



**Colorado Evaluation & Action Lab**  
UNIVERSITY OF DENVER

Using data to drive action



# Early Childhood Workforce Evidence-Building Hub: Annual Evidence-Building Strategy Report State Fiscal Year 2026

## EVIDENCE-BUILDING STRATEGIES:

1. Execute year 2 state fiscal year (SFY) 2026 evidence-building priorities.
2. Share the evidence-building work with key partner groups.
3. Plan year 3 (SFY27) evidence-building priorities.

## EVIDENCE-BUILDING PRIORITIES:

1. Understand the early care and education (ECE) workforce compensation problem space.
2. Generate new money in the ECE system for compensation.
3. Redirect existing ECE money to workforce compensation.
4. Generate more disposable income for the ECE workforce.

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Report Number: 25-01-D2. Date: June 2025

## Snapshot of Hub Evidence-Building Strategies

The Colorado Evaluation and Action Lab (Colorado Lab) serves as the [Early Childhood Workforce Evidence-Building Hub](#) (Hub) for the Colorado Department of Early Childhood's (CDEC) Division of Early Childhood Workforce (DECW). The primary goal of this Hub is to develop and execute an evidence-building agenda that informs Colorado's compensation strategy and implementation plan for the early care and education (ECE) workforce.

This annual strategy report identifies three evidence-building strategies for state fiscal year (SFY) 2026.

### Strategy 1: Execute year 2 (SFY26) evidence-building priorities.

The four evidence-building priorities, with objectives for each, include:

#### 1. Understand the ECE Workforce Compensation Problem Space

- a. Identify baseline salaries for each ECE workforce role prior to implementation of a workforce compensation strategy so that we know what the early childhood field can currently afford without new funding.
- b. Empirically estimate salary levels that improve the probability of retaining employees so that we have a meaningful set of targets for a compensation strategy and to inform revisions of Colorado's ECE workforce salary scales.
- c. Calculate the difference between the target salaries and the baseline salaries to estimate the earnings gap that the state's compensation strategy would aim to fill.
- d. Begin to calculate the cost of turnover to providers for use in estimating the return on investment (ROI; i.e., cost savings) of the state's compensation strategy.

#### 2. Generate New Money in the ECE System for Compensation

- a. Understand the enabling conditions for successful implementation of policy strategies to improve workforce salaries.
- b. Conduct cost modeling for the most promising compensation policy strategies to understand the extent to which each will chip away at the gap between actual salaries and salaries related to improved retention.

#### 3. Redirect Existing ECE Money to Workforce Compensation

- a. Conduct a policy analysis on ECE shared services models to determine whether this could be a viable policy option to advance in Colorado.

#### 4. Generate More Disposable Income for the ECE Workforce

- a. Identify the proportion of the ECE workforce not receiving health benefits from their employer or an alternative source.

## Strategy 2: Share the evidence-building work with key partner groups.

The Hub will regularly engage with the following groups:

- **CDEC DECW:** The Hub will meet biweekly with DECW grant leads, include them in meetings with subcontracted researchers as necessary, and routinely offer consultation support.
- **Grant partner engagement vendor and working groups:** The Hub will present available findings from the evidence-building work to working groups and meet biweekly with the partner engagement vendor to inform the Workforce Plan Implementation Roadmap.
- **Grant-funded liaisons in partner state agencies:** The Hub will provide an overview of the evidence-building work with the grant-funded liaisons and attend up to three additional meetings.
- **Other CDEC Divisions:** The Hub will attend up to three CDEC meetings to share evidence-building work.

## Strategy 3: Plan year 3 (SFY27) evidence-building priorities.

The Hub will plan for SFY27 evidence-building priorities which may include:

- Continued policy analysis and financial modeling.
- Data analytic support.
- Enabling conditions discovery and design.

The Hub will collaborate with DECW grant leads and the partner engagement vendor to revise evidence-building priorities, propose a research agenda, and draft a SFY27 Strategy Report and updated scope and budget for the SFY27 contract.

Each evidence-building strategy is expanded upon throughout the report, and a table of SFY26 evidence-building priorities and activities is included in [Appendix A](#).



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## Acknowledgements

This project was supported by the Colorado Department of Early Childhood. The opinions expressed are those of the authors and do not represent the views of the State of Colorado or the University of Denver. Policy and budget recommendations do not represent the budget or legislative agendas of state agencies, the Governor’s Office, or other partners. Any requests for funding or statutory changes will be developed in collaboration with the Governor’s Office and communicated to the legislature through the regular budget and legislative processes.

*Thank you to our partners who provided subject matter expertise and guidance on this project: Abby Thorman, the Compensation and Benefits Working Group, and the Recruitment, Retention, and Pathways Working Group.*

## Suggested Citation

LeBoeuf, W., Schaack, D., Witt, E., & Abman, M. (2025, June). Early Childhood Workforce Evidence-Building Hub: Annual evidence-building strategy report (Report No. 25-01-D2). Denver, CO: Colorado Evaluation and Action Lab at the University of Denver.

## Introduction

In fall 2022, the Colorado Department of Early Childhood (CDEC) established Colorado's Early Childhood Compensation & Benefits Task Force (Task Force) to address compensation (i.e., salary and benefits) challenges for early care and education (ECE) professionals. Task Force members drafted the [Compensation and Benefits Task Force Report](#) (Task Force Report) that included recommended salary scales that provide wage targets by job role and education level to inform options to increase ECE workforce compensation. During this time, Colorado's Early Childhood Leadership Commission (ECLC) also endorsed the [Comprehensive Early Childhood Workforce Plan](#) (Workforce Plan) that incorporated Task Force recommendations for elevating ECE workforce compensation.

In 2023, CDEC received a [\\$3.85 million grant](#) from the Early Educator Investment Collaborative (EEIC) to create partnerships among Colorado state agencies to act upon the recommended transformative changes specifically for ECE workforce compensation. As a grantee, CDEC is focusing on innovations in ECE financing, including new dedicated revenue streams and revamped spending, enhanced data collection and modeling to inform policy, and greater collaboration between state agencies in support of improving ECE workforce compensation.

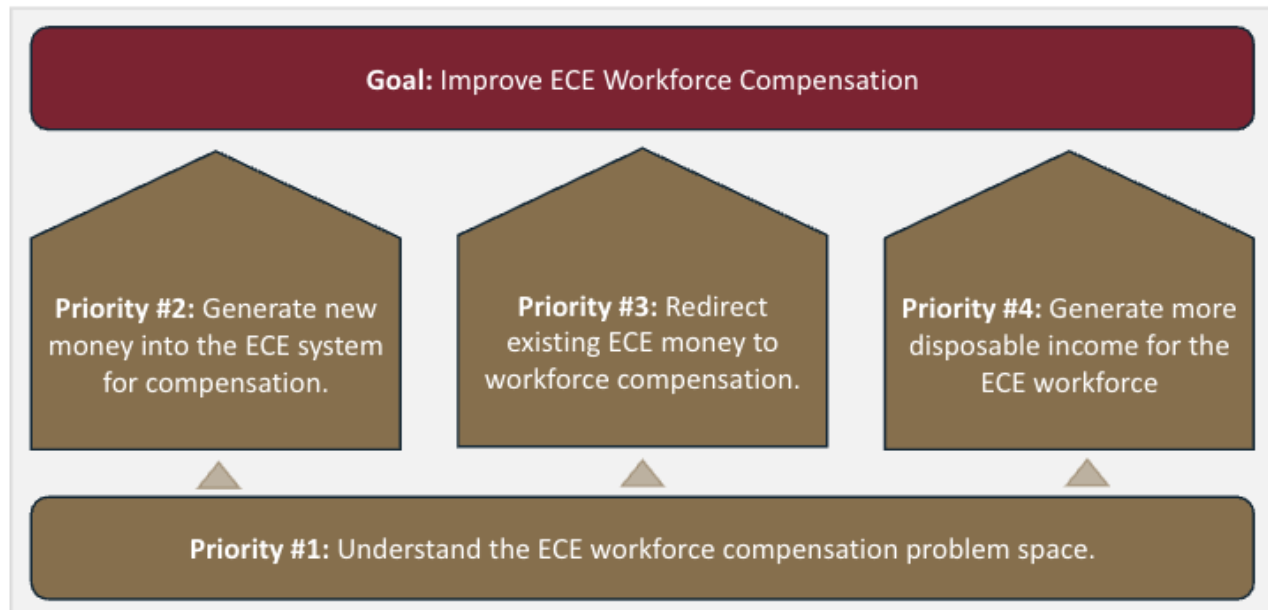
CDEC contracted with the Colorado Evaluation and Action Lab (Colorado Lab) at the University of Denver to serve as the [Early Childhood Workforce Evidence-Building Hub](#) (Hub) for the EEIC grant. The Hub works with CDEC to develop a cohesive framework for building evidence on ECE workforce compensation needs and potential solutions, manage data analysis efforts, translate findings into policy and practice actions, and efficiently build Colorado's ECE workforce compensation evidence base.

CDEC also contracted with a partner engagement vendor to facilitate two working groups: 1) a compensation and benefits working group and 2) recruitment, retention, and pathways working group. These working groups draw from practitioner expertise and use evidence generated by the Hub to inform a set of specific policy strategies to implement the Workforce Plan. The partner engagement vendor will use policy strategies and recommendations from the working groups to develop an implementation roadmap for CDEC.

## ECE Workforce Evidence-Building Agenda

Throughout state fiscal year (SFY) 2025, the Colorado Lab met bi-weekly with CDEC and the partner engagement vendor, Dr. Abby Thorman, and participated in initial working group convenings to refine evidence-building priorities. A conceptual framework was designed to bring cohesion to the policy possibilities aimed at improving different aspects of workforce financial well-being. The framework was also used to scope and sequence the topics explored in the working groups, and to scope and sequence the analytic work needed to provide "just in time" evidence for the working groups to inform their policy priorities.

**Figure 1: Evidence-Building Conceptual Framework**



This framework includes four priorities that guide the Hub’s SFY26 evidence-building strategies:

1. **Understand the ECE workforce compensation problem space.** The goal for this priority area is to provide a reliable set of estimates for the gap in earnings that Colorado needs to fill to retain essential ECE professionals, and to provide an estimate of cost savings for providers if turnover is reduced.
2. **Generate new money in the ECE system for compensation.** The goal for this priority area is to further develop potential policy strategies that would bring new money into the ECE system to chip away at the existing compensation gap.
3. **Redirect existing ECE money to workforce compensation.** The goal for this priority area is to identify evidence-based policy strategies for creating efficiencies in the ECE system so that resulting cost savings can be earmarked for compensation.
4. **Generate more disposable income for the ECE workforce.** The goal for this priority area is to identify evidence-based policy strategies to increase ECE workforce access to available benefits that would reduce their financial burden and increase their disposable income.

The following sections describe in more detail the Hub’s evidence-building strategies for SFY26, including:

1. Executing on SFY26 evidence-building priorities,
2. Sharing evidence-building work with key partners, and
3. Planning for SFY27 evidence-building priorities.

## Strategy 1: Execute Year 2 (SFY26) evidence-building priorities

The Hub has worked with CDEC's Division of Early Childhood Workforce (DECW) grant leads to develop a set of research objectives within each priority area of the conceptual framework presented above. This section details the SFY26 evidence-building activities that will achieve the research objectives.

### Priority #1: Understand the ECE Workforce Compensation Problem Space

The goal for this priority area is to provide a reliable set of estimates for the earnings gap that Colorado needs to fill to retain essential ECE professionals and an estimate of cost savings for providers if turnover is reduced. This is foundational knowledge for grounding the funding needs for any proposed policy strategies for ECE workforce compensation. The Hub's specific research objectives for this priority area are sequenced to achieve this ultimate goal:

- **Objective 1:** Identify baseline salaries for each ECE workforce role prior to implementation of a workforce compensation strategy so that we know what the early childhood field can currently afford without new funding.
- **Objective 2:** Empirically estimate salary levels that improve the probability of retaining employees so that we have a meaningful set of targets for a compensation strategy and to inform revisions of Colorado's ECE workforce salary scales.
- **Objective 3:** Calculate the difference between the target salaries and the baseline salaries to estimate the earnings gap that the state's compensation strategy would aim to fill.
- **Objective 4:** Begin to calculate the cost of turnover to providers for use in estimating the return on investment (ROI; i.e., cost savings) of the state's compensation strategy.

### Anticipated Outcome of Evidence-Building Priority

- **Products:** Memos containing a) baseline salary estimates for key ECE roles, b) evidence-based calculations of salary targets for compensation by key ECE roles, c) estimates of the earnings gap (i.e., how much it will cost) to improve compensation to reach desired salary targets for key ECE roles, and d) progress toward an ROI metric for reducing turnover for key ECE roles.
- **Actionability:** Results can be used to a) target compensation strategies to those most in need, b) further understand how different policy strategies will chip away at the gap between current and target salaries, and c) identify a clear path forward for an ROI metric for valuing reduced turnover.



## Strategy 1, Priority #1 SFY26 Evidence-Building Activities in Detail

**Objective 1: Identify baseline salaries for key ECE workforce roles so we know what the field is currently capable of funding.**

- In SFY25, the Hub contracted with NORC at the University of Chicago to produce estimates of baseline salaries for key center-based ECE roles using integrated administrative data through the Linked Information Network of Colorado (LINC). The Hub also performed an initial review of the Professional Development Information System (PDIS) Income and Benefits Survey for representativeness of key ECE roles to determine whether the data can be used to produce information that is generalizable to the statewide population.
- In SFY25, the Hub contracted with an independent consultant team to develop an interview protocol that could be used to gather information from Family Child Care Home (FCCH) providers about their approaches to determine their take-home pay.
- **SFY26 Quarter 1:** The Colorado Lab will analyze the PDIS Income and Benefits Survey data to supplement baseline salary estimates for key center-based ECE roles that were not feasible through the LINC data set.
- **SFY26 Quarters 1–2:** The Colorado Lab will perform quantitative analysis on self-reported take-home pay collected from FCCH providers who received stimulus Stabilization Grants. These two efforts will establish estimates of baseline take-home pay for FCCH providers and the processes they use to determine take-home pay.

**Objective 2: Determine salary ranges that improve the probability of retaining key ECE staff to provide a meaningful set of targets for a compensation strategy.**

- **SFY26 Quarters 1–2:** The Colorado Lab will leverage expertise from economists on the team to empirically derive market-based salary ranges necessary to retain key ECE staff using quantitative methodology applied to a LINC project data set. The goal of this analysis will be to use actual longitudinal data on ECE professionals who stay in and leave the field and identify the minimum viable threshold for salaries that are necessary to retain ECE professionals.
- **SFY26 Quarter 2:** CDEC collected survey data on salary levels needed to retain key ECE staff from providers who received stimulus Stabilization Grants (center- and FCCH-based). The Colorado Lab will analyze these data to offer a second set of target salaries for CDEC to consider when adjusting the salary scales. This will be used to determine whether the empirically-derived salary ranges are within a reasonable distance from what providers would expect to pay in order to retain staff. This simply serves as a reality check on the estimated salary ranges.

**Objective 3: Calculate the difference between baseline salaries and target salaries to estimate the earnings gap that the state's compensation strategy would aim to fill.**

- **SFY26 Quarter 3:** The Colorado Lab will calculate the difference between each of the estimated salary targets in Objective 2 and the baseline salaries estimated in Objective 1.

These differences represent the gap between desired and actual salaries in key ECE roles. These calculations can be used to estimate the total revenue required from any given policy strategy to chip away at the ECE workforce compensation gap.

**Objective 4: Begin to calculate the cost of turnover to providers for use in estimating the ROI (i.e., cost savings) of the state's compensation strategy.**

- In SFY25, the Hub contracted with an independent consultant team to perform a literature review on methodologies to calculate the cost of staff turnover to ECE providers.
- **SFY26 Quarters 3–4:** The Colorado Lab will produce a feasibility analysis to determine the appropriate methodology to adopt in Colorado and the level of work required to calculate a true cost of turnover to providers. The Colorado Lab will also analyze available administrative data where appropriate to make progress on the cost of turnover calculation.

**Priority #2: Generate New Money in the ECE System for Compensation**

The goal for this priority area is to further develop potential policy strategies that would bring new money into the ECE system to chip away at the existing compensation gap. Evidence-building efforts aim to inform two workforce salary increase opportunities: a) the Gary Community Ventures (GCV) ballot initiative and b) an additional policy strategy prioritized by the Compensation and Benefits Working Group. The Hub's specific research objectives in priority area #2 are as follows:

- **Objective 1:** Understand the enabling conditions for successful implementation of policy strategies to improve workforce salaries. This analysis will help pinpoint the system and infrastructure modifications needed to distribute salaries efficiently and in ways that meet policy goals.
- **Objective 2:** Conduct cost modeling for the most promising compensation policy strategies. This will include understanding the extent to which each policy strategy will chip away at the gap between actual salaries and salaries related to improved retention, and for which segments of the workforce.

**Anticipated Outcome of Evidence-Building Priority**

- **Products:** Products will include a) a report on enabling conditions that need to be addressed to successfully implement the specific salary increase models prioritized by CDEC and the Compensation and Benefits Working Group, b) a memo with estimates of the costs associated with the promising policy strategies selected by the CDEC team and Compensation and Benefits Working Group, and c) a memo with costs associated with addressing the identified systems changes required to implement the prioritized compensation policy strategies.
- **Actionability:** Results can be used to develop system capacity to successfully implement prioritized policy strategies.

## Strategy 1, Priority #2 SFY26 Evidence-Building Activities in Detail

### Objective 1: Understand the enabling conditions for successful implementation of policy strategies to improve workforce salaries.

- In SFY25, the Hub contracted with Pillars Research & Strategy (Pillars) to develop a Colorado environmental analysis documenting initiatives in the state that sought to increase ECE workforce salaries, including key implementation considerations. They also produced a national landscape of initiatives that have durably increased ECE workforce salaries, including an analysis of the features of each of the policies. From this, Pillars will propose a set of policy opportunities for CDEC and the Compensation and Benefits Working Group to consider for durably improving salaries.
- **SFY26 Quarters 1–2:** Pillars will conduct an analysis of the enabling conditions needed to successfully implement initiatives similar to those prioritized by the Compensation and Benefits Working Group. Namely, Pillars will conduct additional interviews with national compensation initiative leaders to surface infrastructure that was critical to have in place to enable initiative success, or that by not having in place, compromised initiative success.

### Objective 2: Conduct cost modeling for the most promising compensation policy strategies.

- In SFY25, the Colorado Lab developed initial financial projections for two potential salary increase models to inform the GCV ballot initiative. These two models will be used along with Pillars' compensation policy analysis to help the Compensation and Benefits Working Group recommend specific policy design options for the ballot initiative.
- **SFY26 Quarter 1:** The Colorado Lab will provide high-level estimates of the number of workforce members covered under up to three identified dollar amounts to inform GCV ballot measure decisions.
- **SFY26 Quarters 2–3:** The Colorado Lab will create up to two cost models for policy strategies prioritized by the Compensation and Benefits Working Group. Each cost analysis will include estimates of who will be eligible for salary increases and what percentage of the earnings gap will be resolved.
- **SFY26 Quarters 3–4:** The Colorado Lab will produce a cost estimate for the systems changes required to implement the prioritized policy strategies based on the enabling conditions analysis above.

## Priority #3: Redirect Existing ECE Money to Workforce Compensation

The goal for this priority area is to identify evidence-based policy strategies for creating efficiencies in the ECE system so that resulting cost savings can be earmarked for compensation. This could include policies such as requiring existing ECE subsidy programs to direct money toward compensation, removing rules or regulations that are costly for providers, earmarking cost savings to be used for compensation, or other policies.

CDEC has prioritized shared services models as a particular policy strategy of interest. Shared services are networks of affiliated ECE programs that share resources and services such as technology, office functions, professional development, and enrollment management to improve efficiency and reduce costs. The Hub will focus on the following research objective for this priority area in SFY26:

- **Objective:** Conduct a policy analysis on ECE shared services models to determine whether this could be a viable policy option to advance in Colorado.

### Anticipated Outcome of Evidence-Building Priority

- **Products:** Products will include a) a policy analysis report focused on the national landscape of ECE shared services models and b) a memo of a cost model for a selected shared services approaches for Colorado.
- **Actionability:** Results can be used to design, cost out, and scale a shared services model for ECE providers in Colorado.

### Strategy 1, Priority #3 SFY26 Evidence-Building Activities in Detail

**Objective: Conduct a policy analysis on ECE shared services models to determine whether this could be a viable policy option to advance in Colorado.**

- **SFY26 Quarters 1–2.** Pillars will produce up to three case studies of ECE shared services models. This will include interviews with initiative leaders documenting how different initiatives are funded, which services are shared, how they are administered, enabling conditions needed to launch the initiative, costs and scale, key implementation lessons learned, and any available evaluation results. Pillars will synthesize findings with key implementation considerations for Colorado.
- **SFY26 Quarters 3–4.** The Colorado Lab will produce a savings forecast to determine how much providers could expect to save through participation in a specified set of shared services, with recommendations for policy strategies for earmarking cost savings to be used for compensation.

### Priority #4: Generate More Disposable Income for the ECE Workforce

The goal for this priority area is to identify evidence-based policy strategies to increase ECE workforce access to available benefits that would reduce their financial burden and increase their disposable income. These policies could, for example, include tuition support for teachers' own child care expenses, housing vouchers, reduced/no income tax for the ECE workforce, or policy efforts to improve access to or make health insurance or other benefits more affordable. CDEC is considering an Enterprise Fund as a potential policy mechanism. Revenue generated into the Enterprise Fund could be used to form a health insurance cooperative and/or provide subsidies to help workforce members access and afford health insurance.

### Enterprise Fund

An [Enterprise Fund](#) is a type of state-owned business housed in an existing state agency and run by state employees with revenue generated from fees based upon specific utilization of services.

To support this potential policy strategy, the Hub will focus on the following research objective for this priority area in SFY26:

- **Objective:** Identify the proportion of the ECE workforce not receiving health benefits from their employer or an alternative source. This will help to determine the amount of coverage needed for ECE workforce members who do not have a health benefits option.

### Anticipated Outcome of Evidence-Building Priority

- **Product:** A memo estimating the number of uninsured workforce members and ECE programs not offering insurance.
- **Actionability:** Results can be used to as one component of estimating potential subsidies and costs to cover health insurance needs.

### Strategy 1, Priority #4 SFY26 Evidence-Building Activities in Detail

**Objective: Identify the proportion of the ECE workforce not receiving health benefits from their employer or an alternative source.**

- **SFY26 Quarter 2:** The Colorado Lab will analyze PDIS survey data and report on the percentage of staff who self-report that they do not have access to health insurance benefits. This will be accomplished for the ECE roles that are represented in the survey data and determined to be generalizable statewide.
- **SFY26 Quarter 2:** The Colorado Lab will analyze stimulus Stabilization Grant data to calculate the percentage of licensed centers and FCCHs that do not offer or have access to health insurance.
- **SFY26 Quarter 3:** The Colorado Lab will compile the findings across the two data sources and create estimates of uninsured ECE workforce members at the provider level and by role where feasible with the available data.

### Adjacent Evidence-Building Efforts

In addition to the year 2 plans described above, the following evidence-building efforts are being led by NORC at the University of Chicago with federal funding from the Office of Planning, Research & Evaluation. Their work will be informed and tracked by the Hub and reported to the

Recruitment, Retention, and Pathways Working Group as appropriate. They will be using a LINC data set to study:

1. The extent to which starting wage levels or wage growth appear to drive an individual's retention in ECE in the first few years of their career.
2. How the Early Childhood Professional Credential and higher education pathways support the career advancement of the ECE workforce.

In addition, the Hub will identify existing evidence and ongoing or planned evidence-building efforts related to the research objectives outlined above.

## Strategy 2: Share the evidence-building work with key partner groups

The Hub's evidence-building work is designed to be timely and actionable for the DECW and key partner groups identified by the DECW grant leads. Engaging with these groups supports the use of evidence in decision making and design of new policy strategies related to the ECE workforce. CDEC grant leads will identify targeted opportunities for the Hub to share evidence-building work with key partner groups. These groups can use the findings to inform policy strategies, state budget requests, Workforce Plan revisions, and additional funding opportunities. In SFY26, the Hub is committed to sharing the results of its evidence-building work with the following key partner groups:

- **DECW:** Leads within DECW oversee and guide the overarching work of the EEIC grant, including the Hub's evidence-building work, engagement with the partner state agency liaisons and working groups, and development of a roadmap to implement the Workforce Plan.
- **Partner engagement vendor and working groups:** The partner engagement vendor is responsible for facilitating the working groups and developing the implementation roadmap for identified ECE workforce policy strategies. The partner engagement vendor and working groups are the primary users of the Hub's evidence-building work.
- **Grant-funded liaisons in partner state agencies:** CDEC is funding ECE workforce policy-focused positions in partner state agencies including the Colorado Departments of Human Services, Higher Education, and Local Affairs' Office of Economic and International Development. The work of these liaisons will benefit from knowledge gained through the evidence-building efforts.
- **Other CDEC Divisions:** Other Divisions within CDEC are focused on efforts to support the ECE workforce, such as the Universal Preschool Program Division, and it is anticipated that there may be value in sharing evidence from the Hub where relevant to their efforts.

## Anticipated Outcome of Partner Engagement

- **Products:** Products include a) up to six slide decks on the evidence-building priorities and results to be shared with appropriate groups above and b) up to three written briefs showcasing the evidence-building results for public audience(s) identified in collaboration with DECW grant leads. All results from evidence-building work will be derived from the memos and reports listed in [Strategy #1](#).
- **Actionability:** The partner engagement work will ensure that the relevant findings from the evidence-building work serve as input for the Workforce Plan Implementation Roadmap produced by CDEC's partner engagement vendor and any associated policy strategies developed.

## Strategy 2 SFY26 Partner Engagement Activities in Detail (all Quarters)

- **CDEC DECW:** The Hub will meet biweekly with DECW grant leads to update on evidence-building progress and incorporate their feedback to inform ongoing and future work. The Hub will include grant leads as necessary in meetings with subcontracted researchers to provide direct input to the work. In addition, the Hub will routinely offer consultation support to DECW grant leads so that evidence-building work can be leveraged in budget requests as appropriate.
- **Grant partner engagement vendor and working groups:** The Hub is committed to presenting available findings from the evidence-building work where appropriate for working group meeting agendas developed by the partner engagement vendor. The Hub is also committed to discussing results from the evidence-building work in biweekly meetings with the partner engagement vendor to directly inform the drafting of the Workforce Plan Implementation Roadmap.
- **Grant-funded liaisons in partner state agencies:** The Hub is prepared to attend an introductory meeting with the grant-funded liaisons to provide an overview of the Hub's evidence-building work. The Hub is committed to identifying up to three additional meetings with liaisons to ensure the evidence-building work is serving as an input for their work where appropriate.
- **Other CDEC Divisions:** The Hub is prepared to attend up to three CDEC meetings to share evidence-building work as determined to be relevant to broader agency goals. This may relate to specific evidence-building results or lessons learned about evidence-building processes for early childhood policy that can inform future CDEC efforts and collaboration.

## Strategy 3: Plan year 3 (SFY27) evidence-building priorities

The Evidence-Building Hub model is designed to be responsive to the highest priority needs of CDEC. During the last quarter of SFY26, the Hub will work closely with DECW grant leads to produce



evidence-building priorities for SFY27. This will ensure that the Hub's evidence-building work is focused on the most essential topics in the final year of the grant that will inform policy strategies and the Workforce Plan Implementation Roadmap. Potential areas of support from the Hub in SFY27 include:

- **Continued policy analysis and financial modeling:** DECW grant leads may require additional work in other policy areas not yet covered in the first 2 years of the grant. The Hub will be prepared to include further policy analysis and financial modeling to address these needs.
- **Data analytic support:** It is expected that CDEC will continue to leverage the data and analytic expertise of the Colorado Lab to answer high-priority research questions of available administrative and survey data relevant to ECE workforce policy strategies.
- **Enabling conditions discovery and design:** It is anticipated that the identified enabling conditions for proposed ECE workforce policy strategies will include improvements to the data and technology infrastructure in the CDEC. The Hub could be tasked to support the detailed discovery and design work required to implement data and technology system changes.

### Anticipated Outcome of SFY27 Planning

- **Products:** A SFY27 Strategy Report and a scope of work and budget for the SFY27 Hub contract.
- **Actionability:** The planning work will allow the Hub to continue seamlessly on meaningful evidence-building work targeted at the advancement of ECE workforce policy strategies and implementation plans for those policy strategies.

### Strategy 3 SFY27 Planning Activities in Detail (Quarter 4)

- The Hub will facilitate a working session with DECW grant leads to revisit the conceptual framework for the evidence-building work and refine it to reflect the upcoming priorities for the grant work.
- The Hub will propose a research agenda aligned with the revised evidence-building conceptual framework and responsive to the priority needs of DECW grant leads.
- The Hub will receive and incorporate feedback on the research agenda from DECW grant leads and the partner engagement vendor who will bring the most up-to-date needs raised by the grant working groups.
- The Hub will draft a SFY27 Strategy Report and updated scope and budget for the SFY27 contract and will submit to DECW grant leads for review and approval.



## Conclusion

In SFY26, the Early Childhood Evidence-Building Hub will support CDEC's DECW in advancing ECE workforce compensation policy strategies as part of its work implementing the EEIC grant.

Evidence-building priorities include:

1. Understanding the ECE workforce compensation problem space,
2. Generating new money in the ECE system for compensation,
3. Redirecting existing ECE money to workforce compensation, and
4. Generating more disposable income for the ECE workforce.

The Hub will execute on these priorities to provide evidence to the partner engagement vendor and grant working groups to inform the development of a Workforce Plan Implementation Roadmap. Additionally, the Hub will share evidence-building work with key partners and plan for SFY27 evidence-building priorities to continue informing ECE workforce compensation strategies.

## Appendix A: State Fiscal Year 2026 Evidence-Building Strategies

**Table A1. State Fiscal Year 2026 Evidence-Building Strategies**

Priorities	Objectives	Activities
1. Understand the ECE* Workforce Compensation Problem Space	1. Identify baseline salaries for each ECE workforce role prior to implementation of a workforce compensation strategy so that we know what the early childhood field can currently afford without new funding.	Quarter (Q) 1: The Colorado Lab will analyze the PDIS* Income and Benefits Survey data to supplement baseline salary estimates for key center-based ECE roles that were not feasible through the LINC* data set. Q 1–2: The Colorado Lab will perform quantitative analysis on self-reported take-home pay collected from FCCH providers who received stimulus Stabilization Grants.
	2. Empirically estimate salary levels that improve the probability of retaining employees so that we have a meaningful set of targets for a compensation strategy to inform revisions of Colorado’s ECE workforce salary scales.	Q 1–2: The Colorado Lab will empirically derive market-based salary ranges necessary to retain key ECE staff using quantitative methodology applied to a LINC project data set. Q 2: The Colorado Lab will analyze survey data on salary levels needed to retain key ECE staff from providers who received stimulus Stabilization Grants (center- and FCCH-based).
	3. Calculate the difference between the target salaries and the baseline salaries to estimate the earnings gap that the state’s compensation strategy would aim to fill.	Q 3: The Colorado Lab will calculate the difference between each of the estimated salary targets in Objective 2 and the baseline salaries estimated in Objective 1.
	4. Begin to calculate the cost of turnover to providers for use in estimating the return on investment (i.e., cost savings) of the state’s compensation strategy.	Q 3–4: The Colorado Lab will produce a feasibility analysis to determine the appropriate methodology to adopt in Colorado and the level of work required to calculate a true cost of turnover to providers. The Colorado Lab will also analyze available administrative data where appropriate.
2. Generate New Money in the ECE System for Compensation	1. Understand the enabling conditions for successful implementation of policy strategies to improve workforce salaries.	Q 1–2: Pillars will conduct an analysis of the enabling conditions needed to successfully implement initiatives similar to those prioritized by the Compensation and Benefits Working Group.

Priorities	Objectives	Activities
	2. Conduct cost modeling for the most promising compensation policy strategies to understand the extent to which each will chip away at the gap between actual salaries and salaries related to improved retention.	Q1: The Colorado Lab will provide high-level estimates of the number of workforce members covered under up to three identified dollar amounts to inform GCV ballot measure decisions. Q 2–3: The Colorado Lab will create up to two cost models for policy strategies prioritized by the Compensation and Benefits Working Group. Q 3–4: The Colorado Lab will produce a cost estimate for the systems changes required to implement the prioritized policy strategies, based on the enabling conditions analysis.
3. Redirect Existing ECE Money to Workforce Compensation	1. Conduct a policy analysis on ECE shared services models to determine whether this could be a viable policy option to advance in Colorado.	Q 1–2. Pillars will produce up to three case studies of ECE shared services models with key implementation considerations for Colorado. Q 3–4. The Colorado Lab will produce a savings forecast to determine how much providers could expect to save through participation in a specified set of shared services.
4. Generate More Disposable Income for the ECE Workforce	1. Identify the proportion of the ECE workforce not receiving health benefits from their employer or an alternative source.	Q 2: The Colorado Lab will analyze PDIS survey data and report on the percentage of staff who self-report that they do not have access to health insurance benefits. Q 2: The Colorado Lab will analyze stimulus Stabilization Grants data to calculate the percentage of licensed centers and family child care homes that do not offer or have access to health insurance. Q 3: The Colorado Lab will compile the findings across the two data sources and create estimates of uninsured ECE workforce members.

\*ECE: early care and education; PDIS: Professional Development Information System; LINC: Linked Information Network of Colorado; FCCH: family child care homes