

# COMPENSATION INITIATIVES

Fact Sheet  
Provided by the Office of Early Care and Education  
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What Is a  
Compensation  
Initiative?

Compensation initiatives are designed to supplement the salary of child care providers working in both family homes and centers with children between the ages birth to 5. Currently there are 16 states that offer compensation supplements to their early childhood workforce. The size of supplements offered varies from state to state and is based on education levels and length of time working in the field.

Why Is it Needed?

Research shows that poorly educated teachers and high turnover rates negatively impact young children and low wages are often what cause teachers to leave the field.

What Are the  
Results?

North Carolina was the first state to design and implement a compensation initiative called WAGE\$@ in 1994.

Results of this program during fiscal year 2004-2005 include:

- The annual turnover rate was 16% for WAGE\$@ Project participants, far less than the pre-program statewide turnover rate of 31% per year and less than the current statewide turnover rate of 24%.
- Sixty percent (60%) of WAGE\$@ Project participants indicated that they had taken college level coursework since applying to the Child Care WAGE\$@ Project and 86% planned to do so in the future.
- Eighteen percent (18%) of WAGE\$@ Project participants moved up a level on the supplement scale due to continued education.

What Are the  
Benefits?

Children

- Benefit from educated caregivers who are knowledgeable about and sensitive to the needs of young children.
- Flourish in relationships with consistent teachers in their early care and education environments.

Child Care Programs

- Retain staff members who are knowledgeable about best practices in early education.
- Improve their marketability and quality of care provided by increasing education levels of staff members and decreasing staff turnover.

Participants

- Receive increased compensation for formal education received and for their commitment to consistency of care.
- Receive support and encouragement for their professional development.
- May increase their compensation level by continuing their formal education.
- Experience increased professional status and job satisfaction.

What Is the Biggest  
Misconception?

The biggest misconception regarding compensation initiatives is that it will raise the cost of child care due to higher salaries. The reality is that the supplements come from other sources of funds and do not come out of a center's budget or parent fees.

For More Information  
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## Proposed Model

The following are proposed recommendations:

The compensation initiative would be administered as part of The Nevada Registry program and utilize the existing Career Ladder.

Eligibility requirements –

- Current Nevada Registry Participant (has been issued a Career Ladder Level)
- Currently working in a licensed facility
- Is employed for a minimum of 20 hrs/week
- Has worked at the same place of employment for 6 consecutive months
- Earns no more than \$17/hour

Award Structure –

- Installments are paid in 6 month intervals and will only be paid if the individual has been at the same place of employment for the 6 months prior (regardless of level). If an individual changes employers between first and second installments, the “clock” starts over and the 2<sup>nd</sup> installment will be paid at the end of 6 months employment with a single employer.
- Initial installments for Level 2- 5 are paid upon enrollment when all criteria have been met.

## Proposed Cost

Based on the table below

The optimal budget to serve all current, eligible Nevada Registry participants (approximately 900 providers) the annual program budget is estimated at \$1,100,000.00 which includes program administration costs.

For a small pilot program serving approximately 340 providers the budget is estimated at \$350,000 which includes program administration costs.

TRACK 1:			
Career Ladder Level	Total Award	Award/Supplement Schedule	
		1 <sup>st</sup> Installment	2 <sup>nd</sup> Installment
<b>Level 1</b> <i>A total of one award will be granted at Level 1.</i>	\$300	\$150 paid at the end of first 6 months following enrollment	\$150 paid at the end of the second 6-month period
<b>Level 2</b> <i>No more than 2 awards can be granted at Level 2.</i>	\$600 (\$1200 Max when eligible for 2 awards)	\$300 paid upon enrollment	\$300 paid at the end of next 6 month period
<b>Level 3</b> <i>No more than 3 awards can be granted at Level 3.</i>	\$1000 (\$3000 Max when eligible for 3 awards)	\$500 paid upon enrollment	\$500 paid at the end of next 6 month period
<b>Level 4</b> <i>Awards can be granted indefinitely as long as individual continues to demonstrate longevity at place of employment and meets all other criteria.</i>	\$2000	\$1000 paid upon enrollment	\$1000 paid at the end of next 6 month period
<b>Level 5</b> <i>(Same as Level 4)</i>	\$3000	\$1500 paid upon enrollment	\$1500 paid at the end of next 6 month period
TRACK 2: SCHOLARSHIP PARTICIPANTS (Active with T.E.A.C.H.® or Apprenticeship)			
Same eligibility requirements will apply as above. However, if an individual is a participant of the current scholarship programs and is taking formal education courses, the maximum benefits/awards for Level 1-3 are waived for as long as it takes an individual to increase to the next level.			