

## POLICY BRIEF

# **The Early Childhood Education Career and Wage Ladder: A Model for Improving Quality in Early Learning and Care Programs**

**By**

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## **Executive Summary**

High-quality early learning and care are fundamental to ensuring educational excellence and children's readiness to learn. Twenty-five years of research and analysis have shown that children in high-quality early learning and care programs are more likely to graduate from high school, attend college, and earn more as adults. They are also less likely to commit crime than children who have not had the benefit of high-quality early learning.

From a substantial body of research, we know that a strong relationship exists between the education, experience, and compensation of early learning and care teachers<sup>1</sup> and the quality of teaching and care in early learning programs. Despite this body of evidence, childcare teachers and aides remain poorly paid and lack incentives for professional development and educational achievement. As a result, childcare centers experience turnover rates often exceeding 40 percent annually, further undermining the quality of care.

As a consequence of the national failure to provide all young children access to affordable, quality early learning and care, one-fifth to one-half of American children are not fully prepared to learn when they enter kindergarten.<sup>2</sup> It is imperative that we improve the quality of early learning programs to create opportunity for the next generation of citizens in our country.

The Washington State Early Childhood Education Career and Wage Ladder, a pilot program from 2000 to 2003, is a model for improving the quality of early learning and care by offering a career path for early learning and care providers. The program directly rewards teachers for relevant education, experience, and job responsibility by providing incentives for teachers to gain relevant higher education and make a professional commitment to early childhood education. Evaluations by the Washington State University Department of Human Development reinforce anecdotal information with evidenced-based research. Results show that the Career and Wage Ladder is an effective and affirmative means of ensuring quality early learning and care for our state's young children.

Despite its documented success, the Career and Wage Ladder was discontinued during the state budget crisis of 2003. As an important tool in meeting Washington state's constitutionally mandated "paramount duty" to educate all children, Washington's governor and legislature should reinstate and expand the Early Childhood Education Career and Wage Ladder.

### **I. The Significance of High-Quality Early Learning and Care**

Early childhood and brain development research has conclusively shown the positive effects of high-quality early learning and care programs on future achievement. A vast body of literature demonstrates that a child's learning environment and experiences in the earliest years of life have profound, lifelong consequences.<sup>3</sup>

In high-quality early learning programs, young children not only learn but also learn how to learn.<sup>4</sup> They learn about cause and effect, how to follow directions, and how to work in groups and independently. These are among the knowledge and skills kindergarten teachers report more than half of their students lack upon entry into kindergarten.<sup>5</sup>

Researchers conducting the Cost, Quality, and Child Outcomes Study compared children in low-quality childcare settings to children in higher-quality settings.<sup>6</sup> They found that children in the higher-quality classrooms had more advanced language development and pre-math skills, more advanced social skills, more positive attitudes toward their childcare experiences, and warmer relationships with their teachers

The researchers followed up with their preschool subjects when they reached the second grade and found that:

- High-quality child care continued to positively predict children's performance well into their K-12 careers.
- Childcare quality was related to both basic cognitive skills (e.g., language and math) and children's behavioral skills in the classroom (e.g., thinking/attention skills, socialization, and peer relations).
- Children who have been traditionally at risk of not doing well in school are affected more by the quality of childcare experiences than other children.

In general, researchers have found that children in poor-quality child care are delayed in language and reading skills and display more aggression toward other children and adults.<sup>7</sup> In contrast, strong evidence exists that high-quality early learning and care significantly improves the scholastic success and educational attainment of low-income children, even into adulthood. Rates of grade retention, special education rates, and rates of public assistance dependence drop, while high school graduation rates, higher education rates, and lifetime earnings potential all increase.<sup>8</sup>

While no child is protected from the effects of low-quality care, low-income and at-risk children are the most susceptible to the effects of low-quality child care.<sup>9</sup> When these children enter kindergarten, they have often already fallen behind their peers in language development and social skills. This "achievement gap," beginning in kindergarten, follows children through their school years. High-quality early learning, therefore, is critical in closing the achievement gap that prevents too many children from reaching their potential.

## II. Teacher Compensation and Education: The Foundation of High-Quality in Early Learning and Care Programs

The most essential components of quality early learning and care are the commitment, education, experience, and continuity of the teacher.<sup>10</sup> Teachers who are well-versed in early childhood education and who engage children in developmentally appropriate activities foster the healthy development and learning of children.<sup>11</sup>

The most significant factor jeopardizing the continuity, professionalism, and educational attainment of early learning and care providers is the low level of compensation that is endemic to the childcare field. In 2003, the average hourly wage for a childcare worker in Washington was \$8.56 while the average hourly wage for a parking lot attendant was \$9.71. The median wage for all non-agricultural workers in Washington was \$15.71.<sup>12</sup> Not surprisingly, when compensation is low, turnover rates are high. From 1998 through 2000, one-fifth of childcare workers in Washington quit their job **every three months**.<sup>13</sup> According to 2002 data from the state Department of Social and Health Services (DSHS), the annual

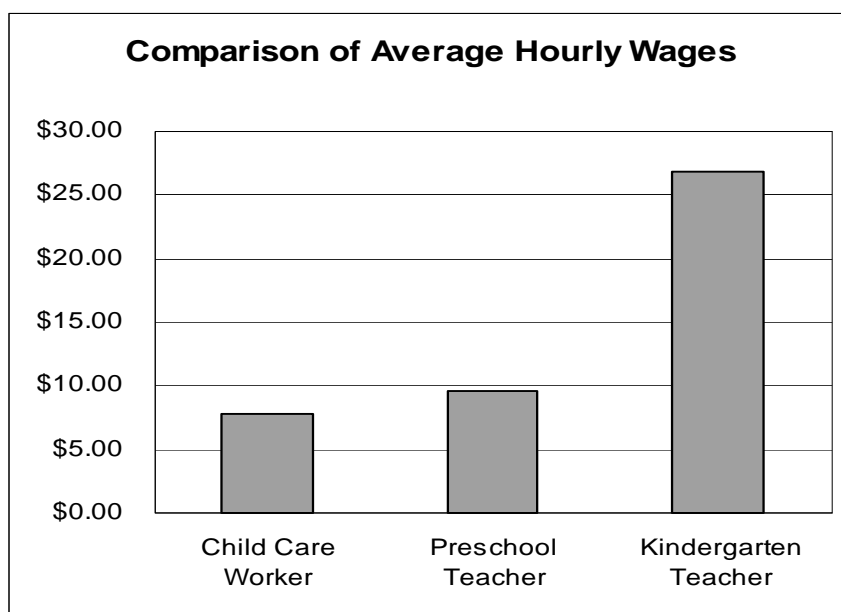
turnover rate for aides, whose average hourly wage was \$8.07, was approximately 45 percent. The annual turnover rate among childcare teachers, who averaged \$9.69 per hour, was nearly 25 percent.<sup>14</sup>

When turnover rates are high, there is a long-lasting negative effect on children. The National Child Care Staffing Study found that high turnover rates meant that children spent less time engaged in social activities with peers and more time in aimless wandering. These children subsequently scored lower on language development tests. In addition, the relationship that a teacher builds with the young children in her care profoundly affects how these children approach all future relationships. Children with closer relationships to their teachers have better language skills, are more sociable, and demonstrate fewer behavior problems.<sup>15</sup>

Low wages also stifle incentives for childcare workers to seek additional education and training. According to the National Association for the Education of Young Children (NAEYC), only one-third of childcare teachers nationally held a bachelor's degree in 1995. While nearly half had received some college-level instruction, 20 percent had earned, at most, a high school diploma.<sup>16</sup> And yet, we know that a teacher who is well educated in early childhood development is more likely to provide children with opportunities for developmentally appropriate learning that will serve as the foundation for future academic achievement.

### **Preschool Teacher Wages in Contrast to Kindergarten Teacher Compensation**

Wage comparisons between childcare workers, preschool teachers, and kindergarten teachers clearly show the impact of low wages on the quality of care. Bureau of Labor Statistics data from 2000 indicate that the average wage for childcare workers nationwide was \$7.86 per hour. The average wage for preschool teachers was \$9.66 per hour. In contrast, the average wage for kindergarten teachers was \$26.82 per hour.<sup>17</sup>



Source: Bureau of Labor Statistics Data 2000, compiled by the Center for the Child Care Workforce<sup>18</sup>

Not surprisingly, the higher wages earned by kindergarten teachers are linked to lower attrition rates, greater degrees of professionalism, and increased commitment to teaching. A recent study in Washington state found that above \$17 per hour, turnover rates were between 10 and 12 percent for K-12 teachers.<sup>19</sup>

Even below this level, a wage differential of several dollars can make an enormous difference to dedicated but underpaid early learning and care providers. In an Urban Institute study of low-wage workers, researchers found that marginal increases in hourly wages often served as a primary motivator in determining whether childcare workers remain in or change jobs. **This high marginal utility for wage increments is the policy cornerstone for the Early Childhood Education Career and Wage Ladder in Washington state.**<sup>20</sup>

### III. The Early Childhood Education Career and Wage Ladder

#### A. Program history and design

The Early Childhood Education Career and Wage Ladder is a proven, effective model for improving the quality of early childhood education for Washington's children and supporting early learning teachers as educational professionals.

As a result of a collaborative policy development and mobilization effort by the Economic Opportunity Institute and the Service Employees International Union (SEIU) Local 925, in 1999 Governor Gary Locke agreed to dedicate \$4 million from Temporary Assistance to Needy Families (TANF) funds to the Career and Wage Ladder.<sup>21</sup>

The Career and Wage Ladder was launched as a pilot program in 2000. It created a public-private model that offered incentives for early learning and care providers to further their education and training in early childhood education and to remain in the field as early learning and care professionals. The program increased wages through increments based on relevant education, experience, and job responsibility. The state paid the wage increments based on educational achievement, while childcare center employers paid base wages and the wage increments based on job responsibility and length of service. Centers also paid for the provision of minimal benefit packages required for participation in the program.<sup>22</sup> (See *Appendices A and B.*)

Starting with a base wage set at Washington's inflation-indexed minimum wage, the model specified that teachers participating in the program would receive pay increments according to the following schedule:<sup>23</sup>

- 50 cents an hour for educational credentials, beginning with a high school degree and moving up through the mandated Washington State Training and Registry System (STARS)<sup>24</sup> to 15 early childhood education (ECE) credits, 30 ECE credits, 45 ECE credits or the Child Development Associate (CDA) accreditation, Associate of Arts in Early Childhood Education (AAECE), Bachelor of Arts (BA), and Master of Arts (MA) degrees in child development;
- 25 cents an hour for each year of service;

- 50 cents an hour for increased responsibilities, from teaching assistant through program supervisor.<sup>25</sup>

Participating centers were required to meet the following requirements:

- Be state licensed or certified;
- Adopt the wage scale as specified and published by the state's administrating agency, the Division of Child Care and Early Learning of the Washington State Department of Social and Health Services;<sup>26</sup>
- Enroll low-income subsidized children into at least 10 percent of their slots, with an additional requirement that at least 20 percent of the total pool of children in participating centers be state-subsidized.

Within six months of participation in the career ladder project, centers were also required to offer health insurance to their employees or assist employees in obtaining coverage through the state's Basic Health Plan, paying at least \$25 per month per employee toward health care coverage; and offer a minimum of 12 days paid leave (sick leave, vacation, holidays, and personal leave or any combination thereof).

## B. Implementation

*This project has motivated not just me but most of the staff in our center to continue their education or go to more training. This has greatly improved the quality of care AND education that we all give to the children in our classes. The morale throughout the entire center has increased, and it seems that most of us are willing to go over and beyond the "call of duty" for our director and families. With the higher wages, we seem to all feel more appreciated.*

Kathryn White, teacher  
Carroll Children's Center  
Yakima, Washington

The pilot program began in July 2000. It resulted in an immediate boost in morale among teachers in participating centers and significant personal investment in the Career and Wage Ladder program by teachers, center directors, and parents. Advocates and administrators soon realized that the initial \$4 million appropriation would be insufficient to sustain the program for the next biennium. The Economic Opportunity Institute subsequently mobilized teachers, directors, and parents to write to the governor and request a renewal and increase in funding for the Career and Wage Ladder program.

This effort resulted in the governor receiving an unprecedented number of handwritten and heart-felt letters. Parents from around the state met with the governor's policy director for early learning to request additional funding for the Career and Wage Ladder. At a strategically-timed press conference in Olympia, with Governor Locke in attendance, advocates, children, teachers, and parents gathered to hear about the impact of the Career and Wage Ladder from a childcare center director, an early learning and care teacher, and a parent. At the conclusion of the press conference, Governor Locke said that he would expand funding for the Career and Wage Ladder.

For the 2001-2003 biennium, the governor doubled the appropriation to \$8 million. As a result, 117 childcare centers and approximately 1,500 teachers across Washington continued participation in the project, benefiting approximately 15,000 children. Wage increment financing by the state to childcare centers ranged from \$15,000 to \$90,000 per center, with the state-sponsored education subsidy costs averaging approximately \$2,000 per worker annually. Due to the state's fiscal crisis, the program was ended on June 30, 2003.

## C. Evaluation

*When we started this program, we had two staff with STARS only, and I had a CDA. Since we have been on the Career and Wage Ladder, we have been able to send all of our staff to STARS and one person to the CDA program. We will send the other three staff to the CDA program at Bates Technical College. We have also sent staff to the summer consortium and the Early Head Start state conference, and I have been able to take two computer classes at Tacoma Community College.*

Director  
Cottesmore Teen Parent Program  
Gig Harbor, Washington

Washington State University (WSU) conducted a three-year evaluation of the Early Childhood Education Career and Wage Ladder.<sup>27</sup> Researchers initially compared 126 childcare centers participating in the Career and Wage Ladder to a matched comparison sample of equal size, drawn from the pool of centers that applied for participation in the Career and Wage Ladder but did not participate.<sup>28</sup> The evaluation consisted of seven periodic mail surveys, telephone interviews, and center observations.

The evaluation found that the Career and Wage Ladder created important and statistically significant improvements for early learning and care staff in these areas:

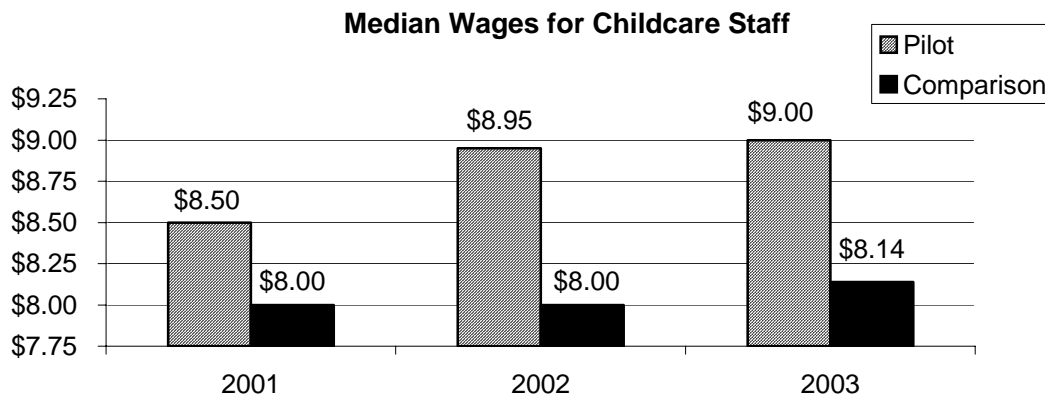
- wages and benefits;
- education achievement and pursuit of education;
- length of employment and retention of new employees;
- employee self-esteem, morale, job satisfaction and sense of professionalism;
- the amount of time off provided by early learning and care centers to enable staff to pursue educational credentials;
- ***the quality of care and teaching in the overall classroom environment and teacher-child interactions.***

The evaluation also indicated the development of an “up-or-out system” based on staff education, compensation, and retention in the pilot sites, as opposed to comparison sites.<sup>29</sup>



## Wages and benefits

Not surprisingly, given the requirements for Career and Wage Ladder sites, wages and benefits were better at pilot sites than at comparison sites. The average hourly wage for all staff at pilot sites was \$9.68 per hour in 2003, compared to \$8.94 per hour for comparison site staff. The median wage indicated an even larger gap, with the median in pilot centers at \$9.00 and the median at comparison centers at \$8.14. This gap in the median increased between May 2001 and May 2003 from 50 cents to 86 cents.<sup>30</sup>

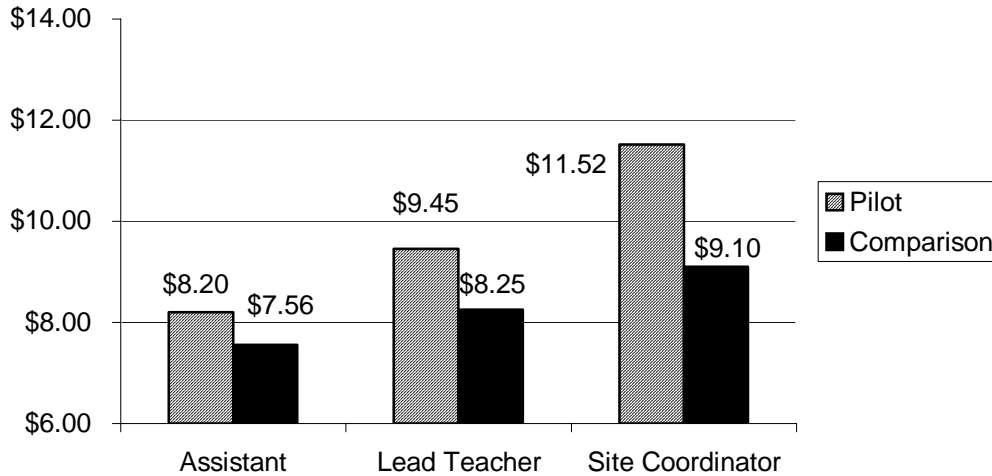


The gap in both average and median wages by position was equally distinctive. Assistants in the pilot centers made an average wage of \$8.43, with the median wage being \$8.20, while assistants in comparison centers made an average wage of \$8.02, with a median of \$7.56.

Lead teachers in pilot centers averaged \$9.80, with their median wage being \$9.45, while lead teachers in comparison centers averaged \$8.70, with their median being \$8.25. The median for lead teachers in pilot centers was 15 percent higher than the median for lead teachers in comparison centers.

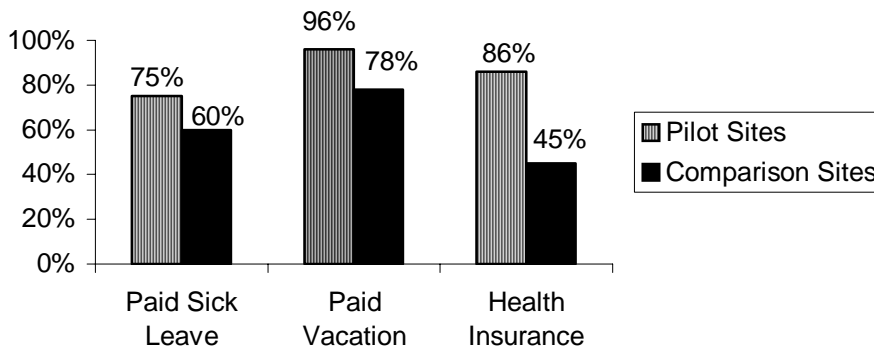
Site coordinators' average wages were \$11.65 in the pilot centers, while their average wages were \$10.30 in the comparison centers. The median wage for site coordinators in pilot centers was 27 percent higher than that in comparison centers, \$11.52 vs. \$9.10.<sup>31</sup>

### Median Wages by Job Category



The difference in the provision of benefits was even more pronounced between the pilot sites and the comparison sites. At pilot sites, 75 percent of employees received paid sick leave, 96 percent received paid vacation, 91 percent received paid holidays, and 86 percent were provided health insurance. In contrast, 60 percent of staff at comparison sites received paid sick leave, 78 percent received paid vacation, 72 percent received paid holidays, and only 45 percent were offered health insurance.<sup>32</sup>

### Benefit Packages



On average, in May 2002, pilot sites were providing 28 days of paid leave (vacation, sick leave, and holidays), while comparison sites were providing 17 days. **The mode (the most commonly reported response) for pilot sites was 10 days of paid leave, whereas the mode of comparison sites was 0 days.** By May 2003, 79 percent of pilot sites offered 12 or more paid leave days, while only 36 percent of comparison sites did so.<sup>33</sup>

Participation in the Career and Wage Ladder mandated the provision of 10 days paid leave at the outset, and this had a catalytic effect on centers participating in the pilot: 28 percent of these centers offered paid holidays for the first time, 26 percent offered paid sick leave for the first time, 15 percent offered paid vacation days for the first time, and 28 percent offered health insurance for the first time. No comparison centers offered any new provision of paid sick days, 2 percent offered a new provision for paid vacation, and 7 percent offered paid holidays and health insurance for the first time.<sup>34</sup>

In May 2003, pilot centers were also outperforming comparison centers in the provision of benefits **not mandated** by the Career and Wage Ladder. While 83 percent of pilot centers offered to pay for education and tuition fees, 63 percent of comparison centers did so. Similarly, 98 percent of pilot centers offered compensatory/overtime pay while only 75 percent of comparison centers did.<sup>35</sup> These differences are linked to the greater take-up in educational pursuit by employees in pilot centers and the pilot centers' financial commitment to increased professionalism fostered through the Career and Wage Ladder.

### **Education**

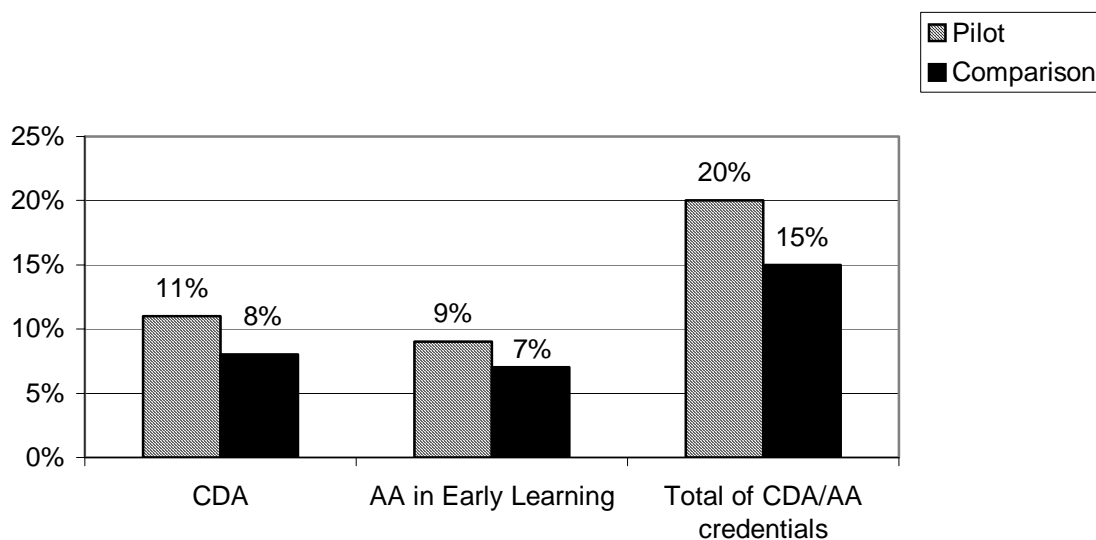
*As our staff gets more education, they become better teachers, and now they have the financial reward associated with increased training. The Career and Wage Ladder is the first real incentive for our staff to improve their education.*

Marilyn Gibbs  
Cascade Early Learning Center  
Burlington, Washington

One primary goal of the Career and Wage Ladder was to create financial incentives for childcare staff to gain greater academic and professional education in early childhood education. This goal was met. At the end of the program, staff at pilot sites had higher levels of education than staff at comparison centers. In contrast, the educational levels of pilot and comparison employees hired before the start of the Career and Wage Ladder program were not different.

In particular, the difference in educational attainment by pilot and comparison staff for two specific recognized credentials in early childhood education is significant. These credentials are the Child Development Associate (CDA) accreditation and an Associate of Arts degree in Early Childhood Education (AAECE). These credentials, especially the CDA, were more achievable within the three-year evaluation period than a Bachelor of Arts degree, for example. Also, unlike the lower-level STARS training, these credentials were not required by the state. A focus on this credentialing highlights the impact of the Career and Wage Ladder. Proportionally, one-third more of pilot employees than comparison employees achieved either the CDA or AAECE.<sup>36</sup>

### Percent of Staff with CDA or AA Degree

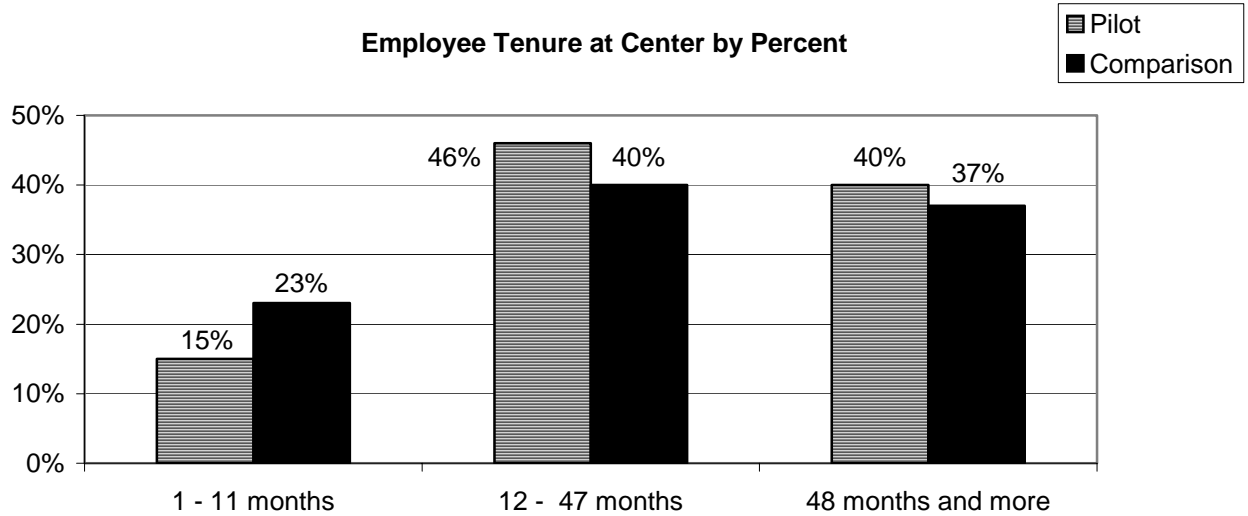


Part of this difference accrues to the fact that pilot centers hired proportionately more staff that came to work already having achieved credentials in early learning and part of this accrues to staff pursuing education while employed as teachers/caregivers. Indeed, another important differentiation between the pilot and comparison sites is the percent of employees who engaged in educational pursuit beyond the required STARS training during their work tenure: 43 percent of pilot employees did so, compared to 31 percent of employees in the comparison centers.<sup>37</sup> The pilot sites also provided time off for educational pursuits for twice as many employees as comparison centers did: 20 percent of pilot employees received time off to pursue ECE and/or CDA credentialing, while 11 percent of employees at comparison sites received comparable time off.<sup>38</sup>

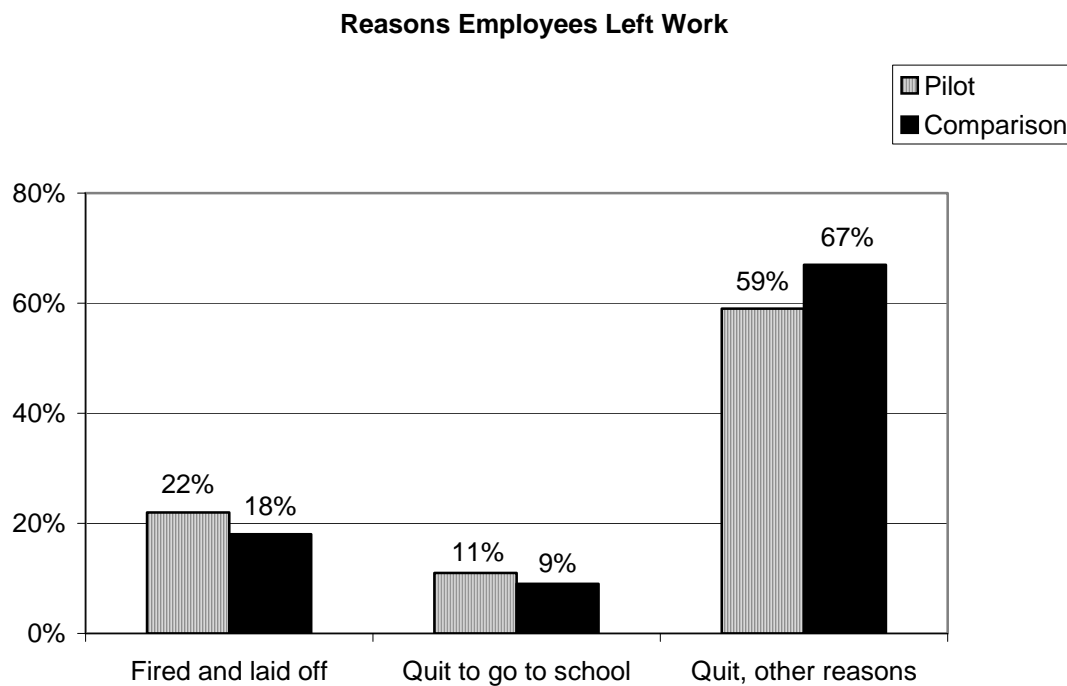
### **Retention**

The quality of early learning is plagued by high staff turnover, employee churning, and short durations of work. The Career and Wage Ladder was intended to address these negative impacts by offering financial incentives for job experience at the same center, in addition to the wage increments for increased education.

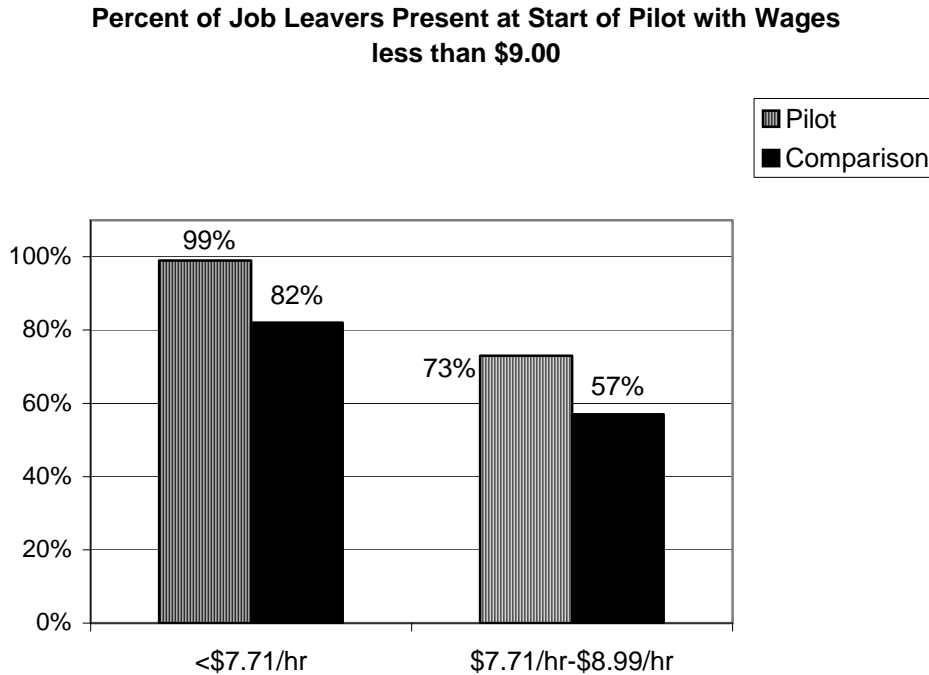
The evaluation found that about 40 percent of staff were retained at both the pilot and comparison centers across the entire three-year study period;<sup>39</sup> however, staff did stay longer at the pilot centers. The median number of months of employment in pilot centers was 15, while the median number of months for the comparison centers was 12.<sup>40</sup> The pilot centers also had fewer very short-term employees. Only 15 percent of pilot center employees had been on the job for less than one year, while 23 percent of employees at comparison centers had been employed for less than one year.<sup>41</sup>



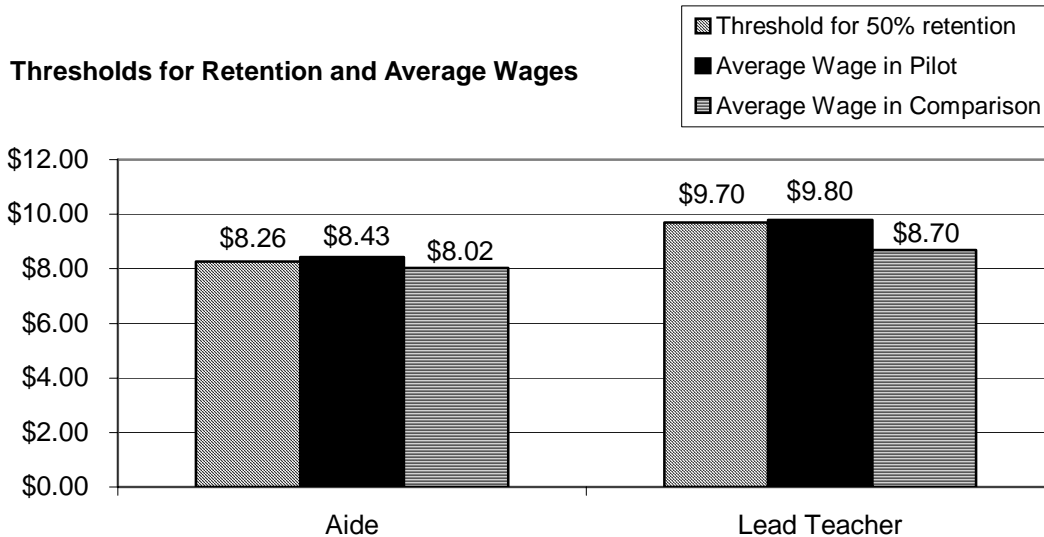
The evaluation found that pilot sites were more likely to employ an “up-or-out” approach as well. Pilot centers were more likely to fire employees and to hire more qualified staff than were comparison sites. Conversely, pilot employees were more invested in staying on the job, as seen by fewer proportional quits (with the exception of quitting for more education).<sup>42</sup>



The fact that pilot centers had a much greater percentage of job-leavers (quits and fires) at wages below \$9.00 an hour than comparison centers further reinforces the trend to an “up-or-out” approach among Career and Wage Ladder centers.<sup>43</sup>



As educational attainment and compensation increased, retention rates rose at both pilot and comparison centers. In looking at the combined workforce for pilot and comparison sites, evaluators found definitive wage thresholds, above which retention over the three-year period exceeded 50 percent. For aides, this threshold point was \$8.25 an hour. For lead teachers, this threshold was \$9.70. The average wage of \$8.43 for aides and of \$9.80 for lead teachers in pilot sites exceeded these thresholds, while the average wage of \$8.02 for aides and of \$8.70 for lead teachers in comparison sites fell below this threshold. This indicates the long-term likelihood of increasing retention through higher wages at the pilot sites.<sup>44</sup>



Similarly, in looking at the combined workforce for pilot and comparison sites, evaluators found that as workers' credentials in early childhood education increased, retention also increased. For example, for those employees with AA or BA degrees in early childhood, retention rates exceeded 62 percent, while for those with 15 to 45 credits in relevant education, retention rates exceeded 58 percent. However, for those workers with less than 15 credits, retention fell to 29 percent. This indicates the long-term likelihood of increasing retention through increased education.<sup>45</sup>

***Employee Morale, Skill, Knowledge, Professional Commitment, and Ethics***

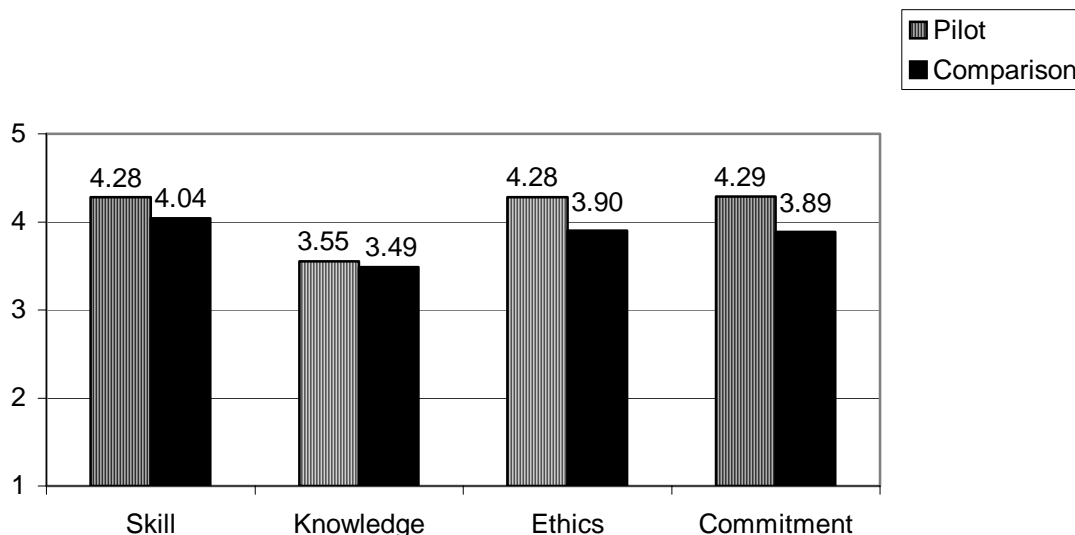
Evaluators interviewed childcare center directors to gauge their perception of staff attitudes as a result of the initiation of the Career and Wage Ladder. They found significant increases in morale attributable to this program. Improvements in morale from a previous year were reported by 96 percent of pilot sites in January 2001 and 95 percent in May 2001.<sup>46</sup> In discussing low morale, pilot center directors focused primarily on employee dismay at the impending loss of the Career and Wage Ladder due to the state's fiscal crisis.

*Ninety percent of our staff used to be in school when the Career and Wage Ladder was in place, but now that it has been phased out, probably only 20 percent of our staff is now in school. They no longer see why they should spend the money on education. There's no ladder to climb anymore. We don't have the same pool of applicants either. Under the Career and Wage Ladder, we were hiring people with higher qualifications. Now, the people coming to us have little experience or education in early childhood education.*

Angela Hicks-Maxie  
 Director, Tiny Tots  
 Seattle, Washington

Eighty-four percent of pilot center directors perceived that the Career and Wage Ladder increased staff retention, 72 percent stated that it increased staff educational pursuit and their center’s emphasis on education, and 92 percent believed that it resulted in increased staff professionalism.<sup>47</sup> Center directors also reported statistically significant improvements in skill level, ethical work standards, and commitment to the profession of early learning among employees at pilot centers in comparison to those at control centers.<sup>48</sup>

**Perception of Positive Change in Employees (Scale of 1-5)**



***The Quality of Child Care***

The evaluators also examined the quality of child care delivered by both pilot centers and comparison centers. Using the Early Childhood Environmental Rating Scale-Revised (ECERS-R) and the Caregiver Interaction Scale (CIS) as assessment tools in direct observation of childcare teachers, the evaluators found statistically significant increases in the quality of early learning and care in the pilot centers, specifically in both overall classroom environment and teacher-child interaction. ECERS-R includes measurements of interaction, program structure, activities, language/reasoning, personal care, space/furnishings, and parents/staff. CIS is a “softer” measurement, evaluating the nature and tones of caregiver/child interactions with “sensitivity,” “punitive,” “detached,” and “permissive” qualities judged. Both measurements found the quality of care to be better at pilot sites than comparison sites.<sup>49</sup>



Measurement	Pilot	Comparison	Statistically Significant Higher Quality in Ladder Centers
ECERS-R	5.30	4.80	Yes
CIS Sensitivity	3.55	3.28	Yes
CIS Punitive	3.81	3.60	Yes
CIS Detached	3.84	3.65	No
CIS Permissive	3.92	3.78	Yes
CIS Overall	3.78	3.58	Yes
ECERS-R is a scale of 1-7, with 7 indicating excellent quality. CIS is a scale of 1-4, with 4 being optimum.			

Linked to these results are the scaling of teacher work attitude, in which pilot centers were scored significantly higher than comparison centers by teachers for satisfaction with pay and promotion and professional orientation.

The former is a direct benefit of the Career and Wage Ladder and the latter is a direct and intended result of the Career and Wage Ladder.

### The Missing Implications

The WSU evaluation measured wages, benefits, education, retention, morale, and components of quality of care resulting from the Career and Wage Ladder. What was not measured was the interaction of these elements in creating a context for high-quality child care and teacher professionalism that is far greater than the sum of its individual components. Anecdotal evidence begins to uncover the impact of the Career and Wage Ladder on the culture and context of child care, especially in its ability to mobilize a previously voiceless constituency of childcare workers, parents, center directors, and advocates for political action to embed the Career and Wage Ladder as a fundamental element for high-quality child care.

For these childcare workers, the Career and Wage Ladder created an economic and educational pathway that wasn't previously apparent or possible. It catalyzed educational pursuit with the carrot of increased wages. Proportionally, 40 percent more workers engaged in educational pursuit in the Career and Wage Ladder sites than in comparison sites. The proportional value and marginal utility of a 50 cent an hour wage increase are comparatively high for these low-wage workers. As a result, an institutionalized Career and Wage Ladder could have a profound effect on their pursuit of education and the quality of their teaching and caregiving.

However, the Career and Wage Ladder was not in place long enough for workers to gain significant educational advancement. For example, the time required to gain an Associate of Arts degree in early learning, while working full time as a childcare teacher, extended beyond the three-year pilot program. The short-term opportunity costs were too great without the assurance of the continued existence of the Career and Wage Ladder. As a result, the Career and Wage Ladder was not embedded or institutionalized, not in the childcare system in our state and not in childcare workers' knowledge of or expectations for their work life. As funding for the Career and Wage Ladder was temporary and time-bound, workers could not and did not trust its duration. They did not invest themselves in the Career and Wage Ladder as they might have with a definitively ongoing program.

#### **IV. Recommendation: Renew the Early Childhood Education Career and Wage Ladder as an Investment in Early Learning**

Quality early learning and care programs are effective in preparing children for success as they move into the K-12 system. If we are to provide meaningful opportunity for all children in our state, they must enter kindergarten ready to learn and achieve. The basic building blocks for later academic success are laid down in a child's first years of life. The substantial body of research that has found a fundamental relationship between the compensation, education, and experience of teachers and the quality of early learning and care programs has made the solution clear.

Quality early learning and care programs must bridge to the K-12 system, not be seen as distinct and separate. By offering developmentally appropriate learning opportunities led by a well-educated and consistent corps of early learning and care providers, all children can be given a strong start in school. When we fail our children in their earliest years, we are required to use valuable resources to compensate. In fact, it has been estimated that for every \$1 spent on high-quality early childhood education, taxpayers save \$7 in future expenses for remedial education, social services, and juvenile delinquency.<sup>50</sup>

The Early Childhood Education Career and Wage Ladder program has proven to be an effective means of improving the quality of early learning and care in our state through the professionalization of early learning and care providers. The Washington State University evaluation found that the Career and Wage Ladder had statistically significant and positive impacts on program quality through the improvement of teacher wages and benefits.

High-quality early learning and care is an important public good, but we have yet to make an adequate public investment in it. Nationwide, we currently fund early childhood programs at approximately one-tenth the rate, on a per-child basis, that we spend on elementary and secondary education.<sup>51</sup> The degree of under-investment in early learning and care, exemplified by the wage discrepancy between early learning and care workers and kindergarten teachers and by the lack of public investment in such programs, must not continue. We should, as a state, boost public expenditures for early learning and care and ensure that these expenditures are targeted to the development of a professional and highly educated early learning and care workforce.

We can achieve this end by reinstating the Career and Wage Ladder program with dedicated public funding as a critical investment in the future of our children and our workforce. If 50 percent of the eligible childcare centers in Washington state participated in the Career and Wage Ladder program, the annual estimated cost to the state for support of the wage increments for educational attainment would be approximately \$19 million. If 20 percent of these eligible centers participated, the annual estimated cost would be approximately \$7.5 million.<sup>52</sup>

If we fail to make such an investment, we can anticipate a steady deterioration in the quality of early learning and care programs. Already, the elimination of funding for the Career and Wage Ladder has resulted in staff layoffs, wage rollbacks, increasing childcare center financial debt, and increased turnover. Without a renewal of funding of the Career and Wage Ladder, wages will stagnate, and early learning and care will continue to have few incentives for teacher professionalism and higher education credentialing in early childhood education.

On the other hand, renewed and increased funding for the Early Childhood Education Career and Wage Ladder would catalyze a professional and socially valued early learning and care workforce. Such a workforce is key to quality child care. Early learning teachers invested in their profession and in the children for whom they care enable these young children to flourish and to be ready and eager to learn when they begin kindergarten. In a democratic society, we should guarantee such an opportunity for our children.





## **Appendix C: Two Other Approaches to Compensation in Early Learning**

### **The U.S. Military Caregiver Personnel Pay Plan**

In the 1980s, Congress turned its attention to the child care offered through the military, which was having a negative effect on recruiting and retention and, thereby, on military readiness. Wages were abysmal, with childcare workers earning less than commissary shelf-stockers. There were few opportunities for promotions, and the quality of care was poor, with little attention paid to providing developmentally appropriate activities to children receiving care. Turnover on some bases exceeded 300 percent annually.

In response, Congress passed the Military Child Care Act in 1989 to improve the quality of care for the children of military families. One reform subsequently implemented was the U.S. Military Caregiver Personnel Pay Plan, a wage ladder for childcare workers that linked increased wages to their achievement of education and training milestones. Teachers are now required to participate in standardized training based upon a Child Development Associate credential and receive annual continuing education. In an effort to become an “employer of choice,” the military now also offers a full range of benefits. An “up-or-out” system ensures that those teachers who do not meet competency and performance requirements are not retained.

The results of this program have been dramatic. Turnover rates dropped to an annual rate of below 30 percent, and 95 percent of all military child development centers now meet the rigorous national accreditation standards of the National Association for the Education of Young Children.<sup>53</sup> Researchers also report an increase in staff morale, professionalism, and commitment to early learning and care as a career.<sup>54</sup>

### **WAGE\$**

WAGE\$, a bonus compensation program created by the Child Care Services Association in North Carolina, is another model that addresses compensation and turnover issues within the early childhood education field. The Child Care WAGE\$ Project offers annual bonuses of up to \$2,000 to teachers who pursue additional education on their own and who achieve benchmarks in early childhood education, starting with an Early Childhood Education Certificate.<sup>55</sup>

Unlike the Career and Wage Ladder model, the bonuses associated with WAGE\$ are not directly linked to a center’s wage scale. The decision to seek these bonuses is made by individual teachers rather than being a possibility or even an expectation for all in a particular childcare center. In contrast, the Early Childhood Education Career and Wage Ladder is center-based, ensuring that all teachers in a center are included. Rather than a one-time bonus, it creates a significant wage incentive for higher educational attainment as well as a center-wide environment that encourages educational advancement, improves morale, and fosters professionalism. Continuing education, additional experience, and increased job responsibilities are directly linked to and catalyze increases in weekly take-home pay. As a result, the Career and Wage Ladder is much closer to the U.S. Military Caregiver Personnel Pay Plan than to WAGE\$ as a model for teacher professionalism.

## **Appendix D: Workers Losing Ground: A Discussion of Childcare Costs, Government Subsidies, and Wages**

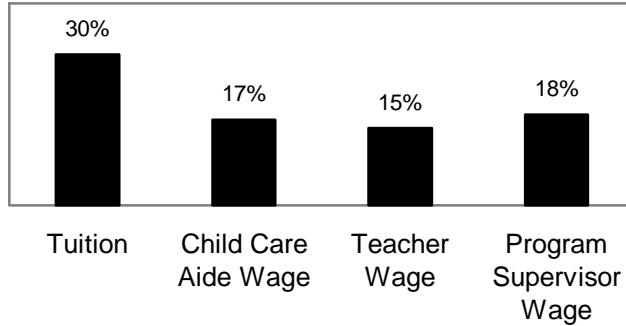
As a result of the increasing number of working parents, the number of children in Washington state in licensed child care grew significantly over the past decade, rising 32 percent from 1990 to 2002. In addition to the 168,160 children in licensed care, the Washington State Department of Social and Health Services estimates that 91,190 children are in unlicensed care.<sup>56</sup>

At the same time as demand rose for child care, the average inflation-adjusted cost for full-time center-based licensed child care rose from \$439 per month in 1992 to \$570 per month in 2002, a 30 percent increase.<sup>57</sup> According to a recent study by the Human Services Policy Center at the University of Washington, the average cost of full-time child care is now roughly equivalent to 20 percent of average household take-home pay.<sup>58</sup>

The true cost of quality early learning and care programs is far higher than most parents can afford to pay. For example, the Head Start program run through the Seattle School District cost \$8,345 per child in 2002 (\$695 per month) and that run through the Puget Sound Educational Service District cost \$8,686 per child in 2002 (\$723 per month).<sup>59</sup> The pre-kindergarten program for four-year-olds at the T.T. Minor Elementary School in Seattle costs about \$10,000 per year per child. Clearly, the private parental-paid market cannot sustain this cost. The result is that early learning and care workers currently subsidize the cost of child care through their foregone earnings, and even though the cost of child care rises steadily each year, cost increases do not translate into wage increases.

In fact, **childcare tuition costs increased twice as fast as wages for childcare teachers.** From 1992 to 2002, average inflation-adjusted wages for aides rose from \$6.90 to \$8.07 per hour, a 17 percent increase. Average wages for teachers rose from \$8.40 to \$9.69 per hour, a 15 percent increase, and supervisors' average wages rose from \$10.26 to \$12.11, an 18 percent increase.<sup>60</sup> **Wages for childcare workers, especially aides and teachers, continue to stagnate**, rising only slightly primarily because of annual increases in Washington's inflation-indexed minimum wage, while tuition cost increases have failed to generate proportionate increases in compensation.

**Percent Increase 1992 to 2002: Comparison Between  
Childcare Tuition Costs and Childcare Wages in Constant  
Dollars**

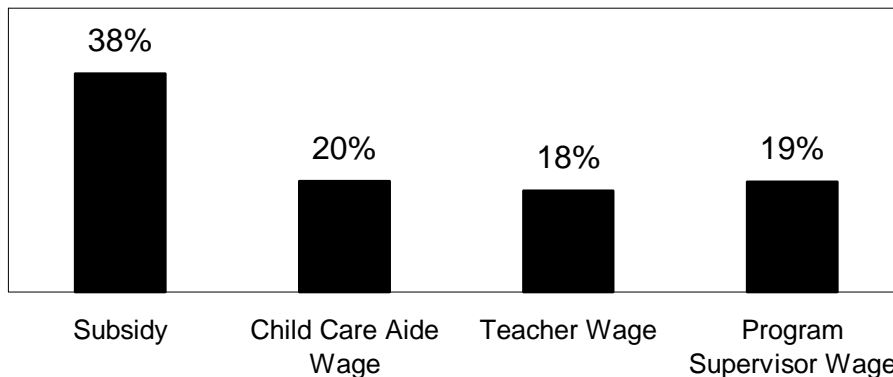


To add to this conundrum, the Washington State Department of Social and Health Services subsidizes about 29 percent of all slots in center-based child care. These subsidies are to provide child care for the children of low-income families. The subsidy rate, adjusted for inflation, for pre-schoolers in King County<sup>61</sup> increased from \$421 in 1992 to \$583 in 2002, a 38 percent increase.<sup>62</sup>

**Childcare subsidy rates increased twice as fast as wages for childcare teachers.**

Inflation-adjusted wages for childcare aides increased from \$7.32 per hour in 1992 to \$8.75 in 2002, an increase of 20 percent. Wages of teachers in King County increased from \$9.12 in 1992 to \$10.75 in 2002, an increase of 18 percent. Wages for program supervisors increased from \$11.18 to \$13.35, an increase of 19 percent.<sup>63</sup> As with tuition increases, increases in subsidies are not translated into proportionate increases in wages.<sup>64</sup>

**Percent Increase 1992 to 2002: Comparison between  
State Subsidies and Wages in Current Dollars**





**These findings point to the need for direct wage compensation strategies, such as the Early Childhood Education Career and Wage Ladder, to assure the transmission of funding into wages for the early learning workforce.**

## ENDNOTES

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<sup>1</sup> In this paper, the terms “teacher,” “child care worker,” “early learning and care provider” and “teacher/caregiver” are used interchangeably.

<sup>2</sup> Joan Patterson and Christopher Watson, “Children in Their Earliest Years: Many Get a Poor Start”, Health Generations (a publication of the Maternal and Child Health Program of the School of Public Health at the University of Minnesota, Volume 4, Issue 2, October 2002) has an excellent narrative of school readiness data from the Early Childhood Longitudinal Study Kindergarten Cohort and the National Household Education Survey. The Head Start Policy Book excerpts on the White House website: <http://www.whitehouse.gov/infocus/early-childhood/hspolicybook/text/02.html> also discuss the school readiness of the nation’s children. See also Kauffman Early Education Exchange, *Set for Success: Building a strong foundation for school readiness based on the social-emotional development of young children*, 1:1 (2002), The Ewing Marion Kauffman Foundation ([http://www.emkf.org/pdf/eex\\_brochure.pdf](http://www.emkf.org/pdf/eex_brochure.pdf)).

<sup>3</sup> Carolee Howes, Claire E. Hamilton, and Leslie C. Phillipsen, “Stability and Continuity of Child-Caregiver and Child-Peer Relationships,” *Child Development*, 69 (1998), pp. 418-426. See Jack P. Shonkoff and Deborah A. Phillips, eds., *From Neurons to Neighborhoods: The Science of Early Childhood Development* (2000).

<sup>4</sup> Carnegie Corporation, *Starting Points: Meeting the Needs of Our Youngest Children*, Executive Summary, August 1994 ([http://www.carnegie.org/starting\\_points/](http://www.carnegie.org/starting_points/)).

<sup>5</sup> E. Rimm Kaufman, R.C. Pianta, and M.J. Cox, Early Childhood Research Quarterly, Vol. 15, No. 2 (2000), cited in Early Education Clearinghouse, *Kindergarten Teachers Perceive Difficulty in Transitions to School*, Facts in Action, November 2000, Associated Day Care Services (<http://www.factsinaction.org/brief/brnov001.htm>).

<sup>6</sup> “Cost, Quality, and Child Outcomes Study, Executive Summary,” University of Colorado, 1995, p. 2; Children of the Cost, Quality, and Outcomes Study Go to School,” Frank Porter Graham Child Development Center, University of North Carolina at Chapel Hill, June 1999.

<sup>7</sup> Testimony by Deborah Phillips before the Senate Committee on Labor and Human Resources, March 1, 1995.

<sup>8</sup> For more information on the body of literature examining the link between quality early childhood programs and positive cognitive and social outcomes, see W. Steven Barnett, “Long-Term Effects of Early Childhood Programs on Cognitive and School Outcomes,” *The Future of Children*, 5:3 (Winter 1995), pp. 25-50 and Hirokazu Yoshikawa, “Long-Term Effects of Early Childhood Programs on Social Outcomes and Delinquency,” *The Future of Children*, 5:3 (Winter 1995), pp. 51-75.

<sup>9</sup> Cited in “New Findings on Children, Families, and Economic Self-Sufficiency: Summary of a Research Briefing (<http://www.nap.edu/html/findings/contents.html>); Helburn et al., “Cost, Quality, and Child Outcomes Study, Executive Summary,” University of Colorado, 1995; Margaret R. Burchinal, “Child Care Experiences and Developmental Outcomes,” *The Annals of the American Academy of Political and Social Sciences*, 563 (1999), pp. 73-97; Ellen S. Peisner-Feinberg and Margaret R. Burchinal, “Relations Between Preschool Children’s Child Care Experiences and Concurrent Development: The Cost, Quality, and Outcomes Study,” *Merrill-Palmer Quarterly*, 43:3 (1997), pp. 451-477.

<sup>10</sup> Carolee Howes, “Children’s Experiences in Center-Based Child Care as a Function of Teacher Background and Adult-Child Ratios,” *Merrill-Palmer Quarterly*, 43 (1997), pp. 404-425. See also M.E. Lamb, “Nonparental Child Care: Context, Quality, Correlates” in W. Damon, I.E. Sigel, and K.A. Renniger, eds., *Handbook of Child Psychology, Volume 4, Child Psychology in Practice, Fifth Edition*, New York: John Wiley & Sons, Inc. (cited in National Research Council, 2000, p. 316); NICHD Early Child Care Research Network, Characteristics and Quality in Child Care for Toddlers and Preschoolers,” *Journal of Applied Developmental Science*, cited in National Research Council, 2000, p. 316.

<sup>11</sup> See, for example, Ellen C. Frede, “The Role of Program Quality in Producing Early Childhood Program Benefits,” *The Future of Children*, 5:3 (Winter 1995), pp. 115-132.

<sup>12</sup> Labor Market and Economic Analysis Branch of the Washington State Department of Employment Security, [www.workforceexplorer.com](http://www.workforceexplorer.com)  
<http://www.workforceexplorer.com/cgi/databrowsing/occExplorerQSDetails.asp?searchCriteria=child+c>

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<sup>13</sup> See U.S. Census, LEHD Washington Industry Reports, Child Day Care Services data, <http://lehd.dsd.census.gov/led/01/004/index.html>.

<sup>14</sup> 2002 data provided by Washington State Department of Social and Health Services, Division of Child Care and Early Learning.

<sup>15</sup> M. Whitebook, D. Phillips, and C. Howes, "Who Cares? Child Care Teachers and Quality of Care in America," National Child Care Staffing Study, 1989; J. L. Bernhardt, "A Primary Caregiving System for Infants and Toddlers: Best for Everyone Involved," *Young Children*, March 2000, pp. 74-80; "Teacher Education, Wages Key to Outcomes," *Spotlight*, National Center for Early Development and Learning, January 18, 2000.

<sup>16</sup> "Critical Facts about the Early Childhood Workforce," National Association for the Education of Young Children ([http://www.naeyc.org/childrens\\_champions/criticalyoung.asp#childhood](http://www.naeyc.org/childrens_champions/criticalyoung.asp#childhood)).

<sup>17</sup> Center for the Child Care Workforce, "Current Data on Child Care Salaries and Benefits in the United States," March 2002.

<sup>18</sup> The Occupational Employment Statistics Survey prepared by the Bureau of Labor Statistics describes center-based child care workers as either "preschool teachers" or as "child care workers." Preschool teachers are defined as those who work with children younger than five years old in a program involving developmentally-appropriate activities and curricula. Child care workers are those who perform more custodial care focused activities, including dressing, feeding, and monitoring play. (Center for the Child Care Workforce, "Current Data on Child Care Salaries and Benefits in the United States," March 2002.)

<sup>19</sup> Laura Schragger and Marna Miller, "Licensed Child Care in Washington State: 2000," Research and Data Analysis Division, Management Services Administration, Washington State Department of Social and Health Services, January 2002, p. 47.

<sup>20</sup> Nancy Pindus, Daryl Dyer, and Caroline Ratcliffe, with John Trutko and Kellie Isbell, "Industry and Cross-Industry Worker Mobility: Experiences, Trends, and Opportunities for Low-Wage Workers in Health Care, Hospitality, and Child Care," The Urban Institute, December 1997.

<sup>21</sup> These discretionary funds were welfare reinvestment funds, the appropriation of which did not require legislative approval.

<sup>22</sup> The state paid a 15 percent administrative fee to participating child care centers, and, for those centers with a higher proportion of subsidized children (i.e., more than 25 percent), the state paid for a share of the experience wage increments.

<sup>23</sup> In King County the base wage is higher. All early learning and care workers employed for 20 hours or more a week and school-age care workers who worked 15 hours or more a week in participating child care centers were incorporated into the pilot program.

<sup>24</sup> The STARS training system was implemented in January 1999 as a training and continuing education program for child care directors, supervisors, lead teachers, and family home providers. Child care workers are required to complete 20 hours of training within six months of employment. They are required to complete an additional 10 hours of education and training annually. Those with substantial education or experience in early childhood education and development can be exempted from the program. The Career and Wage Ladder complements the STARS system by adding a financial incentive and reward for continued education and training.

<sup>25</sup> The wage increments at the bottom of the ladder became compressed over the two and a half year life of the program as Washington's minimum wage was raised annually to keep up with inflation. As the result of program directives, the bottom Career and Wage Ladder increments were not implemented in accordance with the wage ladder template. For example, in 2003, when the minimum wage increased to \$7.01, only the bottom rung of the ladder moved up. Other wage rates remained constant. If the template had been fully implemented, there would have been, for example, a 25 cent increase between the first and second years of experience for those holding less than a high school diploma or GED. Because only the bottom rung was increased, wage compression within the model occurred, with only a 16 cent increase between the first and second years of experience. See Appendix A.

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<sup>26</sup> Participating centers were not allowed to roll back current wages. Wages higher than those stipulated in the career ladder were grandfathered in. The ladder was considered to be a wage floor, not a ceiling.

<sup>27</sup> Brenda J. Boyd and Mary R. Wandschneider, "Washington State Child Care Career and Wage Ladder Pilot Project, Phase 2 Final Evaluation Report," Department of Human Development, Washington State University, March 2004. Referred to as "WSU-E".

<sup>28</sup> Because of funding limitations, centers were selected to participate in the pilot program through a random draw, leaving many centers interested in but unable to participate in the pilot.

<sup>29</sup> In this section, "pilot" and "ladder" are used interchangeably, as are "sites" and "centers".

"Comparison" refers to the control group of centers not participating in the Career and Wage Ladder.

<sup>30</sup> WSU-E. p. 53.

<sup>31</sup> WSU-E. p. 54. The sample size for site coordinators is too small to determine statistical significance.

<sup>32</sup> WSU-E. p. 48. Participating pilot centers do not appear to have fully implemented the Career and Wage Ladder model, as full benefit and leave packages mandated by the state were apparently not offered at all sites.

<sup>33</sup> WSU-E. p. 49.

<sup>34</sup> WSU-E. p. 50.

<sup>35</sup> WSU-E. p. 51.

<sup>36</sup> WSU-E. p. 58.

<sup>37</sup> WSU-E. p. 60.

<sup>38</sup> WSU-E. p. 60.

<sup>39</sup> WSU-E. p. 34.

<sup>40</sup> WSU-E. p. 37.

<sup>41</sup> WSU-E. p. 38.

<sup>42</sup> WSU-E. p. 45.

<sup>43</sup> WSU-E. p. 41.

<sup>44</sup> WSU-E. p. 42.

<sup>45</sup> WSU-E. p. 43.

<sup>46</sup> WSU-E. p. 65.

<sup>47</sup> WSU-E. p. 72.

<sup>48</sup> WSU-E. p. 68.

<sup>49</sup> WSU-E. p. 78.

<sup>50</sup> Research shows that for every dollar invested in quality early learning programs, the public saves approximately \$7 in direct and indirect costs for such things as special education, juvenile delinquency, and welfare dependence. (W.S. Barnett, *Lives in the Balance: Age 0-27 benefit-cost analysis of the High/Scope Perry Preschool Program*, Monographs of the High/Scope Educational Research Foundation, 11, Ypsilanti, MI: High/Scope Press, 1996, <http://www.highscope.org/Research/PerryProject/perrymain.htm>.)

<sup>51</sup> In terms of overall funding levels, the difference between early childhood education and K-12 education is even greater. In FY 1999, early childhood education received \$15 billion in local, state, and federal funding, compared to \$325 billion allocated to K-12 education in FY 1997-98. These figures translate into .16 percent and 3.71 percent of gross domestic product respectively. (R.N. Brandon, et al., "Finding the Funds: Opportunities for Early Care and Education," Human Services Policy Center Policy Brief, January 2003; Richard N. Brandon, "Young Children: The First Step in Progress," in C. Leigh Anderson and Janet W. Looney, eds., *Making Progress: Essays in Progress and Public Policy*, New York: Lexington Books, 2002, p. 132.)

<sup>52</sup> SHB 2360, introduced during the 2004 legislative session, proposed a funding level of up to \$2 million to support the implementation of the Career and Wage Ladder. The fiscal note that accompanied SHB 2360 estimated that, if 50 percent of the eligible licensed child care centers statewide chose to participate in the Career and Wage Ladder, the state's annual subsidy costs would be \$18,928,850. The subsidy and administrative costs associated with the operation of the Career and Wage Ladder in SFY 2003 averaged \$27,275 per center. In December 2003, there were 2,134 licensed child care centers statewide. Based on 2000 data, 65 percent of licensed child care centers served a population that included at least 10 percent subsidized children. Therefore, a total of 1,387

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child care centers would be eligible for participation. If half of eligible centers participated, the estimated annual cost would be \$18,928,850. If 40 percent (N=555) chose to participate, the estimated annual cost would be approximately \$15 million. If 30 percent (N=416) participated, the estimated annual cost would be approximately \$11 million, and if 20 percent (N=277) participated, the estimated annual cost would be approximately \$7.5 million.

The costs of this program are modest. In 1992, the State Higher Education Personnel Board's comparable worth study set a salary range of \$9.31 to \$11.47 an hour for assistant teachers holding a CDA credential and a salary range for lead teachers holding an early childhood education certificate of \$10.69 to \$14.09. These salary ranges recommended over 10 years ago are considerably higher than what most teachers/caregivers currently earn in Washington State. They are also considerably higher than the respective wage ranges set forth in the Career and Wage Ladder model shown above.

<sup>53</sup> These standards have specifications relating to caregiver training, staff/child and staff/parent interactions, and developmental activities by age. Findings from the National Association for the Education of Young Children (NAEYC) are further testimony to the relationship between increased retention rates and higher wages. NAEYC has found that its accredited centers, which pay higher wages to their staff, have had retention rates twice as high as non-NAEYC centers over the past 10 years. (Marcy Whitebook, et al., *Worthy Work, Unlivable Wages: The National Child Care Staffing Study Revisited, 1988-1997*, Center for the Child Care Workforce.)

<sup>54</sup> Nancy Duff Campbell, Judith C. Appelbaum, Karin Martinson, and Emily Martin, "Be All That We Can Be: Lessons from the Military for Improving Our Nation's Child Care System," National Women's Law Center, April 2000. See also "The Armed Services' Response to the Military Child Care Act," RAND Research Brief.

<sup>55</sup> The Child Care WAGE\$ Project is only offered in those counties that participate in North Carolina's Smart Start program. Funding is allocated through the decision-making processes of local Smart Start Partnerships in collaboration with the state's Division of Child Development. The WAGE\$ model has been licensed for replication in Oklahoma, Florida, and Kansas. (Child Care Services Association, "The Child Care WAGE\$ Project," [http://www.childcareservices.org/WAGE\\$/CCWAGE\\$2.html](http://www.childcareservices.org/WAGE$/CCWAGE$2.html); Child Care Services Association, [http://www.childcareservices.org/WAGE\\$/CCWAGE\\$2.html#How%20do%20I%20find%20out%20more%20about%20re](http://www.childcareservices.org/WAGE$/CCWAGE$2.html#How%20do%20I%20find%20out%20more%20about%20re); Maria D. Montilla, Eric C. Twombly, and Carol J. DeVita, "Models for Increasing Child Care Worker Compensation," The Urban Institute, June 2001.)

<sup>56</sup> E-mail communication with Gary Burris, policy analyst, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, July 7, 2004. See Laura Schrager and Steven Roswell, "Licensed Child Care in Washington State: 2002," Division of Child Care and Early Learning, Economic Services Administration, Washington State Department of Social and Health Services, June 2004, p. 9.

<sup>57</sup> E-mail communication with Laura Schrager, policy analyst, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, July 9, 2004. See Laura Schrager and Steven Roswell, "Licensed Child Care in Washington State: 2002," Division of Child Care and Early Learning, Economic Services Administration, Washington State Department of Social and Health Services, June 2004, p. 50.

<sup>58</sup> R.N. Brandon, et al., "Finding the Funds: Opportunities for Early Care and Education," Human Services Policy Center Policy Brief, January 2003.

<sup>59</sup> "Head Start, Early Head Start and Early Childhood Education and Assistance Programs in Washington State, 2001-2002 State Profile," Governor's Head Start-State Collaboration Office, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, p. 20.

<sup>60</sup> E-mail communication with Laura Schrager, policy analyst, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, July 9, 2004.

<sup>61</sup> King County includes Seattle and is the dominant population center in Washington state.

<sup>62</sup> E-mail communications with Laura Schrager, policy analyst, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, July 9, 2004 and July 13, 2004. The subsidy rates for King County represent the monthly DSHS subsidy rate paid for preschoolers enrolled in full-time center-based care. See also Laura Schrager and Steven Roswell, "Licensed Child Care in Washington State: 2002," Division of Child Care and Early Learning,

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Economic Services Administration, Washington State Department of Social and Health Services, June 2004, p. 47.

<sup>63</sup> E-mail communication with Laura Schragger, policy analyst, Division of Child Care and Early Learning, Washington State Department of Social and Health Services, July 9, 2004.

<sup>64</sup> Because the state is such a dominant purchaser of child care, it can act as a quasi-price setter for tuition. Therefore, it should be no surprise that increases in subsidies and tuition are linked and both have failed to be reflected in proportionate increases in wages.