



Early Childhood Educator Equitable Compensation Task Force

Meeting #3

May 14, 2024

Tonight's Agenda

- Welcome
- Reminder of Task Force charge, guiding principles, and timeline
- May 11 Roundtable and other stakeholder engagement updates
- HealthCare4ChildCare
- Identifying opportunities for more equitable and efficient allocation of PEF dollars
- Closing and next steps

Task Force Core Charge

At the request of the DC Council, the Office of the State Superintendent of Education (OSSE) has reconvened the Task Force to help inform future implementation of the Early Childhood Educator Pay Equity Fund. To that end, the **Task Force will:**

- Reflect on implementation to date, **lessons** learned, and **opportunities for refinement or improvement** in the program's design.
- Consider questions related to the **long-term sustainability** of the Early Childhood Educator Pay Equity Fund – both for DC Government and for participating child care providers – for fiscal year 2026 (FY26) and beyond.
- Develop **recommendations** for addressing the **key identified areas for improvement**, along with the **financial sustainability** challenges.
- **Prioritize** our recommendations to guide future implementers.

Task Force Guiding Principles

Bring our expertise to the table – including lived experience.
Genuinely consider alternative perspectives and approaches.

Build on work to date.
Where possible, ground our analysis in data.

Serve as conduits for stakeholder groups – in both directions.

Advocate for all early educators within our diverse delivery model.

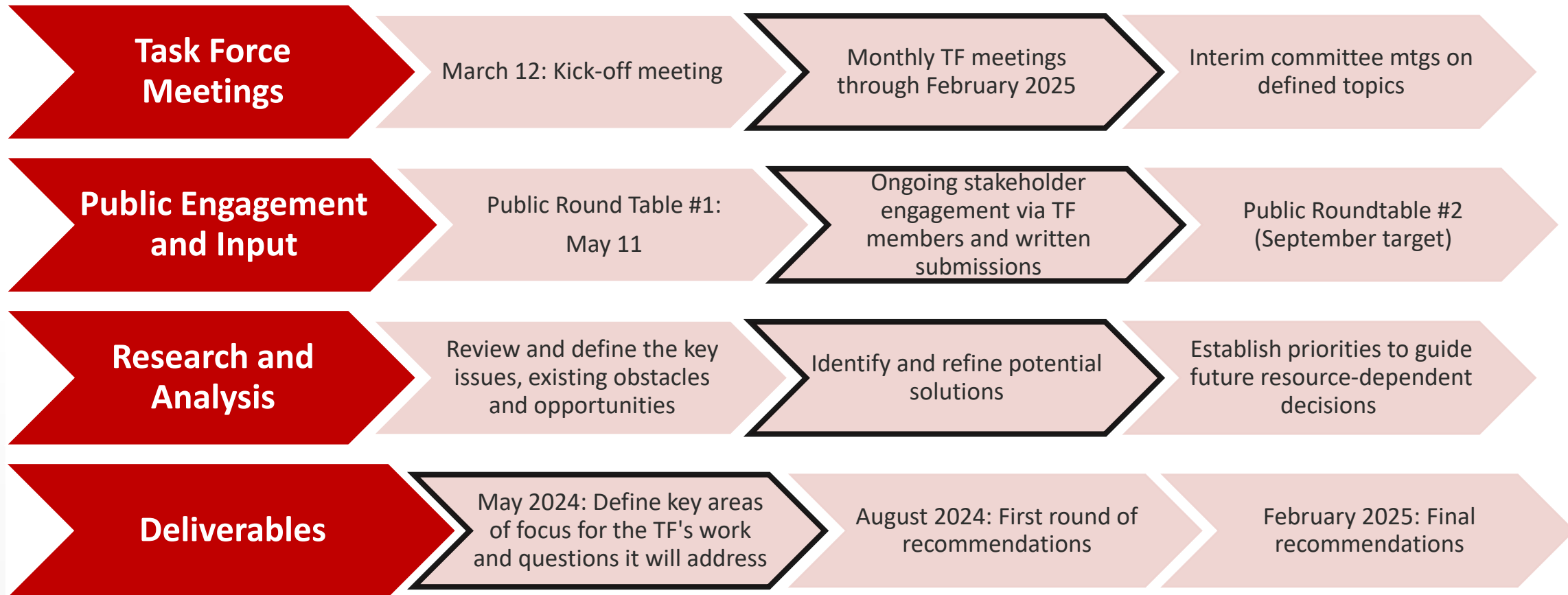
Center those furthest from opportunity and disrupt systemic inequities.

Share the implementation hat.
Consider unintended consequences.

**These principles
were adopted by
the Task Force in
October 2021 and
reaffirmed in
March 2024**



Timeline for the Task Force's Work





Update and next steps on stakeholder engagement

Virtual Public Roundtable Held on May 11

- 39 individuals registered to testify
- Nine testified live on Saturday
- Seven have submitted written testimony so far (including two who did not testify live)
- Nine Task Force members attended some or all of the Roundtable
- We continue to accept written testimony at ececompensation@gmail.com

Key Themes

- **Salary increases are a game changer.** Impact on both individual educators and CDFs has been significant – from financial stability for educators and their families to notable positive changes in hiring and retention. Lots of appreciation for the existence of the PEF.
- **Direct and indirect benefits of HC4CC.** HC4CC has allowed some employers to offer health insurance for the first time and allowed others to invest in a better benefits package.
- **Allocation needs to be more equitable.** Some programs – particularly small ones – struggle or are unable to meet the minimum salaries with the funds they currently get from PEF. Others are getting more than they need to meet minimums.
- **Data.** More precise and equitable allocation of dollars requires more data. Providers seem open to sharing additional data with OSSE. Enrollment and tuition are two that have come up frequently.
- **Wage compression.** As we anticipated, the increase in teacher salaries has made it more difficult for programs to competitively compensate directors and other administrators.
- **Differentiation based on experience.** While facilities are free to pay more than the minimums to recognize experience or otherwise differentiate pay, it is hard to do so – especially for BA-level teachers.
- **Communication.** While the process has become smoother and clearer, there continues to be confusion among administrators and educators about how the PEF works. There is some frustration with responsiveness on the part of OSSE.

Does this reflect what Task Force members been hearing? What themes or specific feedback would you add?

Future stakeholder engagement

- Task Force members are encouraged to share updates with their own networks on the Task Force's work and to gather feedback to inform our ongoing discussions.
- The Task Force expects to hold a second roundtable in early fall 2024 to gather feedback on our first round of recommendations.
- Stakeholders should continue to share their ideas at ececompensation@gmail.com.



HealthCare4ChildCare



Early Childhood Educator Compensation Task Force Meeting

May 14, 2024

HealthCare4ChildCare Through DC Health Link

Mila Kofman, J.D.

Executive Director, DC Health Benefit Exchange Authority



DC Health Link: ACA State-Based Online Health Insurance Marketplace



- HBX is responsible for DC Health Link – DC's Affordable Care Act online health insurance marketplace
- Last state to start IT build, **1 of 4 state marketplaces opened for business on time** (& stayed open) Oct. 1, 2013



2024 DC Health Link Successful ACA State-Based Marketplace

NEAR UNIVERSAL COVERAGE: nearly **97%** of DC residents covered

- ✓ Cut uninsured rate by half since DC Health Link opened for business
- ✓ DC ranks **#2** in U.S. for lowest uninsured
- **Cover 100,000 people** (private health insurance);
- **Cover 5,200+** District small businesses and non-profits
- **Have 900+** DC Health Link brokers providing free help to customers
- **Responsible for \$670+ million** in annual premiums



HealthCare4ChildCare (HC4CC) through DC Health Link helps child development facilities licensed by the Office of the State Superintendent of Education (OSSE) provide affordable health insurance for their employees. Free premiums and lower premiums started Jan. 1, 2023.

Small Group Marketplace free or lower premium health insurance:

for employees of OSSE-licensed child development facilities choosing to participate in HC4CC. Whether premiums are completely free or lower depends on what the employer selects.

Individual & Family Marketplace free health insurance premiums:

workers of OSSE-licensed child development facilities who are DC residents qualify for free health insurance premiums for themselves and dependents.

Employees of OSSE-licensed child development facilities qualify when the employer enrolls:

all employees qualify including employees not eligible for wage supplement, part-time workers, undocumented workers, etc.



HC4CC Has High Participation

- ✓ **69% of likely eligible facilities are enrolled in HC4CC.** HBX identified 289 facilities that are eligible for group coverage and to date have enrolled **199** into HC4CC group coverage (69%).
- Background data: There are 435 currently licensed child development facilities but not all are eligible for HC4CC group coverage. Some have more than 100 employees (FTEs) and do not qualify due to their size. Some do not have any employees and to qualify for group coverage a facility must have an employee (e.g., employ contractors). Also, some facilities have employees, but those workers have other coverage such as Medicare, Medicaid or group coverage through a spouse.



HC4CC Inaugural Year: HBX with its partners **more than doubled HC4CC enrollment.**

Small Group Enrollment

- **Enrolled licensed facilities more than doubled** from 94 to **199**
- **Enrolled employers more than doubled** from 61 to **142**
- **Enrolled employees nearly doubled** from 516 to **1,164**
- **Enrolled employees and their dependents more than doubled** from 594 to **1,347**

Individual and Family Marketplace Enrollment

- **Enrolled residents more than quadrupled** from 41 to **227**
- **Enrolled residents and their dependents more than quadrupled** from 62 to **361**

**HC4CC covers
1,708 people***

**5/2024 currently enrolled compared to enrolled on 1/2023*



HC4CC Currently Enrolled By Ward (April 23, 2024)

Ward	# of District Businesses Enrolled in HC4CC	People covered through their employer or directly*
Ward 1	18	122
Ward 2	20	178
Ward 3	25	333
Ward 4	41	307
Ward 5	29	176
Ward 6	29	431
Ward 7	14	35
Ward 8	23	126
Total	199	1,708

- A DC resident may work in one ward but live in a different ward. This reflects resident's work location if they are covered by their employer. If a resident is covered directly, it reflects the ward where they live.

NOTE: We enrolled 39 residents into Medicaid



HC4CC Successfully Expanded Health Coverage

- ✓ Of the **199** businesses enrolled, **112** did not offer health coverage to their workers prior to HC4CC.
 - **88** of the **112** are in wards 1, 4, 5, 7 or 8.
- ✓ Smaller facilities (homes), were less likely to offer coverage before HC4CC. Those who did not offer group coverage before HC4CC have an average of four workers, compared to those who previously offered coverage, with an average of 14 workers enrolled in health coverage.
- ✓ **8 of 10** HC4CC enrollees are women and more than **1 in 10** are children.
- ✓ HC4CC covers workers in all age groups. However, since the start of the program, we have seen a growing share of enrollees 55 and older, particularly in the small group market.



HC4CC Local \$1 Spending = \$1+ in Premium Benefit

100% of HC4CC funding pays for premiums

The cost of administering HC4CC is absorbed by HBX.

GROUP COVERAGE

For every HC4CC \$1 spent on group coverage, the District gets \$1.38 in premium value due to contributions from employers.

Employers contribute what they are able toward premium. These employers can't afford full price and if it wasn't for HC4CC funding paying a portion of the premium, the employers wouldn't be contributing and employer dollars would not be part of financing health insurance.

INDIVIDUAL AND FAMILY COVERAGE

For every HC4CC \$1 spent on individual coverage, the District gets \$1.25 in premium value due to APTCs from the federal government.

Federal monthly lower premium (APTC) is available for residents and families covered in individual and family plans. There are currently 361 people covered, half of which get federal lower premiums (182 people have APTC). Undocumented workers do not qualify for APTC but qualify for HC4CC.



HC4CC through DC Health Link: **New** for 2024 Plan Year Gold Covered



Deductible

\$500

\$4,850 medical
\$350 prescription
medication

Co-payment for a Primary
Care Visit

\$25

\$40

Co-payment for a Specialist
Visit

\$50

\$80



HC4CC through DC Health Link:

HC4CC pays for Gold standard plans from Kaiser Permanente and CareFirst BlueCross BlueShield HMO and PPO for individual and family plans.

"I wanted to join last year, but the ... silver plans were not what I really needed. I was worried I would dig myself into a hole. Happily, I saw a PPO Gold ... that was wonderful and so quickly jumped into action. It's perfect for me and my child!"

Jocelyn R.

DC Health Link automatically switched from silver to gold all residents enrolled in HC4CC individual and family plans.



HC4CC Example: DC Residents who Work for an OSSE Licensed Early Child Development Home or Center – Free Health Insurance Premiums for **GOLD** Coverage

Age of Enrollee	Kaiser Permanente Monthly Premium	PREMIUM RESIDENT PAYS	CareFirst Monthly Premium		PREMIUM RESIDENT PAYS
			HMO	PPO	
29	\$506.13	\$0	\$539.53	\$552.73	\$0
40	\$649.31	\$0	\$692.16	\$709.09	\$0
50	\$952.98	\$0	\$1015.88	\$1040.72	\$0



Example: With HC4CC discount, a \$0 deductible Standard Platinum plan from Kaiser Permanente would cost \$0 for a 30-year-old employee and \$29.64/month to the employer. The employer **saves** \$216.60/month and the employee **saves** \$157.52/month.

Kaiser Permanente Standard Platinum \$0 Deductible premium for a 30-year-old employee	\$403.76
Max. Employer Contribution 50% of reference plan (UHC Choice Plus Gold 500)	\$246.24
HC4CC Discount	\$374.12
Remainder After Discount	\$29.64
Share of Monthly Premium Employer Pays	\$29.64
Share of Monthly Premium Employee Pays	\$0.00



Medicaid Status of HC4CC Qualified Workers:

- ✓ 1000+ workers covered by Medicaid currently.
- ✓ HBX worked with DC's Medicaid agency to have these workers redetermined in the last phase of required Medicaid redeterminations (April 2024 – notice sent March 2024).
- ✓ HBX has reached out to each person to assist with reenrollment in Medicaid. Those who no longer qualify for Medicaid, HBX is enrolling into HC4CC.



HC4CC Outreach and Community Engagement

June to August 2022

HBX initiated discussions with early child development leaders/advocates and employers to inform policies.

Fall 2023 to Present: Advisory Council

HBX established HC4CC Advisory Council to get input on policies, outreach, and feedback. Council meets every other month.

2023 to Present

Webinars and presentations (invited by leaders/advocates and OSSE meetings)

Thousands of emails, hundreds of phone calls and hundreds of in person visits to facilities.

Grants to Trusted Community Organizations

HBX Executive Board approved establishing the HC4CC Grant Program.

In June 2023, HBX awarded five grants to trusted community organizations to help with outreach and enrollment.

HC4CC Grantees:

- 1) DC Association for the Education of Young Children (DCAEYC)
- 2) The Multicultural Spanish Speaking Providers Association (MSSPA)
- 3) SPACES in Action
- 4) The DC Early Learning Collaborative, Inc. (DCELC)
- 5) Community Educational Research Group (CERG)



Health Insurance Plan Year vs. Fiscal Year

Health insurance plan year for job-based coverage is different from plan year for individual and family coverage and is neither a calendar year nor a DC fiscal year

HBX-OSSE MOU	Employer Plan Year 2023 Start Date	Employer Plan Year 2023 End Date	12 months retroactive changes, e.g. SEPs, corrections to enrollment	Which DC FY's implicated:
FY23 MOU funds 2023 plan year Example	December 1, 2023	November 30, 2024	November 30, 2025	FY 24, FY 25, FY 26
	Employer Plan Year 2024 Start Date	Employer Plan Year 2024 End Date	12 months retroactive changes, e.g. SEPs, corrections to enrollment	Which DC FY's implicated:
FY24 MOU funds 2024 plan year Example	April 1, 2024	March 31, 2025	March 31, 2026	FY 24, FY 25, FY 26
	Employer Plan Year 2024 Start Date	Employer Plan Year 2024 End Date	12 months retroactive changes, e.g. SEPs, corrections to enrollment	Which DC FY's implicated:
FY24 MOU funds 2024 plan year Example	December 1, 2024	November 30, 2025	November 30, 2026	FY 25, FY 26, FY27



“When I saw that the free coverage being offered for 2024 was Gold-level standard plan coverage, with lower copays and a much lower deductible, it became a “no-brainer” for me to sign up. Now, I have an extra \$400 every month. That can cover an unexpectedly high gas bill. \$400 is a car payment, which we’ll need as my daughter goes to visit colleges. Because of HealthCare4ChildCare, I essentially get a bonus every two weeks and it makes a measurable difference. HealthCare4ChildCare — access to free health insurance coverage—is an amazing gift. I was shocked that it is such great coverage because I figured it would be catastrophic coverage if it were free. Since signing up, I have told everyone I know who works in childcare that they have to sign up for HealthCare4ChildCare.” - **Jocelyn R., Assistant Teacher, St. Columba’s Nursery School**

“Before HealthCare4ChildCare, many of our employees didn’t have health insurance coverage and would rely on urgent care clinics for care and then pay out-of-pocket for treatment. Profit margins are very thin for childcare centers. We couldn’t afford to offer our employees high-quality health insurance coverage, and we didn’t see a path for our childcare center to be able to do that. That all changed with HealthCare4ChildCare, and our team was so excited when we began participating. Currently 7 employees participate in HealthCare4ChildCare, and in April, their metal level coverage goes from Silver to Gold with lower copays and a much lower deductible...HealthCare4ChildCare has been a game-changer in how our childcare center operates. Our employees can prioritize their health and use their health insurance coverage when they need it.” - **Charlene R., Center Director, Petit Scholars West End**

“I worked for five years without health insurance because I did not have enough staff to be able to participate in the DC Health Exchange. Moreover, because I was the only staff member and the owner who needed the insurance, I did not qualify like other larger childcare businesses, thus leaving me again without health insurance. If it were not for the free clinic Bread for the City, I would not have been able to receive routine health checks and medication from the doctor. When HealthCare4ChildCare was introduced to law to support the field of early childhood education, I was ecstatic because I knew that I would finally be able to have health insurance at no or a low cost. Since being insured through HealthCare4ChildCare (HC4CC), my health has improved, and I’m not stressed about how I can afford health insurance. Further, I pay little to no cost with deductibles, copays, and lab work. I had major surgery last year, and all expenses were covered. All I had to do was focus on recovery.” – **Cynthia D., Founder and CEO, Kings & Queens Child Care Center**



“HealthCare4ChildCare has been a game-changer for my school and our teachers! This program has simplified the process of obtaining and managing health insurance and made it significantly more affordable! The financial assistance provided by HealthCare4ChildCare has allowed us to offer comprehensive health coverage to our teachers without compromising the quality of care we provide our children. By alleviating the financial burden of healthcare costs, HealthCare4ChildCare has empowered our teachers to prioritize their health and well-being, resulting in a happier and more productive workforce. Furthermore, the peace of mind knowing that they have access to quality healthcare coverage has allowed our teachers to focus more on their work, ultimately benefiting the children under our care.”

Carlos D., Director, Amazing Life Games Preschool

“Imagine being a dedicated early childhood professional, passionate about nurturing and educating young minds but constantly burdened by the fear of unaffordable healthcare. Before HealthCare4ChildCare, many in the early care and education workforce faced this very struggle. They were forced to make difficult choices, often sacrificing their own well-being and that of their families in order to make ends meet. But with the introduction of HealthCare4ChildCare, a lifeline was extended to these hardworking individuals. The program has made health insurance affordable and accessible, alleviating the financial burden that once hindered their ability to seek necessary medical care. This newfound security and peace of mind have profoundly impacted the overall well-being of the early care and education workforce.”

***Berna A., President, District of Columbia Association
for the Education of Young Children***

“The program is a Godsend to us and our employees. CommuniKids wanted to be competitive and retain good teachers but were unable to contribute more than just 50% of employee rate. The employees were largely uninsured because of high costs. This program is very important to our business and the retention of our teachers.”

Gabriella M., Communikids

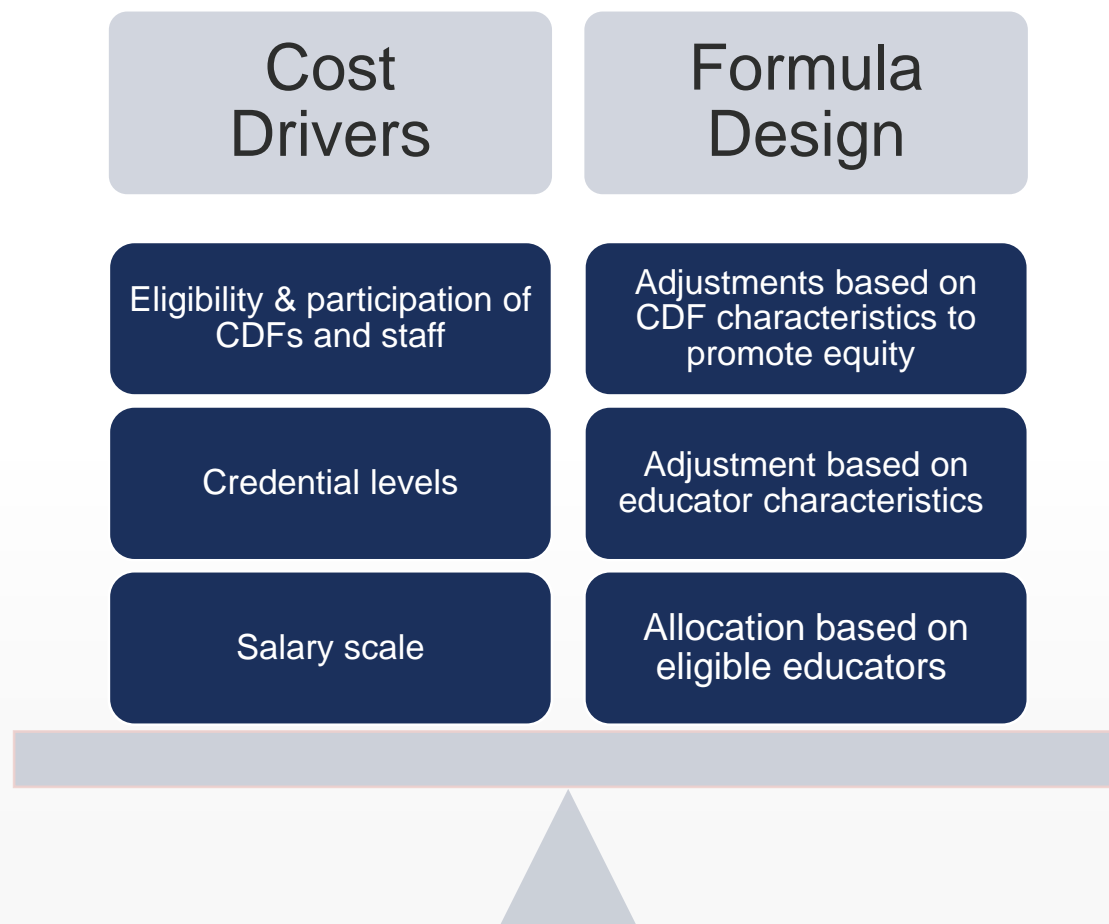
“Healthcare For Childcare is one of the best gifts that we have received from the District Government. To have free healthcare for employees and their families takes a huge burden off a lot of people. And to receive premium plans is a true blessing. Teachers and staff in childcare are heroes and sheroes and this benefit honors this. Thank you!!”

Bridget H., Big Mama’s Children’s Center



**Identifying opportunities for more equitable
and efficient allocation of PEF dollars**

The major cost drivers must be balanced with the design of the funding formula to optimize equity and efficiency – and support overall financial sustainability



Multiple factors have implications for **equitable distribution** of funds

Equitable approach to fund distribution must reflect two principles:

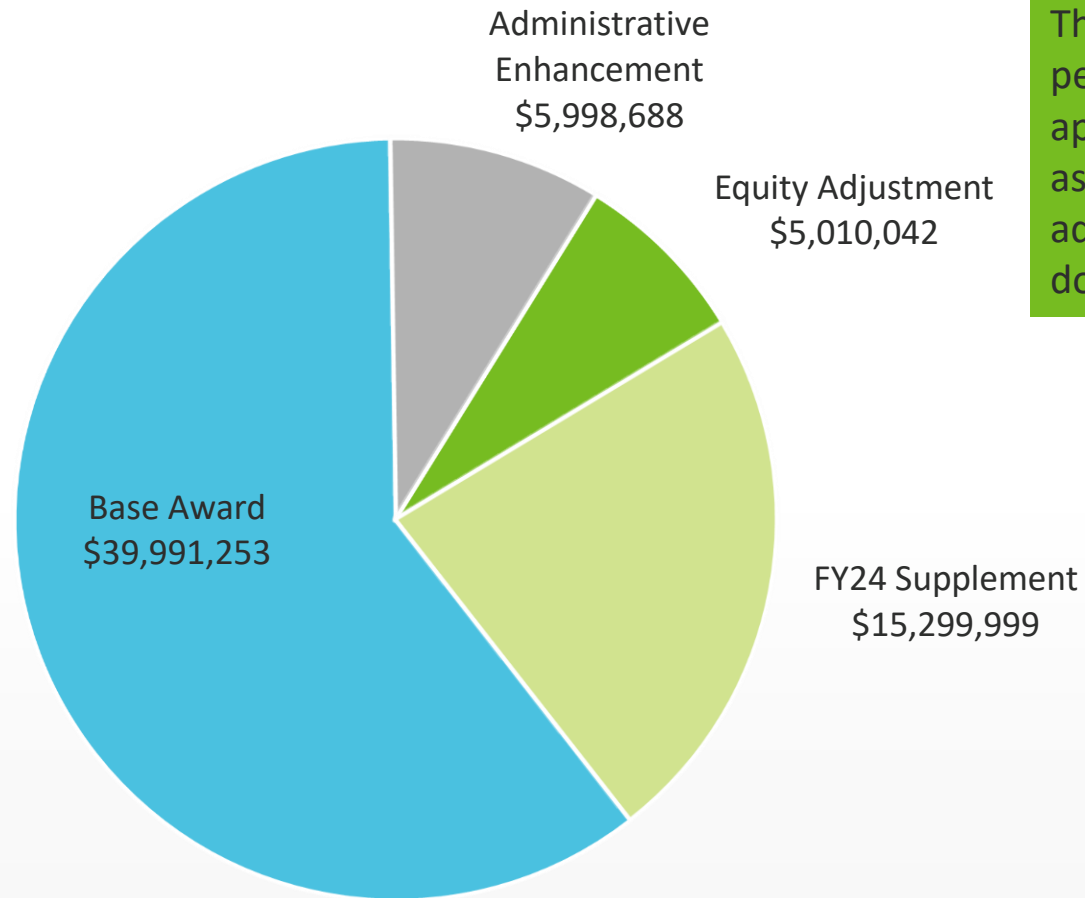
- Ensuring every participating CDF receives sufficient funding to meet the minimum salaries
- Equitable differentiation of funding based on facility need

Which CDF characteristics correlate (positively or negatively) with funding need?

- Subsidy participation
- Tuition income
- Total capacity (size)
- Enrollment
- Teacher/child ratio (beyond OSSE minimums)
- Daily hours of service

CDF payroll funding formula components could better reflect differentiated need, for efficiency and equity.

Currently, the PEF base calculation is dependent only on the number of licensed educators working in the facility, independent of enrollment. The Base Award could take into account teacher/child ratios in order to target dollars more fairly. Similarly, it could limit the designation of lead teachers to match licensing requirements.

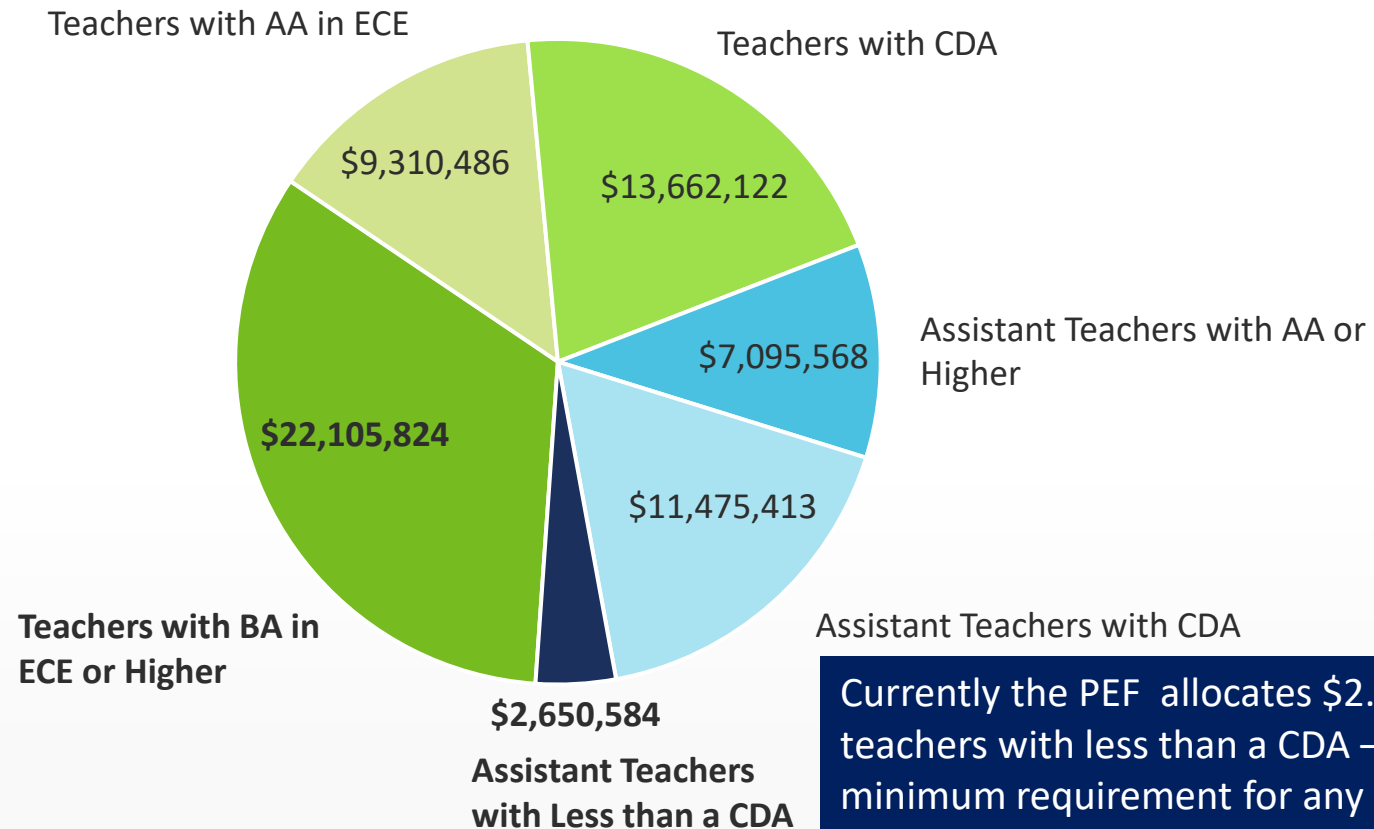


The Equity Adjustment is based solely on percent of enrollment using subsidy. By applying other metrics indicative of need, such as service hours or tuition income, this adjustment could more efficiently target dollars.

The FY24 Supplement is a blanket 30 percent bump for all participating CDFs. Instead of this universal adjustment, the goal is to identify criteria to better tailor payments to need, eliminating this blanket supplement and redistributing it as needed.

CDF payroll funding formula awards by wage supplement (educator role and credential), reveal challenges and opportunities

The wage supplement allocated in the formula for teachers with BAs (who make up 14 percent of educators) amounts to 33 percent of total pay equity funds. Linking the minimum BA salary to DCPS's salary creates significant financial unpredictability, at best, and unsustainability, at worst, for the PEF. Given that public school teachers in DC have a range of pay scales, there are ways to maintain the basic goal of parity without creating unsustainable budget pressures for both CDFs and for OSSE.



Currently the PEF allocates \$2.6M for assistant teachers with less than a CDA – below the minimum requirement for any early educator. Eliminating this minimum salary requirement would also free up \$\$ for many CDFs that could be allocated to meeting the other minimums.



CDF payroll funding formula awards by formula components, annualized based on Q2. Under OSSE's licensing regulations, "teacher" and "assistant teacher" are specific titles held by staff in child development centers. However, the legislation defines "teacher" and "assistant teacher" more broadly to include as teachers home providers and expanded home providers in child development homes and expanded homes, and assistant teacher to include associate caregivers in expanded child development homes. 15 |

Next Steps

- Scheduled Task Force meeting dates (6-8 p.m.)

2024		
June 4	Sept. 3	Dec. 3
July 2	Oct. 1	
Aug. 6	Nov. 5	

2025
Jan. 6
Feb. 3

- Public comments welcome at eccompensation@gmail.com
- [Meeting materials](#) will be posted on OSSE's website: osse.dc.gov/page/early-childhood-educator-equitable-compensation-task-force
- We will continue to update the [Research and Background Materials](#) folder