



EARLY CHILDHOOD EDUCATOR PAY EQUITY FUND

Using the Child Development Facility Payroll Funding Formula

UPDATED: September 2023



 WE ARE
WASHINGTON
DC GOVERNMENT OF THE
DISTRICT OF COLUMBIA
MURIEL BOWSER, MAYOR

Agenda

1. How Fiscal Year 2024 (FY24) of the Early Childhood Educator Pay Equity Fund Will Work
2. Overview of the Child Development Facility (CDF) Payroll Funding Formula and Minimum Salaries
3. Calculating a Facility's CDF Payroll Funding Formula Award
4. Resources





FY24 of the Early Childhood Educator Pay Equity Fund



FY24 Early Child Educator Pay Equity Fund

- In FY24, OSSE will distribute Early Childhood Educator Pay Equity Funds directly to child development facilities to increase compensation for early educators through a [CDF payroll funding formula](#).
- Early childhood educators will no longer receive direct payments through AidKit.



FY24 Early Childhood Educator Pay Equity Fund

- To receive funds from the CDF payroll funding formula, child development facilities must be licensed by OSSE and agree to pay eligible early childhood educators, by position and degree, salaries that meet or exceed the [minimum salaries](#) established by OSSE for FY24.
- Participation is optional but highly encouraged.
- Child development facilities that wish to participate will need to opt-in to the program through a process designated by OSSE.



FY24 Early Childhood Educator Pay Equity Fund

- The opt-in process for a child development facility depends on whether the facility participates in the child care subsidy program.
 - [Opt-in process information for providers who participate in the child care subsidy program](#)
 - [Opt-in process information for providers who do not participate in the child care subsidy program](#)

FY24 OPT-IN/APPLICATION AND AGREEMENT SUBMISSION DEADLINES			
*all deadlines 5 p.m. ET			
Quarter	Provider Opt-in/Application Deadline	Provider Agreement Deadline	Payment Distribution
Quarter One	Sept. 15, 2023	Sept. 30, 2023	December 2023
Quarter Two	Dec. 15, 2023	Dec. 31, 2023	March 2024
Quarter Three	March 15, 2024	March 31, 2024	June 2024
Quarter Four	June 15, 2024	June 30, 2024	September 2024



FY24 Early Childhood Educator Pay Equity Fund

- CDF payroll funding formula awards are to be used to:
 - Meet minimum salary requirements for lead and assistant teachers.
 - Pay staff wages or compensation for additional early childhood educators and other child development facility employees.
 - Pay costs of health and other fringe benefits for early childhood educators and other child development facility employees.
 - Pay administrative costs associated with implementing the minimum salary requirements and/or meeting OSSE requirements related to the Early Childhood Educator Pay Equity Fund.
 - Pay direct operating expenses of the facility associated with providing care and early education services to children.





CDF Payroll Funding Formula and Minimum Salaries

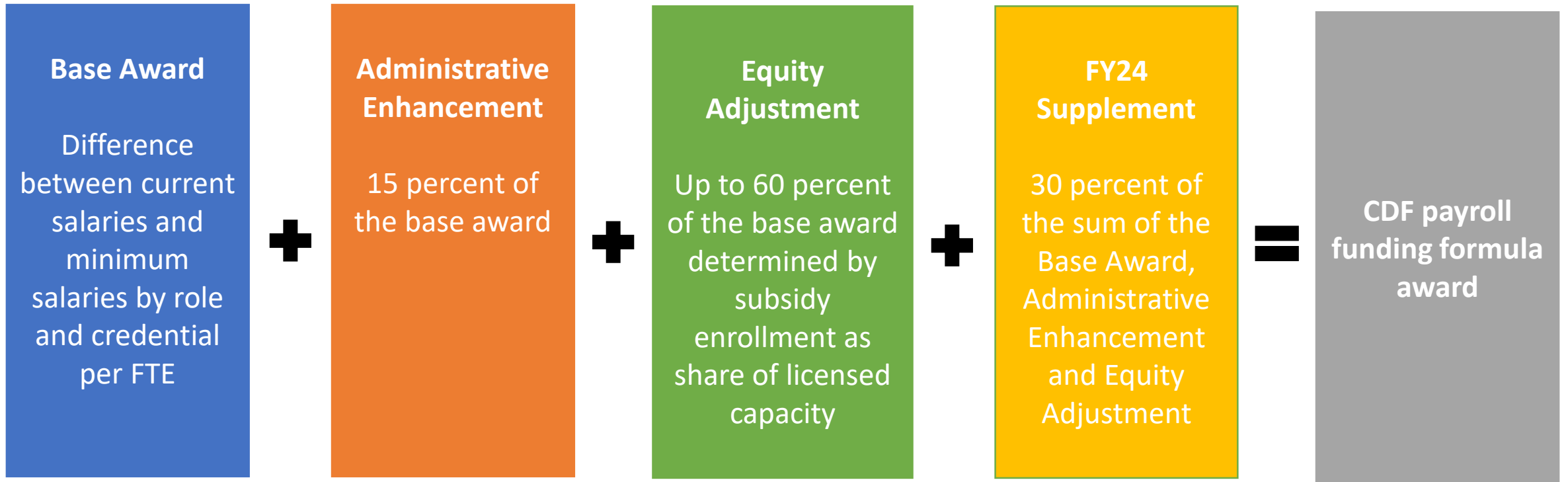
CDF Payroll Funding Formula

- The [CDF payroll funding formula](#) is a formula used to determine the payment amounts to be received by child development facility operators that choose to participate in the Early Childhood Educator Pay Equity Fund in FY24.
- The CDF payroll funding formula was developed based on the recommendations of the Early Childhood Educator Equitable Compensation Task Force and data available from multiple sources, including facility-specific data in the OSSE Division of Early Learning Licensing Tool (DELLT), the 2022 DC Child Care Provider Survey, OSSE's 2023 cost modeling analysis and input from external stakeholders.



FY24 CDF Payroll Funding Formula

NEW!



In September 2023, OSSE announced it would increase CDF payroll funding formula award payments for FY24. Participating facilities will now receive an Equity Adjustment up to 60 percent of the base award and a special FY24 supplement.

Minimum Salary Requirements

Role	Credentials	Minimum Salaries for FY24 (annual salary)	Minimum Salaries for FY24 (hourly wage)
Assistant Teacher	Less than a Child Development Associate (CDA)	\$43,865/year	\$21.09/hour
	CDA	\$51,006/year	\$24.52/hour
	Associate degree or higher	\$54,262/year	\$26.09/hour
Lead Teacher	CDA	\$54,262/year	\$26.09/hour
	Associate degree	\$63,838/year	\$30.69/hour
	Bachelor's degree or higher	\$75,103/year	\$36.11/hour

- Child development facilities that receive funds from the CDF payroll formula must pay assistant teachers and lead teachers salaries that meet or exceed minimum salaries established by OSSE.
 - Assistant teacher = assistant teacher, Montessori assistant teacher, PKEEP assistant teacher, associate home caregiver
 - Lead teacher = teacher, Montessori teacher, home caregiver, expanded home caregiver
- The [minimum salaries](#) are required for full-time, year-round staff.
- Child care programs with staff who work part time or part year should pay hourly wages or salaries that are equivalent to or greater than the hourly wages listed.

Minimum Salary Requirements

- The required minimum salary and corresponding wage supplement will be based on the highest credential or degree held by an educator as documented, reviewed and approved in DELLT.
- For **lead teachers**:
 - To qualify for the “BA” wage supplement, have a bachelor’s degree (or higher) in early childhood education (ECE) *or* a bachelor’s degree (or higher) with greater than or equal to 24 credit hours in ECE.
 - To qualify for the “AA” wage supplement, have an associate’s degree in ECE *or* an associate’s degree with greater than or equal to 24 credit hours in ECE.
 - To qualify for the “CDA” wage supplement, have a CDA or 48 credit hours with greater than or equal to 15 hours in ECE.
- For **assistant teachers**:
 - To qualify for the “AA” wage supplement, have an associate’s degree (or higher).
 - To qualify for the “CDA” wage supplement, have a CDA.
 - To qualify for the “less than CDA” wage supplement, have less than a CDA.



Minimum Salary Requirements

- Child development facilities must meet the minimum salary requirements through fixed salaries or wages.
- Child development facilities may not meet the requirements through one-time bonuses or lump sum payments.
- Facilities that do not receive CDF payroll formula funds are not required to pay their staff the required minimum salaries but must comply with other District and/or federal laws and requirements regarding worker wages and hours that apply to all employers, including the Fair Shot Minimum Wage Act of 2016, and for child care providers participating in the District's child care subsidy program, the Living Wage Act of 2006.
- OSSE will offer a waiver process in FY24 for child development facilities that lack sufficient revenues to meet the minimum salaries for all eligible staff, even after accounting for increased CDF payroll funding formula awards.
 - In fall 2023, OSSE will share information with child development facilities about how to apply for a waiver, the specific criteria that must be met to be granted a waiver and requirements programs granted a waiver must adhere to.

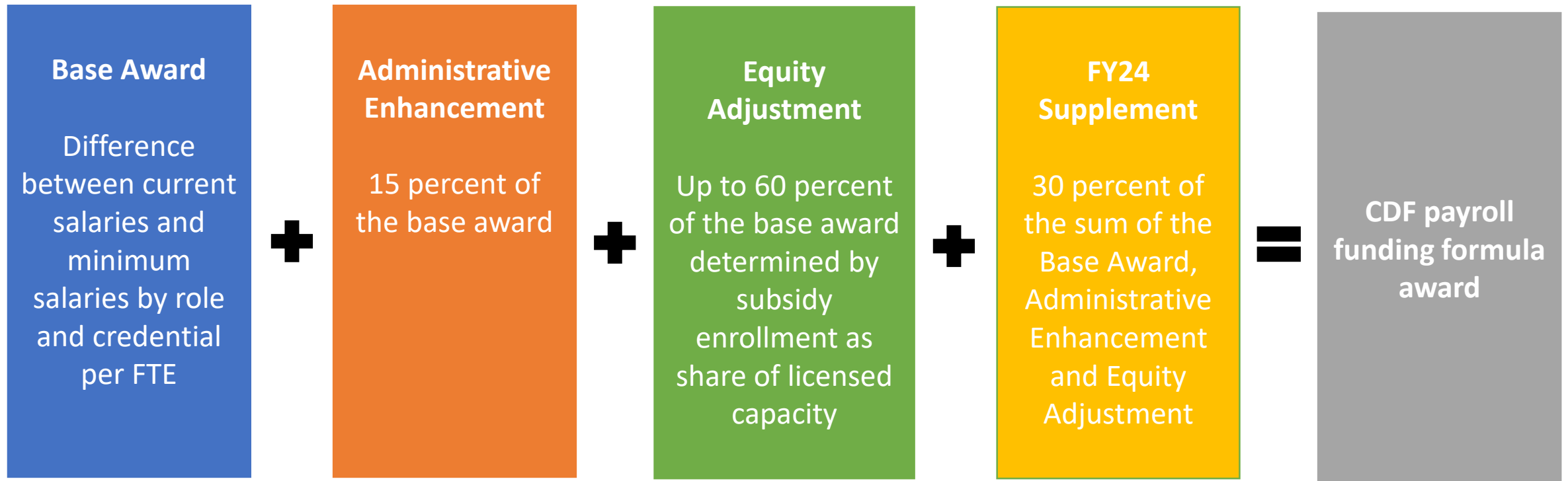




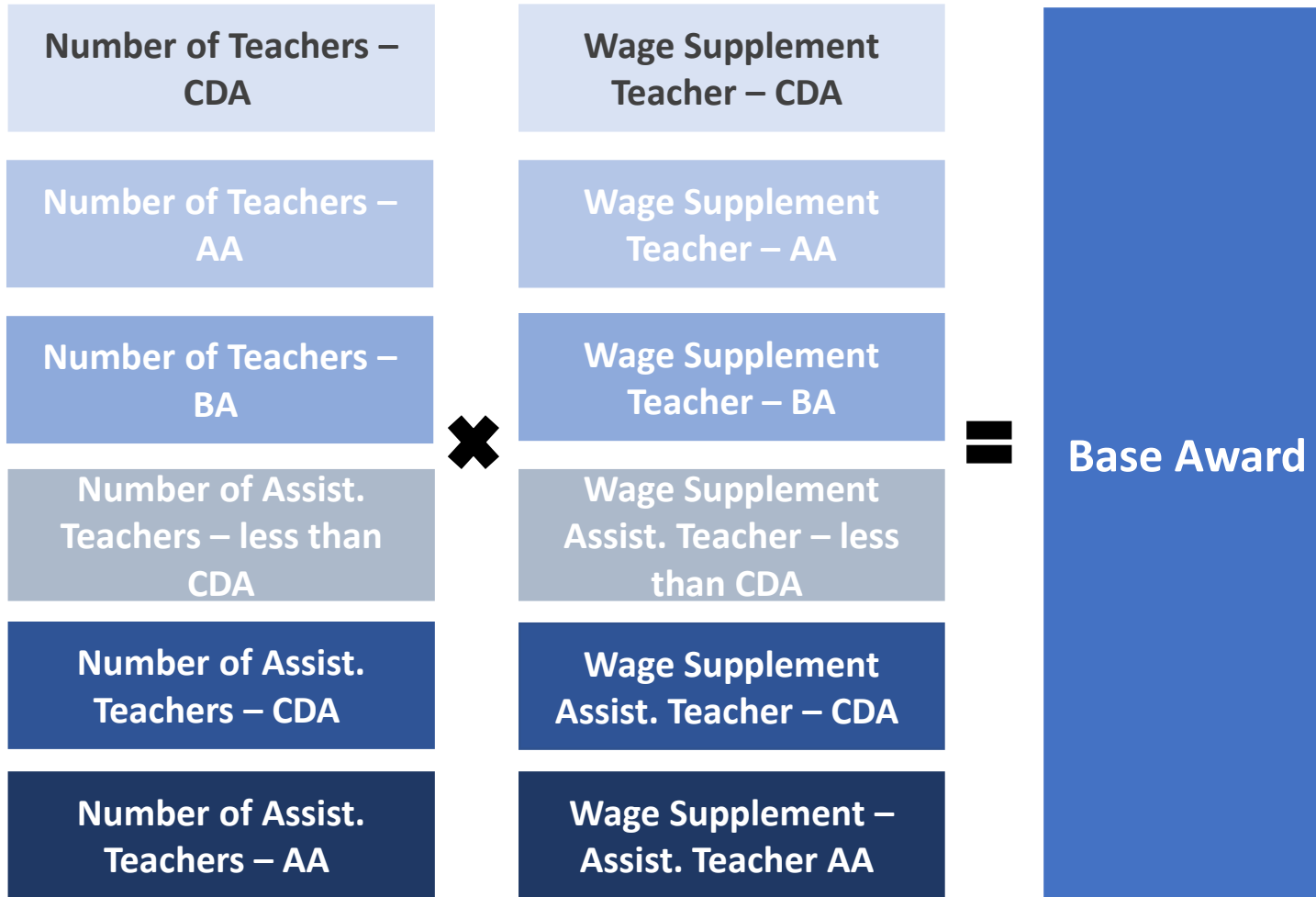
Breaking Down the CDF Payroll Funding Formula

How Does the CDF Payroll Funding Formula Work?

Each component of the CDF payroll funding formula will be calculated for an individual child development facility on a quarterly basis.



How is the base award calculated?



- The base award is calculated by multiplying the number of teachers in a facility, based on role and credential or degree, by the corresponding wage supplement and summing the total.
- The number of teachers and credential levels are based on staffing data reported by a facility in the Division of Early Learning Licensing Tool (DELLT).

What is the wage supplement?

Role	Credentials	Wage Supplement for FY24 (annual)
Assistant Teacher	Less than CDA	\$2,329
	CDA	\$9,470
	Associate degree or higher	\$12,726
Lead Teacher	CDA	\$8,503
	Associate degree	\$18,079
	Bachelor's degree or higher	\$29,344

- The wage supplement is the difference between the average salary and the minimum salary requirement for a teacher based on role and credential.
- The average teacher salary is based on responses to the 2022 child care provider survey.
- The wage supplement for each role is a fixed amount.

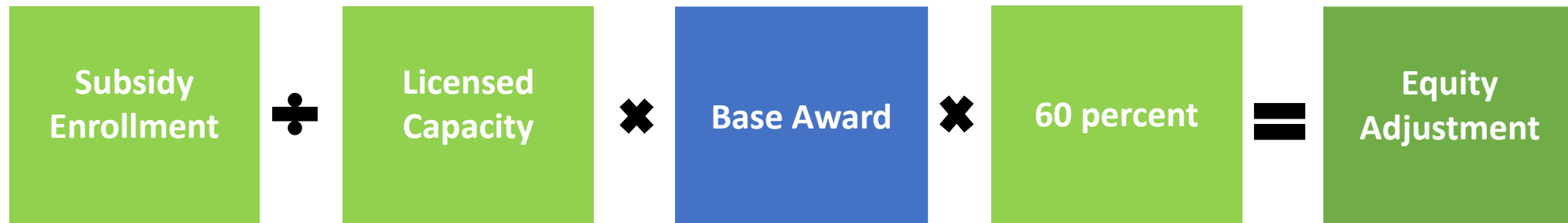
How is the administrative enhancement calculated?

- The administrative enhancement is 15 percent of the base award.
- It provides funds for increases in mandatory payroll taxes and other possible increased expenses to the facility.



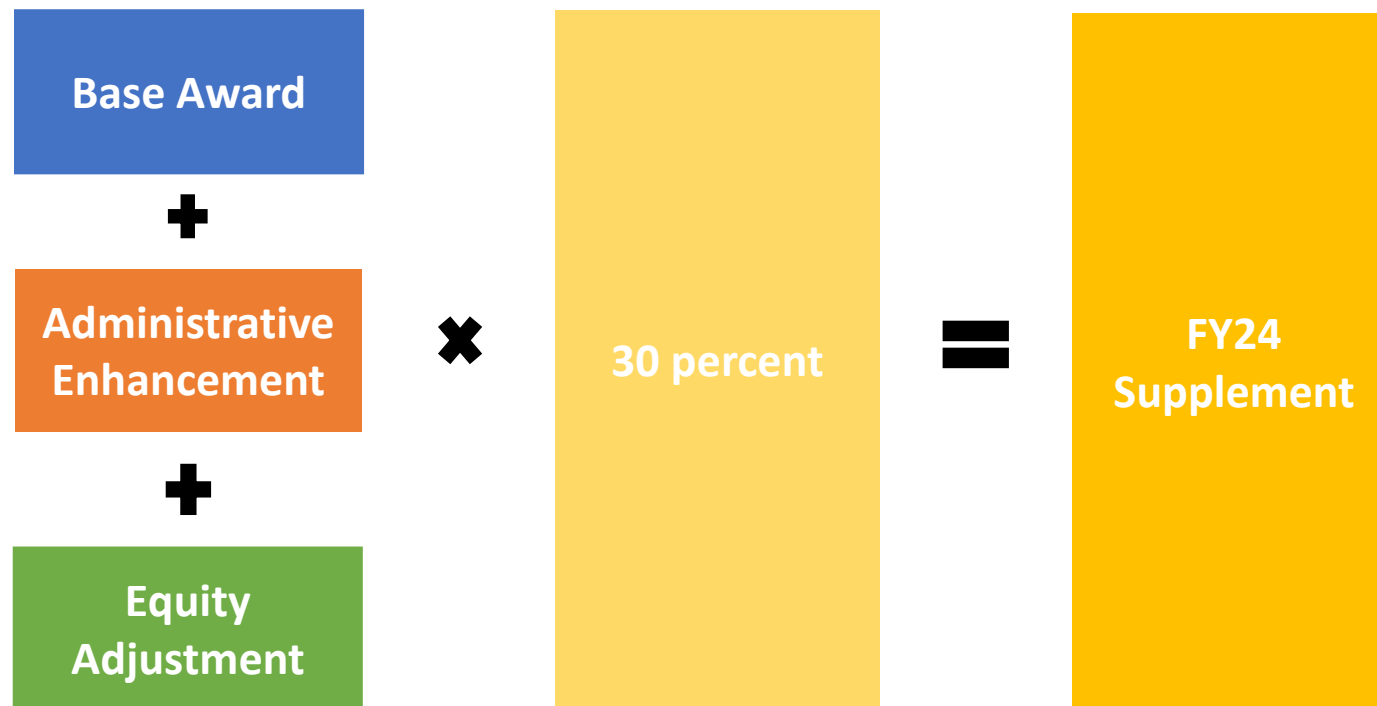
How is the equity adjustment calculated?

- The equity adjustment equals up to 60 percent of the base award, based on the facility's subsidy enrollment as a share of licensed capacity.
- It directs increased funding to child development facilities that serve families and communities with fewer economic resources.
- Facilities that do not participate in the child care subsidy program will not receive equity adjustments to their base award.



How is the FY24 supplement calculated?

- The FY24 supplement is 30 percent of the sum of the Base Award, Administrative Enhancement and Equity Adjustment.
- OSSE is increasing FY24 awards to support facilities in meeting minimum salary requirements in the first year of the program's implementation.





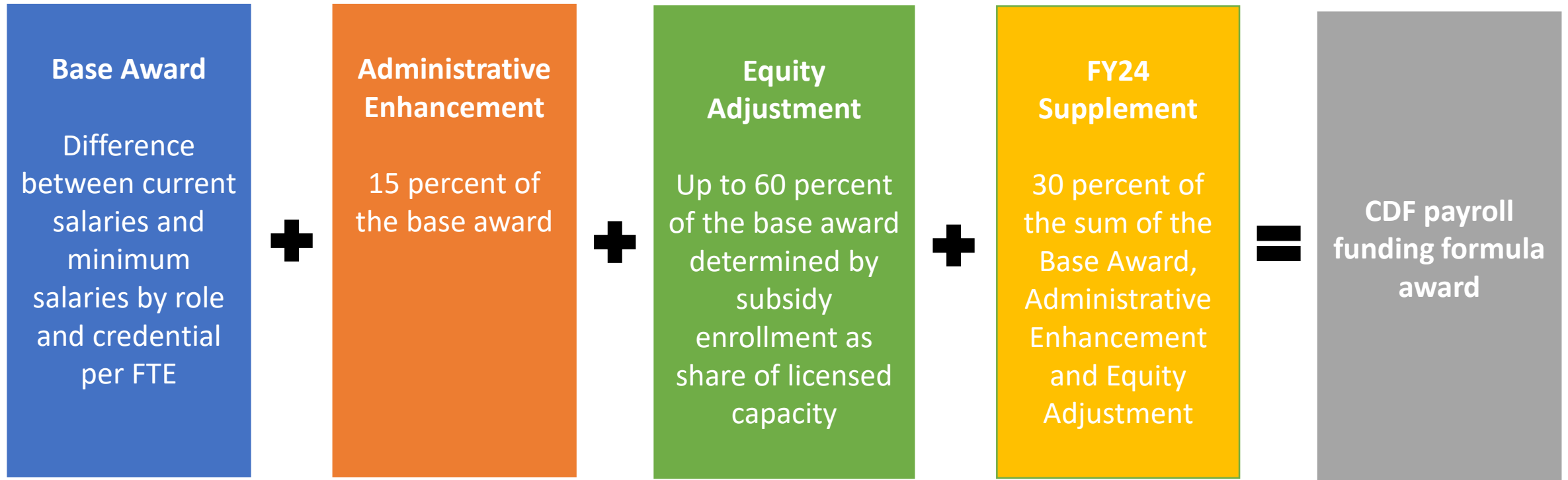
Calculating a Facility's CDF Payroll Funding Formula Award

Example: Child Development Center

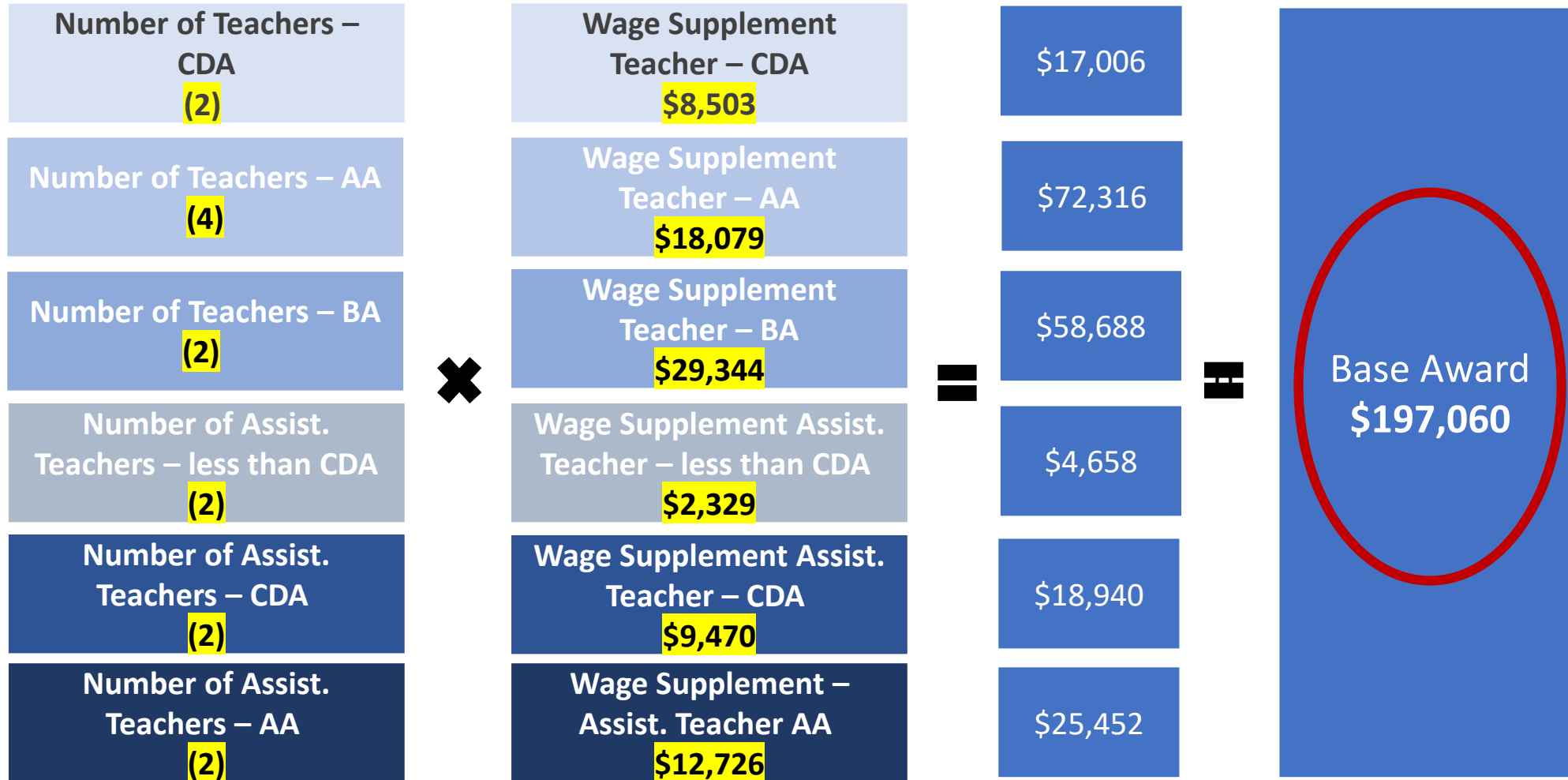
- A child development center enters into agreement with OSSE to participate in the FY24 Early Childhood Educator Pay Equity Fund. Information provided by the facility in DELLT shows:
 - The center employs **eight** lead teachers
 - 2 teachers with bachelor's degrees in Early Childhood Education
 - 4 teachers with associate degrees in Early Childhood Education
 - 2 teachers with CDAs
 - The center employs **six** assistant teachers
 - 2 assistant teachers with AA in Early Childhood Education
 - 2 assistant teachers with CDAs
 - 2 assistant teachers with less than a CDA
 - The center has a licensed capacity of **52** children.
- Further, information from the subsidy system shows the facility enrolls **20** children receiving child care subsidies.



FY24 CDF Payroll Funding Formula



Calculating the base award



Calculating the administrative enhancement

$$\text{Base Award} \times 15 \text{ percent} = \text{Administrative Enhancement}$$

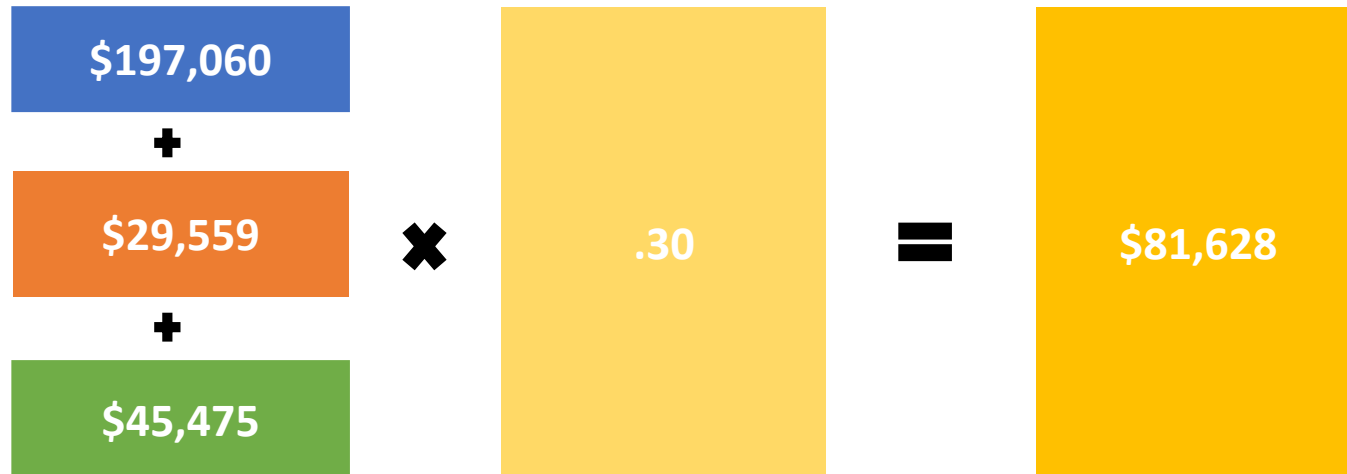
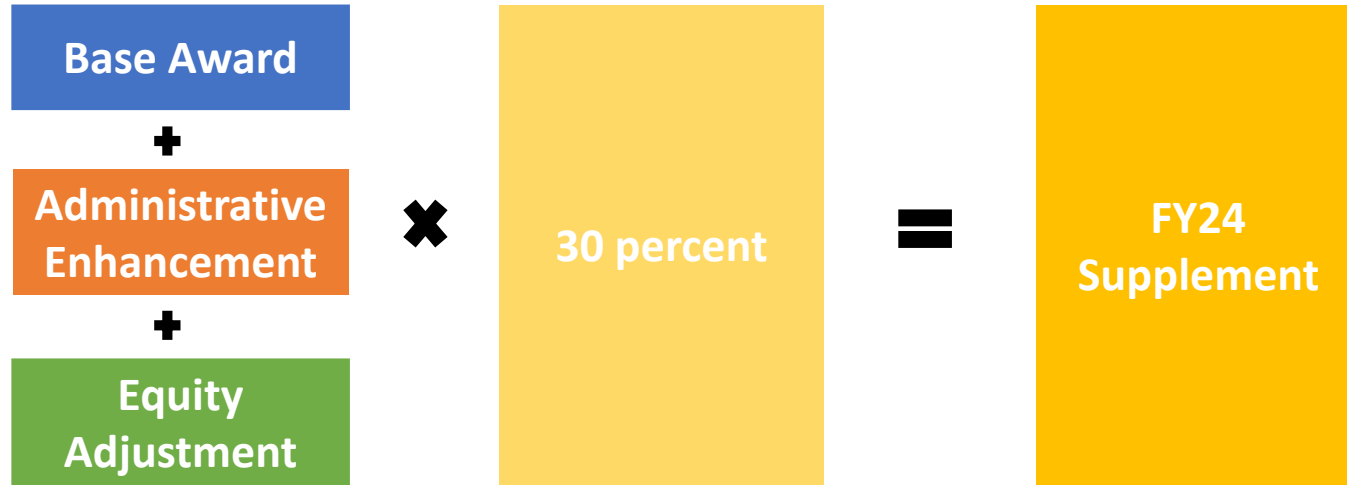
$$\$197,060 \times .15 = \$29,559$$

Calculating the equity adjustment

$$\text{Subsidy Enrollment} \div \text{Licensed Capacity} \times \text{Base Award} \times 60 \text{ percent} = \text{Equity Adjustment}$$

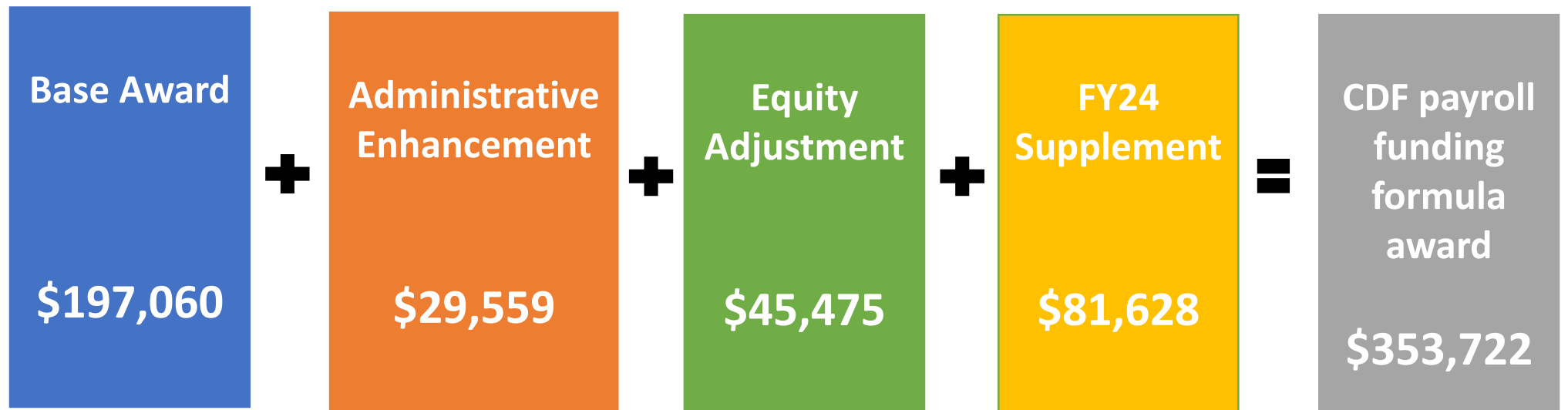
$$20 \div 52 \times \$197,060 \times .6 = \$45,475$$

Calculating the FY24 supplement



Total CDF Payroll Funding Formula Award

- Total CDF payroll funding formula award is the sum of the formula components
- The quarterly payment will equal 25 percent of the total award
- In this example, the quarterly payment would be ($\$353,722 \times .25$) or **\$88,431**
 - Note: A facility's CDF payroll funding formula award will be calculated each quarter

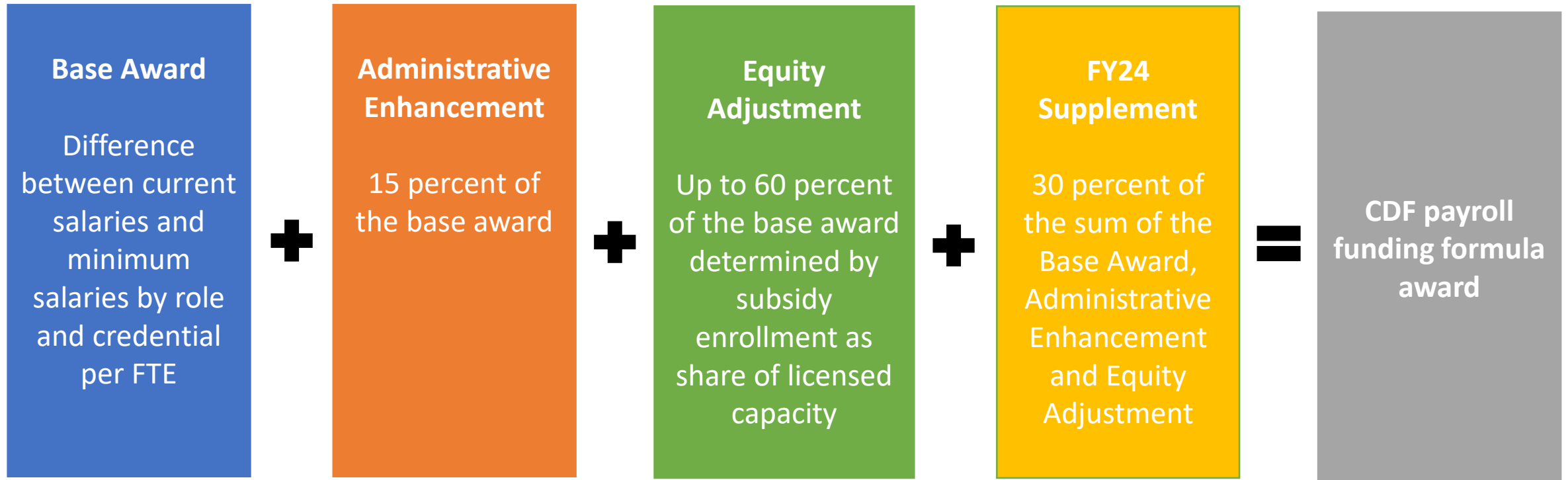


Example: Child Development Home

- An expanded child development home enters into agreement with OSSE to participate in the FY24 Early Childhood Educator Pay Equity Fund. Information provided by the facility in DELLT shows:
 - The expanded home caregiver has a bachelor's degree in Early Childhood Education.
 - The facility employs **two** associate caregivers.
 - 1 associate caregiver with an AA degree in Early Childhood Education
 - 1 associate caregiver with a CDA
 - The facility has a licensed capacity of **9** children.
- Further, information from the subsidy system shows the facility enrolls **4** children receiving child care subsidies.



FY24 CDF Payroll Funding Formula



Calculating the base award

Number of Teachers – CDA (0)	Wage Supplement Teacher – CDA \$8,503	\$0
Number of Teachers – AA (0)	Wage Supplement Teacher – AA \$18,079	\$0
Number of Teachers – BA (1)	Wage Supplement Teacher – BA \$29,344	\$29,344
Number of Assist. Teachers – less than CDA (0)	Wage Supplement Assist. Teacher – less than CDA \$2,329	\$0
Number of Assist. Teachers – CDA (1)	Wage Supplement Assist. Teacher – CDA \$9,470	\$9,470
Number of Assist. Teachers – AA (1)	Wage Supplement – Assist. Teacher AA \$12,726	\$12,726
×		=
		=
		Base Award \$51,540

Calculating the administrative enhancement

$$\text{Base Award} \times 15 \text{ percent} = \text{Administrative Enhancement}$$

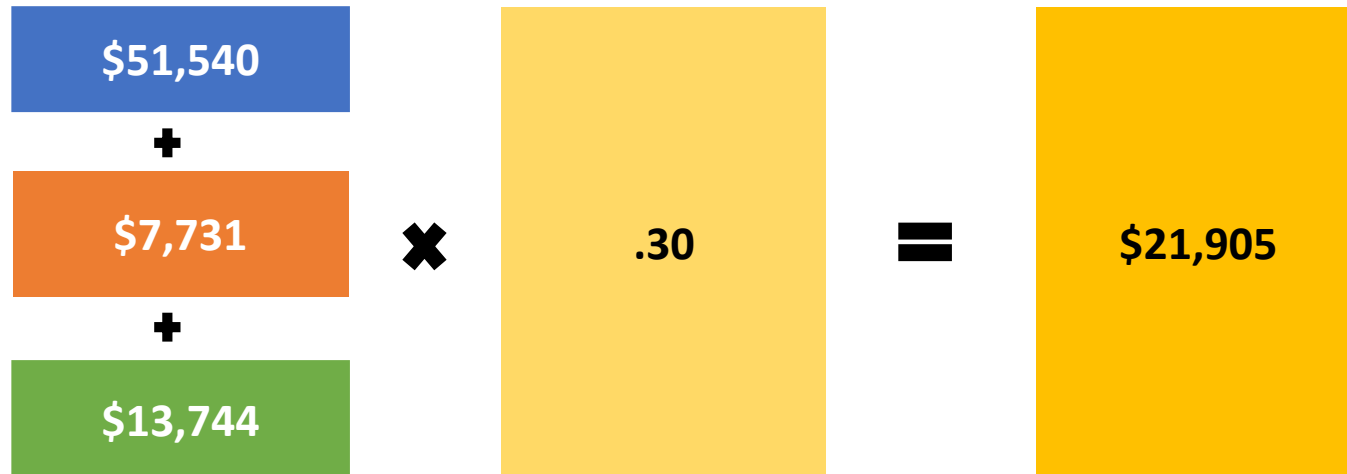
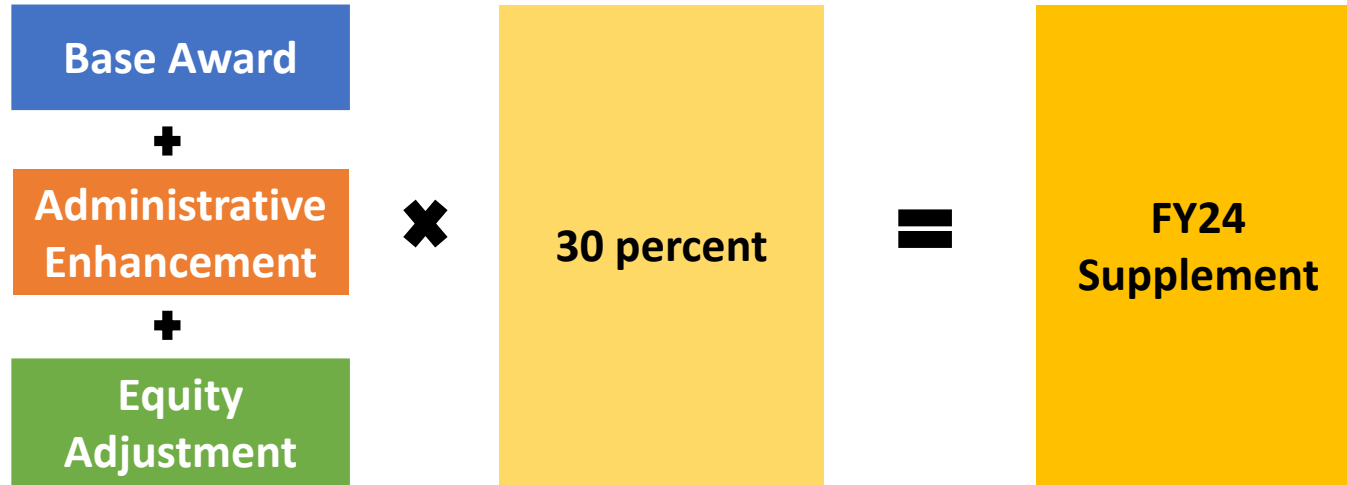
$$\$51,540 \times .15 = \$7,731$$

Calculating the equity adjustment

$$\text{Subsidy Enrollment} \div \text{Licensed Capacity} \times \text{Base Award} \times 60 \text{ percent} = \text{Equity Adjustment}$$

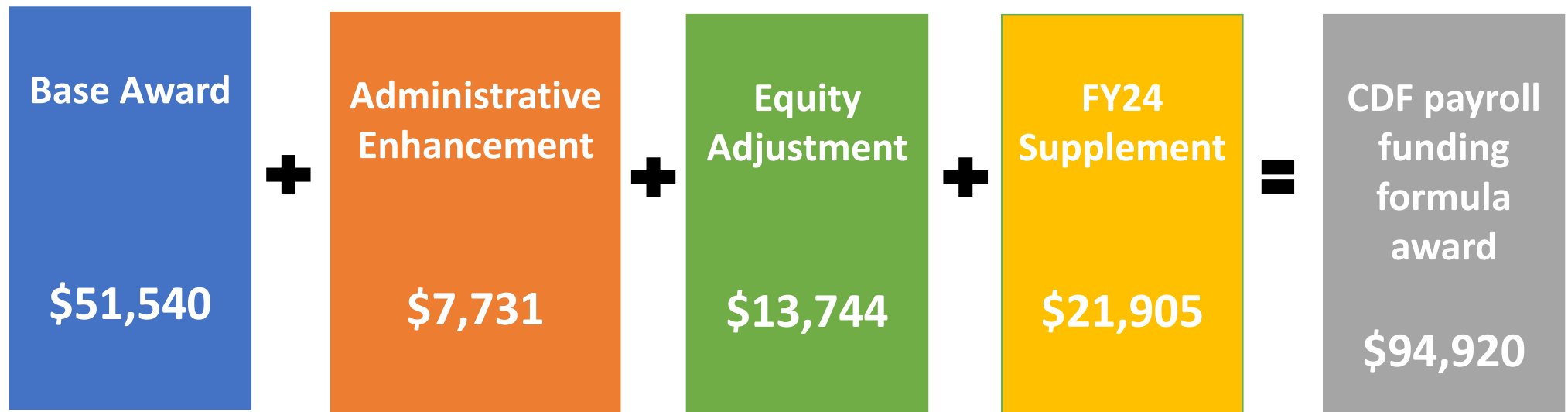
$$4 \div 9 \times \$51,540 \times .6 = \$13,744$$

Calculating the FY24 supplement



Total CDF Payroll Funding Formula Award

- Total CDF payroll funding formula award is the sum of the formula components
- The quarterly payment will equal 25 percent of the total award
- In this example, the quarterly payment would be ($\$94,920 \times .25$) or **\$23,730**
 - Note: A facility's CDF payroll funding formula award will be calculated each quarter



Additional Resources

For more information on FY24 Early Childhood Educator Pay Equity Fund, please visit: osse.dc.gov/fy24ecepayequity.

Resources:

- [FY24 CDF Payroll Funding Formula](#)
- [FY24 Minimum Salaries and Salary Schedule](#)
- [Frequently Asked Questions \(FAQ\) for Facility Leaders](#)
- [Guide for Determining an Early Childhood Educator's Minimum Salary Based on Staff Type and Highest Credential](#)

For questions about the Early Childhood Educator Pay Equity Fund, please email OSSE.ECEPayEquity@dc.gov.