

**Great Start for All Minnesota Children Task Force
Workforce Compensation and Supports Working Group Meeting**

Wednesday, April 13, 2022

6:00 p.m. to 8:00 p.m.

Virtual Meeting: WebEx

Working Group Members Present: Meghan Caine, Pat Ives, Jenny Moses, Krystal Shatek, Nicole Blissenbach, Lydia Boerboom, Oriane Casale, Cyndi Cunningham, Nancy Hafner, Debbie Hewitt, Ann McCully, Michelle Trelsted

Working Group Members Absent: Senator Melissa Wiklund, Adriana Lopez

Task Force Consultants Present: Ellen Johnson, Afton Partners

Children’s Cabinet Staff Present: Hannah Quinn

Welcome and Agenda

Working Group members reviewed virtual meeting protocols, Task Force Guiding Principles, and went over the agenda for the meeting. The agenda included a review of the current landscape of ECE workforce compensation recommendations, developing goals for our ultimate recommendations around the proposed wage scale, and brainstorming non-wage compensation proposals.

Review

Members reviewed the Working Group Charge:

Define what a “qualified, diverse, supported, and equitably compensated” ECE workforce in Minnesota looks like and how it can be achieved.

Legislation determines that the Task Force must consider the following factors under the areas of the charge:

Qualified

- Develop affordable, accessible, and aligned pathways to support early childhood educators' career and educational advancement.

Diverse

- Increase racial and ethnic equity and diversity in the early care and education workforce and recognize the value of cultural competency and multilingualism.

Supported

- Consider the need for and development of a mechanism that ties childcare reimbursement rates to employee compensation.

Equitably Compensated

- Include a compensation framework that supports recruitment and retention of a qualified workforce in every early care and education setting.
- Set compensation for early childhood educators by reference to compensation for elementary school teachers.

The group must also:

- Consider the recommendations from previous work including the Transforming Minnesota's Early Childhood Workforce project and other statewide reports on systemic issues in early care and education.

Current Landscape of Compensation Recommendations

Working Group members reviewed slides 15-18. These slides include a summary of current compensation recommendations, including that at a minimum, the early care and education (ECE) workforce should receive a livable wage, comparable across settings, with an adequate benefits package. Compensation should reflect the importance of ECE educators in educating children and supporting the larger economy, and early childhood professionals should be supported in earning early childhood credits and degrees.

Financial Compensation Discussion

The Working Group reviewed slides 21-25, which include a recap of the proposed Minnesota Early Care and Education [Wage Scale](#), comparison data of elementary teacher salaries in Minnesota, a review of the last discussion on this topic, and specific considerations to consider for Family Child Care (FCC) settings.

Discussion themes included:

- The wage scale proposal is meant as a floor, not a ceiling. The proposal is meant to bring lower wage earners up to a higher wage, not take higher earners down to a lower level – no one currently making more money than outlined in this proposal should take a pay cut.
- All people throughout the ECE workforce should earn a living wage. Current wages do not compete with retail industry jobs, and the labor market is incredibly tight. In addition to raising wages because that is what workers deserve, there are also practical reasons to do so – to prevent further workforce shortages as people leave the field for better-paying opportunities.
- We should work to communicate the “why” behind pay raises for ECE workers. Families trust ECE workers to care for and educate children, who are the future. This requires high quality work and well-trained workers.
- This proposal may need to be re-visited to increase the wage proposal due to the current labor market, and a \$15/hour living wage may not reflect current circumstances.
- It may be hard for FCCs to see themselves in the power to the profession framework. They are both business owners and a part of the workforce, and considerations are different for them.
- The power to the profession framework was developed to demonstrate that the profession is comparable to other teachers, and to make it hard for lawmakers and others to view the ECE workforce as deserving less compensation.
- Changes would be incremental in getting pay closer to parity with elementary teachers. The legislation requires the Task Force to “set compensation for early childhood educators by reference to compensation for elementary school teachers” as part of their plan and implementation timeline that will phase in between July 2025 and July 2031.
 - This group can think about big end goals and the smaller incremental steps to get there. It can be a challenge to do both – dream big, while recognizing implementation realities.
- Regional differences should be considered – wages and costs of living vary, as do available jobs in other industries and the culture around working in various industries.

- Construction is an example of an industry that has a prevailing wage, rather than a standard minimum wage. State-funded construction sites in MN are required to pay wage-rates comparable to wages paid for similar work in the area. Prevailing wages are made up of a base wage rate and a fringe benefit rate, and the employer can choose if and how to split that rate between wages and benefits.
 - This could be an idea to explore as it relates to ECE. A small group will meet to discuss this further and bring information back to the Working Group.
- It is important to consider the potential of a benefit cliff – if compensation rose enough, it may make employees ineligible for public benefit programs they currently utilize. There are potential strategies to mitigate that, which should be explored.
- A next step of research will be to look at how Head Start programs set wages and benefits, as well as school districts for additional comparison data.

Non-Wage Compensation

Working Group members discussed non-wage benefits that could provide additional compensation to the ECE workforce. Data shows that ECE workers are provided fewer benefits than other workers, and a lack of benefits, including health insurance, was a factor in the closure of FCCs in Minnesota. See slides 28-31.

Examples of non-wage compensation for the ECE workforce could include:

- Medical Insurance
- Dental Insurance
- Vision Insurance
- Voluntary Life Insurance & AD&D
- Flexible & Health Saving Accounts
- Savings Plans – 403(b) and 457
- Paid Vacation Days
- Accrued Sick Leave
- Paid prep time
- Availability of substitute teachers
- Access to ongoing professional development

Nationally recommended policy changes include:

1. **Subsidize the costs of health insurance**
 - Subsidize, reimburse, or pay upfront costs of health insurance to educators.
2. **Establish and expand substitute pools**
 - Use CCDBG relief dollars and/or targeted stabilization grants to expand substitute pool strategies so ECE staff can pursue professional development or utilize paid leave.
3. **Ensure child care providers have access to child care subsidies for their own children**
 - Raise eligibility rates or create a separate category for eligibility for the ECE workforce.
4. **Put income disregards in place**
 - Ensure ECE workforce in centers and family child care homes who are receiving increased and emergency financial support can be allowed up to \$10,000 of earnings to be disregarded

Discussion themes included:

- Different settings (and people working in different roles within those settings) may need different benefit options.
 - A cafeteria plan is a benefit plan that allows staff to choose from a variety of benefits, and that style of benefit plan works well for the ECE workforce. Some employees may need reduced rates for their own children to attend child care, while some need health insurance because they are not able to get coverage in another way. Some teachers need prep time, but assistants wouldn't need that time. Allowing employee choice of a menu of benefits could be very valuable.
- Full compensation packages (wages + benefits) should encourage the recruitment and retention of the ECE workforce and reflect the value of their role as professionals, bringing new people into the ECE workforce.
 - K12 teacher compensation packages include summers off, which is a benefit that draws people to the profession. What benefits could be offered to people as an incentive to join the ECE profession?
- Paid time off is needed and valued by the workforce, but it doesn't get used if there are not substitutes available.
 - Substitutes must clear two background checks, which takes time
 - FCCs face specific challenges because should something happen while a substitute is in charge, the FCC owner's license may be suspended while it is being investigated. Leaving a substitute in charge is a risk some FCC providers are not willing to take.
 - It would be great if centers could afford (and have the workforce capacity) to have a full time "float" staff who could sub as necessary. That staff would be familiar with the children, which helps with stability and continuity.
 - A substitute pool is something the state could explore. There are examples to follow, like in [Washington](#).
- Subsidized health insurance would be very important to FCC providers, and to the workforce generally.

Next Steps and Close Out

Michelle Trelstad will report out from this meeting at the next full Task Force meeting, with Cyndi Cunningham assisting. Future meetings will occur on the second Wednesday of each month (listed below), from 6pm-8pm.

- Wednesday, May 11
- Wednesday, June 8
- Wednesday, July 13
- Wednesday, August 10
- Wednesday, September 14
- *October TBD*

Next Working Group Meeting: May 11, 2022, 6:00 p.m. – 8:00 p.m.