



Colorado Evaluation & Action Lab

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▶ CCCAP Teacher Wage Increase Pilot

AUTHORS:

Cynthia Miller, PhD

Senior Fellow, MDRC

Michelle Maier, PhD

Senior Associate, MDRC

*with actionable insights,
synthesis, and editorial support
from the Colorado Lab*



This evaluation is being conducted on behalf of CDEC under the coordination of the Colorado Evaluation and Action Lab's Early Childhood Evaluation Hub to build evidence for stimulus-funded early childhood activities. The evaluation is also being funded by the Office of Planning, Research, and Evaluation, within the Administration for Children and Families, in the U.S. Department of Health and Human Services, as part of a larger project led by MDRC examining the factors that drive recruitment, retention, and advancement within the early care and education workforce.



For inquiries contact: Colorado Lab | admin@coloradolab.org | [ColoradoLab.org](https://coloradolab.org)

Overview



The Colorado Department of Early Childhood (CDEC) used federal and state stimulus funding to implement the Colorado Child Care Assistance Program (CCCAP) [Teacher Wage Increase Pilot](#) to provide a substantial salary boost of \$3-\$7.50 per hour to early childhood teachers with the goal of providing a livable wage. This Pilot supports [CDEC's strategic goal #2](#) to recruit, support, and retain highly competent, caring, and diverse professionals across early care and education settings. The Pilot focuses on select licensed centers across the state that have a Colorado Shines rating of 3 or higher and serve at least 40% of children receiving CCCAP subsidies. Given limited funding for the salary increase, CDEC used a lottery to select 22 of the 74 eligible centers for the Pilot, and their first monthly payment was sent January 2023. Funding for higher wages will be provided for two years. Although there are other efforts across the country to increase teachers' pay, such as the large stipends being offered to teachers in Washington, D. C. and San Francisco, this initiative is unique in that it is one of the first that focuses on increasing wages, the increases are fairly large, and it is being evaluated.

As part of a larger project funded by the Office of Planning, Research, and Evaluation, within the Administration for Children and Families, in the U.S. Department of Health and Human Services, MDRC will be collecting follow-up surveys, interviews, and cost data to inform the implementation and effects of the Pilot. CDEC has also partnered with the Colorado Evaluation and Action Lab (Colorado Lab) to coordinate the evaluation of stimulus-funded activities, and the Colorado Lab is aligning with MDRC's ongoing evaluation efforts to synthesize findings across stimulus evaluation activities.



What We Will Learn by the End of the Evaluation

- How providers implemented the teacher wage increase.
- Whether this salary boost increased workforce stability by increasing early childhood teacher recruitment and retention.
- Whether overall conditions in Pilot centers improved as a result of increased workforce stability because staff were not required to fill in as frequently to meet needs outside of their primary roles.
- The costs of implementing the salary increase and whether there are any savings from reduced time to hire and onboard new staff.

This brief represents early insights from the initial phases of evaluation work. Interim findings will be communicated in Spring 2024 and final findings will be delivered in Fall 2024.





Actionable Insights

- Pilot participation rates were very high and early results are promising. Nearly all teachers (94%) accepted the offer of higher wages, and the number of teachers working at providers offering the wage increase has increased by 27% (255 to 323).
- CDEC has rolled out a complementary pilot program for FCCH providers intended to improve their access to benefits.
- The largest threat to the continuation and expansion of this Pilot work is the availability of funding. Embedding funds for staff wage increases in budgets of existing programs like CCCAP and UPK are the most promising paths forward in the near term.

Evidence-Based Decision-Making

Evidence-Based Decision-Making (EBDM) recognizes that research evidence is not the only contributing factor to policy and budget decisions. EBDM is the intersection of the best available research evidence, community needs and implementation context, and decision-makers' expertise. Actionable insights across these domains are highlighted in the box above, with supporting evidence and additional information detailed for each in the sections that follow.



Best Available Research Evidence

Data in this section come from initial data from program applications and implementation of payments.

Pilot participation rates were very high and early results are promising. Nearly all teachers (94%) accepted the offer of higher wages, and as of August 2023, the number of early childhood teachers working at providers offering the wage increase has increased by 27% (255 to 323). This early insight suggests that providers were better able to retain and/or recruit new teachers than before the Pilot started. Although no data are available yet for the comparison group of centers that did not receive the wage increase, these early rates of hiring are encouraging.

Community Needs & Implementation Context

Data in this section come from baseline surveys with child care directors and teachers and routine implementation planning meetings with CDEC stimulus program leads.

Baseline data prior to the Pilot highlight the need for the wage increase and some of the factors that might influence teachers to work for providers with higher pay. The average wage for teachers in the Pilot prior to the wage increase was about \$17 per hour, and one in four teachers earned \$15 or less, which makes this Pilot wage increase an 18-44% raise toward a livable wage, on average. Many teachers also reported experiencing various material hardships. For example, about 40% of teachers reported that they had skipped or cut back on a meal in the past year because they did

not have enough money for food. One in four teachers reported looking for another job in recent months. The majority did so to either find a second job or to find a job with better pay. Among center directors, over a third said that hiring qualified teachers was a persistent problem, and about one in five reported that turnover in their center is very much creating stress for the remaining teachers and interrupting their own ability to perform their primary job responsibilities.

CDEC has rolled out a complementary pilot program for Family Child Care Home (FCCH) providers intended to improve their take-home pay by subsidizing costs for benefits. Most FCCH providers do not have hourly wages and instead consider the revenue above expenditures as take-home pay. Moving forward, CDEC is challenged with the stark contrast of limited available funding and the overwhelming need for livable wages among all early childhood workforce positions (not just teachers) across a diverse range of settings and communities statewide. Sustainable methods of scaling the program statewide is the biggest factor affecting expansion of this Pilot.

Decision-Maker Expertise

Data in this section come from meetings with CDEC stimulus program leads.

The largest threat to the continuation and expansion of this pilot work is the availability of funding. In the absence of funding, it is unlikely that directors would be able to sustain the higher wages for their teachers. An abrupt return to previous wages may lead to high rates of exit from the centers and increased hardship for teachers, directors, and centers, and in turn, children and families. Embedding funds for staff wage increases in budgets of existing programs like CCCAP and the Universal Preschool Program (UPK) are the most promising paths forward in the near term. Implementation may need to look different than the current wage increase model (direct monthly payments to providers for teacher wage increases) to conform to rules and regulations for these programs. Program rules and regulations may need to shift to accommodate this wage increase.



The higher wage should increase retention and make teachers' economically better off. But its potential effects are much broader than that. Did more stable staffing, for example, help directors spend more time providing leadership and coaching in their centers, and less time filling in as a teacher, hiring new teachers, or shuffling classrooms to maintain appropriate ratios? Did it improve the continuity of care, which is good for teachers, families, and children?

- CDEC Program Administrator