarships, student loan forgiveness programs, and continuing educational opportunities. Building the skills of the existing child care labor force through these programs is regarded as one way of improving the quality of child care services.

Twenty-five states have initiated professional development programs, as described in table 3. The majority of these states have developed scholarship programs, which provide funds to child care

[1] Programs to train child care workers have begun in California, Colorado, the District of Columbia, Massachusetts, Nebraska, Ohio, Oklahoma, Pennsylvania, and Texas.

workers to further their education in early childhood education. The scholarship approach is based primarily on the Teacher Education and Compensation Help (T.E.A.C.H.) model, which was pioneered in North Carolina (see box 2). T.E.A.C.H. has proven to be quite popular among policy officials and child advocates, evidenced by its adoption in 14 other states.

Three states, including California, Minnesota, and Pennsylvania, developed student loan assumption or forgiveness programs for child care workers. Proposals to reduce student loan debt are generally tied to a worker's annual earnings, with the income ceiling set by individual states. The benefits may be conditional. For example, workers may be required to remain in the child care field for a predetermined period of time following the completion of the degree program. If the worker leaves the child care labor force, then the student loan assumption may be revoked. Most initiatives to decrease student loan debt among child care workers are tied to other child care program strategies. For example, the Loan Forgiveness Program in Pennsylvania is part of a broader state plan that includes the T.E.A.C.H. scholarship model.

Ten states also initiated programs that provide financial incentives to individuals who build their skills and enter (or stay in) the child care labor market. Connecticut, for example, uses public and private sector funds to support the Early Childhood Training and Resource Academy, which seeks to broaden the skills of new workers in the child care field.

Programs to Improve Reimbursement Rates. A third indirect strategy to improve worker compensation in the child care labor market is through programs designed to raise reimbursement rates for center-based and home-based family child care providers. In an effort to ensure equal access to child care services for subsidized and unsubsidized children, reimbursement plans offer economic incentives to providers who enroll low-income children. Proponents of these initiatives argue that higher reimbursement rates will allow more working and poor families to find affordable child care slots for their children. As a result, 19 states have begun programs that increase reimbursements for child care centers (see table 4).

Although increased government payments to providers may provide greater access to care for low-income children, the higher reimbursement rates do not necessarily increase worker compensation. While states generally pay higher rates for child care programs accredited by the National Association of Education of Young Children (NAEYC), the accreditation process does not guarantee higher wage rates or better benefits for child care workers. As of July 2000, about one-third of the states (18 states) linked accreditation to higher reimbursement rates (Gormley and Lucas 2000). Moreover, accreditation does not ensure worker retention. Indeed, a study conducted by the Center for the Child Care Workforce to examine the effectiveness of accreditation found that accredited centers had the same difficulties as non-accredited centers in maintaining skilled child care workers (National Center for the Early Childhood Work Force 1997a).

Nevertheless, child advocates have experienced some success in linking reimbursement improvements to higher worker compensation. In Massachusetts, for example, a coalition of child advocates pressured the state to increase reimbursement rates that had been frozen for several years. Although the reimbursement rates generally were allocated to improve the quality of child care programs in Massachusetts, the active participation of teachers and workers in the coalition ensured that part of the higher reimbursements were used to increase worker salaries (National Center for the Early Childhood Work Force 1997b).

Two Direct Approaches

Historically, policymakers have been reluctant to take action on legislation or programs that directly relate to the wages and benefits of a specific group of workers. Yet continued concern over the poor quality of many child care programs, the limited qualifications and training of many child care workers, and the inaccessibility of quality care for lower-income families has led to some innovative efforts to address worker compensation issues more directly. By the end of 2000, 12 states and the District of Columbia had initiated programs that either provided better access to employee benefit programs, particularly health insurance, or improved wages. Each of these approaches is discussed below.

Employee Benefit Programs. Like many low-wage workers, child care workers often do not have access to employee benefits such as pension plans, sick leave, or health insurance programs. Health insurance is a particularly desirable benefit for child care workers because they are exposed to numerous illnesses and hazards while on the job. Advocates on behalf of child care workers have begun to make some progress in securing this benefit for workers.

Four states—California, Michigan, North Carolina and Rhode Island—are working to make health insurance benefits more accessible and affordable for child care workers (see table 5). Each of these states uses a slightly different programmatic approach, however. California, for example, is designing a program to provide free or low-cost health insurance to qualified child care providers through state-affiliated Health Maintenance Organizations (HMO) (National Center for the Early Childhood Work Force 1997b). North Carolina tied improved access to health benefits to its T.E.A.C.H. scholarship program. Under this arrangement, North Carolina uses public funds to pay a portion of private health insurance costs accrued by center-based or family child care facilities. Centers must have at least one worker enrolled in the T.E.A.C.H. program to be eligible for this program.

Michigan and Rhode Island provide health insurance to eligible child care workers through their state employee health insurance plans. Michigan has a pilot program that operates in Wayne County. The county offers qualified low-wage workers, including child care workers, health insurance coverage through the county's health insurance program. Rhode Island extended eligibility for the state's health insurance program (known as Rite Care) to qualified family child care providers and center-based child care workers. This initiative was undertaken after a four-year campaign led by Direct Action for Rights and Equality (DARE), a grassroots multi-issue organization for low-income women.

Wage Initiatives. Although public initiatives to provide employee benefits to child care workers are still relatively limited, advocates have been increasingly successful in persuading states to implement incremental wage reforms. Ten states, including California, Georgia, Illinois, Maine, New York, North Carolina, Oklahoma, Texas, Washington, and Wisconsin, as well as the District of Columbia, instituted programs that directly increase wages for qualified child care workers (see table 6). Similar to indirect program strategies, arguments for direct wage subsidies generally are framed in terms of quality and continuity of child care rather than as methods to address the issue of low wages for child care workers.

States have used a variety of approaches to encourage higher quality services and better retention of employees though wage programs. Each approach relies extensively on public funds and was developed only after hard fought advocacy campaigns. Wage-based initiatives include retention grants, equating pay scales in the child care industry to rates in other sectors, and hourly wage supplements that are tied to career development ladders or scheduled wage increases.

Retention grants are the most prevalent strategy for directly promoting higher wages among child care workers. Five states, including California, Florida, Illinois, New York, and Wisconsin, provide grants as financial incentives to persuade teachers and workers to remain in the child care field. For example, California uses a mix of funding to operate the C.A.R.E.S. program, which provides monetary rewards from $500 to $6,500 per year, depending on the worker's education, background and bilingual skills. New York operates the Child Care Professional Retention Program, which provides grants to child care workers who are employed by licensed providers and agree to continue their employment in the child care industry for at least six months following the receipt of the wage supplement.

Programs that make wage rates in the child care field comparable to those in other sectors are becoming increasingly popular. These programs generally take the form of Universal Pre-Kindergarten (Pre-K) programs. Universal Pre-K typically expands access to educational facilities, including public and private schools, to all four-year-old children. Universal Pre-K has broad political appeal because it sidesteps the issue of targeting resources solely to low-income children and appeals to the preference of many parents to involve increasingly younger children in formal educational settings.

New York and Oklahoma have recently developed Pre-K programs, while the District of Columbia and Georgia are the leaders in this arena. Through its public school system, the District provides pre-kindergarten education to three- and four-year-old children in its elementary schools. The funding for this program was $14.5 million in 1999, and the program served roughly 3,400 children (Blank et al. 1999). Preschool instructors receive salaries that are comparable to the base salary of K-12 teachers in the D.C. public school system.

Using resources from its state lottery, Georgia offers universal preschool education to all four-year-old children (see Raden 1999). State officials in Georgia envision a highly trained and professional Pre-K labor force in which certification is mandatory. Indeed, the Georgia Office of School Readiness

(OSR), which administers the Universal Pre-K program, requires that all Pre-K teachers obtain at least an associate degree in early childhood education or a two-year vocational-technical diploma in Early Childhood Care and Education by the 2001-2002 school year. In return for strict qualification standards, Pre-K teachers receive a minimum salary that is commensurate with teachers' pay scales in public schools.

Several other states have developed programs that directly improve wages in the child care field. Washington, for example, initiated a career ladder program that aims to supplement the wage rates of child care workers who obtain certain educational or experience levels or have specific levels of responsibility in child care provision (see box 3). Officials in Maine and New York have used a more direct approach than the career ladder model to raise wage rates. Citing the connection between the under supply of qualified child care workers and the poor quality of child care services, both states give direct wage supplements to child care providers without many of the programmatic caveats of the Washington State model. For example, Maine provides incentives to providers who offer care during odd hours in underserved geographic areas. Nassau County, New York, provides wage supplements to teachers at nonprofit child care centers that contract with the county.

Still other states have tied increases in child care worker compensation to other program strategies. North Carolina, for example, implemented a direct wage increment initiative to complement its T.E.A.C.H. scholarship program. After obtaining their credential or degree, T.E.A.C.H. beneficiaries may receive salary increases of three to five percent or an annual bonus if they remaining with the sponsoring child care center for one year.

Unions have also begun to play a prominent role in securing wage and benefit increases for child care workers. Union efforts are particularly prominent in Washington, Pennsylvania, New York, and

Massachusetts (Bergmann 2000; Helburn and Bergmann forthcoming). Although wage and benefit questions are classic issues that unions have historically addressed, efforts to organize child care workers are impeded by the small-scale of most child care establishments and the generally high staff turnover in the child care industry. Child care workers, particularly those with post-secondary school education, are often drawn into other careers that offer higher wages and more benefits. Indeed, Whitebook (1999) notes that only four percent of the child care workforce is unionized.

Only a few unions represent child care workers exclusively. In most cases, union activity on behalf of child care workers is done by very large unions, such as the United Auto Workers (UAW), the Service Employees International Union (SEIU), and the American Federation of State, County, and Municipal Employees (AFSCME), that represent many types of workers in the labor force, not just child care workers (York 2000).

To promote their organizing campaigns, unions are using a variety of strategies and messages. For example, union officials and child advocates coalesced to pressure policymakers in California to use a portion of the state's tobacco lawsuit settlement to fund the C.A.R.E.S. program. Moreover, unions have forged new partnerships with the corporate sector and other groups through initiatives such as the "new unionism." Introduced by the United Child Care Union in Pennsylvania, which has organized roughly 700 child care workers in the state since the fall of 1997, new unionism ties wage increments to the need for improving child care quality and child development. This approach promotes collaborative efforts among union members, local businesses, parents, coalition groups, and child care directors.

Other unions have promoted the need for better compensation on moral and economic grounds through the Living Wage Campaign. The Living Wage Campaign brings together a diverse coalition of constituencies and groups, such as community organizers, religious congregations, social welfare advocates, unions, and others, to work toward improved conditions for low-income workers and their families. Although not focused directly on child care workers, the Living Wage Campaign highlights the difficulties of low-skilled workers in a market economy that increasingly rewards only higher-skilled workers.

GETTING CHILD CARE WORKER COMPENSATION ON THE PUBLIC AGENDA

Our review of state initiatives to improve compensation for child care workers suggests that this topic is a growing public policy issue. Although limited training, low wages, and few benefits have characterized the working conditions in the child care field for many years, public policies to address these concerns have surfaced within the past ten years. North Carolina launched its innovative T.E.A.C.H. program in the early 1990s, and other states have gradually followed by either adapting T.E.A.C.H. to their own state environments or experimenting with other types of innovations. Indeed, one surprising finding of this review is that roughly three-quarters of all states have initiated (or will soon begin) some type of public policy program that addresses child care worker compensation.

As this review demonstrates, most of the states are turning to indirect strategies to address the wage and benefit issue. By the end of 2000, 37 states and the District of Columbia initiated some type of indirect strategy, that is training or mentoring, professional development, or higher reimbursement rates. In contrast, only 12 states and the District of Columbia had directly addressed wage and benefit concerns. Because most state and local policymakers would prefer to sidestep the contentious issue of child care worker compensation, indirect strategies appear to be more politically palatable. Most states began with the passage of an indirect strategy. A few states later progressed to a direct approach.

Direct strategies to address compensation issues are of recent vintage. Less than half of the states with direct strategies introduced them before 1998.

The most popular approach is one that calls for professional development. Half of the states (25 in total) had professional development initiatives to build the skills of child care workers. The most widely used model is T.E.A.C.H., which is operating in 15 states. Far less common are direct wage initiatives. Ten states have instituted wage incentives, but these programs generally are tied to professional development or training programs. In fact, no state has initiated a wage incentive without also having a professional development or training program. This duel strategy suggests that, to date, policymakers have been more receptive to arguments about child care quality, access, and affordability than to wage equity issues.

A few states have undertaken a broad array of strategies to address child care worker compensation. Among the most experimental states are California, North Carolina, Oklahoma, and Wisconsin. These four states have used four of the five policy strategies identified in this review. California developed mentoring and professional development programs and put forth programs to subsidize health benefits and wage increments for child care workers. While widely acknowledged for the T.E.A.C.H. program, North Carolina also increased reimbursement rates for providers and instituted better health and wage benefits. In addition to using the T.E.A.C.H. model, Oklahoma is developing a Universal Pre-K initiative. Wisconsin uses a mix of indirect and direct policy strategies, which include programs to stimulate mentoring, training, professional development, higher reimbursement rates, and increases in wage rates.

Regional Differences

Efforts to improve child care worker compensation can be found in all regions of the country.[2] States in the Northeast have been the most active in pursuing worker compensation strategies. Each of the nine states in the Northeast, which includes the New England states, New York, New Jersey, and Pennsylvania, initiated indirect programs to improve worker compensation rates. Seven of the nine have used a mix of program strategies. Massachusetts, for example, has begun mentoring and training programs and initiatives to improve reimbursement rates. Only New Hampshire and Vermont in the Northeast have relied solely on a single program strategy.

The northeastern region also had the highest percentage of states that implemented direct programs, such as employee benefit plans or wage supplements. One-third of the states in the Northeast used direct program strategies to confront the issue of low child care worker compensation. Other regions in the United States were less likely to employ direct approaches. In the southern region, for example, roughly 29 percent of the states used direct compensation strategies, while one-quarter of the states in the Midwest used this approach. Only two of the 13 states in the western region of the country initiated direct programs.

Overall, about one in four states (13 in total) had not taken any action on this issue. As a region, the western states were the least likely to address child care worker compensation issues

[2] Regions are defined according to the designations used by the U.S. Bureau of the Census.

either directly or indirectly. Five of the 13 western states had no proposal to improve wages, benefits, or encourage training of its child care workforce.

Factors Influencing Action

In addition to regional differences, we explored if other factors might explain the likelihood of a state addressing the child care worker compensation issue. In particular, we tested hypotheses as to whether political, socioeconomic, or policy environments of a state might be predictors of action on this issue. Seven hypotheses were tested.

1. Because of the traditionally strong ties between labor and the Democratic party, we hypothesized that states with Democratic governors would be more likely than states with governors of other parties to initiate child care worker compensation programs.

2. We also investigated whether the length of the governor's tenure relates to the likelihood of introducing compensation programs, that is, the longer the governor has been in office, the more likely he or she would support either indirect or direct strategies. Gubernatorial tenure provides a measure of political stability, which may contribute to the introduction of compensation initiatives.

3. From a demand perspective, we hypothesized that a high rate of female labor market participation in the state would encourage child care worker compensation initiatives.

4. We also hypothesized that the percentage of low-income children in working families influences policy action in this area, that is, the higher the percentage of low-income children in working families, the greater the likelihood of compensation initiatives.

5. Because the willingness of states to introduce new proposals often hinges on the availability of funds, we tested if a large per capita budget surplus from the states' 1999 general funds was positively related to worker compensation proposals.

6. Similarly, we looked at the unemployment rates of each state in 1999 to see if lower unemployment rates increased the likelihood of program initiatives.

7. Finally, we hypothesized that the reduction in TANF caseloads would increase the likelihood of these initiatives, as advocates and policymakers sought remedies to overcome traditional labor market failures in the child care field.

To test these hypotheses, we collected information from several sources, including the National Governor's Association, the U.S. Bureau of the Census, U.S. Department of Health and Human Services, the U.S. Bureau of Labor Statistics, and the Annie E. Casey Foundation. A full description of the data sources is provided in Appendix B.

Using standard statistical techniques,[3] we could not confirm these hypotheses for either direct or indirect strategies (see tables 7 and 8). The findings suggest, however, that the role of the governor had the strongest influence in these models, but none of the variables was statistically significant. The governor's tenure, as measured by the number of consecutive months in office, came close to being statistically significant but fell just short of the 95 percent confidence interval used as the standard for this analysis. Moreover, states with democratic governors were 30 percent more likely than other states to use direct strategies to increase child care worker compensation, but this finding is not statistically significant. Rather than party affiliation, a more critical factor may be the strong leadership role that governors such as James Hunt (D) of North Carolina and Tommy Thompson (R) of Wisconsin played in moving this agenda forward. Measures of leadership, however, were not included in this analysis.

CONCLUSION

Identifying factors that predict the use of policy initiatives to address issues related to child care worker compensation is an elusive task. As measured in this analysis, socioeconomic factors, political conditions, and policy factors such as the implementation of welfare reform did not provide a strong basis for understanding how these proposals get on the public policy agenda. Indeed, given these findings, it is impressive that child care advocates in three-quarters of the states have been successful in getting some type of initiative introduced. Closer investigation of the organizations that worked toward passage of these initiatives and the strategies that they used might shed light on the role of child advocacy organizations in the policymaking process.

The analysis suggests that policies to further child care worker compensation can be facilitated through strong and skillful leadership in the executive branch. Political leadership appears to be an important determinant in the development of child care worker compensation initiatives. Several of the more experimental and innovative states had governors who actively pursued agendas to improve the quality of child care within their states. Child care worker compensation became one component in this overall policy goal.

But even when policymakers decide that improving the wages and benefits of child care workers is a desirable goal, they must make political choices about the type of initiatives to pursue. As this analysis demonstrates, states are more receptive to indirect initiatives, such as mentoring or professional development programs, than to direct measures that provide wage and benefit supplements. On the other hand, some states have been skillful in linking indirect strategies, such as mentoring and training, to direct strategies, such as wage increases, to achieve politically viable results.

This analysis also reveals that while many states have initiated programs that may raise compensation levels for child care workers, there is no widely accepted universal approach to formulating these initiatives. Some states use demonstration projects, such the WAGES Plus program in

[3] To conduct this analysis, we used a logistic regression technique, which is an iterative statistical method that determines the maximum likelihood of a relationship between two variables while holding constant the effects of other

San Francisco, while others have undertaken statewide initiatives, such as the Universal Pre-Kindergarten program in Georgia. Even programs that have similar goals often are designed in markedly different ways. Initiatives in California and Washington, for example, which directly supplement the wages of child care workers, are underwritten by different mixes of state and local funding and target different types of workers. The C.A.R.E.S. program in California includes all child care providers. In contrast, the Career Ladder initiative in Washington is limited to employees of center-based providers. Although these programs may serve as models for other states, lawmakers, advocates and other key players are crafting proposals to match the political preferences and local conditions of their states and local areas.

The variation in the design and implementation of child care worker compensation initiatives may lead to different policy outcomes across the states. While many states have begun to experiment with both direct and indirect strategies, there currently is little information to assess the efficacy or effectiveness of these programs. Fundamental questions remain: Have these initiatives been successful in raising child care worker compensation? And if so, who has benefited and how much has compensation improved?

Although there is considerable activity within states to formulate and implement policies that address the child care worker compensation question, there also is significant activity within cities and local areas. Parents, child advocates, child care providers, business leaders, union representatives, and public policymakers are joining together to address the needs of children. Coalitions and alliances at the local level will be instrumental in determining how broad policy objectives are operationalized to meet local labor market conditions and community preferences. Whether the same dynamics and political

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factors.

influences that operate in state initiatives are active at the local level will be interesting to watch. Analyses of these partnerships—their size, histories, resources, and strategies—may provide further clues of how issues to improve child care and compensation for child care workers get on the public agenda. Indeed, the activities taking place in cities and local areas may provide a good illustration of the interactions and synergies that occur between bottom-up and top-down policymaking.

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Box 1. Training TANF Recipients as Child Care Providers in California

The Department of Education and the Department of Social Services of California have joined efforts to develop a two-year program to train TANF recipients to care for children in their homes or in child care centers. The project's goal is to improve the supply and quality of child care services; promote the safety of license-exempt care; and assist TANF recipients in moving from welfare to work. During the first year of the program, selected TANF recipients receive academic instruction and practical experience through training that focuses primarily on family child care health and safety requirements. The second year stresses the practical aspects of child care through student-mentor relationships.

The project is funded primarily from federal and state resources and the Child Care and Development Block Grant (CCDBG). It has been implemented through awards to the counties in California. During the fiscal years 1998 and 1999, roughly 2,000 clients from 29 counties participated in the program. The scope of the project was reduced in fiscal year 2000, as state officials allocated roughly $500,000 from the CCDBG to operate the program in 17 counties. Officials estimate the cost to be approximately $1,000 per participant over the two-year period of the program. Each county has autonomy to design its training program according to the needs of the participants.

Officials in California also developed a two-year program to train TANF recipients to become child development teachers. The level of client participation varies by county in relation to recipient's interest in the program. During the first year of the program, the TANF recipients who register for the program are enrolled full-time in community college course work and are assigned mentor teachers who supervise them through the program. The second year of training includes 32 hours of paid employment per week, continued education to complete 24 units in early childhood education, and 16 units in general education. After completing the two years of training, TANF recipients qualify for the Child Development Teach Permit in California.

Box 2. The T.E.A.C.H. Early Childhood Scholarship Program in North Carolina

The Teacher Education and Compensation Help (T.E.A.C.H.) project began as a pilot project in North Carolina in 1990 to provide scholarships to child care center employees and center directors to work toward earning an associate degree in Child Development and Education or credentials as a Child Development Associate (CDA) or Administrator, or a CDA equivalency. Teachers, directors, or family child care providers can be beneficiaries of the program, but child care center employees must be sponsored by their center. After obtaining their credential or degree, T.E.A.C.H. beneficiaries receive a three to five percent salary increase or an annual bonus, plus health insurance, if they remain with the sponsoring center for an additional year.

The costs of T.E.A.C.H. are shared by the caregiver receiving the scholarship, the sponsoring child care center or family child care home, and the T.E.A.C.H. Early Childhood Scholarship program. The proportion of costs that each party pays varies depending on the scholarship model. Currently, T.E.A.C.H. operates under eight different models in North Carolina. The state approved project funds of $1.4 million through 2002. T.E.A.C.H. also received foundation and corporate support to cover a portion of the cost of tuition and books.

Roughly 12,000 individuals have participated in T.E.A.C.H. in North Carolina during the last 10 years. The wide participation in T.E.A.C.H. is credited in part with reducing the exit of workers from the child care field from 42 percent in 1995 to 31 percent in 1999 (Russell, 2000).

The T.E.A.C.H. model also has been adopted in several states including Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Missouri, New York, Oklahoma, Pennsylvania, South Carolina, Virginia, Washington, and Wisconsin. The Child Care Services Association, a nonprofit organization based in North Carolina that helped to design T.E.A.C.H, gives technical assistance to these states, which are in various stages of implementing the T.E.A.C.H. model.

Box 3. The Career Ladder in Washington State

The Economic Opportunity Institute (EOI), in concert with the Washington State Office of Child Care Policy and Childcare Union Project, designed a career ladder for child care workers. This program ties additional compensation for child care workers to their experience, education, and degree of responsibility. From a base, per-hour wage of $7.00 for King County child care programs and $6.50 in the rest of the state, child care workers receive pay increments of $0.50 per hour for each year of service, $0.50 per hour for educational increments, and $0.50 per hour for increased responsibilities, such as serving as an assistant teacher or program director.

State officials appropriated $4 million for the program for a three-year period, beginning in July 1999. This allocation is to establish career and wage ladders for roughly 1,000 child care workers who serve approximately 7,500 children in 150 child care centers. Participating child care centers must meet three requirements: maintain a state license; adopt the wage scale set by the program; and enroll subsidized, low-income children in at least 10 percent of their classes. Support for the career ladder program in Washington's child care industry has been widespread. Many centers believe that the program will decrease staff turnover and increase the number of qualified child care workers. Yet because the program is in its formative stage, no research has been conducted to test the efficacy of these assumptions.

The career ladder initiative is being implemented across 23 of the 39 counties in Washington, and is funded in part with welfare reinvestment funds. The state government finances wage increments based on education, while participating centers pay for increments based on experience and responsibility. Counties are able to supplement state program funds. For example, King County officials approved $300,000 to support a wage ladder for roughly 200 teachers at 15 child care centers.

Union involvement spurred the development of the career model in Washington. With support from the Service Employee International Union's District 925, the Childcare Union of Seattle played a vital role in obtaining political and financial support for the career ladder initiative. Predicated on the concept of "new unionism," these labor advocates aim to raise wages and improve child care services through cooperation among child care workers and providers, as well the public and business sectors.

Table 1. State Strategies to Improve Child Care Worker Compensation

	Indirect Strategies			Direct Strategies	
State	Training or Mentoring	Professional Development	Reimbursement Rate Improvements	Employee Benefits	Wage Increments
Alabama					
Alaska					
Arizona		X	X		
Arkansas			X		
California	X	X		X	X
Colorado	X	X	X		
Connecticut		X	X		
Delaware					
District of Columbia	X				X
Florida	X	X	X		
Georgia		X			X
Hawaii					
Idaho		X			
Illinois	X	X			X
Indiana		X			
Iowa		X			
Kansas					
Kentucky	X		X		
Louisiana					
Maine		X			X
Maryland					
Massachusetts	X		X		
Michigan	X			X	
Minnesota	X	X	X		
Mississippi			X		
Missouri		X			
Montana		X			
Nebraska	X		X		
Nevada		X			
New Hampshire		X			
New Jersey	X		X		
New Mexico			X		
New York		X			X
North Carolina		X	X	X	X
North Dakota					
Ohio	X				
Oklahoma	X	X	X		X
Oregon					
Pennsylvania	X	X			
Rhode Island			X	X	
South Carolina		X	X		
South Dakota					
Tennessee		X	X		
Texas	X				X

	Indirect Strategies			Direct Strategies	
State	**Training or Mentoring**	**Professional Development**	**Reimbursement Rate Improvements**	**Employee Benefits**	**Wage Increments**
Utah					
Vermont			X		
Virginia		X			
Washington		X			X
West Virginia					
Wisconsin	X	X	X		X
Wyoming					

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Table 2. States with Training and Mentoring Programs

State	Training and Mentoring Programs
California	Training programs for Temporary Assistance to Needy Families (TANF). (NCCIC, 1997).
Colorado	Neighbor-to-Neighbor Child Care Training and Education Pilot program: Support new providers with training, assistance in obtaining licenses, and assistance with start-up costs (NCCIC, 1997).
District of Columbia	Child Care Works Program: matches child care workers with training opportunities (CCCW, 1998).
Florida	Mentoring programs for family child care homes initially licensed or registered (Welfare Information Network, 2000).
Illinois	Mentoring programs for new providers (NCSL, 2000).
Kentucky	Mentoring programs for providers (NCSL, 2000).
Massachusetts	The Child Care Careers Program (CCCP) is a pre-service training program in early child education for low-income women from Boston and Cambridge. After the completion of their training, students may find jobs at their student internship sites (NCECW, 1997).
Michigan	Mentoring programs for providers (NCSL, 2000).
Minnesota	Minnesota Child Care Apprentice/Mentor Program: Pilot program to assist low-income women (NCECW, 1997).
Nebraska	Laws that support more training and education for providers (NCSL, 2000).
New Jersey	Mentoring program for providers (NCSL, 2000).
Ohio	Laws that support more training and education and providers (NCSL, 2000).
Oklahoma	Laws that support more training and education and providers (NCSL, 2000).
Pennsylvania	Through the efforts of the YMCA of Philadelphia and the financial support of the Pew Charitable Trusts and others, nearly 50 new neighborhood-based child care centers were created by low-income and unemployed individuals (NCCIC, 1997).
Texas	The Texas Workforce Commission awarded a $115,288 grant to create 50 jobs that assist TANF recipients in the transition from public assistance to self-sufficiency. Trainees earn six hours of community college credit that can be applied toward an associate degree (NCSL, 2000).
Wisconsin	Milwaukee Early Childhood Mentor Teacher Program: The program selects experienced child care workers to receive training to mentor new providers. After mentors and new providers complete the mentoring program, child care center directors and family child care providers are encouraged to increase their wages (NCECW, 1997).

Table 3. States with Professional Development Programs

State	Professional Development Program
Arizona	Law that supports more training and education for providers (NCSL, 2000).
California	• California Early Childhood Mentor Program • The C.A.R.E.S. (Compensation and Recognition Enhances Stability) program. Child Development Teacher Loan Assumption Program (CCCW, 2000).
Colorado	T.E.A.C.H. Early Childhood Project administered by the Office of Resource and Referral Agencies (Russell, 2000).
Connecticut	The state and the private sector fund the Early Childhood Training and Resource Academy to improve the professional development of center and home providers (NCSL, 1999).
Florida	T.E.A.C.H. Early Childhood Project administered by Florida Children's Forum (Russell, 2000).
Georgia	• T.E.A.C.H. Early Childhood Project administered by the Georgia Association on Young Children (Russell, 2000). • The Advancing Careers through Education and Training (ACET) project to improve childhood care and education by developing a career system for the field (NCCIC, 1997).
Idaho	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Illinois	T.E.A.C.H. Early Childhood Project administered by Illinois Network of Child Care Resource and Referral Agencies (Russell, 2000).
Indiana	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Iowa	Law that supports more training and education for providers (NCSL, 2000).
Maine	Law that supports more training and education for providers (NCSL, 2000).
Minnesota	Loan Forgiveness Program that assumes or forgives higher education loans for students enrolled in a child development program (NCSL, 1997).
Missouri	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Montana	Provider Merit Pay Awards Program developed by the Montana State University to provide training and rewards to teachers and providers (NCECW, 1997).
Nevada	Law that supports more training and education for providers (NCSL, 2000).
New Hampshire	State-funded loans degree program (NCSL, 2000).
New York	T.E.A.C.H. Early Childhood Project administered by New York State Child Care Coordinating Council (Russell, 2000).
North Carolina	The T.E.A.C.H. Early Childhood Project: Scholarships for individuals to work toward an associate degree in early childhood education. The program was created and is administered by Day Care Services Association in North Carolina (Russell, 2000).
Oklahoma	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Pennsylvania	• T.E.A.C.H. Early Childhood Project (Russell, 2000). • Loan Forgiveness Program (NCSL, 1999).
South Carolina	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Tennessee	Law that supports more training and education for providers (NCSL, 2000).
Virginia	T.E.A.C.H. Early Childhood Project (Russell, 2000).
Washington	• Law that supports more training and education for providers (NCSL, 2000). • T.E.A.C.H. Early Childhood Project (Russell, 2000).

State	Professional Development Program
Wisconsin	• Wisconsin's Quality Child Care Initiative (NCECW, 1997). • T.E.A.C.H. Early Childhood Project (Russell, 2000).

Table 4. States with Reimbursement Rate Improvement Programs

State	Reimbursement Rate Improvements
Arizona	Reimbursement contingent on accreditation (NCSL, 1999).
Arkansas	Reimbursement contingent on accreditation (NCSL, 1999).
Colorado	The Colorado Child Care Assistance Program (NCSL, 1999).
Connecticut	System that pays higher rate to providers who meet higher standards, such as accreditation (NCSL, 2000).
Florida	Reimbursement contingent on accreditation (NCSL, 1999).
Kentucky	Reimbursement contingent on accreditation (NCSL, 1999).
Massachusetts	"Fair Rates + Fair Wages = Quality Child Care" (NCECW, 1997).
Minnesota	Reimbursement contingent on accreditation (NCSL, 1999).
Mississippi	Reimbursement contingent on accreditation (NCSL, 1999).
Nebraska	System that pays higher rate to providers who meet higher standards, such as accreditation (NCSL, 1999).
New Jersey	Reimbursement contingent on accreditation (NCSL, 1999).
New Mexico	Reimbursement contingent on accreditation (NCSL, 1999).
North Carolina	Reimbursement system to encourage providers to achieve higher standards of quality (NCSL, 1999).
Oklahoma	Law that increases the child care reimbursement rate for providers who serve children with disabilities, and offer care during odd hours (NCSL, 2000).
Rhode Island	The state plans to make reimbursement rates to providers who care for subsidized children more competitive with local market rates by the year 2000.
South Carolina	Reimbursement contingent on accreditation (NCSL, 1999).
Tennessee	Reimbursement contingent on accreditation (NCSL, 1999).
Vermont	Bonuses at 15 percent above the market rate for programs that become accredited and providers who receive a degree (NCSL, 2000).
Wisconsin	Wisconsin's Quality Child Care Initiative, if holding accreditation (NCSL, 2000).

Table 5. States with Health Benefit Programs

State	Health Benefits Programs
California	Health Maintenance Organizations (HMOs) offer free or low-cost health insurance to selected California child care providers (NCECW, 1997).
Michigan	Wayne County Health Choice offers state health coverage to qualified, low-wage employees, including child care workers (NCECW, 1997).
North Carolina	The T.E.A.C.H. Health Insurance Program is funded with TANF funds. Child care centers must pay at least one-third of the cost, and family child care providers pay two-thirds. The child care worker pays the remainder, if any (CDF, 1999).
Rhode Island	The state allows licensed home-based providers who care for the children of working families to qualify for health and dental benefits through Rite Care, the state's health insurance program (NCCIC, 1997).

Table 6. States with Wage Initiatives

State	Wages Increments
California	The C.A.R.E.S. (Compensation and Recognition Enhances Stability) program provides wage incentives for trained teachers and providers to remain at their centers. The program supplies direct grants to child care programs to improve compensation and retention of teachers and providers (CCCW, 2000). Also, the WAGES Plus program, which began operation in October 2000 in San Francisco, ties wage increases to experience and educational attainment.
District of Columbia	The DC Public School System operates a Universal Pre-K program that promotes comparable pay among preschool and K-12 teachers.
Georgia	Pre-K teachers receive salaries that are commensurate with teachers in public schools (FCD, 1999).
Illinois	Chicago Accreditation Partnership is a landmark $16 million public-private partnership to improve child care services. Partnership staff advocates for increased salaries for child care providers, and administers the Kohl/McCormick Award to honor outstanding teachers who work with children from birth to age 8 (Chicago Early Childhood News Network, 2000).
Maine	Maine appropriated funds to provide incentives for child care providers to offer care during odd hours in undeserved geographic areas (NCSL, 2000).
New York	The New York State Office of Children and Family Services operates the Child Care Professional Retention Program, which provides grants to eligible child care workers to reduce staff turnover. Also, Nassau County, NY, provides wage supplements for teachers from nonprofit child care centers that are contracting with the county (NY State Department of Family Assistance, 2000).
North Carolina	T.E.A.C.H. Child Care Wages: Provides direct salary supplements to teachers who attended the training and stay at their child care program (Russell, 2000).
Oklahoma	Pre-K teachers receive salaries that are commensurate with teachers in public schools (Oklahoma State Department of Education, 2000).
Texas	Workers receive a bonus (using federal funds) if they remain in the field for 18 months following the completion of their training (NCSL, 2000).
Washington	The Career Development Ladder incorporates wages increments based on experience, responsibility, and education (Burbank, 2000).
Wisconsin	The Wisconsin Quality Improvement Grants Program Workers receive bonuses if they are accredited (CCCW, 2000).

Table 7. Predictors of Direct State Strategies to Increase Child Care Worker Compensation

Variable	Odds Ratio	Standard Error	P value
Affiliation of governor (Democrat)	1.30	1.01	0.37
Tenure of governor (months)	1.02	0.01	0.07
Female labor market participation rate	0.93	0.11	0.27
Percent of children under age 13 living in low-income families with working parents	0.95	0.07	0.23
Budget surplus (per capita)	1.00	0.00	0.49
Change in TANF caseload	1.01	0.03	0.28
Unemployment rate	1.00	0.51	0.50

Source: The Urban Institute, Center on Nonprofits and Philanthropy

Number of observations: 49
Pseudo R-squared: 0.08

Table 8. Predictors of Indirect State Strategies to Increase Child Care Worker Compensation

Variable	Odds Ratio	Standard Error	P value
Affiliation of governor (Democrat)	0.57	0.47	0.25
Tenure of governor (months)	0.98	0.01	0.06
Female labor market participation rate	0.92	0.12	0.26
Percent of children under age 13 living in low-income families with working parents	0.97	0.07	0.36
Budget surplus (per capita)	1.00	0.00	0.15
Change in TANF caseload	1.02	0.03	0.17
Unemployment rate	0.47	0.26	0.08

Source: The Urban Institute, Center on Nonprofits and Philanthropy

Number of observations: 49
Pseudo R-squared: 0.32

Appendix A. Sources of Information

The information in this report was compiled from a number of sources. We used the Internet websites of state legislatures and executive offices to obtain information on current legislative and gubernatorial child care worker compensation initiatives. We also obtained information from public sector umbrella organizations, such as the National Conference of State Legislatures and the National Governors Association to identify state-level proposals.

Several national child care advocacy organizations also provided useful materials through their websites and publications. These groups include the Center for the Child Care Workforce, the Children's Defense Fund, the National Association for the Education of Young Children, and the National Association of Child Advocates.

Our web searches were aided by organizations that specialize in disseminating information on child care and worker compensation issues, such as the Welfare Information Network and the National Child Care Information Center.

Finally, we conducted numerous telephone interviews with state officials and nonprofit child advocates, particularly in California, North Carolina, and Washington. We relied on these conversations to corroborate the information from our web-based research.

Appendix B. Data Sources of Predictors of Child Care Worker Compensation Proposals

Variable	Source	Specific Source Location	Quantification in Analysis
Party Affiliation of Governor	National Governors Association	www.nga.org/Governor/GovMasterList.htm (accessed December 8, 2000)	Categorical variable: Democrat=1; Other=0
Tenure of Govemor	National Governors Association	Tabulated from http://www.nga.org/Governor/GovMasterList.htm (accessed December 8, 2000)	Continuous variable: number of consecutive months in office
Female Labor Market Participation	U.S. Bureau of Labor Statistics	Local Area Unemployment Statistics, Geographic Profile	Continuous variable: percentage of women in civilian labor force in 1997, by state
Percent of Children Under Age 13 Living in Low-Income Families With Working Parents	Annie E. Casey Foundation, KIDS COUNT 2000	www.aecf.org/kidscount/auxiliary/table2_16.htm (accessed December 8, 2000)	Continuous variable: see variable name
TANF Caseload Changes	U.S. Department of Health and Human Services	Calculated from http://www.acf.dhhs.gov/news/stats/aug-dec.htm (accessed December 8, 2000)	Continuous variable: percentage change in the caseload between August 1996 and December 1999, by state
State Unemployment Rate	U.S. Bureau of Labor Statistics	stats.bls.gov/laus/Lauastrk.htm (accessed December 8, 2000)	Continuous variable: rate of unemployment in 1999, by state
State Budget Surplus	U.S. Bureau of the Census	*Statistical Abstract of the United States: 1999,* page 323	Continuous variable: balance of state general fund in 1999, by state

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