

Report to the Legislature

# **Early Learning Compensation Rates Comparison**

January 2015



Washington State Department of  
**Early Learning**

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## Introduction

The Department of Early Learning (DEL) is directed by RCW 43.215.020 to use currently collected data to compare state-funded child care compensation rates to market rates, cross-compare child care programs in other states and make biennial recommendations to the legislature on compensation models to attract high quality professionals.

For the purposes of this report DEL analyzed the following data:

- The Most recent **2012 Market Rate Survey**
- The 2013 **Child Care Aware Annual Data Report**
- 2013-14 ECEAP staff compensation rates<sup>1</sup>
- Washington Head Start staff compensation rates<sup>2</sup>
- 2008-2009 state preschool salary data for Georgia, Minnesota, New Jersey, Wisconsin and Vermont

## Early Childhood Education and Assistance Program (ECEAP)

ECEAP is Washington's state-funded prekindergarten program that prepares some of the state's most vulnerable 3- and 4-year-old children for success in school and in life. DEL oversees the program which, since 1985, has focused on the well-being of the whole child by providing comprehensive nutrition, health, education and family support services to Washington's most at-risk children.

The goals of ECEAP are to:

- Achieve kindergarten readiness, including academic, social and health goals.
- Foster family engagement in their child's learning experiences.
- Strengthen families' resilience and support self-sufficiency goals.

ECEAP currently offers three models:

- The **Part-Day** model operates a minimum of 2.5 hours per day and provides a minimum of 320 hours of direct instruction in no less than 30 weeks.
- The **Full-School Day** model follows the school calendar year. This model operates 5.5-6.5 hours per day, a minimum of four days per week. A minimum of 1,000 hours of direct instruction is provided.
- The **Extended Day** model provides care at least 10 hours per day, 5 days per week. This model, intended for working families, operates year round and provides high quality pre-K during the summer and holidays.

All models offer comprehensive services and have a minimum 1:10 adult/child ratio with no more than 20 children per class/group.

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1 Staff Compensation Summary for Fiscal Year 2013-2014

2 Head Start Program Information Report (PIR) Summary Report - State Level 2013-2014

## ECEAP Staff Qualification Requirements

Each ECEAP Lead Teacher is directly responsible for the care and education of ECEAP children. The Lead Teacher observes and assesses children’s development, plans children’s curricula, designs the learning environment, implements and supervises learning activities and involves parents. They must have either an Associates or higher degree with the equivalent of 30 college credits in early childhood education, or a valid Washington State Teaching Certificate with an endorsement in Early Childhood Education (Pre-K – Grade 3) or Early Childhood Special Education.

Average Lead Teacher salaries vary depending on degree, geographic location and organization. The charts below outline these differences.

**Figure 1: ECEAP Lead Teacher Average Annual Salary for 2013-14 by Early Achievers Region and Degree<sup>3,4</sup>**

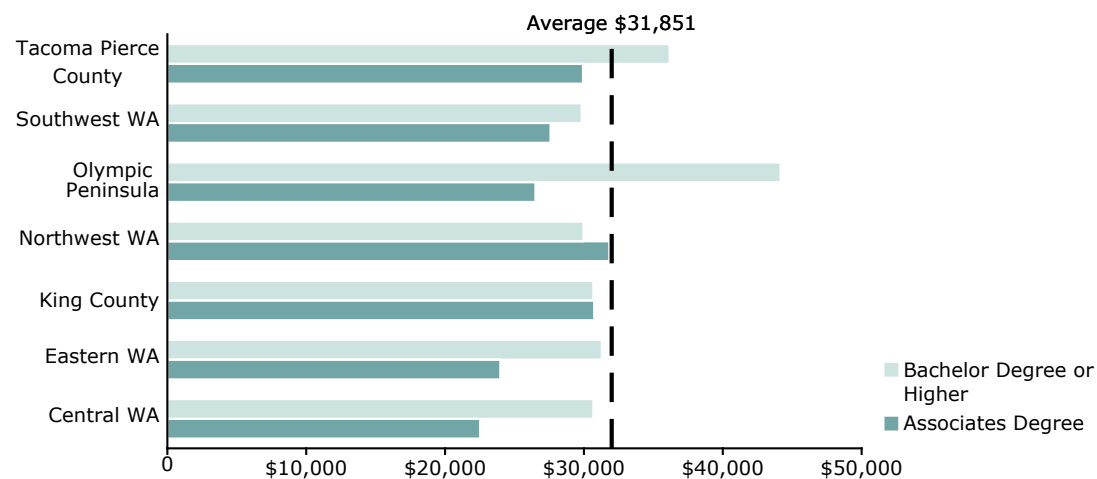


Figure 1 shows a breakdown of salaries in the seven Early Achievers regions across the state:<sup>5</sup>

- Average annual salary for a Lead Teacher with a Bachelor’s degree or higher is \$33,736
- Average annual salary for a Lead Teacher with a Associate’s degree is \$28,273

3 Lead Teachers with a CDA only are not reported; these staff are on a Professional Development Plan (PDP) to reach full qualifications.

4 Total sample size of 421; 119 data points are excluded due to incomplete data.

5 Data represents a sample of ECEAP annual salaries by degree across the state; annual salary excludes benefits.

**Figure 2: ECEAP Lead Teacher Annual Salary by Degree and Site Type<sup>6</sup>**

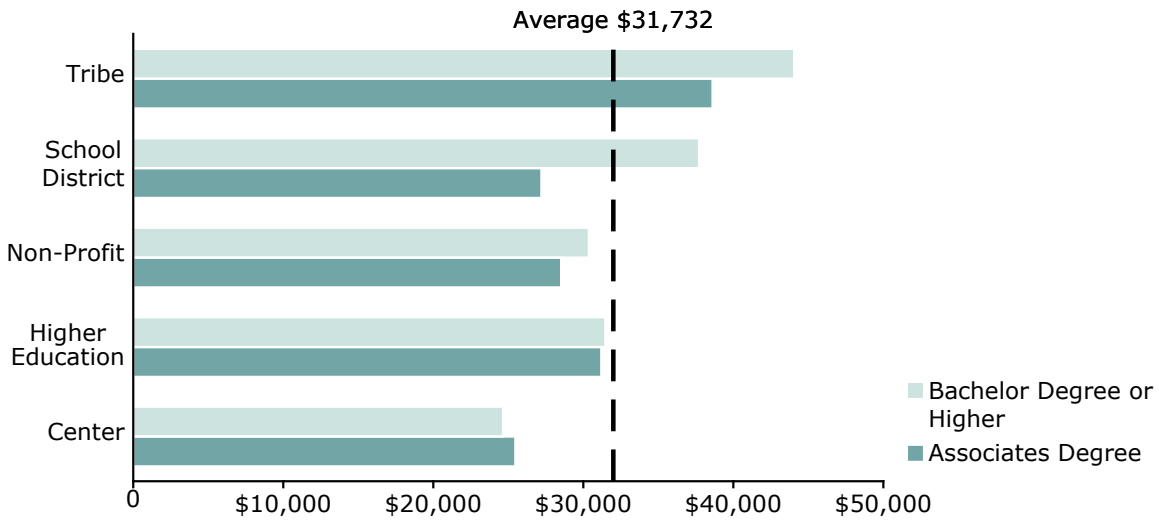


Figure 2 depicts salary ranges by both degree type and facility type:

- On average, Lead Teachers at licensed child care centers are paid the least when compared with other facility types
- Tribal and School District programs tend to pay much higher salaries for Lead Teachers with a Bachelor degree or higher; however, the sample size for Tribal Sites was low (7 Lead Teachers total)

At this time, staff salary data in ECEAP is based on self-report. DEL ECEAP staff will enter staff qualifications data in the Managed Education Registry and Information Tool (MERIT), the state’s professional development registry, in the spring of 2015. This will allow DEL to pair workforce data collected in MERIT with verified wage data from Washington’s Employment Security Department. To achieve this goal, the Department of Early Learning is partnering with Washington’s Education Research and Data Center (ERDC) to collect verified data about the compensation benefits for early learning professionals. In 2015, DEL and ERDC will be finalizing a data sharing agreement and DEL will compile the information into a workforce report to inform program planning and implementation, including the creation of a recommended salary scale.

<sup>6</sup> Sample size for all site types is 421

## Head Start

Head Start is a federally-funded program designed to foster healthy development in low-income children. Program grantees and delegate agencies deliver a range of services that are responsive and appropriate to each child's and each family's heritage and experience, and that encompass all aspects of a child's development and learning.

### Head Start Staff Qualifications

Sec 648A of the Head Start Act mandates that at least 50 percent of Head Start teachers nationwide in center-based programs have either a BA or an advanced degree in early childhood education or a BA or an advanced degree and coursework equivalent to a major relating to early childhood education, with experience teaching preschool-age children. The average salary for Head Start Lead Teachers in Washington in 2013-14 was \$28,385.<sup>7</sup>

**Figure 3: Lead Teacher Average Annual Salary: Multiple State Comparison Average Variance**

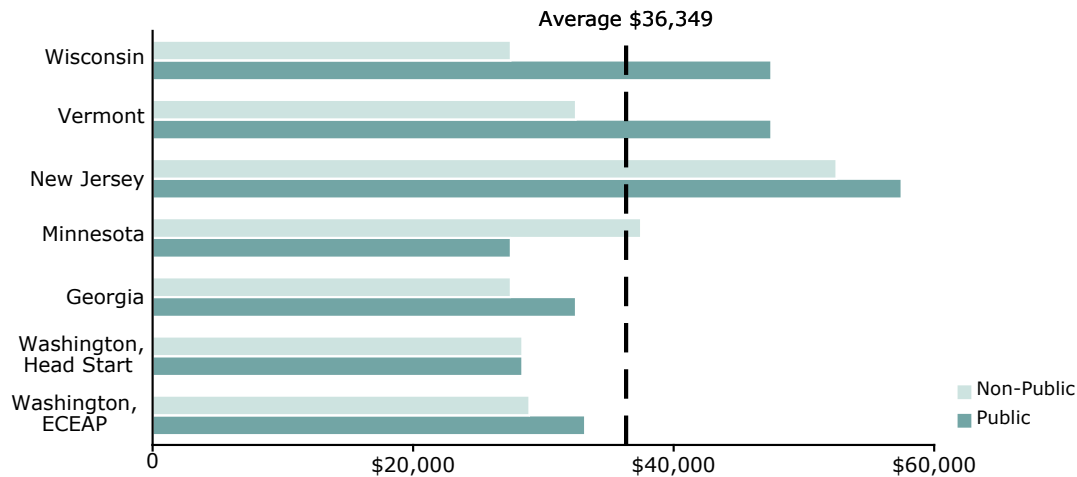


Figure 3 compares average Lead Teacher salary with comparable state preschool teacher salaries:

- On average, Lead ECEAP Teachers in Washington State earn \$6,165 less in annual salary, excluding benefits, than their peers in states with comparable programs (public and non-public combined). This is 17% lower than the average.
- On average, Lead Teachers at non-public sites earn \$5,386 less than their peers in states with comparable programs.
- On average, Lead Teachers at public sites earn \$6,944 less than their peers in states with comparable programs.<sup>8</sup>

<sup>7</sup> 2013-2014 Head Start Program Information Report (PIR) Summary Report – State Level

<sup>8</sup> Education data was not available for other states for this analysis. Data for other states was provided as public and non-public. Washington State ECEAP classifies sites on a broader spectrum. Public sites for ECEAP in Washington State include: centers, school districts, and higher education. Non-Public sites for ECEAP in Washington State include: centers, higher education, non-profit, and tribal.

## Per Child Compensation Rates: ECEAP, Head Start Grantees and Licensed Child Care

In FY15, the ECEAP budget is \$76,474,000 GF-S. For school year 2014-15, the Legislature increased the per-slot funding to \$7,579. Of this, approximately 97 percent is directed to communities to benefit children and families, at an average of \$7,331 per slot for the Part Day Model.

State funded ECEAP slots have the following average cost per child:

- Part day: \$7,331
- Full School Day: \$9,960
- Extended Day: \$15,391

In the Full School Day and Extended Day models, state ECEAP dollars (Part Day rate) and Working Connections Child Care (WCCC) subsidy dollars are layered at DEL and provided in a single contract to each ECEAP contractor. This innovative funding strategy allows for increased continuity of care and reduces the administrative burden to ECEAP contractors. Contractor cost per child compensation differs slightly by WCCC region due to regional variations in the WCCC subsidy rates. ECEAP contractors receive an average flat base per child state ECEAP rate of \$7,331.

- Contractors implementing Full School Day receive an average of \$9,960 per child. This cost per child includes \$7,331 plus a part day WCCC subsidy rate for their region.
- Contractors implementing Extended Day receive an average of \$15,391 per child. This cost per child includes \$7,331 plus a full day WCCC subsidy rate for their region.

The average Head Start cost per child is \$9,678. Head Start grantees must provide a minimum of 448 classroom hours per year, therefore this cost per child is most comparable to the ECEAP Part Day cost per child of \$7,331. These costs include costs allocated to teacher training that are not included in the ECEAP cost per child. This cost per child is 32% more than the average cost per child for ECEAP.

The table below<sup>9</sup> shows average annual costs per child by age served, broken down by Child Care Centers and Family Homes. Licensed Child Care Centers have comparable annual costs to Head Start and ECEAP (full-day) per preschooler while Family Homes have slightly lower annual costs per preschooler.

**Table 1: Average Monthly Cost Per Child and Annual Cost for Full-Time Child Care by Type of Facility and Age Group<sup>10</sup>**

<b>Centers</b>	<b>Average Monthly Cost Per Child</b>	<b>Annual Cost of Child Care</b>
Infant	\$1,029	\$12,343
Toddler	\$866	\$10,392
Preschooler	\$766	\$9,187
Kindergartener	\$641	\$7,696
School-Age	\$546	\$6,557
<b>Family Homes</b>		
Infant	\$693	\$8,313
Toddler	\$665	\$7,984
Preschooler	\$609	\$7,304
Kindergartener	\$535	\$6,422
School-Age	\$493	\$5,920

9 For the purposes of this report we relabeled table numbers. This is table 28 from the 2012 Market Rate Survey.

10 Danna Moore, Ph.D. (2012). Washington State 2012 Child Care Survey: Child Care Rate and Resources in Washington state. Pullman, WA: Social & Economic Sciences Research Center.



## **Per Child Compensation Rates: Comparable State-Funded Preschools**

Washington, Minnesota and New Jersey offer comprehensive preschool services and meet 9 out of 10 NIEER Quality Standards Benchmarks.<sup>11</sup>

### **Minnesota**

Minnesota funds state pre-K by providing supplemental funding to Head Start and Early Head Start programs. All Minnesota state pre-K programs must meet the Head Start Performance Standards. 2012-13 school year data shows Minnesota offered supplemental funding for 1,813 preschool slots to agencies offering Head Start including child care centers, public schools and family child care homes.

In the 2012-13 school year, Minnesota spent \$7,592 per child. Total state funding is reported to be \$13,764,296.

Highlights of Minnesota pre-k requirements:

- 90 percent of the children must be at or below 100 percent of the FPL or receive TANF funding.
- Similar to ECEAP, Minnesota's pre-K programs offer health and developmental screening and referral services, as well as providing lunch and/or breakfast daily.
- Teachers must have an AA or a BA degree and receive 15 hours each year of professional development.
- Family support services include parent conferences or home visits, education services or job training for parents, parenting support or training, parent involvement activities, health services for parents and children, information about nutrition, referral to social services, and transition to kindergarten activities.
- Minnesota's program monitoring includes on-site visits.

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<sup>11</sup> Barnett, W.S., Carolan, M.E., Squires, J.H., Clarke Brown, K. (2013). The state of preschool 2013: State preschool yearbook. New Brunswick, NJ: National Institute for Early Education Research.

## **New Jersey**

In the 2012-13 school year, New Jersey's comprehensive pre-K program was funded at \$12,070 per child for total state funding of \$624,344,361.

Highlights of New Jersey pre-k requirements:

- No income requirement for eligibility. New Jersey provides funding to the districts for all resident three- and four-year-olds who choose to enroll.
- They follow an academic year schedule and classes meet six hours a day, five days a week. Breakfast and lunch are provided.
- Similar to ECEAP, health and developmental screening and referral services are provided to all families. Support services include parenting support or training, parent involvement activities, health services for children, information about nutrition, referral to social services, transition to kindergarten activities and parent conferences or home visits.
- They also include on-site monitoring similar to ECEAP.
- Unlike ECEAP, which has a class size of 20 and a 1:10 ratio, New Jersey's program has a class size of 15 and a 2:15 ratio.

## Licensed Child Care

DEL licenses more than 5,300 child care centers and family home child care providers in Washington. Child care licensing is the foundation of quality, and a key part of the state's quality framework, Early Achievers. Licensed child care providers follow licensing requirements set by the state to help ensure children are in safe, healthy and nurturing places.

### Qualifications for Licensed Child Care Staff

**WAC 170-295-1030** outlines who can be a Lead Teacher in a licensed child care center. The Lead Teacher is a child care staff person who is in charge of a child or group of children and implements the activity program.<sup>12</sup> The Lead Teacher must:

- Be at least eighteen years of age or older;
- Have completed a high school education or the equivalent; and
- Have documented child development education or work experience; or
- Complete required STARS training within six months of becoming a Lead Teacher.

**WAC 170-296A-1725** outlines minimum education requirements for family home providers. For an initial license issued on or after March 31, 2012, the applicant must have a high school diploma.

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<sup>12</sup> The activity program is the schedule of events planned for the children based on **WAC 170-295-2010**

The 2012 Market Rate Survey compiles analyzed data on child care facilities. This data is collected via phone, internet or mail. The following tables are directly from the survey. DEL is in the process of updating this information for 2014.

**Table 2: 2012 Median and Average Monthly Income of Child Care Center Staff by Region<sup>13,14</sup>**

Region	Assistants		Teachers		Supervisors		Directors	
	Median	Average	Median	Average	Median	Average	Median	Average
1	\$1,567	\$1,529	\$1,733	\$1,940	\$2,080	\$2,205	\$2,429	\$2,499
2	\$1,572	\$1,616	\$1,733	\$2,168	\$2,125	\$2,327	\$2,250	\$2,276
3	\$1,733	\$1,713	\$2,023	\$2,152	\$2,583	\$2,442	\$2,700	\$2,830
4	\$1,907	\$1,902	\$2,340	\$2,466	\$2,947	\$3,016	\$3,333	\$3,077
5	\$1,634	\$1,699	\$1,820	\$1,996	\$2,253	\$2,360	\$2,440	\$2,324
6	\$1,577	\$1,607	\$1,790	\$1,965	\$2,172	\$2,187	\$2,300	\$2,274
All	\$1,647	\$1,723	\$1,907	\$2,170	\$2,427	\$2,539	\$2,600	\$2,653

Table 2<sup>15</sup> shows that the highest average wages across Teachers, Supervisors and Directors are in Region 4 (King County). The second highest pay is in Region 3, which consists of counties north of King County, including Snohomish, Skagit, Whatcom and Island Counties. The two areas with the lowest average pay are Region 2 (Kittitas, Yakima and Benton Counties) and Region 6 (Clallam, Jefferson, Grays Harbor, Mason, Thurston, Lewis, Pacific, Wahkiakum, Cowlitz, Clark and Skamania Counties).

13 Danna Moore, Ph.D. (2012). Washington State 2012 Child Care Survey: Child Care Rate and Resources in Washington state. Pullman, WA: Social & Economic Sciences Research Center.

14 Since the populations of each region are not equal, the averages for the all rows are weighted averages.

15 For the purposes of this report we relabeled table numbers. This is table 18 from the 2012 Market Rate Survey.

**Table 3: Median and Average Gross Annual Earnings of Family Home Providers by Region, 2012<sup>16,17</sup>**

<b>Region</b>	<b>Median</b>	<b>Average</b>
1	\$24,000	\$26,732
2	\$21,500	\$25,674
3	\$32,000	\$37,107
4	\$34,000	\$39,707
5	\$30,000	\$32,866
6	\$26,850	\$32,951
All	\$28,818	\$32,908

**Table 4: Median and Average Earnings of Family Home Providers Overall and by Years in Business and Child Care as Main Source of Income, 2012**

	<b>Median</b>	<b>Average</b>
<b>Overall</b>	\$28,818	\$32,908
<b><i>Years in Business</i></b>		
0 through 3 years	\$15,000	\$20,778
4 through 6 years	\$29,000	\$35,844
7 or more years	\$34,000	\$38,626

Tables 3 and 4<sup>18</sup> display earnings for Licensed Family Homes. Table 3 shows the regional differences in annual earnings, with the highest earning in Region 4 (King County) and the lowest earnings in Regions 1 (Adams, Asotin, Chelan, Douglas, Ferry, Garfield, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens and Whitman Counties) and Region 2 (Kittitas, Yakima and Benton Counties). Table 4 shows that earnings increase the longer that the Family Home provider stays in business.

16 Danna Moore, Ph.D. (2012). Washington State 2012 Child Care Survey: Child Care Rate and Resources in Washington state. Pullman, WA: Social & Economic Sciences Research Center.

17 Since the populations of each region are not equal, the averages for the all row are weighted averages.

18 For the purposes of this report we relabeled table numbers. This is table 24 and 25, respectfully, from the 2012 Market Rate Survey.

**Table 5: Median Monthly, Average Monthly and Annual Income in Child Care Centers by Center Type, 2012 Income<sup>19</sup>**

<b>Center Type</b>	<b>Median Monthly</b>	<b>Average Monthly</b>	<b>Median Annual</b>	<b>Average Annual</b>
<b>Government</b>				
Assistants	\$1,820	\$1,923	\$21,840	\$23,082
Teachers	\$2,695	\$2,746	\$32,344	\$32,957
Supervisors	\$2,947	\$3,085	\$35,360	\$37,026
Directors	\$4,000	\$3,861	\$48,000	\$46,330
<b>Non-Profit</b>				
Assistants	\$1,733	\$1,746	\$20,800	\$20,949
Teachers	\$2,076	\$2,238	\$24,908	\$26,856
Supervisors	\$2,557	\$2,646	\$30,680	\$31,755
Directors	\$2,685	\$2,727	\$32,220	\$32,719
<b>For-Profit</b>				
Assistants	\$1,629	\$1,688	\$19,552	\$20,255
Teachers	\$1,820	\$2,045	\$21,840	\$24,538
Supervisors	\$2,297	\$2,387	\$27,560	\$28,643
Directors	\$2,500	\$2,464	\$30,000	\$29,571

Table 5<sup>20</sup> shows that centers run by Government (such as Head Start or ECEAP centers, school district or city sponsored child care) provide the highest average compensation. For-profit child care centers pay the lowest compensation. Government-sponsored child care also pays the highest compensation for Directors, with an average additional \$14,000 annually above the next-closest average salary in non-profit centers. Nonprofit and for-profit child care wages are closer together, and Government-sponsored centers pay considerably more in every staff category.

19 Danna Moore, Ph.D. (2012). Washington State 2012 Child Care Survey: Child Care Rate and Resources in Washington state. Pullman, WA: Social & Economic Sciences Research Center.

20 For the purposes of this report we relabeled table numbers. This is table 19 from the 2012 Market Rate Survey.

DEL analyzed the 2012 Market Rate Licensed Center and Family Home data and ECEAP salary staff data by WCCC region. Figure 4 below details that analysis.

**Figure 4: Lead Teacher Annual Salary by WCCC Region: ECEAP, Licensed Child Care Center and Licensed Family Home**

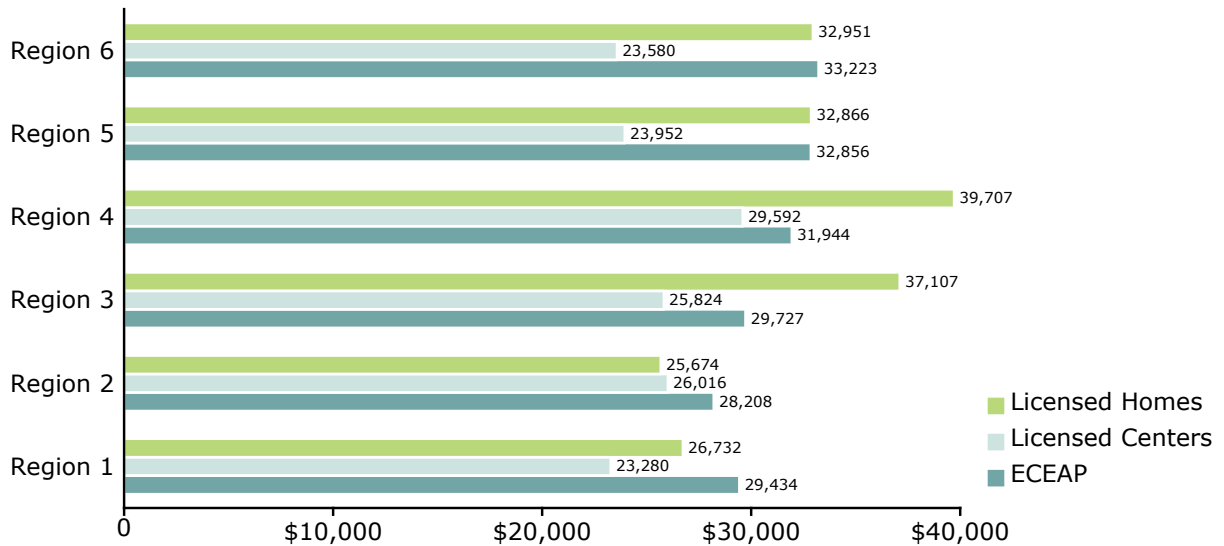


Figure 4 shows that Lead Teachers in licensed homes and ECEAP sites receive a higher average annual salary than centers in all WCCC regions across Washington State.<sup>21</sup>

<sup>21</sup> Includes ECEAP Lead Teacher annual salary data across all education types and across the state from a sample size of 516 annual salaries of ECEAP Lead Teachers. For Licensed Centers, average monthly salary data was provided and multiplied by 12, assuming 12 working months.

## Working Connections Child Care Subsidies

Working Connections Child Care (WCCC) helps low income families pay for child care while they work or meet WorkFirst participation requirements. When a family qualifies for child care subsidy benefits and chooses an eligible provider, the state pays a portion of the cost of child care. The parent is also responsible to pay a copayment to the provider each month.

### Current subsidy rates

Subsidy rates vary by region. Tables 32 and 33<sup>22</sup> in the 2012 Market Rate Survey show center non-subsidized monthly and weekly rates converted to daily rates for comparison. The state subsidy rates were below the 75th percentile of the center private paid child care rate charged regardless of a child's age across the regions. This data is not the most current rate information, but was used in this report to align with all analysis.<sup>23</sup>

The data in Table 32 was also used to estimate the proportion of private pay children who received care that costs the same or less than the state subsidy rate. The daily subsidy rate for infant care in Region 4 was \$44.38. Only 7 percent of the centers in region 4 reported charging the subsidy rate or less. The biggest gap between the subsidy rate and the 75th percentile<sup>24</sup> rate of all age groups appeared in infant care in Region 4, which was \$30.03. The subsidy rate, however, was much closer to the 75th percentile of rates centers charge per day for school-age children in all regions, with the biggest difference being \$8.93.

The gap between the subsidy rate and the 75th percentile of the private paying rate family homes charged was smaller than that of centers.

The daily subsidy rate for infant care in Region was \$40.04. 52 percent of family homes in Region 4 reported charging the subsidy rate or less. The biggest gap between the subsidy rate and the 75th percentile rate for all age groups appeared in preschool care in Region 4, which was \$10.67.

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22 Danna Moore, Ph.D. (2012). Washington State 2012 Child Care Survey: Child Care Rate and Resources in Washington state. Pullman, WA: Social & Economic Sciences Research Center.

23 **Child Care Centers Subsidy Rates, Effective January 1, 2015** (2015, January 1). Retrieved from del.wa.gov

24 The 75th percentile is a federally-established benchmark for determining the adequacy of state child care subsidy rates. In short, rates set at the 75th percentile ensure low-income families have access to at least 75% of the child care market.



## Recommendations

Based data in this report, DEL makes the following recommendations:

1. Continue to work with the ERDC to collect verified compensation data for early learning professionals. Based on this data, create a recommended teacher salary scale for both licensed child care and state-funded preschool.
2. Fund ECEAP at a level consistent with the latest research on essential elements of high-quality preschool, positioning Washington to participate in the President's Preschool for All Initiative and other federal funding opportunities.
  - a. Increase the cost per child to a minimum of \$10,000 to support a Full School Day.
3. Build on the cost study completed in 2013 which modeled the cost of quality in Early Achievers. Update the cost study with a national entity to verify the costs associated with quality, including tiered reimbursement rates.<sup>25</sup>
4. Review the 2015 Market Rate Survey results and, in partnership with the Department of Social and Health Services, create recommendations to bring the subsidy reimbursement rate closer to the 75th percentile in all regions. This will increase the number of providers who accept subsidy and create more high-quality early learning spaces for our most vulnerable children.
5. Continue to tie subsidy rate increases to tiered reimbursement Level 3-5 in Early Achievers.

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<sup>25</sup> Mitchell, A. "[Modeling the Cost of Quality in Early Achievers: Centers and Family Child Care](#)." Department of Early Learning, 12, February 2015