

Texas Workforce Commission

Child Care Teacher Educational Opportunities, Scholarships and Incentives Collaborative Pilots in Texas

Annual Report Fiscal Year 2004



Report on Child Care Teacher Educational Opportunities, Scholarships and Incentives Collaborative Pilots in Texas

Summary

Texas Labor Code §302.0055 (Senate Bill 1294, 77th Legislature, Regular Session) requires the Texas Workforce Commission (TWC) to administer the Teacher Education and Compensation Helps (T.E.A.C.H.) pilot projects in at least three sites across the state.

The purpose of the pilot projects is to provide:

- educational opportunities through scholarships;
- increased compensation to child care teachers who have achieved educational benchmarks; and
- reduce teacher turnover among the participating teachers.

TWC awarded a total of \$648,887 to the following three Local Workforce Development Boards:

- Cameron County;
- East Texas; and
- Tarrant County.

The pilot projects were conducted from May 1, 2003, to April 30, 2004.

A total of:

- 284 child care teachers enrolled in the projects; and
- 237 teachers completed coursework toward a Child Development Associate (CDA) certificate, or an associate's or a bachelor's degree in child development.

Average scholarship amounts ranged from:

- \$675 to \$950 for coursework toward a CDA;
- \$950 to \$1,230 for coursework toward an associate's degree in child development; and
- \$950 to \$2,813 for coursework toward a bachelor's degree in child development.

Many child care employers increased compensation for teachers who completed their educational goals from 50 to 75 cents an hour or provided onetime bonuses of \$50 to \$300.

The retention rates for teachers participating in the pilots ranged from 75 to 90 percent.

Background

Texas Labor Code §302.0055 (Senate Bill 1294, 77th Legislature, Regular Session) requires the Texas Workforce Commission (TWC) to administer the Teacher Education and Compensation Helps (T.E.A.C.H.) pilot projects in at least three sites across the state. TWC renamed the pilot project Child Care Teacher Educational Opportunities, Scholarships and Incentives Collaborative because the T.E.A.C.H. Early Childhood® Project is a registered trademark name.

The purpose of the pilot projects is to provide:

- educational opportunities through scholarships;
- increased compensation to child care teachers who have achieved educational benchmarks; and
- reduce teacher turnover among the participating teachers.

The Texas Labor Code requires TWC to submit annual reports to the Governor and the Legislature regarding the status and results of the pilot projects until the bill expires on September 1, 2005. This report serves as the 2004 annual report and provides final results from the pilot projects funded in 2003.

The Texas Labor Code requires TWC to operate pilot projects in at least one urban, one rural, and one border community. The legislation limited the projects to participants employed in child care programs that have agreements with the Local Workforce Development Boards (Boards).

The Texas Labor Code required that each pilot project:

- provide coordination between TWC and the appropriate Board;
- obtain incremental increases in financial and other support from public and private sources;
- address child care teacher scholarships, education, compensation, and retention issues;
- obtain a financial commitment from participating employers to provide graduated increases in compensation to the employers' child care teachers; and
- participate in the evaluation of the pilot project as determined by TWC.

In December 2001, TWC released a Request for Application (RFA) on the Child Care Teacher Education and Compensation pilot project.

Pilot Projects

The RFA required interested Boards to submit a plan addressing the following services:

1. Increasing the retention of child care teachers within the child care industry by providing participants with:
 - a. scholarships; and
 - b. compensation, in either higher wages or bonuses, upon the attainment of increased education.
2. Obtaining incremental increases in financial support from public and private sources over the course of the pilot project that would be used to provide additional scholarships, educational opportunities, and increased compensation.
3. Securing a financial commitment from participating child care employers and other local entities to provide graduated increases in salaries or offer bonuses to participating child care teachers who successfully complete child development coursework, obtain a Child Development Associate (CDA) credential, or earn an associate's (AA) or a bachelor's (BA) degree in child development.

In addition, TWC requested that a Board demonstrate in the RFA:

- how it would recruit eligible child care teachers and obtain a commitment from their respective child care employers; and
- how the project would sustain itself through other public and private sources following the completion of the pilot period.

TWC did not conduct a general competitive procurement. The RFA was sent only to Boards as specified in the legislation. Six Boards submitted proposals, and the following three were selected:

- Cameron County Board
- East Texas Board
- Tarrant County Board

TWC awarded a total of \$648,887 to the Boards from May 1, 2003, to April 30, 2004.

Accomplishments and Findings

Each pilot project differed in its design and approach to establishing scholarship awards, participant requirements, incentives, and sustainability. A total of 141 child care employers volunteered to participate in the pilots—122 child care centers and 19 child care homes.

Education

A total of:

- 284 child care teachers enrolled in the projects:
 - 84 in the Cameron County pilot;
 - 96 in the East Texas pilot; and
 - 104 in the Tarrant County pilot.
- 265 participants or 93 percent of the enrollees completed their coursework offered by the pilot projects.
- 181 teachers or 68 percent of the 265 participants completed coursework toward CDA certification:
 - 77 in the Cameron County pilot;
 - 43 in the East Texas pilot; and
 - 61 in the Tarrant County pilot.

Table 1 presents the number of participants who enrolled (E) and completed (C) coursework at each pilot site. The Tarrant County pilot offered enrichment courses in community colleges as an alternative to enrolling in a higher education degree program. Enrichment coursework is defined as higher education coursework taken for personal enrichment. Participants enrolled in enrichment coursework did not work toward obtaining any type of credential or degree.

Table 1
Number of Participants Who Enrolled (E) and Completed (C) Coursework

Pilot	CDA		AA		BA		Enrichment	
	E	C	E	C	E	C	E	C
Cameron County	77	77	7	7	0	0	N/A	N/A
East Texas	45	43	47	30	4	4	N/A	N/A
Tarrant County	61	61	14	14	1	1	28	28
Total	183	181	68	51	5	5	28	28

The East Texas pilot reported that 14 child care teachers dropped out during the course of the project year, and 3 teachers failed college coursework. Based on the education background information submitted by each pilot, 82 percent of all child care teacher recipients had only a high school diploma or equivalent, and a small percentage, 24 percent, had some college experience.

Scholarship Awards

The amount of each scholarship varied in each pilot area. Table 2 shows the average scholarship award by type of education. The Cameron County pilot did not offer scholarships to child care teachers pursuing bachelor's degrees.

Table 2
Average Scholarship Award by Type of Education Level

Pilot	CDA	AA	BA
Cameron County	\$675	\$1,230	\$0
East Texas	\$736	\$1,013	\$2,813
Tarrant County	\$950	\$950	\$950

Compensation and Incentives

Each pilot site designed the compensation and incentive component of the pilot project differently. The Cameron County pilot gave child care employers the discretion to decide how to allocate \$1,200 in incentives between teachers and themselves. Child care employers dispersed an average bonus of \$300 to child care teachers who completed their coursework, while retaining an average incentive award of \$800 per participant. In addition, this pilot provided noncash incentives to child care employers averaging \$5,051 per participant: \$3,201 for equipment, \$1,000 for staff training, and \$850 for program enrichment.

Initially, the East Texas pilot considered requiring child care employers to make a financial commitment to increasing wages of teachers who achieved their educational goals. However, after further evaluation of the child care employers in the area, the Board determined it would cause a financial hardship for the employers. A few child care employers volunteered to increase the child care teacher's wage by 50 cents or award a small onetime bonus. The East Texas pilot's main goal was to use pilot funds to train child care teachers. The pilot did provide educational materials to child care employers (averaging \$400 in value) as incentive awards after child care teachers achieved their educational goals.

The Tarrant County pilot required child care employers to make a financial commitment to increasing the wages of teachers by 75 cents or giving a onetime \$50 bonus after completing their coursework. The pilot also provided educational materials (averaging \$300 in value) as incentive awards to child care employers after child care teachers achieved their educational goals. Additionally, the pilot required that the educational materials be used in the participating child care teachers' classrooms. The educational materials became the property of the child care facility.

Retention:

Table 3 reflects the teacher retention rates with the same employer within 6 months of completing coursework. TWC was unable to evaluate the retention rate for graduates of higher education degrees given the short pilot period.

Table 3
Retention Rate by Pilot

Pilot	Retention Rate
Cameron County	75%
East Texas	85%
Tarrant County	90%

These retention rates compare favorably to general retention rates in the child care industry. Although the child care industry turnover data is not available for Texas, in 2000 the City of Austin conducted a twelve-month compensation and staffing survey of all licensed child care centers in Travis County demonstrating the following statistics:

- 69 percent average retention rate for teachers;
- 49 percent average retention rate for aides/assistants; and
- 79 percent average retention rate for directors.

In 1999, the child care teacher retention rate was approximately 70 percent across the country. The Tarrant County and East Texas pilots demonstrated a significantly higher retention rate than the national rate. There is not sufficient data to conclude that the project helped to improve retention for the particular employer without baseline data to compare each participating employer's retention rate prior to the implementation of the pilots.

The data show that employer-funded compensation in the East Texas and Tarrant County pilots may have had a greater impact than pilot-funded incentives. The retention rate was higher for the two pilots that had some sort of child care employer commitment than the pilots sites that did not. The Tarrant County pilot, which was the only pilot to require child care employers to provide compensation to child care teachers after achieving their educational goals, had a higher retention rate at 90 percent than the pilots at Cameron County and East Texas, at 75 percent and 85 percent respectively. In addition, although Cameron County provided large incentives to child care employers averaging \$5,851 per participant, this strategy did not appear to have a significant impact in increasing retention.

Sustainability

The Texas Labor Code also required pilots to obtain financial support from public and private sources over the course of the pilot project. The Cameron County pilot was unable to achieve this objective. The East Texas pilot worked with Champions for Children, Panola Community College, and Kilgore College to secure funding scholarships for new students wishing to obtain a CDA credentials. While the East Texas pilot was successful in securing funding for training, the scholarships were not tied to compensation, incentives, or retention.

Only the Tarrant County pilot effectively leveraged its community resources, allowing additional child care teachers to be served in the future. Tarrant County engaged participating child care employers, the United Way of Metropolitan Tarrant County, local foundations and corporations, and Child Care Associates (Tarrant County Head Start and CCDF contractor). Each community partner was assigned a child care employer that shared in the cost and commitment of its participation in the project. As a result, the Board was able to continue the program after the pilot project ended.

Conclusions

Section 302.0055 of the Texas Labor Code, which authorized the pilot projects, expires September 2005. However, because of the five percent General Revenue budget reduction required of state agencies, TWC chose not to fund the final year of the Child Care Teacher Educational Opportunities, Scholarships and Incentives Collaborative pilot projects in 2005.

The pilot projects focused on training child care teachers because many do not have training or an educational background in early childhood development. While the pilot projects demonstrated limited success in training and retaining child care teachers, they did not focus on child outcomes and how the training and retention of child care teachers ultimately helps children.

The most precise approach in measuring the quality of a child care program is to measure the outcome of the child. Positive outcomes for children have been achieved through Senate Bill 76 (78th Legislature, Regular Session) pilots operated by the State Center for Early Childhood Development (State Center). The State Center has achieved successful results that impact children's school readiness through its Center for Improving the Readiness of Children for Learning and Education intervention, accompanied by a strong focus on accountability, the integration of educational services, and the effective use of resources that promote learning in literacy, language, math, and social functioning.

