

Great Start for All Minnesota Children Task Force

Workforce Compensation and Supports Working Group Meeting

Wednesday, May 11, 2022

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

Virtual Meeting: WebEx

Working Group Members Present: Lydia Boerboom, Meghan Caine, Oriane Casale, Cyndi Cunningham, Nancy Hafner, Debbie Hewitt, Ann McCully, Michelle Trelsted, Senator Melissa Wiklund

Working Group Members Absent: Nicole Blissenbach, Pat Ives, Jenny Moses, Krystal Shatek, Adriana Lopez

Task Force Consultants Present: Ellen Johnson, Afton Partners; Gerald Liu, 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 discussion of draft compensation recommendations (including wage and non-wage benefits). The agenda also included a discussion of a qualified workforce, but the group did not get to that item in the time allowed, so it will be addressed at the next meeting.

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.

Financial Compensation

Working Group members reviewed slides 13-16. These slides include a review of reasons to address compensation, questions for consideration, and best practices from the research.

Financial Compensation Discussion

The Working Group reviewed slides 17-19, which include a recap of the proposed Minnesota Early Care and Education [Wage Scale](#) and a recap of previously stated concerns about implementing the wage scale as-is, along with potential solutions:

- The wage scale is not reflective of regional variations in the living wage
 - Potential Solution: Develop a tiered wage scale where the ECE I starting wage (floor) would reflect local geographies' living wage (per the DEED Cost of Living Tool).
- The wage scale is a static tool; it hasn't been updated to reflect 2022 wages.
 - Potential Solution: Update adopted wage scales on an annual basis to reflect cost-of-living adjustments (COLA) and/or other fluctuations in labor market compensation.
- The wage scale is tied to increases in education but doesn't include increases for commensurate experience.
 - Potential Solution: Add provisions for alternative pathways, years of service, and/or number of professional development hours/year for each ECE level.
- Family child care providers don't see themselves reflected in this wage scale.
 - Potential Solutions: More research should be conducted to understand the true costs of FCC operation (e.g. infrastructure, food, transport, salaries). The adopted wage scale should be used to estimate staffing costs. For FCC owners, a wage floor, with a shared understanding of how this wage may be impacted by variation in enrollment, should be established that reflects their dual responsibilities as directors and providers of care and education. Additional staff should be compensated according to the adopted wage scale.
- The wage scale may have the unintended consequence of causing some to lose their public benefits
 - An illustration of potential benefits cliffs is on slide 19, from research at the University of Minnesota Duluth. Members reviewed this information, and discussed benefits cliffs later in the meeting, under the "non-wage compensation" discussion.

Members reviewed the draft financial compensation recommendations on slides 20 and 21:

1. **Develop and adopt a tiered wage scale**¹ that reflects regional variations in the living wage. The ECE I starting wage would serve as the floor and would reflect the local geographies' living wage.² Subsequent wage increases would be structured to move towards pay parity with that of elementary school teachers as ECE III status is achieved.
2. **The adopted wage scale should be updated on an annual basis** by DLI to reflect cost-of-living adjustments (COLA) and/or other regional fluctuations in the labor market that impact wages.
3. **For FCC owners, a wage floor should be established**, with a shared understanding of how this wage may be impacted by variation in enrollment, that reflects their dual responsibilities as

directors *and* providers of care and education. Additional staff should be compensated according to the adopted wage scale.

4. **Adopt the *Power to the Profession Unifying Framework*** and tie wage scale increases to the designated classifications.
5. Because ECE staff should be compensated for both their education and experience, the *Power to the Profession Unifying Framework* should be expanded to **accommodate alternative pathways, years of experience, and professional development hours** needed for each compensation level.
6. Additional research should be conducted to **understand the true costs of operation** for providers across the mixed delivery system (e.g. infrastructure, food, transport, salaries) in order to estimate future subsidies. The adopted wage scale should be used to estimate staffing costs.

Discussion themes included:

- The recommendations, including solutions and proposed modifications to the wage scale, would generally address the problems at hand.
- It is a good incentive to tie wage increases to educational attainment, but we must also recognize the value inherent in years of training and hands-on experience, and reward that with commensurate compensation as well.
 - This should be done in a way that does not devalue a degree specific to early learning that includes competencies.
- We should work to clarify how to compare year-round ECE programs with the salary and benefits for school-year (9-10 month) programs.
- Setting a wage floor for FCCs makes sense, given the amount of hours worked and responsibilities of these providers. It is important not to be too simplistic in the analysis.
- Draft recommendations 4 and 5 may not work in their current form, as the *Power to the Profession Unifying Framework* is a national standard that we would not have the power to edit.

Two potential options were suggested:

- Building off the unifying framework to create a “Minnesota model” of the framework incorporating edits to recognize alternative pathways, years of experience, and professional development hours. The downside to this approach would be losing the national standing and transferability of the unifying framework.
- Adopting the unifying framework as-is, and build our edits to recognize alternative pathways, years of experience, and professional development hours into the implementation plan and timeline developed by the Task Force. One downside to this approach is lack of buy-in or consensus from the workforce, including from FCC providers.
- Draft recommendation 6 could tie into ongoing cost modeling work from the Department of Human Services (DHS). The group can work to build on the existing work and endorse the path forward, if they wish.

There was general consensus that the working group is comfortable with these draft recommendations, including the potential changes, and ready to bring them forward to the full Task Force at the May 31 meeting.

Slide 23 shows a chart from the “Succession Plan: Transforming Minnesota’s Early Childhood Workforce Project to State Agencies” document that illustrates the difference between and examples of financial relief strategies and compensation reform. Members discussed that as they recommend long-term

compensation reform through the Task Force implementation plan (2025-2031), a short-term strategy of financial relief efforts should be implemented.

Discussion themes included:

- It will be important to build short term financial relief strategies into the Task Force recommendations, in tandem with the long-term plan of compensation reform. The shorter-term recommendations can serve as a bridge to the full reform.
- In addition to examples listed on the slide, members brought up: free or reduced-price professional development courses, T.E.A.C.H. scholarships, establishing a grow your own program, local college scholarships, and student loan forgiveness as examples of short-term financial relief to further explore.
- These strategies will also be relevant to future discussions on workforce qualifications.
- The short-term financial relief strategies employed throughout the COVID-19 pandemic have helped members of the workforce. How can we continue these stipends and expand past the period of increased pandemic-related federal funding?
- It is important to consider the effect of these programs, and at what threshold do stipends, bouses, and tax credits become effective for recruitment, retention, and stabilization. If the purpose is to incentivize entering the field, a lower payment will not be sufficient. If the purpose is helping the existing workforce become financially stable, we should rely on data to determine payment amounts.

Non-Wage Compensation

Working Group members discussed non-wage benefits that could provide additional compensation to the ECE workforce. Slides 26-29 illustrate best practices for benefits, sourced from the Model Work Standards published by the Center for the Study of Child Care Employment.

Slides 30-32 show draft non-wage compensation recommendations for this working group to consider, including draft policies around health care, retirement savings, paid time off, income disregards, professional development, and the creation of substitute pools.

Discussion themes included:

- More research on income disregards to access benefits is needed, including specific models and examples.
- The substitute pool recommendation would need to be studied with licensing regulations in mind, including to ensure FCCs could utilize the program to take time off.
 - DHS has a pilot program studying this model and identifying unintended consequences.
- To take time off for trainings and professional development, those programs would need to be offered during the daytime. Current system does not have substitutes available, so trainings are in the evenings. These changes would go hand-in-hand.
- More thinking is required on non-wage benefits and recommendations across the mixed-delivery system. This working group will continue the conversation at the June meeting.

Next Steps and Close Out

Ann McCully will report out from this meeting at the next full Task Force meeting. Future meetings will occur on the second Wednesday of each month (listed below), from 6pm-8pm.

- Wednesday, June 8



- Wednesday, July 13
- Wednesday, August 10
- Wednesday, September 14
- *October TBD*

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