



OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION

TO: Licensed Child Development Facilities Caring for Infants, Toddlers and/or Preschoolers

FROM: Sara Mead
Deputy Superintendent of Early Learning

RE: Amended Fiscal Year 2024 (FY24) Early Childhood Educator Pay Equity Fund Monitoring Policy

DATE: **UPDATED** June 17, 2024 (original memorandum issued May 23, 2024)

I. Summary

The Office of the State Superintendent of Education (OSSE) will monitor all providers participating in the Early Childhood Educator Pay Equity Fund for compliance with [minimum salary requirements](#) established by OSSE and other requirements of the Early Childhood Educator Pay Equity Fund Provider Agreement. OSSE will monitor the salaries and credentials of lead and assistant teachers (as defined in DC Code § 4-401, including associate home caregivers) employed by the provider at least annually through review of payroll and/or related documents and staff records that provide evidence of salaries or wages paid to eligible early educators.

II. Monitoring Timeline

All providers will be monitored each fiscal year. The monitoring timeline will vary based on the timing of a provider's entry into the program (e.g., quarter one, quarter two, quarter three, quarter four). The earliest a provider will be monitored is the quarter following receipt of their first quarterly child development facility (CDF) payroll funding formula award.

III. Monitoring Review for All Providers

OSSE will review provider staff records for all early educators employed by the provider in eligible staff types during the quarter(s) the facility received their CDF payroll funding formula award.

Fiscal Review

For each provider, OSSE will review the presence of required documentation and compliance with minimum salary requirements for all eligible teachers and assistant teachers (as defined in DC Code § 4-401) employed within the period being evaluated. OSSE will review the presence and compliance with the Early Childhood Educator Pay Equity Fund requirements of the following required documentation for all early educators employed in eligible staff types:

- Wage or salary information entered in the Division of Early Learning Licensing Tool (DELLT) for each early educator employed in an eligible staff type.
- Offer letters or contracts (as applicable) for each early educator employed in an eligible staff type, which must be signed and dated.
- Payroll or related documents, which must be submitted via SmartSheet as a PDF.
 - If payroll records are not available, OSSE will review the following:
 1. A [Form 941](#) (the quarterly tax filing to the US IRS) or [Form UC-30](#) (the District's quarterly form);
 2. Bank statements or canceled checks (showing payments to employees); and
 3. Weekly timesheets.

OSSE will utilize the following authoritative data sources to assess the accuracy, completeness and compliance with Early Childhood Educator Pay Equity Fund requirements of the above-listed documentation:

- Minimum required salaries for early educators in facilities participating in the Early Childhood Educator Pay Equity Fund, by role and credential;
- Staffing roles as indicated and approved in DELLT;
- The highest credential of staff members as indicated with appropriate attachments and approved in DELLT;
- Staff position changes, documented by staff change forms and/or staff resignation or termination letters submitted in DELLT (must be signed and dated); and
- Any other relevant policy guidance or documents published by OSSE for the Early Childhood Educator Pay Equity Fund, as appropriate.

Non-fiscal Review

For each provider, OSSE will review compliance with other requirements of the Early Childhood Educator Pay Equity Fund, including submission of enrollment and tuition data (Section V of Provider Agreement) and participation in observations as applicable (Section VII of Provider Agreement).

(UPDATED: June 17, 2024) OSSE will review the presence of documentation including the following data on enrollment and tuition:

- Data on enrollment, by age group (e.g., infant, toddler, preschool), for the month following receipt of the first CDF payroll funding formula award and the month following receipt of each quarterly award thereafter to date (e.g., January, April, July 2024).
 - Providers who do not track enrollment data by month or do not have enrollment data for prior months should indicate that in their submission but must report current enrollment, by age group.
- Data on the undiscounted current tuition rate, by age group (e.g., infant, toddler, preschool).
 - The undiscounted tuition rate should not reflect sibling discounts, sliding fee scale application, lower rates continuing to be charged to parents who enrolled prior to a rate increase or any other discounts the program provides to participating families.
 - Program may report tuition on an hourly, daily, weekly, monthly or school year basis, whichever the program uses to charge families paying for child care. Programs must

specify whether they are reporting hourly, daily, weekly, monthly or school year tuition when they submit their data.

- Programs should report the tuition rate that would be charged for a child (infant, toddler or preschooler) newly enrolling in the program for the first time in the current month or at the next available enrollment opportunity (as applicable).
- Programs that do not enroll children continuously throughout the year (e.g., because they operate on a school year basis) should report the tuition rate that will be charged for a child enrolling at the next available enrollment opportunity.

OSSE will monitor whether or not providers submit required enrollment and tuition data but will not use this data for evaluative purposes or compliance determinations. Providers who are unable to report enrollment data prior to June 2024 will not be found noncompliant but will need to take steps to be able to report this data as part of required monitoring in future fiscal years. For FY24, providers will be found noncompliant with enrollment and tuition reporting requirements if they fail to report current enrollment or tuition data. OSSE and its grantees will provide technical assistance opportunities for child care providers related to this reporting requirement.

(UPDATED: June 17, 2024) OSSE will use internal administrative data collected as part of administration of required observations conducted using the Family Child Care Environment Rating Scale (FCCERS), for child development homes and expanded homes, Infant/Toddler Environment Rating Scale (ITERS), for infant and toddler classrooms in child development centers, and Classroom Assessment Scoring System Pre-K (CLASS Pre-K), for preschool classrooms, to determine whether or not providers complied with required observations. Providers do not need to report this information to OSSE as part of the monitoring process. As long as child care providers completed required surveys based on the age groups served in their license and observations based on setting and/or age groups served, OSSE will not find them noncompliant with requirements of the Early Childhood Educator Pay Equity Fund based on the observation scores or use scores in any way to determine quarterly CDF payroll funding formula award payments. Providers who did not complete observations as required by the provider agreement will be found noncompliant.

IV. Monitoring Review for Providers with Approved Waivers

Providers with an approved waiver of the FY24 minimum salary requirements will be monitored through the monitoring process for compliance with requirements of the [waiver policy](#) to increase salaries for eligible early educators.

Providers with an approved waiver are required to pay teachers and assistant teachers (including associate home caregivers) salaries or wages that are higher than the wages or salaries paid as of Sept. 30, 2023, as documented in the facility's waiver application, for the duration of FY24.

Fiscal Review

In addition to the documentation required of all providers (see section III), each provider with an approved waiver must submit the following documentation to enable OSSE to review compliance with Early Childhood Educator Pay Equity Fund waiver requirements:

- A salary schedule describing the wages or salaries that the provider pays to eligible teachers or assistant teachers following the receipt of the first quarterly award. The minimum wages or

salaries paid to teachers and assistant teachers must exceed those paid as of Sept. 30, 2023, as documented in the waiver application, but they are not required to meet the minimum salary requirements for the FY24 Early Childhood Educator Pay Equity Fund. Providers will be monitored in accordance with the facility's salary scale, not OSSE's minimum salaries.

- Financial data and reports that demonstrate that quarterly awards are utilized solely for the following purposes:
 - Increasing wages or compensation of eligible teachers and assistant teachers, including associated payroll taxes.
 - Covering administrative costs associated with implementing the salary scales and meeting OSSE requirements related to the Early Childhood Educator Pay Equity Fund as outlined in the provider agreement.
 - Covering costs of health and other fringe benefits for early educators and other child development facility employees.

A provider with an approved waiver will be found noncompliant with requirements of the Early Childhood Educator Pay Equity Fund if:

- The provider fails to submit required additional documentation for providers with an approved waiver on the timeline set by OSSE;
- The documentation submitted indicates that the provider did not pay all eligible teachers and assistant teachers salaries or wages, following receipt of the first quarterly award, that exceeded the salaries or wages paid as of Sept. 30, 2023; or
- The provider is unable to demonstrate that quarterly awards were used solely for the purposes identified above.

Non-fiscal Review

In addition to observations, tuition and enrollment data listed above (see section III) providers with an approved waiver will be monitored for participation in technical assistance offered through the DC Shared Services Business Alliance (DC SSBA). The DC SSBA provides administrative and business support functions to participating child development home and center providers to enable providers to strengthen business practices in order to increase revenues or achieve cost efficiencies that enable providers to enhance financial sustainability, including increasing resources available for staff compensation. Participation in the DC SSBA is required for providers that have an approved waiver.

V. Communication and Findings of Non-compliance

Following the monitoring review, providers shall receive an email notification detailing the monitoring findings.

- Compliance: Minimum salaries are met for all eligible educators. OSSE will send a notice to the provider that they have satisfactorily met the provisions of the Early Childhood Educator Pay Equity Fund Provider Agreement. In the case of a provider with a waiver, compliance findings will mean salaries were higher for all eligible educators and funds were spent in accordance with the waiver requirements.
- Non-compliance: Minimum salaries are unmet for some or all eligible educators. OSSE will issue a letter of non-compliance and the provider will be put on probationary status. In the case of a provider with a waiver, non-compliance findings will mean salaries are not

higher for some or all eligible educators and/or funds were not spent in accordance with the waiver requirements.

A provider who is found to be out of compliance with minimum salary thresholds or the requirements of an approved waiver will receive a letter of non-compliance with a corrective action plan. The provider shall take the following actions in the timeline designated by OSSE:

- Immediately implement the corrective action plan for the facility to comply with the requirements; and
- Complete one of the following:
 - Correct the finding and provide proof of compliance with minimum salary requirements that includes a plan for reconciling any pay owed to eligible educators; or
 - Submit an application for a waiver for compliance with the minimum salary requirements (see [Waiver Policy](#)).

VI. Appeals, Probation and Termination

Providers wishing to appeal a determination of non-compliance shall complete a Request for Non-Compliance Review form. The form submission shall include documentary evidence supporting the recipient's position.

Should the provider fail to correct the non-compliance in the timeline designated by OSSE through one of the mechanisms above the facility will remain on probationary status. The provider will be subject to increased monitoring while on probationary status.

Following two non-compliance findings, the provider may be identified on mychildcare.dc.gov as non-compliant with the Early Childhood Educator Pay Equity Fund.

Following three non-compliance findings, the provider may be terminated from the program for a minimum of one year. A provider has the right to appeal a determination of termination through a written request to OSSE with documentary evidence. Non-compliance and termination appeals shall be reviewed by OSSE. All review determinations will be approved by the Deputy Superintendent of Early Learning and will be final.

VII. Recoupment Policy

OSSE reserves the right to recover overpayments, regardless of the amount and reason, through deductions from future quarterly awards payments and through any recovery or collection means. OSSE reserves the right to recover funds that were spent in violation of the terms of the program.

In general, and where possible, OSSE shall recoup overpayments to providers participating in the Early Childhood Educator Pay Equity Fund as follows:

- Recouped funds shall be withheld from the child development facilities' next quarterly payment from the Early Childhood Educator Pay Equity Fund; and

- OSSE will make recoupments in no more than three installments, unless doing so would create a negative balance.

Overpayments are considered fraudulent if the provider knowingly withheld or provided false information used for the calculation of awards based on the CDF payroll funding formula. If OSSE determines that fraud has occurred, further action may be taken.