Karen Tramontano 03/05/98 07:25:45 PM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc:

Subject: child care

folks did a very good job handling the meeting --- i just dropped in for a few minutes --

two things:

If workers decide to organize, employers should remain neutral.

i did speak w/ john awhile back about mirroring the organizing neutrality language that is already in the headstart law --- i did try our expansion idea but he about threw me out of the room --is it possible for you to get your staff to research the orginal head start language and see what we'd be up against?

2d -- it was clear from the part of the meeting i was in that their report, worthy wage day and the treasury commission meeting will all happen either within days or within a week of each other --- last week of april/first week of may -- i'd like you to read their report --- they will be sending another draft to us next week just so i can have another check on whether there is anything in it that will give us some pain --- it is clear that if the report gets coverage -- which it will--that we will need an answer to the wage problem --- and the scholarship piece leaves us a little vunerable since the normal calculation ---- improved training and education = improved wages--does not work in this sector. I just don't want us getting bruised before we start --

Cal. model
NC model
-- any ideas here as wage supplement

thanks, sorry to be so long winded

Jen -
Could you touch base with Karen? She's talked to me about the first idea, but I've never listened hard enough to figure it out. Cover for me, would you?
Elena

MEMORANDUM

DATE: **JANUARY 27, 1998**

TO: **KAREN TRAMONTANO**

FROM: Gigi Georges

RE: President's Child Care Initiative

Jen/Nicole/Neera
FYI

Attached are the comments we promised on the President's Child Care initiative. Thanks for the opportunity to weigh in.

We'll look forward to engaging legislatively and politically once this gets rolling in Congress. Let me know if you think there's anything we can do to be helpful.

Talk to you soon.

• Elena -
let's talk when you have a moment -
• There's a bit of a struggle going on in labor
• neutrality - wage retention increases
Thanks -
Karen

AFT Comments on the President's Child Care Initiative

The AFT strongly supports the President's focus on child care as a national policy priority. Because child care is necessary for so many working families, the AFT has long advocated for the development of quality, affordable care and the expansion of programs that work. And we view the President's initiative as a major step in the right direction. However, we would like to take this opportunity to touch on four components of the President's initiative that, if strengthened, could make a difference in both securing higher educational quality within child care programs and ensuring that working parents most in need of child care have access to it.

1. Modify the CCDBG expansion so that it earmarks a certain amount of funds for child care centers that provide access to low income families.

Numerous studies have shown the difficulties poor families face in gaining access to quality child care. Indeed, the overwhelming majority rely on friends or relatives to watch over their children -- resulting in the kind of care that does not promote school readiness in children.

In addition, there is a qualitative difference between targeting low income families for assistance in paying for child care (by putting money in their hands in the form of vouchers or certificates) and targeting them for availability of high-quality, center-based programs, which they most need.

Given these realities, we urge that in expanding the CCDBG with $7.5 billion in new funding over five years, the administration consider earmarking some portion for existing child care centers in low income areas. Note that we are not offering this as an alternative to block granting. Rather, within the block grant, we are suggesting another way in which a percentage of available funds to states can be earmarked -- much as earmarking is already specified for certain purposes in the existing CCDBG.

2. In expanding the 21st Century Learning Centers, maintain schools as the locus of coordinating with non-school organizations.

The AFT is extremely pleased to see the extent of funding proposed in the President's expansion the 21st Century Learning Centers. Providing for more after school care, particularly by funding school-community partnerships that use public schools, makes smart use of existing resources and provides the basis for strongly coordinated extra-curricular programs.

Although the administration's initiative appears to use public schools as the main locus for after school activity, it does provide that to some extent, community based organizations also serve as after school providers. Because there is a wide range in the quality of CBOs, because even those CBOs that maintain quality programs often do not have the scope of facilities that school buildings have to serve large numbers of children, and because safety is a consideration when children must be transported from school to the CBO, we urge that whenever possible, 21st Century Centers be set up at school sites.

In this way, school districts, working together with community based youth service providers, can make the most of the resources that are available to them.

3. In proposing an increase in the investment in Head Start and Early Head Start, ensure that attention to quality be a top priority.

Given Head Start's strong record of providing quality comprehensive child development and family support services, the AFT is pleased to see the President's proposal for expansion. We urge that the highest attention to quality continue be extended to those children who are served through expansion. Based on the strong research on early childhood brain development, this is particularly important when it comes to the Early Head Start program. Moreover, we encourage the administration to seek ways to ensure follow through and program coordination as children move from one step to the next -- between Early Head Start, Head Start, and the beginning of their K-12 schooling. Coordination is one way to get the most out of educational programming.

In addition, we'd like to suggest that consideration be given to opening Head Start to non-poverty children on a sliding scale fee basis. We strongly believe that expanding the opportunity for participation to middle class families will not only provide greater overall access to quality pre-school education, but it will help diversify and integrate the existing program. It will also encourage an even broader population to become vested in Head Start, which is one way ensure the continuation of a proven quality federal program.

4. Target the proposed enforcement reach of the State Enforcement of Health and Safety Standards fund, the Child Care Research and Evaluation and Information Services fund, and the Child Care Provider Scholarship fund to centers in low income areas.

The AFT regards the proposed establishment of these three funds as a laudable effort to build in a set of standards and quality control. Because problems of standards and oversight are most acute in high-poverty areas, we urge the administration to target these funds to low income centers. This focus would also go hand in hand with our notion of targeting some block grant money to these centers.

While we believe that everything possible should be done to ensure that programs meet tests of quality, we understand the difficulties that arise in calling for standards from the national level. That is why, within the various frameworks that the administration's proposal lays out to ensure quality and safety, we hope that the strongest efforts possible be made to ensure proper accreditation of day care providers, track and evaluate existing centers, and promote and replicate programs with proven effectiveness. We have a number of specific ideas in this arena, and would welcome the opportunity to discuss them in greater detail at a later date.

We hope that these comments will prove helpful as you enter into discussions of specific child care legislation with Congress. Please let us know if there is any way we can be helpful in ensuring that the expansion of quality, affordable and accessible child care become a reality in the coming months.

Center
for the
Child Care
Workforce

March 26, 1998

Nicole,

As we discussed yesterday, enclosed is the draft of the Staffing Study that we plan to release soon. Since it is still in draft form, it is not being widely circulated. However, we would appreciate you reviewing it and giving feedback as soon as possible.

Thank you for taking the time to review the draft. Dan is working on writing a message from the President for Worthy Wage Day and we will get that to you soon. Please let me know if you have any further questions.

- Marci Andrews

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A Decade of Change in Center-Based Child Care:
The National Child Care Staffing Study, 1988-1997

Introduction

In 1988, the National Child Care Staffing Study (NCCSS) first gathered data on staffing and quality from a representative sample of child care centers in five metropolitan areas--Atlanta, Boston, Detroit, Phoenix and Seattle--and returned to these sites for updated information in 1992 and 1997. As the only longitudinal study of center-based child care ever conducted in the United States, the NCCSS offers a unique opportunity to look at the composition and stability of the child care workforce during a decade of major change. It also offers insight into the characteristics of centers that did and did not remain in operation during this period.

The release of the latest NCCSS data comes at an opportune moment, as the White House and Congress prepare to enact federal legislation this year addressing the issues of child care quality, affordability and staffing. While the nine-year study covers a period in which significant new funding was infused into the U.S. child care system through the Child Care and Development Block Grant (now called the Child Care and Development Fund), these funds were only minimally targeted to improving child care quality--a key ingredient of which, researchers have consistently found, is the presence of sensitive, consistent, well-trained and well-compensated caregivers. As a result, our data show, these public funds have had little, if any, effect in stabilizing the child care workforce. Now, as the nation devotes major renewed attention to its child care system, and as researchers highlight the importance of children's early brain development, it is critical to understand and use these study findings in order to make a wiser child care investment this time around.

It is heartening that in the current child care debate, policy makers and elected officials are devoting much closer attention to quality and workforce issues than in the past. As President Clinton observed during the unprecedented White House Conference on Child Care in October 1997, "Child care workers on the whole are better educated than the American workforce, but lower paid. We keep saying that we want these people to get more education and more training, and yet a lot of them are quite well educated and working for ridiculously limited wages....I think that we ought to find ways that every community and every state can honor outstanding child care workers in the same ways that we honor teachers today, or scientists." Nearly every panelist at the day-long White House conference highlighted the direct link between better compensation for teachers and providers and higher-quality child care services.

The current pressures on the child care workforce are formidable--as are the pressures on parents, who cannot shoulder the heavy burden of child care costs alone. A serious teacher shortage in many elementary school districts, as well as a healthy U.S. economy overall, are creating new incentives for the best-trained, most experienced child care workers to leave the field for better-paying careers. Child care programs are reporting serious difficulty in finding qualified job applicants and substitute caregivers, leading to problems of under-staffing and the strong potential for unsafe conditions for children. Job conditions in the profession remain woefully substandard, as they were when the Staffing Study began in 1988: poverty-level earnings despite above-average levels of education, few health care or other benefits, limited access to training and other avenues of career advancement, and very high levels of job turnover.

At the same time, as welfare reform rapidly increases the demand for child care services nationwide, there is considerable pressure for states to encourage former welfare recipients to become child care providers themselves, but often without the necessary training or support which leads to quality care or decent child care jobs. In some states, former welfare recipients are being channeled into offering unregulated or minimally regulated forms of child care, with little or no required training or support. For more experienced and trained teachers and providers, such an influx of untrained, entry-level workers being forced off the welfare rolls is likely to drive wages down and reduce opportunities for advancement even further.

Although past child care efforts have largely focused on issues of access and supply rather than quality, we are now poised to take a new look at child care and to make a new kind of investment. Over the past decade, many program models have emerged as promising ways to address the problems of child care quality and workforce stability. These include the T.E.A.C.H. training and scholarship program, begun in North Carolina and now operating in several states; U.S. Army Child Development Services' Caregiver Personnel Pay Plan, which created a revamped training system linked to higher wages, leading to a major reduction in staff turnover and an increase in program quality system-wide; child care mentoring programs, which train and reward experienced, excellent caregivers for sharing their skills with newcomers to the field; and retention grants and salary supplements in New York and North Carolina.[1]

The nation's challenge now is to make these and other creative program models more widely available throughout the country to child care workers and the children they care for. The question before us is no longer whether most American children will attend a child care program at some time during their earliest years, but how nurturing, sound and enriching we want this child care to be. America depends on child care teachers and providers, and our future depends on valuing them.

Highlights of 1997 Findings

Child care teaching staff continue to earn exceptionally low wages.

- Real wages for the highest-paid teachers within child care centers, who constitute a very small segment of the overall child care workforce, average $10.85 per hour or $18,988 per year. This translates to a very modest improvement over the past decade of approximately $1.32 per hour.
- Real wages for teaching assistants, and for the lowest-paid teachers within child care centers, have remained stagnant over the past decade. Teaching assistants at the lowest-paid level earn an average of $6.00 per hour or $10,500 per year, and $7.00 per hour or $12,250 per

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[1] See *Making Work Pay in the Child Care Industry: Promising Practices for Improving Compensation*. Washington, D.C.: Center for the Child Care Workforce, 1997.

year at the highest-paid level. Lowest-paid teachers earn an average of $7.50 per hour or $13,125 per year. (Figures are based on a 35-hour week and 50-week year.)

Child care centers continue to experience very high turnover of teaching staff, threatening their ability to offer good-quality, consistent services to children.

- Only 14 percent of child care teachers have remained on the job in the same center over the past decade, and only 32 percent have been employed in their centers for five years or more.
- Independent nonprofit centers are more likely to retain their teaching staff than are other types of programs, particularly those run by for-profit chains. Thirty-nine percent of teaching staff in the independent nonprofits have been employed in their centers for five years or more, compared to 20 percent in the for-profit chains. These turnover figures correlate with the significantly higher average salaries paid by independent nonprofit vs. for-profit chain centers.
- More than a quarter of child care teachers (27 percent) and nearly 40 percent of assistants left their jobs during the past year, at a time when the demand for their services has grown dramatically.
- One-fifth of centers reported losing half or more of their teaching staff during the past year.

While a substantial number of centers have improved health coverage, especially for teachers, the majority of centers offer their teaching staff limited or no health insurance despite heavy exposure to illness in child care employment.

- Twenty percent of centers offer fully-paid health coverage to teachers only, and 21 percent of centers offer fully-paid health coverage to teachers and assistants. Of those centers, fewer than 23 percent provide dependent health coverage.

Approximately one third of child care centers (35 percent) employ welfare (TANF) recipients, sometimes at less than the prevailing wage and often with limited training.

- Centers paying the lowest wages to entry-level teaching assistants (less than $6.00 per hour) tend to pay TANF recipients even less (an average of $5.27 per hour). Those paying entry-level assistants more than $6.00 per hour pay TANF recipients an average of $6.61 per hour.
- Eighty percent of for-profit chain centers, 40 percent of independent nonprofit centers, 30 percent of church-sponsored centers, and 20 percent of independent for-profit centers currently employ TANF recipients.
- Only 16 percent of programs currently offer college-credit-bearing training to TANF recipients.

Centers which paid better wages in 1997, as in 1988, experienced less teaching staff turnover. These are also the centers which were rated higher in quality in 1988.

- Centers which are accredited by the National Association for the Education of Young Children (NAEYC) pay higher wages to teaching staff, report lower teacher turnover for the past year, and have retained twice as many staff over ten years.
- Centers that have remained in business over the nine-year span of the study pay higher wages, employ more college-educated staff, and report lower staff turnover than centers that have ceased operation. Preschool classrooms in centers that remained open were rated higher in quality in the initial study.

More child care centers received public dollars in 1997 than in 1988, allowing more of them to assist low-income families with child care costs. But because this increased public funding for child care was rarely targeted to quality improvements or increased compensation, these dollars have not resulted in better wages or lower staff turnover.

- Centers paying the lowest wages are experiencing the greatest increase in public subsidies. For-profit chain centers have experienced a threefold increase in revenue from public subsidies over the past decade, and independent for-profit centers have seen such revenue double. Independent nonprofit centers, by contrast, experienced a four-percent *decrease* in revenue from public subsidies, and church-sponsored programs received a four-percent increase.

Recommendations

The best long-term solution to the problems identified in this study, as previously, is a major new investment of public support to ease the child care burden on parents and caregivers alike--and the mobilization of a well-informed American public that is ready to support it. Specifically, new investment in the nation's child care system should include:

- wage supplements or "retention rewards" for trained and experienced teachers and providers;
- more quality improvement funds earmarked for compensation through the Child Care and Development Fund (CCDF) block grant and the proposed Early Learning Fund;
- strategies to improve child care program reimbursement rates, along with experiments to offer differential rates based on quality indicators such as higher wages, low turnover, educational attainment and center accreditation; and
- a stronger overall emphasis on financing mechanisms that actually strengthen the U.S. child care infrastructure--as opposed to tax credits, which carry little guarantee that any funds will reach the child care system.

Purpose of the Study

There were three primary reasons for our decision to revisit the sample of centers that had participated in the National Child Care Staffing Study in 1988 and 1992:

- At present, there is no longitudinal, multi-year data on the quality of child care in the United States, and other past studies have been difficult to compare because of disparities in research methods. The ongoing availability of the Staffing Study sample, therefore, is a rare opportunity to establish a longer-term body of knowledge than has been available before.
- The growing urgency of the nation's child care dilemmas compelled us to find out what kinds of changes, for better or worse, are taking place in this particular sample of child care centers, and to provide a preliminary portrait of current trends in such quality-related matters as staff compensation, staff turnover and center accreditation.
- Because of major changes in federal child care policy and funding since 1988, including the Child Care and Development Block Grant (now called the Child Care and Development Fund), and the infusion of millions of additional dollars into such existing programs as Head Start and Military Child Care, we were eager to learn what impact, if any, such changes had made on

our original sample of centers. Such updated information about trends in center-based child care during a period of major change, we knew, could serve to guide future research as well as the development of new child care policies and initiatives.

The data reported here are limited, insofar as they derive from a feasibility study conducted to determine whether a full-scale, observational follow-up of the original 227 centers could be implemented and provide valuable information. Through telephone interviews, however, we were able to collect significant data about staff turnover, teaching staff compensation, accreditation status with the National Association for the Education of Young Children, and the employment of Temporary Assistance for Needy Families (TANF) recipients as child care staff. We were also able to ascertain shifts in the appropriation of public funding and the number of centers serving publicly-subsidized families.

Sample and Methods

The sample for this update consisted of child care centers, first assessed as part of the National Child Care Staffing Study in 1988, which were still in operation in the fall of 1997. The 227 centers in the original sample were located in the metropolitan areas of Atlanta, Boston, Detroit, Phoenix and Seattle. These sites were selected because they represent the diversity of center-based child care throughout the country. All centers provided full-day care, year-round, and were licensed by the state. They were located in low-, middle-, and high-income, urban and suburban neighborhoods, in proportion to the total numbers of centers in these sub-areas in each study site. Screening interviews with participating and non-participating centers suggested that the 227 centers in the original sample were of somewhat higher quality than those that declined to participate.

The 1997 sample consisted of 158 centers providing full-day care that were still in operation and willing to participate in a follow-up interview, constituting 70 percent of the original sample. Seven centers still in operation did not participate. The remaining 62 centers had closed. Over half (53 percent) of those 62 centers had already closed when we conducted a 1992 follow-up, *The National Child Care Staffing Study Revisited.* There were no significant differences by income level or neighborhood among centers that closed between 1988 and 1997. There were also no significant differences by site in sample attrition, although the range of closures varied from a low of 18 percent in Boston to a high of 44 percent in Phoenix. In the original sample, Boston centers were rated highest in quality and Phoenix centers were rated lowest.

This differential rate of center closures by site has important implications for the 1997 sample. Specifically, as discussed below, for-profit centers were much more likely to have closed since 1988, leaving a disproportionately high share of nonprofit centers, which had previously been found to provide higher-quality care.[2] As a result, in all likelihood, the current sample represents a higher-quality pool than did the original 1988 sample, and thus is not representative of the range of quality seen either in the five study-site communities or across the United States.

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[2] Classroom quality was assessed and rated in the original 1988 study, using observations of overall quality, classroom structure, and interactions between teaching staff and children.

We did not attempt to assess new centers that may have opened in the study sites since 1988, and thus cannot draw conclusions about trends in the overall supply of center-based care.

All 1997 data were gathered through telephone interviews with center directors, and thus did not involve the extensive classroom observations, staff interviews or child assessments conducted in 1988. The interviews provided information about center characteristics, staff compensation and stability, current hiring practices including the use of TANF recipients as child care teaching staff, National Association for the Education of Young Children accreditation, and sources of center revenue; specifically, whether centers have increased their reliance on available public funds since 1989. Unless otherwise noted, all findings reported here are statistically significant at $p<.05$ or better.

Findings

Demographic Characteristics of Centers

Between 1988 and 1997, the average number of children enrolled in the centers did not change significantly. On average, centers served 83 families and employed eight teachers and eight assistants. The 158 centers that participated in the 1997 update, however, differed in one important respect from the 227 centers in the original study. For-profit centers (41 percent) were more likely to have closed than were nonprofit centers (23 percent). In addition, six of the seven centers that refused to participate in the 1997 update were operated on an independent for-profit basis. As a result, the percentage of for-profit centers declined from 47 percent in the original sample to 40 percent of the current sample. Since we did not study newly-opened centers, these percentages should not be misinterpreted as indicating a trend in the auspices of center-based care. On the contrary, there is a strong indication that for-profit centers are the fastest-growing segment of the center-based child care industry (Neugebauer, 1997). For-profit programs may be less stable, however, with more openings and closures than are found among nonprofit programs.

Comparisons Between Centers that Closed and Remained Open

Over one quarter (27 percent) of the centers studied in 1988 had closed by 1997. As previously mentioned, centers operating on a for-profit basis were more likely to have closed. Compared to centers that remained in operation, centers that were closed in 1997 had paid lower wages to teaching staff and had reported higher levels of staff turnover (54 versus 38 percent) in 1988. The educational background and stability of teaching staff also varied between centers that remained in operation and those that had closed. Centers that remained in operation employed more teachers with college-level education and training; only 28 percent of teaching staff in centers that remained open had been on the job for a year or less, compared to forty-one percent of teaching staff in centers that had closed. Preschool classrooms in centers that remained open were rated higher in quality than in those that had closed. There were no differences found between the two groups, however, in the quality of classrooms serving infants and toddlers.

We do not have precise information about the reasons why certain centers ceased operation. The findings reported above suggest that quality plays a role in whether centers remain in business. The 1989 study established the relationship between the adult work environment—including wages, staff stability, and teacher qualifications and performance—and the quality of care and outcomes for children. These trend data also suggest that low wages and concomitant high turnover impinge on centers as successful business enterprises. From the available data, it is difficult to determine whether the challenge of maintaining a fully-staffed program discourages owners from remaining in business, and/or whether parents decline to use a program with relatively unstable and unskilled teaching staff. We cannot assume that the quality of center-based care in these communities has improved, however, because we do not have data on new centers that have opened in each site since 1988.

Child Care Teaching Staff Compensation and Benefits

Compensation

The National Child Care Staffing Study found an average hourly wage in 1988 of $5.35 for classroom teaching staff, which results in an annual income of $9,363 for full-time employment (defined as 35 hours per week, 50 weeks per year). A majority of teaching staff in the sample earned less than $5.00 per hour. These salary findings were based on actual earnings reported by the 1,309 participating teachers and assistants in 1988.

In 1997, as in the 1992 update, all salary data were provided by center directors, who were asked to report four actual salaries: those of the highest- and the lowest-paid teacher and assistant teacher in their programs. Directors also reported these four salary figures in 1988, but at that time, directors reported higher wages for individual teaching staff than did the teachers and assistants themselves. Thus, the comparison between 1988, 1992 and 1997 reflect changes in the highest and lowest wages paid to teaching staff as reported by directors, rather than by teachers themselves.

In 1997, child care teaching staff wages remained at subsistence levels (see Figures 1 and 2). A large proportion of teaching staff earn barely more than the current minimum wage of $5.75 per hour. Nearly one quarter of centers (24 percent) pay $6.00 or less to their lowest-paid teachers, and over half of centers (54 percent) paid their highest-paid assistants $6.00 or less. In most urban areas, a wage of $8.00 per hour is necessary for a single adult to attain self-sufficiency ; for an adult with one child, the family-sufficiency wage ranges from $10.00 to $13.00 per hour depending on the age of the child. In the 1988 sample, nearly half of all teaching staff had dependent children.

Although there have been modest increases in real wages for the highest-paid teachers, this group constitutes a small portion of the center-based teaching staff. In 1988, for example, only one of four teachers in the participating centers (and virtually no assistants) earned this highest level of salary. Moreover, as a result of the very low baseline salaries of even the highest-paid teachers ($6.88 in 1988), the 13-percent increase amounts to a total of $1.32 per hour, in inflated dollars, over the course of ten years. (See Table 1.) For the remainder of teaching staff, wages, when adjusted for inflation, have remained stagnant. Centers appear to be targeting their investments to better-educated teaching staff, who, in the 1988 sample, comprised the category of highest-paid teachers in centers. These findings suggest that given limited resources to improve compensation, centers recognize the importance of rewarding highly-skilled staff.

As indicated in Table 2, the 1997 data replicated the original study's finding that the wages of teaching staff in for-profit centers are significantly lower than those of their colleagues in nonprofit centers. Teaching staff in NAEYC-accredited centers also earned higher-than-average salaries. Centers that paid higher wages in 1988 also paid higher wages in 1997. Centers located in Phoenix paid staff at all levels significantly less than did centers in Boston. There were no other differences by location. Centers that paid higher wages in 1997 were rated higher in observed classroom quality in 1988.

Health Benefits

In 1988, only one out of three teaching staff interviewed received any health insurance coverage through their employer. Those earning the lowest wages were least likely to be covered. In 1992, and again in 1997, we focused our benefits-related questions on health care, given the salience of health care reform in recent years. We asked directors about the type of health insurance coverage available to their staff, focusing specifically on whether the center fully paid the monthly insurance premium and whether dependent coverage was included. Anecdotal reports suggest that teaching staff frequently do not utilize partially-paid health benefits due to their inability to afford the premium. We were not able to obtain information about the scope of the coverage available, in terms of the range and level of services provided or the existence of deductible or co-payment charges for various services. Thus, it is important to recognize that even those staff whose premiums were fully paid by the center may face additional charges when they seek health care services. Given their extremely low wages, these charges may be difficult or impossible to meet, particularly in the case of chronic or catastrophic illnesses.

In 1997, more centers offered fully-paid health coverage to teaching staff than they did five years previously. One-quarter of the centers that did not provide fully-paid coverage in 1992 did provide such coverage in 1997. Although fifty-two percent of centers failed to provide fully-paid health coverage for teaching staff, and another seven percent declined to answer health benefits questions, the percentage of centers offering fully-paid coverage to all teaching staff has increased from 27 percent to 41 percent since the 1992 update. Teachers, as opposed to assistants, have benefited most from this change. The proportion of centers providing fully-paid coverage for teachers has increased by 11 percent, while the proportion of centers offering coverage for teaching assistants increased by only three percent. These changes in health coverage parallel the trend in wages, whereby centers appear to be investing in their most skilled personnel. Centers offering fully-paid benefits to teachers only (as opposed to all teaching staff) also paid higher wages to their highest-paid teaching staff.

Over half (57 percent) of staff receiving fully-paid health coverage for themselves did not receive coverage for their dependents; sixteen percent of those fully covered also received fully-paid coverage for their dependents, and 27 percent could cover their dependents for an additional fee. Despite these improvements in coverage, the availability of health coverage for center-based child care workers remains woefully inadequate, particularly given teachers' daily exposure to illness, and, in turn, the children's exposure to oftentimes sick teachers.

The Changing Child Care Workforce

Turnover and Stability

Turnover in child care has become the focus of much concern, given the combined evidence that high turnover is endemic in child care and that it is detrimental to children. Staff turnover averaged 41 percent, as reported by directors, in the original Staffing Study. In 1992, average turnover in the year immediately prior to our interviews was 26 percent, nearly three times the annual turnover of 9.6 percent reported by all U.S. companies in 1992, and double the 12 percent reported by non-commercial companies, including government agencies, schools, and other nonprofit organizations (Bureau of National Affairs, 1992). In 1997, directors reported an average turnover rate of 30 percent for all teaching staff. Twenty percent of centers reported losing half or more of their teaching staff in the previous year. Turnover varied by job title; slightly more than a quarter of teachers (27 percent) left their jobs in their previous year, compared to half (51 percent) of the typically lower-paid teaching assistants.

Nationally, there are increasing reports of centers struggling to remain open or even closing due to an insufficient pool of trained teachers. Better job opportunities in other fields, due to an upswing in the economy, have been identified as a major cause of such a struggle in articles appearing in the Los Angeles Times, the Chicago Tribune and the Dallas Morning News. In each of the study sites, unemployment rates in 1997 hovered around a modest three percent. This may account for the difficulty directors reported in finding replacements for departing teaching staff: 93 percent of directors reported taking more than two weeks, and over a third (37 percent) reported taking over a month to replace departing staff, posing potentially serious challenges to centers trying to maintain legally-required adult-child ratios. Nearly two-thirds of directors (63 percent) reported that they did not have a sufficient pool of qualified applicants for hiring replacement teaching staff.

During the past decade, the centers in this study have replaced most of their teaching staff, probably several times over in some cases. On average, based on directors' reports, only 14 percent of staff have remained at their centers for the past ten years, and only 32 percent have been employed for five years or more. Retention rates vary by auspices: 39 percent of teaching staff have remained on the job in independent nonprofit centers, compared to 20 percent in for-profit chains and 29 percent in both independent for-profit and church-sponsored programs. As a group, directors of centers are more stable than teaching staff. On average, directors have worked in their centers for 10.13 years, while in 1988, the average tenure for directors had been 6.35 years.

Because we did not collect educational background data on every staff member during the 1997 interviews, as we did in 1988, it is impossible to know the professional background of currently employed teaching staff. There is some indication, however, based on directors' reports of qualifications required of teaching staff, that the average educational background may be decreasing. In 1988, 35 percent of teachers had completed their bachelor's degrees, and 41 percent had completed some college; fifty percent of assistants had completed high school, and 50 percent had completed some college. In 1997, only one-quarter of centers required a bachelor's degree for teachers and only 19 percent required any college course work for assistants. The most common requirement for all teaching staff positions was prior experience working with children.

These findings are particularly of concern in light of research conducted over the past decade demonstrating the importance of college-based education in predicting high performance among teaching staff, and the increased focus by professional organizations, funders and other community leaders and policy makers on career development (Center for the Child Care Workforce, 1997; Center for Career Development, 1993). Given directors' expressed frustration about the difficulty of finding qualified staff, the lowering of requirements may be a realistic response to the existing labor pool for low-paying child care jobs.

TANF Recipients as Child Care Workers

Because of the increased demand for child care services created by the federal welfare reform law enacted in 1996, many communities have identified welfare recipients as potential child care workers. While this is not inherently a positive or negative idea, an influx of welfare recipients into the child care workforce carries with it several challenges for these new workers and their potential employers and co-workers. Most notably, because only a small proportion of child care jobs provide a self-sufficiency wage for an adult with children, and because most of the better-paying jobs require advanced education, it is unlikely that a child care center job will be a viable route to economic independence for many TANF recipients. Additionally, an influx of a large pool of workers earning below the prevailing wage in child care has the potential to decrease the already minimal wages earned by most child care assistants and some teachers (Weisbrot, 1997). Further, an influx of teaching staff without prior training in child development or basic job skills will challenge centers to provide in-service training and support services. For these reasons, we were interested in learning whether centers were currently employing TANF recipients, which types of centers were doing so, and the extent to which TANF recipients working in child care were earning a living wage and/or receiving college-based training that would enable them to eventually access the relatively better-paying jobs in the child care field.

Although thirty-five percent of the centers in 1997 reported using TANF recipients as workers, the practice varied by type of center. Eighty percent of for-profit chains employ TANF recipients, compared to 40 percent of independent nonprofits, 30 percent of church-based centers and 20 percent of independent for-profits. Centers employing TANF recipients are more likely to pay lower wages across all positions, and to experience higher teaching staff turnover. These centers are also less likely to be NAEYC-accredited. Nearly half of these centers (48 percent) report providing on-site training for TANF employees, and 18 percent utilize community-based training programs. Only 16 percent of programs offer college credit-bearing training.

It is difficult to assess the extent to which centers are turning to TANF recipients as a labor pool with few choices but to work for less than the prevailing wage, or whether this population has been traditionally a source for entry-level positions in these centers. While the median wage for TANF workers is $5.50 per hour, compared to the $6.00 per hour for all entry-level teaching assistants, sixty percent of centers pay TANF workers the same as their lowest-paid assistants, 23 percent pay them more, and 18 percent pay less. TANF recipients fare better in centers paying higher wages. Centers paying their lowest-paid teachers $6.00 or less pay their TANF workers an average of $5.27 per hour, while centers paying their lowest-paid teachers $6.00 or more pay their TANF workers significantly more, an average of $6.61 per hour.

Center Accreditation Status

In response to the lack of national standards for early childhood practice, and to promote efforts to improve quality within child care centers, the National Association for the Education of Young Children (NAEYC) launched a project in 1985 to accredit centers that voluntarily participate and meet a set of quality guidelines. Approximately five percent of centers nationwide are currently accredited, and nearly ten percent are engaged in the self-study process to become accredited. In recent years, millions of public and private dollars have been targeted toward helping centers achieve NAEYC accreditation, and several states provide higher reimbursement rates to centers that become NAEYC-accredited. Centers that achieve NAEYC accreditation have been found to demonstrate improvements in quality, and as a group, NAEYC-accredited centers provide higher-quality care than do most non-accredited centers (Whitebook, Sakai and Howes, 1997; Helburn, ed., 1995; Whitebook, Howes and Phillips, 1988).

In 1988, 14 of the 227 centers (6.5 percent) had been accredited by NAEYC. These accredited centers had staff with more formal education and more training, had lower turnover rates, and provided more developmentally appropriate activities and higher-quality caregiving for children. In 1992, each of the 14 centers that had been accredited in 1988 remained open, but five (36 percent) had not renewed their accreditation; in addition, 11 other centers had become accredited, bringing the 1992 total to 20 accredited centers. The recently accredited centers had the lowest four-year turnover rate (33 percent) and paid higher wages to teaching staff than all other centers in the sample. Programs that continued their accreditation also had lower four-year turnover and paid higher wages than non-accredited centers. Centers whose accreditation had expired looked no different in terms of turnover and wages in 1992 than those centers that had not sought accreditation.

In 1997, four of the 20 centers accredited by NAEYC in 1992 were no longer in operation. Of the remaining 16 centers, eight were still accredited, and the accreditation status of the other eight had expired and had not been renewed. These findings suggest that centers may find it easier to improve or attain a certain level of quality temporarily than to sustain it over time. Fifteen additional centers, however, had achieved accreditation by 1997, bringing the total to 23 accredited centers, or 15 percent of the sample. Since only five percent of centers nationally are

NAEYC-accredited, the higher rate of accreditation in this sample provides additional evidence of the higher-than-average quality of this group of centers. NAEYC-accredited centers in this study, as in previous research (Whitebook et al., 1997), paid higher-than-average wages to all teaching staff, and had retained more than double the staff over the nine years of the study, and nearly twice as many in the previous five years. These centers also reported lower turnover rates for teachers (15 percent, compared to 29 percent) during the previous year than did non-accredited programs, although turnover rates among assistants were at nearly 40 percent for all centers in the sample. It appears that even accredited centers lack the resources to create stability across all staff positions.

Sources of Center Revenue

The substantial increase in federal funding for child care that has occurred since 1988 has promoted a slight increase (from 55 to 60 percent) in the share of licensed child care centers that enroll subsidized children. More significantly, public funds also constitute a larger share of center revenue than in the past, most notably in for-profit programs. Whereas public subsidy constituted an average of seven percent of income for independent and chain for-profit centers in 1988, these public dollars by 1997 had more than doubled for independent for-profits and more than tripled in the for-profit chains. Subsidy dollars decreased from 34 to 30 percent of revenue for independent nonprofits and increased from seven to 11 percent for church-sponsored programs during this same period. Corporate and philanthropic contributions to center-based care remained stable during this period, while reliance on parent fees decreased. (See Table 3.)

Personnel constitutes the major expense in child care, and low wages are typically understood to be a by-product of parents' inability to pay more for services. A decrease in reliance on parent fees, coupled with an increase in public subsidy, might therefore be expected to improve staff wages. Historically, this did occur when public dollars were distributed exclusively to nonprofit programs, and wages in the nonprofit subsidized sector have been notably higher than in other sectors of the industry. Recent public dollars, however, have been distributed through parent vouchers to all types of programs, including those seeking to earn a profit. It appears that this form of increased public investment has not led to improved wages or staff stability.

Conclusion

In recent years, a consensus has emerged that high-quality early childhood services are essential to the developmental well-being of children and families and to the economic well-being of our nation. The original National Child Care Staffing Study raised serious concerns about the quality of child care that many American children receive, largely because their caregivers were severely underpaid and, as a result, rarely remained very long on the job. This follow-up report indicates that the overall quality of U.S. child care centers remains worrisome, as evidenced by low wages, lack of health care benefits and high teaching staff turnover even in this sample of relatively stable, high-quality centers.

While recent investments have increased access to child care and somewhat alleviated the financial burden on families, they have largely failed to improve the quality and stability of child care services. This study, like its predecessors, highlights the critical need for investments that are explicitly targeted toward building a skilled and stable child care workforce, able to provide the quality of services that young children and their families need and deserve. Promising models of such an approach are readily available. By investing directly in better staff compensation and training, the U.S. Military, T.E.A.C.H., Head Start and other programs have made significant progress in upgrading the consistency and quality of early childhood services. Ignoring these lessons can only continue to place young children's development at risk. Instead, as a nation, we can begin taking action toward a better investment in our children's future.

Table 1: Trends in Center-Based Staff Compensation

Staff Position	1997 Wage	1992 Wage	1988 Wage	Real Change Between 1992 and 1997	Real Change Between 1988 and 1997
Lowest-paid Assistant	$6.00	$5.91	$5.99	1.5% increase	0.17% increase, or $0.01 per hour
Highest-paid Assistant	$7.00	$7.03	$6.96	0.43% decrease	0.57% increase, or $0.04 per hour
Lowest-paid Teacher	$7.50	$7.55	$7.38	0.66% decrease	1.6% increase, or $0.12 per hour
Highest-paid Teacher	$10.85	$10.33	$9.53	5% increase	13.9% Increase, or $1.32 per hour

Note: All wages, and the 1988-1997 trends, are in 1997 dollars. Each category reflects average wages for the position.

Table 2: 1997 Average Hourly Wages by Auspice and Accreditation

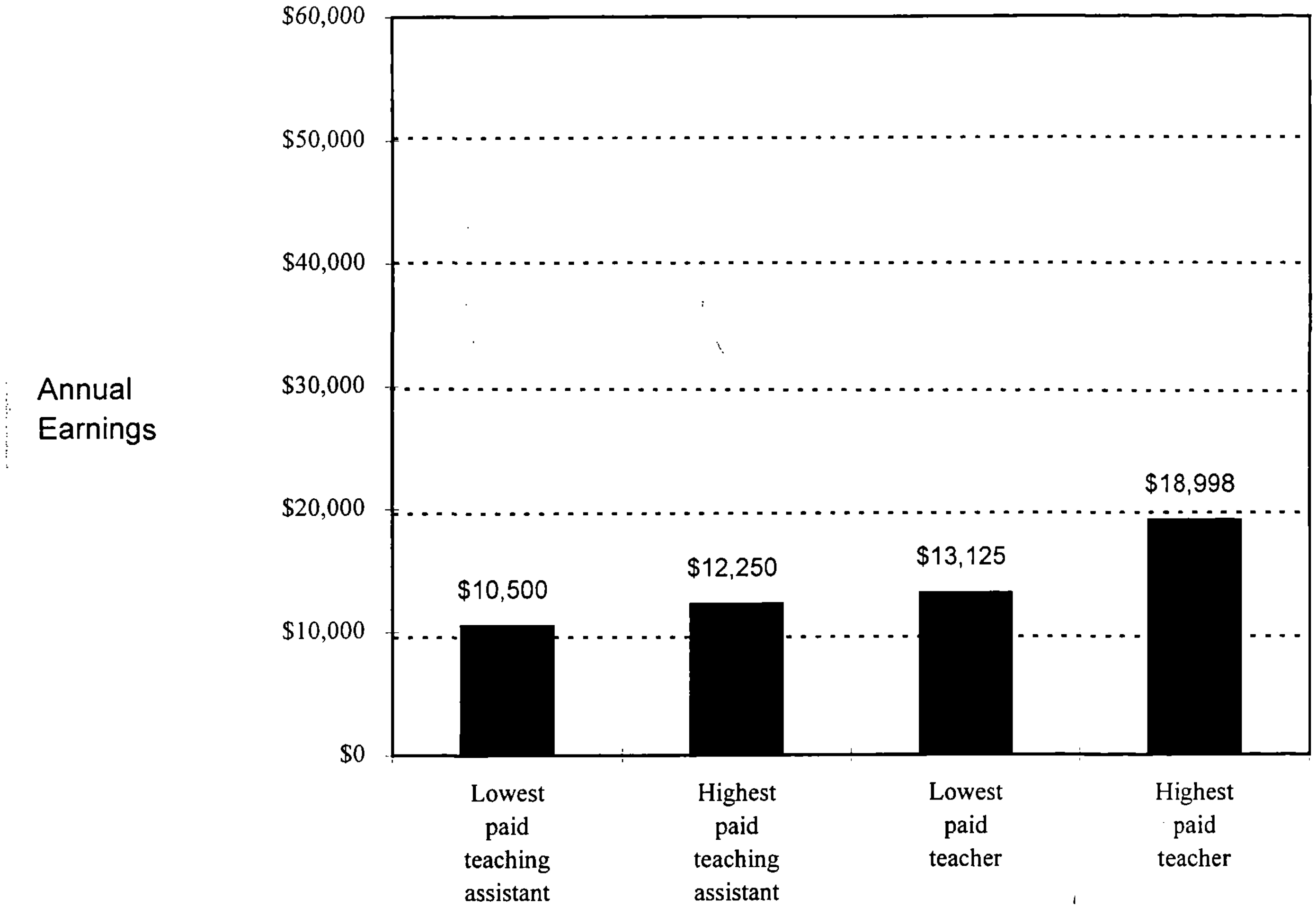
Staff Position	Ind. For-Profit	For-Profit Chain	Ind. Nonprofit	Church-sponsored nonprofit	Not NAEYC-Accredited	NAEYC-Accredited
Lowest-paid Assistant	$6.06	$5.46	$6.62	$6.17	$6.20	$6.79
Highest-paid Assistant	$7.62	$6.21	$7.79	$7.18	$7.34	$8.52
Lowest-paid Teacher	$7.36	$5.52	$8.65	$7.62	$7.64	$8.97
Highest-paid Teacher	$11.19	$7.16	$12.27	$10.59	$10.73	$14.35

Table 3: Percentage Change in Sources of Center Revenue, 1988-1997

Program Type	Income from Public Funds	Income from Parent Fees
Independent For Profit	+10	-9
For profit chain	+17	-9
Independent Non profit	-4	-2
Church related nonprofit	+4	-3

FIGURE 1

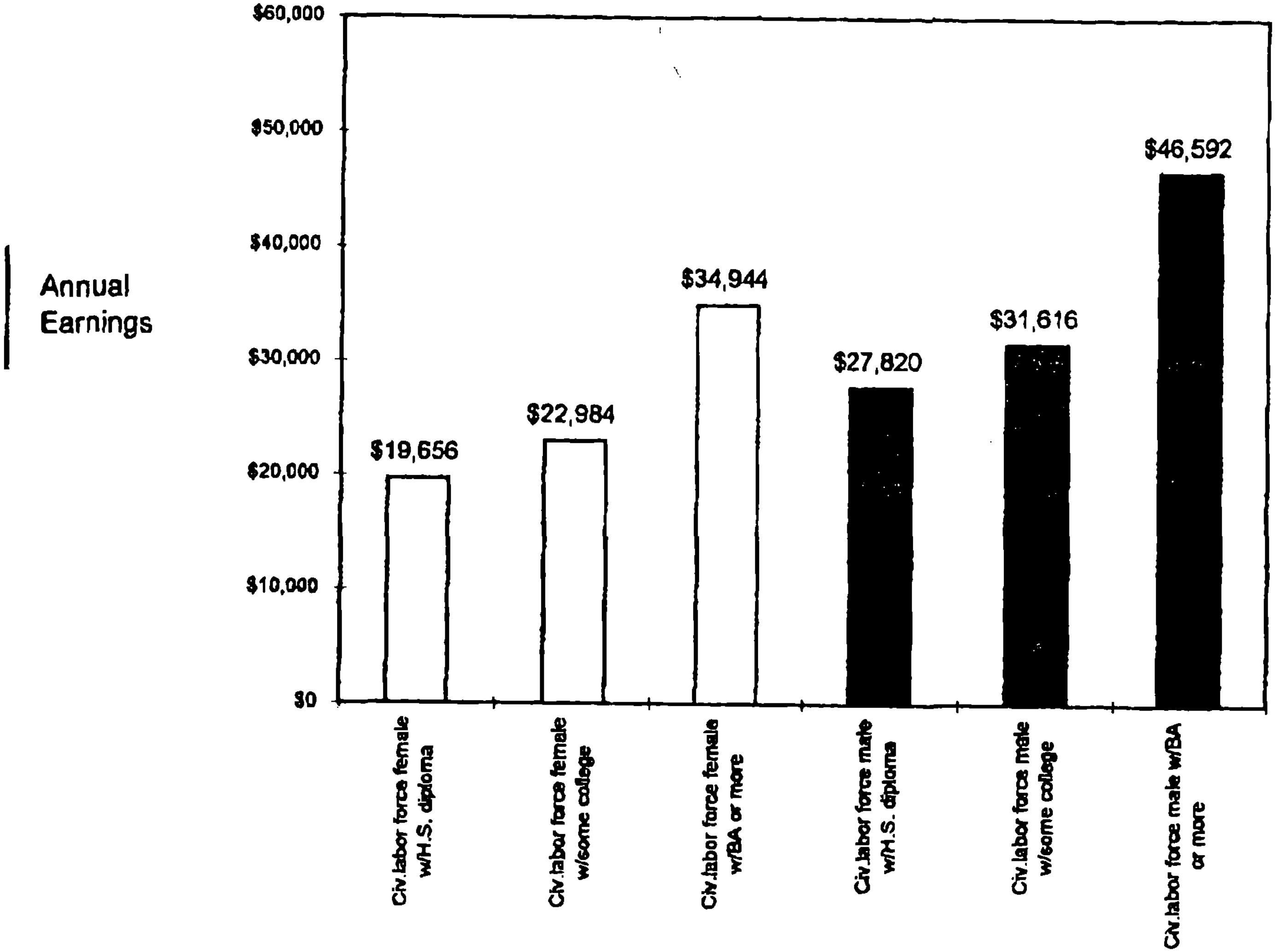
Average Wages of Child Care Teaching Staff, 1997



NOTE: Full-time annual earnings based on 35 hours per week/50 weeks per year-the average work week of teaching staff in the original sample. In the original sample, 34% of all teaching staff had completed some college — education and 22% had completed a B.A. or more. We do not have comparable data for 1997, and thus cannot determine the extent to which the educational background of providers has changed in the last decade.

FIGURE 2

Average Wages of Civilian Labor Force, 1997



NOTE: Full-time annual earnings based on 35 hours or more per year. All wages are 1997 dollars. Includes workers 18 years and older.

U.S. Department of Labor, Bureau of Labor Statistics, (1997) *Current Population Survey*.

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Center for the Child Care Workforce

Fax

To:	Jen Klein	From:	Marci Andrews
Fax:	202-456-2878	Pages:	3
Phone:	202-456-2599	Date:	03/17/98
Re:	Side-by-side profile of federal child care proposals	CC:	

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- **Comments:**

Jen,

Here is the side-by-side profile of current federal child care proposals that I mentioned in my letter to Nicole yesterday. It details the extent to which training and compensation are being addressed. Please let me know if have any questions or need further information.

- Marci

Major Pending Child Care Proposals
Summary of Initiatives that Target Training and Compensation

	Clinton Proposal	Kerry/Bond S. 1309	Jeffords/Dodd S. 1037; Gilman H.R. 2213	Kennedy S. 1492; DeLauro H.R. 3028
Supports training for *entry-level* workers	Offers training to providers in basic skills such as CPR and first aid.	Uses 10% of infant/toddler set-aside from proposed increase in CCDBG funds to support specialized training and family child care networks.	Provides tax credits and scholarships to providers to assist with training and education expenses.	Provides grants, fellowships, and loans for providers obtaining college degrees in early childhood education.
Supports increased compensation for *entry-level* workers	Provides for increased wages to providers who commit to staying in the field at least one year after receiving financial assistance from the Child Care Provider Scholarship Fund.			Creates a quality fund to reward states that implement quality improvement strategies including training linked with increased wages for both entry-level and experienced providers.
Supports professional development for *experienced, well-trained* workers	Creates support networks for family child care providers.	Uses 10% of infant/toddler set-aside from proposed increase in CCDBG funds to support specialized training and family child care networks.	Provides for a technology based training/satellite network to assist providers becoming credentialed or accredited.	Funds development of family child care networks. Supports professional development through in-service training.
Supports retention strategies for *experienced, well-trained* workers			Funds state subsidy programs to increase compensation of credentialed providers.	Creates a quality fund to reward states that implement quality improvement strategies including training linked with increased wages for both entry-level and experienced providers.
Supports increased reimbursement rates			Increases reimbursement rates for child care services for infants and children with special needs. Increases reimbursement rates for accredited or credentialed care.	Provides incentives for states to implement quality improvements such as higher reimbursement rates for accredited and infant care.
Supports loan assumption/ scholarship programs	Establishes Child Care Provider Scholarship Fund for students working toward a child care credential.		Extends Perkins and Stafford loan forgiveness to child care workers who earn a certificate or degree in early childhood education or child development.	
Improves standards and support accreditation	Early Learning Fund provides grants to communities to support programs to become accredited and meet licensing standards; and reduce group size and improve staff-child ratios. Funds state efforts to improve licensing systems and enforce health and safety standards.		Provides financial support for providers to become licensed or accredited. Requires all federal child care centers to meet state licensing standards and achieve accreditation within 3 years.	Provides incentives for states to implement quality improvements such as higher reimbursement rates for accredited and infant care, improved licensing standards and enforcement, and improve staff-child ratios.
Supports mentor or apprenticeship programs	Expands the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.			

Center for the Child Care Workforce
March 1998

Compiled from several sources including the Children's Defense Fund and the National Association for the Education of Young Children

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Other Child Care Bills that Address Training and/or Compensation

	DeWine/Wellstone S. 1029	Dodd S. 1610
Quality	Provides loan forgiveness of up to 15% of total education loan per year for college graduates working as child care providers.	Provides CCDBG quality improvement grants for states to improve staff-child ratios, improve licensing standards and enforcement, pay higher reimbursement rates for infant or special needs care, create support networks for family child care providers, increase funding for training and education of providers, improve compensation of providers, or assist providers in becoming licensed or accredited.

Center for the Child Care Workforce
March 1998

Compiled from several sources including the Children's Defense Fund and the National Association for the Education of Young Children

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Center for the Child Care Workforce

Fax

To:	Jen Klein	**From:**	Marci Andrews
Fax:	202-456-2878	**Pages:**	5
Phone:	202-456-2599	**Date:**	03/16/98
Re:		**CC:**	

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• **Comments:**

Center
for the
Child Care
Workforce

March 13, 1998

Nicole Rabner
The White House
VIA FACSIMILE

Dear Nicole;

It was a pleasure to meet with you last week to discuss proposed federal child care legislation. Clearly, the President understands the importance of a skilled and stable workforce in any efforts to deliver quality child care to all children and families as evidenced by his proposed scholarship fund and the invitation to Peggy Haack, a CCW staff member and family child care provider, to attend the State of the Union address. As we discussed, the Center for the Child Care Workforce's forthcoming *National Child Care Staffing Study: A Decade of Change in Center-Based Child Care* reinforces our concern about the state of child care jobs in this country.

We understand that the President is interested in supporting the most comprehensive quality child care initiative. We applaud the intent of the proposed Early Learning Fund which supports quality improvements in child care programs such as accreditation and reducing child-staff ratios. Because research has proven that the greatest indicator of program quality is a highly skilled *and* well-compensated workforce, we urge you to include language that would also support increased compensation for those workers already well-educated and well-trained who, more often than not, leave the field because they can not earn a living wage doing the valuable, highly skilled and demanding work of caring for and teaching young children.

We are re-faxing to you the "post-it" recommendation we have developed which supports child protection in child care facilities. We hope such a proposal can be implemented–along with criminal background checks–to ensure the safety of children and to enlist the help of parents and teachers in their protection. Tomorrow Marci will fax to you a side-by-side profile of current federal child care proposals that details the extent to which training and compensation of the workforce have been addressed. As this legislative session enters its critical period before the Spring recess, we will be sending you further information on the current state of the child care workforce, including our compendium of salaries, the National Child Care Staffing Study, and the California compensation legislation.

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e-mail: ccw@ccw.org

Again, thank you for meeting with us to discuss this important issue. We are especially excited about the possibility of scheduling a "job shadow" experience for an official in the Administration on May 1, Worthy Wage Day. Please let us know how we might work with your office to arrange such a visit. Since Marcy will be in Washington on April 23, 1998 for the Department of Treasury's Child Care Work Group meeting, we could schedule a meeting for that afternoon if that would be helpful. Please let us know what would work best for you.

Sincerely,

Marcy Whitebook

Marcy Whitebook
Co-Director

Marci P. Andrews

Marci P. Andrews
Public Policy Coordinator

Encl.

cc: Jen Klein
Karen Nussbaum

Center for the Child Care Workforce

Licensing Standards: Key Provisions for Child Protection in Child Care Facilities

Public concern about the health and safety of children currently ranks as one of the most widely discussed topics in American society. As more and more children spend at least a portion of their day in the care of someone other than their parents, we have become acutely aware of the need to effectively maintain high health and safety standards in all child care settings. In response to this growing concern a number of proposals such as criminal background checks and the installation of video recording devices in child care facilities have been recommended as methods for protecting our children. Few suggestions, though, have focused on strengthening existing licensing enforcement. Yet violations of licensing regulations, such as the presence of unqualified personnel or inadequate adult/child ratios, regularly threaten the safety of children. In devising a plan for protecting our children, one strategy that is often overlooked is the utilization of child care workers and parents as "internal regulators" of child care facilities. Since child care workers are often the best "eyes and ears" for monitoring the health and safety of children, they could be instrumental in working with parents to protect children. We, therefore, recommend that key provisions be enacted for child protection in child care facilities.

Provisions

All states should be encouraged to require all licensed child care facilities to:

1. clearly post information outlining the key state licensing regulations for safe child care conditions, including staff/child ratios, group size, and required qualifications of personnel;

2. clearly post information identifying the licensing agency, how licensing regulations can be obtained, and local telephone numbers where anyone can report suspected violations;

3. show evidence that on the date of hire all staff are made aware of licensing regulations and proper procedures for reporting suspected violations;

4. show evidence that on the date of enrollment all parents are made aware of licensing regulations and proper procedures for reporting suspected violations;

*5. instruct employers that they may not fire, demote, suspend, or discriminate against employees when violations are reported according to proper procedures. They also may not threaten employees with any of these actions when violations are reported according to proper procedures;

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*6. instruct employers that they may not retaliate against employees who refuse to perform work in violation of the regulations after notifying the employer of the violation.

* These provisions can be modeled on the legislation, currently in effect in California and Illinois, which protects employees who report violations and requires employer notification of suspected violations prior to reporting to the licensing agency.

Center
for the
Child Care
Workforce

January 14, 1998

Elena Kagan, Deputy Director
Domestic Policy Council
Second Floor, West Wing
The White House
Washington, D.C. 20502

Dear Ms. Kagan,

I was very happy to be included in the conference call last Wednesday when you described the President's Child Care Initiative, and all of us in our organization are excited about this proposal and its great potential to make a lasting difference for children, families, and child care workers.

I am writing to respond in more detail to the proposal, since you expressed interest in receiving information about the idea of "retention grants" or other mechanisms to reward and retain the most experienced and trained members of the child care workforce. While the proposed Child Care Provider Scholarship Fund would begin to address the important need for assuring access to training for entry-level child care workers, and funds to enable them to receive training, it's an equally pressing problem that we are largely unable to retain the center-based teachers and home-based providers who have already completed formal training in early childhood education.

Nationwide, job turnover in the field remains very high: roughly one-third of all child care workers leave the job every year, most often to earn a better living elsewhere. The best-trained workers are often able to find opportunities in elementary education and other fields--particularly in states such as California which face a severe teacher shortage due to class size reduction. Recent reports about centers even being forced to close because they cannot find enough qualified staff have appeared in the Dallas Morning News, the Los Angeles Times and the Chicago Sun-Times. As the President himself observed at the White House Child Care Conference in October, "Child care workers on the whole are better educated than the American workforce, but lower paid. We keep saying that we want these people to get more education and more training, and yet a lot of them are quite well educated and working for ridiculously limited wages."

As you no doubt know, retention of the most skilled and trained teachers is also a serious problem in elementary and secondary education, and faced with filling a projected two million new teaching jobs in the coming decade, the Administration is now considering various new financial incentives to retain public school teachers. Senator Dianne Feinstein has also recently launched a campaign for a California ballot measure to create the "Golden State Senior Teacher Program." Experienced teachers certified for this program could quality for administrator-level salaries while continuing to teach and train teacher interns.

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As you indicated would be possible, we believe that the guidelines for the proposed Early Learning Fund should indicate that the states not only can but *should* spend such quality improvement funds on "retention grants" or other compensation initiatives to retain the already trained sector of the child care teacher and provider workforce--and that this should be clearly distinguished from the Scholarship Fund. Such language would be very helpful to state child care administrators who are interested in addressing teacher and provider retention issues.

A particularly promising "retention grant" model is the Child Care WAGE$ initiative, developed and funded through North Carolina's Smart Start program. Child Care WAGE$ targets salary increases to experienced, well-trained caregivers whose salaries do not reflect their level of educational attainment. Any teacher or provider earning less than $10.32 per hour, and any director earning less than $12.90 per hour, may be eligible. A teacher, director or provider who has a B.A. or B.S. in early childhood education or child development is eligible for an annual supplement of $1,250. One half of this supplement is paid after the worker completes six months of tenure at an eligible program, and the second half is paid at the end of the year. Caregivers with a state Child Care Credential can obtain an annual supplement of $200. Obviously the amounts of the supplement would need to vary state by state, but it has been estimated that trained and experienced child care workers forego as much as $5,000 per year that their education levels could earn them elsewhere.

Other compensation initiatives in the Early Learning Fund could be modeled after early childhood mentoring programs, which encourage experienced caregivers to remain in the field by training and (ideally) compensating them to share their skills with newer workers and thereby grow in the profession. By creating a new step on the career ladder, emphasizing excellence in daily practice, and addressing a serious shortage of on-the-job child care training, mentoring programs have been instrumental in stemming staff turnover and enhancing program quality for children and families. Mentoring programs now exist in over 30 states, but all are in need of significant support to maintain or expand their efforts. One of the largest, the California Early Childhood Mentor Program, co-founded by our organization and Chabot College in 1988, now operates at 63 community colleges around the state, with the help of Child Care and Development Fund quality improvement monies.

Given the fact that the President's Child Care Initiative involves a major expansion of child care services for American families, it is clearly imperative to retain as many of our most experienced teachers and providers as we can--not only because they are the best trained, but because they will be needed to largely carry the burden of on-the-job training for a large influx of new caregivers. While it might also be an option to specify that states could use the Scholarship Fund for rewarding already-trained teachers and providers, the proposed $250 million over five years is not really sufficient to cover both entry-level and experienced workers. We are also curious whether the Scholarship Fund will be mandatory or discretionary for the states, and given the many stresses on the child care workforce, we strongly believe that it should be mandatory.

Thank you again for all of the help and information you have provided, and I would be glad to talk in more detail with you about any of these comments. More detail can also be found in our recent publication, *Making Work Pay in the Child Care Industry: Promising Practices for Improving Compensation*, which I would be glad to send you if you do not already have a copy. I look forward to working with you further this year on this very positive child care initiative.

Sincerely,

Marcy Whitebook

Marcy Whitebook
Co-Director

cc: Jennifer Klein
Nicole Rabner