



START
STRONG
PA

Solving the Child Care Teacher Shortage Through State Recruitment and Retention Investments

2024





Introduction


A historic child care teacher shortage is closing programs throughout Pennsylvania contributing to long waitlists for working families in need of care.


As part of the 24/25 proposed state budget, Governor Shapiro proposes to utilize federal funding to increase the child care subsidy reimbursement rate to the 75th percentile of the current market price of child care services. This is an important step to supporting those child care providers that are deeply invested in the state's subsidized child care system, Child Care Works. However, while this increase will help alleviate some of the continuing inflationary pressures that subsidized providers are facing (rising facility, food, utility, and supply costs), even if the providers all decided to apply the rate increase to wages, it likely won't be sufficient to make the level of workforce investments necessary to solve the historic teacher shortage.


Pennsylvania must tackle the child care teacher shortage head-on by establishing and funding a program that will help providers better recruit and retain their staff. Many states are directly investing in recruitment, retention and other wage impacting strategies to ensure that child care programs can keep classrooms open and the child care supply can meet the demand from working families.


The following states have been investing in these types of initiatives to cut down turnover rates. Some also pay at or above the 75th percentile and have made additional investments in recruitment and retention programs to address staffing shortages and stabilize their child care systems.


Color Key

 Purple = Administration Party and Legislature Majority Party are split Democratic/Republican or Republican/Democratic

 Red = Administration Party Republican
Legislature Majority Party Republican

 Blue = Administration Party Democratic
Legislature Majority Party Democratic

 Gold Star = Pays child care subsidy reimbursement at or above the 75th percentile of the current market price of child care services.¹

 Two gold stars = ACF pre-approved alternative methodology to set payment rates based on the estimated cost of care. Office of Child Care has determined that these payment rates are compliant with determinations for the FY2022-2024 CCDF Plan.





Alaska

Funding for wage increases to support child care worker wages.²

\$7.5 million (FY 2024)

\$7.5 million (FY 2025)³

Governor: Republican **Legislature Majority:** Republican



Georgia

Increase base salaries for GA Pre-K program lead and assistant teachers.⁴

\$23.6 million (proposed FY 2025)⁵

Governor: Republican **Legislature Majority:** Republican



Illinois

Great START Wage Supplements (Strategy to Attract and Retain Teachers) is a wage supplement program for child care practitioners who have completed college coursework and stay at their current place of employment.⁶

\$6.2 million (proposed FY 2025)⁷

Governor: Democratic **Legislature Majority:** Democratic

Iowa



Child Care WAGE\$® provides salary supplements (stipends) and works hand-in-hand with T.E.A.C.H. WAGE\$. The stipend goes to the early care and education workforce, based on the individual's level of formal education and commitment to their program.⁸

\$5.5 million (FY 2023)⁹

Governor: Republican **Legislature Majority:** Republican

Maine

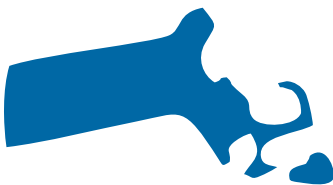


Through statute,¹⁰ the Early Childhood Workforce Salary Supplement System provides salary supplements to child care providers and early childhood educators who provide direct services to children in a licensed child care facility or family child care home. Salary supplement funding assists eligible child care providers in paying competitive salaries based on the workers' level of education and experience.¹¹

\$30 million¹² (biennial 2024-2025)

Reimbursement rate: 75th **Governor:** Democratic **Legislature Majority:** Democratic

Massachusetts



Commonwealth Cares for Children (C3) Grants providers monthly C3 grants to support early education and care providers' day-to-day operational and workforce costs.

\$475 million (FY 2024)

\$325 million (proposed FY 2025)¹³

Governor: Democratic **Legislature Majority:** Democratic



Minnesota

The Great Start Compensation Support Payment program provides a permanent monthly support to all eligible providers to fund increases in compensation and benefits for early educators..¹⁴

\$316 million (FY 2024-25)

\$260 million (FY 2026-27)¹⁵

Governor: Democratic **Legislature Majority:** Democratic



Nebraska



Child Care WAGE\$ Nebraska is a program that provides education-based salary supplements/stipends to providers working with children birth-five in a family child care program. It is designed to increase retention, education, and compensation of the early childhood workforce. Supplements are based on education level. As participants increase their education, they can earn higher awards. The program focuses on the outcomes of increased retention, compensation, and education for the early care and education workforce.¹⁶

\$10 million one-time transfer from Cash Reserve Fund (FY 2023)¹⁷

Reimbursement rate: 75th **Governor:** Republican **Legislature Majority:** Republican



New Hampshire

Recruitment and retention efforts which includes payments toward sign-on and/or retention incentives and/or wage increases.¹⁸

\$15 million (FY 2024-2025)¹⁹

Governor: Republican **Legislature Majority:** Republican



New Mexico



The Early Childhood Education and Care Department Wage Supplement Program provides education-based supplemental wages to early childhood educators who work as teachers, teacher's assistants, or family childcare home professionals with children from birth to age five. The program is education-based, the more education one attains, the more supplement one can receive. Early childhood educators must earn \$16 or less per hour to be eligible.²⁰

\$10 million (proposed FY 2025)²¹

Governor: Democratic **Legislature Majority:** Democratic

New York



Workforce Retention Grant Program supports 150,000 child care workers providing bonus payments ranging from \$2,300 to \$3,000 to staff in caregiving roles, as well as to recruit new staff, offer sign-on and referral bonuses.²²

\$500 million (FY 2024)²³

Governor: Democratic **Legislature Majority:** Democratic

North Carolina



Child Care Wage\$[®] provides education-based salary supplements to low-paid teachers, directors and family child care providers working with children between the ages of birth to five in participating counties.²⁴

\$27.5 million (FY- 2023-2024)²⁵

\$29 million (FY 2024-2025)²⁶

Governor: Democratic **Legislature Majority:** Republican

Oklahoma



The Wage Supplement Program provides professional development and longevity salary supplements to providers who work with young children in quality licensed child care programs. It rewards ongoing learning and strong, stable relationships provided to children with continuity of care through a high-quality, responsive workforce.²⁷

\$2.5 million in wage supplements (FY 2022)²⁸

\$1.8 million in stipends (FY 2022)

Governor: Republican **Legislature Majority:** Republican

Tennessee



Child Care Wage\$ Tennessee provides annual salary supplements to early childhood educators based on education level and employment for the purpose of educator retention. The program has served 3,000 educators as of September 2023.²⁹ Early childhood educators must earn \$20 or less per hour to be eligible.

\$12 million in supplements as of September 2023³⁰

Governor: Republican **Legislature Majority:** Republican



Virginia



Recognize B5 is an important component of the VA's Quality Measurement and Improvement System (VQB5). VQB5 provides direct financial incentives to support the retention of child care teachers, thereby reducing workforce turnover. It is open to lead and assistant teachers working in publicly-funded child care and family day homes that are actively participating in VQB5. Participating teachers must meet and maintain all eligibility requirements to receive the financial incentive.³¹

\$10 million (proposed FY 2025)³²

Governor: Republican **Legislature Majority:** Democratic



Wisconsin

REWARD Wisconsin Stipend Program provides vital supplemental financial support to early childhood educators to increase compensation, improve the retention of early childhood educators, and encourage continued education in the field.³³

\$11.4 million (FY 2023)³⁴

Reimbursement rate: 80th **Governor:** Democratic **Legislature Majority:** Republican

Endnotes

- 1 CCDF Lead Agency Licensed Payment Rates (April 2023)—state list to determine who is at the 75th percentile or higher
- 2 https://www.akleg.gov/basis/get_documents.asp?session=33&docid=32402
- 3 https://www.akleg.gov/basis/get_documents.asp?session=33&docid=32402
- 4 [https://gbpi.org/overview-2025-fiscal-year-budget-for-the-georgia-department-of-early-care-and-learning/#:~:text=FY\)202025%20budget,The%20Governor%20would%20send%20\\$2446M%20more%20to%20Pre%2DK,more%20than%20in%20FY%202024](https://gbpi.org/overview-2025-fiscal-year-budget-for-the-georgia-department-of-early-care-and-learning/#:~:text=FY)202025%20budget,The%20Governor%20would%20send%20$2446M%20more%20to%20Pre%2DK,more%20than%20in%20FY%202024)
- 5 <https://gbpi.org/press-releasegbpis-director-of-economic-justice-ife-finch-floyd-releases-comprehensive-budget-overview-for-decal/>
- 6 <https://www.dhs.state.il.us/page.aspx?item=10881>
- 7 <https://budget.illinois.gov/content/dam/soi/en/web/budget/documents/budget-book/FY2025-budget/Fiscal-Year-2025-Operating-Budget.pdf>
- 8 <https://iowaaeyc.org/programs/wages/>
- 9 <https://iowaaeyc.b-cdn.net/app/uploads/2023/11/2023-T.E.A.C.H.-and-WAGE-Annual-Report.pdf>
- 10 <https://legislature.maine.gov/statutes/22/title22sec3737-A.html>
- 11 <https://www.maine.gov/dhhs/ocfs/provider-resources/early-childhood-educator-workforce-salary-supplement-program#:~:text=The%20Maine%20Early%20Childhood%20Workforce,care%20options%20for%20Maine%20families>
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- 13 http://www.strategiesforchildren.org/state_budget.html#:~:text=As%20such%2C%20this%20FY25%20budget,more%20equitable%20for%20all%20families
- 14 <https://mn.gov/dhs/partners-and-providers/grants-rfps/great-start-grants/compensation-support/>
- 15 <https://youthtoday.org/2023/11/minnesota-expands-public-funding-for-childcare/#:~:text=Now%20those%20monthly%20payments%20are,%24260%20million%20in%202026%2D27>
- 16 <https://www.nebraskaaeyc.org/wages.html#:~:text=%E2%80%8BChild%20Care%20WAGE%24%2C%2AE,child%20care%20settings%20in%20Nebraska>
- 17 https://www.firstfivebraska.org/wp-content/uploads/2023/03/Policy-Brief_LB319_3.9.23_FINAL.pdf
- 18 <https://www.governor.nh.gov/news-and-media/15m-funding-approved-child-care-recruitment-and-retention>
- 19 <https://nhfpi.org/columns/investments-in-child-care-will-be-key-to-granite-states-economic-future/>
- 20 <https://www.nmececd.org/wage-supplement/>
- 21 <https://www.nmdfa.state.nm.us/wp-content/uploads/2024/01/FY25-Executive-Budget-Recommendation.pdf>
- 22 [https://www.governor.ny.gov/news/governor-hochul-announces-500-million-investment-fy-2024-budget-bolster-new-yorks-child care](https://www.governor.ny.gov/news/governor-hochul-announces-500-million-investment-fy-2024-budget-bolster-new-yorks-child-care)
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- 27 <https://cecpd.org/Provider-Programs/The-Oklahoma-Child-Care-Wage-Supplement-Program#:~:text=What%20is%20the%20Oklahoma%20Child,children%20in%20quality%20licensed%20programs>
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- 31 <https://www.childcare.virginia.gov/providers/child-care-as-a-profession/recognizeb5-teacher-incentive>
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- 33 <https://wisconsinearlychildhood.org/programs/reward/>
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