



DISTRICT OF COLUMBIA  
OFFICE OF THE STATE SUPERINTENDENT OF

**EDUCATION**

**SAMPLE**

**Addendum to Provider Agreement for  
Subsidized Child Care Services in the District  
of Columbia  
Fiscal Year 2024 (FY24)**

**Early Childhood Educator Pay Equity Fund Provider  
Agreement for FY24**

The purpose of this Addendum is to establish the conditions under which OSSE will distribute to \_\_\_\_\_(Provider) funding from the Early Childhood Educator (ECE) Pay Equity Fund, through the child development facility payroll funding formula (CDF payroll formula), to enable \_\_\_\_\_(Provider) to implement the minimum early childhood educator salaries established in the [ECE salary scale for fiscal year 2024 \(FY24\)](#) published by OSSE.

## **I. DESCRIPTION OF CDF PAYROLL FORMULA**

### **A. In general:**

1. Child development facility operators that enter into agreement with OSSE to implement minimum early childhood educator salaries will receive funds via the CDF payroll formula as described in this section.
2. CDF payroll formula amounts will be calculated separately for each participating child development facility.
3. For providers that operate multiple facilities, the total CDF payroll funding formula distributed to a provider will equal the sum of the calculated funding amounts for each participating child development facility that the provider operates.
4. CDF payroll funding awards will be calculated and distributed once per quarter.
5. The quarterly CDF payroll formula award for each child development facility will be the sum of the following, divided by four (4):
  - a. The facility's base award, as determined using the calculation described in I.B.
  - b. The facility's administrative enhancement, as determined using the calculation described in I.C.
  - c. The facility's equity adjustment, if applicable, as determined using the calculation described in I.D.
  - d. The facility's FY24 supplement, as determined using the calculation described in I.E.

### **B. Base Award Calculation**

1. The base award is the sum of:
  - a. The product generated by multiplying the number of lead teachers (as defined in DC Code §4-401) holding a Child Development Associate (CDA) credential, or 48 credit hours with greater than or equal to 15 credit hours in Early Childhood Education, by the CDA Teacher Wage Supplement;
  - b. The product generated by multiplying the number of lead teachers (as defined in DC Code §4-401) holding an associate degree in Early Childhood Education, or an associate degree with greater than or

equal to 24 credit hours in Early Childhood Education, by the Associate Degree Teacher Wage Supplement;

- c. The product generated by multiplying the number of lead teachers (as defined in DC Code §4-401) holding a bachelor's degree or higher in Early Childhood Education, or a bachelor's degree or higher and greater than or equal to 24 credit hours in Early Childhood Education, by the Bachelor's Degree Teacher Wage Supplement;
- d. The product generated by multiplying the number of assistant teachers (as defined in DC Code §4-401) with less than a CDA credential by the No CDA Assistant Teacher Wage Supplement;
- e. The product generated by multiplying the number of assistant teachers (as defined in DC Code §4-401) with a CDA credential by the CDA Assistant Teacher Wage Supplement; and
- f. The product generated by multiplying the number of assistant teachers (as defined in DC Code §4-401) with an associate degree or higher by the AA Assistant Teacher Wage Supplement.

2. For FY24, the Wage Supplement Amounts, by role and credential, are:

- a. CDA Teacher Wage Supplement: \$8,503
- b. Associate degree Teacher Wage Supplement: \$18,079
- c. Bachelor's Degree Teacher Wage Supplement: \$29,344
- d. No CDA Assistant Teacher Wage Supplement: \$2,329
- e. CDA Assistant Teacher Wage Supplement: \$9,470
- f. Associate Degree Assistant Teacher Wage Supplement: \$12,726

3. The number of lead teachers and assistant teachers (as defined in DC Code §4-401) to be included in the calculation of each facility's base award (as described in I.B.1) shall be based on the number of lead teachers and assistant teachers (as defined in DC Code §4-401) with active records associated with the facility in the Division of Early Learning Licensing Tool (DELLT) as of the last day of October, January, April and July respectively for each quarter in which funds are distributed.

4. For each lead teacher and assistant teacher (as defined in DC Code §4-401) included in the calculation of the facility's base amount, the credential level shall be based on the approved credentials entered in DELLT for the lead teacher or assistant teacher as of the last day of October, January, April and July respectively for each quarter in which funds are distributed.

### C. Administrative Enhancement Calculation

1. The amount of each facility's administrative enhancement is equal to the product generated by multiplying the amount of the facility's base award by 15 percent.

#### D. Equity Adjustment Calculation

1. The amount of each facility's equity adjustment is equal to the product generated by multiplying:
  - a. The quotient produced by dividing the number of infants, toddlers and preschoolers participating in the District's child care subsidy program enrolled in the child development facility as indicated in the subsidy system as of the last day of October, January, April and July respectively in the quarter in which funds are distributed by the facility's total authorized capacity for infants, toddlers and preschoolers, as indicated in DELLT as of the last day of October, January, April and July respectively in the quarter in which funds are distributed, by
  - b. The amount of a facility's base award as calculated in I.B., by
  - c. Sixty percent (0.60).
2. The equity adjustment amount for facilities that do not participate in the child care subsidy program is zero.

#### E. FY24 Supplement

1. The FY24 supplement is equal to the product generated by multiplying:
  - a. The sum of the facility's base award, as determined using the calculation described in I.B; the facility's administrative enhancement, as determined using the calculation described in I.C; and the facility's equity adjustment, if applicable, as determined using the calculation described in I.D.
  - b. Thirty percent (0.30)

## II. SCHEDULE OF CALCULATION AND PAYMENTS

- A. OSSE will calculate and distribute payroll formula awards on a quarterly basis and will provide each Provider a summary of their award calculation through a payment statement.
- B. OSSE will base award calculations only on staff whose employment and role can be confirmed in DELLT and was current as of the date prescribed by OSSE in I.B.
- C. OSSE is not responsible for any loss in funding incurred by a child development facility as a result of failure to update staff records on a timely basis.

- D. The Provider shall maintain an updated Automated Clearing House (ACH) form on file to receive payment via direct deposit.
- E. Participating providers will receive their first payment on the next quarterly cycle following approval of the Agreement.

### **III. OVERPAYMENT AND UNDERPAYMENT OF FUNDS**

- A. The District reserves the right to deduct or offset payments for overpayment, errors, material breach or partial performance of this Agreement.
- B. The Provider shall notify OSSE within thirty (30) calendar days of receipt of their payment statement if they believe there is an error, whether an overpayment or underpayment, in the calculated payment and provide documentary evidence as outlined by OSSE.
- C. OSSE will investigate reported errors and confirm whether there is need for a payment adjustment.
- D. OSSE will not make adjustments to quarterly payment amounts based on any changes in the number of lead and assistant teachers (as defined in DC Code §4-401) employed the facility, or their credentials, that occurred after the Provider deadline for updating DELLT prescribed by OSSE in I.B. Child development facilities that experience changes in staffing after the deadline for a quarter shall update staff records prior to the deadline for the following quarter, and will see updates reflected in the following quarter's payment.
- E. If the facility's quarterly payment differs from the payment statement, the provider must submit an error report to OSSE within ten (10) calendar days of receiving the quarterly payment.
- F. Any overpayment by the District to the Provider shall be reported to the District. Failure to report an overpayment may result in suspension or termination from the program and referral to the Office of the Attorney General for legal action.
- G. Overpayments to providers will be recovered, regardless of the amount, through deduction(s) from future quarterly payments.
- H. Underpayments will be added to the following quarterly payment.

### **IV. USE OF FUNDS**

- A. Funds may be used to support implementation of the ECE salary scales, established and updated pursuant to DC Code [§ 4-410.02\(b\)](#), including for the following purposes:
  - 1. To pay wages or compensation for lead teachers and assistant teachers (as defined in DC Code §4-401).
  - 2. To pay wages or compensation of other staff employed by the child development facility and directly involved in the care and education of children or operation of the facility.

3. To pay costs of health and other fringe benefits for early childhood educators and other child development facility employees.
  4. To pay administrative costs associated with implementing the salary scales and meeting OSSE requirements related to the Fund as outlined in this Agreement.
  5. To pay direct operating expenses of the facility associated with providing care and early education services to children.
- B. Funds may only be used to cover costs related to child development facilities licensed in the District of Columbia and participating in the Early Childhood Educator Pay Equity Fund. A provider that operates multiple facilities may not use funds to cover costs associated with facilities that are not participating in the Fund.

## V. PROVIDER REQUIREMENTS

### A. In general:

1. A Provider, defined as “a licensed child development center or a licensed family child care home or expanded home” (5A District of Columbia Municipal Regulations (DCMR) § 299), that provides child care services for infants, toddlers or children ages birth to five, shall comply with all requirements of this section.

### B. General and Reporting Requirements

#### 1. Staff Wages and Salaries:

- a. Provider must input in DELLT, by Oct. 31<sup>st</sup>, the current salary for all eligible educators.
- b. Following receipt of the first quarterly CDF payroll fund award, the Provider will pay lead teachers and assistant teachers (as defined in DC Code §4-401) base salaries or wages that equal or exceed the minimum salaries, by role and credentials, set by the [ECE salary scale for the current fiscal year](#).
- c. Provider must upload in DELLT, on a quarterly basis, payroll records substantiating the facility’s compliance with minimum salary requirements, following receipt of the first quarterly award.
- d. The Provider must meet the minimum salary requirements through fixed wages or salaries paid to employees.

#### 2. Salary Schedule:

- a. The Provider shall adopt and disseminate to employees a salary schedule outlining the minimum and maximum salary for lead and assistant teachers (as defined in DC Code §4-401).

- b. A Provider may use the recommended salary schedule published by OSSE but is not required to do so.
- c. The salary schedule must include, at a minimum, the following:
  - i. salaries or wages for lead and assistant teachers (as defined in DC Code §4-401) employed by the Provider with the following credentials (as described in I.B.1.):
    - (a) Assistant Teacher with less than a CDA
    - (b) Assistant Teacher with a CDA
    - (c) Assistant Teacher with an Associate degree
    - (d) Lead Teacher with a CDA
    - (e) Lead Teacher with an Associate degree
    - (f) Lead Teacher with a Bachelor's degree or higher
  - ii. Minimum salaries for employees holding each role (as defined in DC Code §4-401) and credential combination that meet or exceed the minimum salaries in the ECE salary scale published by OSSE for that role and credential combination for the current fiscal year.
  - iii. The current salary schedule must be uploaded in DELLT.

### 3. Formal Offer Letter or Contract

- a. The Provider must provide every lead teacher and assistant teacher (as defined in DC Code §4-401) employed or newly hired by the child development facility with a formal offer letter or contract stating:
  - i. Employee's name
  - ii. Employee's staff type
  - iii. Employee's location of employment
  - iv. Employee's anticipated hours/working schedule (including variable schedules if applicable)
  - v. Employee's annual salary or hourly wage;
  - vi. Provided benefits, including (as applicable) paid time off; ability to participate in health, retirement or other benefits offered by the employer, which may reference separate documents not included in the letter or contract; eligibility for reduced cost child care for staff's own employees; and other benefits provided to employees.
  - vii. Duration for which the contract or offer letter is applicable.
  - viii. If a Provider chooses to provide employees an offer letter, rather than a contract, update the letter following any major changes in the terms of the employee's employment or compensation, including changes in staff type, between full- and part-time status, change in employment location, change in salary or wage or major changes in employee benefits. An

employer does not need to provide updated letters for minor changes in employee benefits packages that affect all employees.

- ix. Ensure the contract or offer letter is signed by both the employee and an authorized representative of the employer.
  - x. Maintain a copy of the current employee contract or offer letter in the employee's staff record in DELLT.
4. Staff Records: For each lead teacher or assistant teacher (as defined in DC Code §4-401) covered by the Fund, in addition to any other staff person whose salary is paid in whole or part with CDF payroll formula funds, the facility must maintain up to date staff records in DELLT.
- a. Records must include the following:
    - i. Base salary or wages, which may be provided in an hourly or annual format,
    - ii. Participation in health and other benefits programs,
    - iii. Documentation of the employee's offer letter, employment contract, or other documentation reflecting the employee's salary or wages, and
    - iv. Documentation of staff credentials as required by licensing.
  - b. Such records shall be reviewed, updated and submitted for approval by licensing staff by the date(s) prescribed by OSSE in I.B.3.
5. Enrollment
- a. The Provider shall provide quarterly a report on the facility's total enrollment, by age of children served, and the number of enrollment vacancies, in the format prescribed by OSSE.
6. Tuition and Fees
- a. The Provider shall provide to OSSE annually a schedule of tuition and fees charged to tuition-paying families, in the format prescribed by OSSE.

## **VI. ANNUAL OBSERVATIONS**

- A. The Provider shall allow OSSE officials and authorized OSSE delegates and/or contractors to conduct annual classroom observations and evaluations (either in-person when possible or virtually), at scheduled times, as a requirement of this Agreement.
- B. Observations conducted as part of Capital Quality shall satisfy this requirement.



## **VII. RECORDS; RIGHT TO INSPECT AND COPY**

### **A. Retention Of Records**

1. The Provider shall maintain a copy of all employee contracts, offer letters, salary schedules, and all other documents necessary to the performance of this Agreement for a period of no less than five (5) years, or until the final conclusion of any administrative or judicial proceeding as a result of or in connection with the terms or performance of this Agreement, whichever is longer.
2. OSSE shall have the right to inspect and copy all records.
3. Failure to comply with this Section shall be grounds for termination of this Agreement, withholding payments or other actions as may be permitted by this Agreement, District or Federal Law.

## **VIII. MONITORING AND AUDITING**

- A. The Provider shall always provide authorized OSSE staff or OSSE designees access to the premises. The Provider shall cooperate fully with any examination including, but not limited to, in-person or virtual monitoring visits and audits to verify recordkeeping and compliance with terms of this agreement.
- B. Any deficiencies identified during visits shall be corrected within the required timelines. Failure to correct identified deficiencies may result in any of the remedies for non-compliance described below.
- C. Compliance with the terms of this addendum shall be monitored through the subsidy monitoring process.
- D. OSSE shall conduct an annual audit that includes 10 percent of child development homes and expanded homes and 10 percent of child development centers which shall review accuracy and completeness of staffing patterns and staff records and compliance with early educator minimum salary requirements.
- E. OSSE reserves the right to audit any child development facilities flagged in DELLT based on irregularities such as unusually large numbers of staff employed relative to children enrolled.

## **IX. TAXES AND OTHER FEES**

- A. The Provider is solely responsible for the payment of all taxes and fees incurred from the payments received pursuant to this Agreement.

- B. The Provider is responsible for paying all employer taxes and ensuring appropriate employee tax withholding on salary payments to staff.

**X. AVAILABILITY OF FUNDS**

- A. The parties acknowledge that the obligations of the District to fulfill financial obligations pursuant to this Addendum are and shall remain contingent upon the availability of appropriated funds. The District's legal liability for payment of any financial obligations arising under this Addendum shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable year as approved by the Council of the District of Columbia.

**XI. TERMINATION OF AGREEMENT**

- A. The Provider must report to OSSE prior to the 15<sup>th</sup> day of the first month of the quarter in which the Provider intends to terminate its participation in the Pay Equity Fund. Providers will not receive additional payments after the effective date of termination, except where appropriate to correct past underpayments.
- B. The District may terminate its participation for any reason effective upon receipt of written notice. The District shall provide the Provider a written notice of termination specifying the reason for termination (e.g., failure to comply with licensing regulations, Pay Equity regulations and/or Provider Agreement requirements) and the date of termination.

**XII. MODIFICATION OF AGREEMENT**

- A. This Agreement may be modified in writing only, and the parties must sign and date any modifications to the Agreement, except as set forth in X.V.B.
- B. The District shall provide notice of changes in award payments due to Council mandate, budget reductions or lack of funding or available funds. This Agreement shall be deemed unilaterally modified as of the date of the mandate, reduction, or lack of funding, with or without the parties' signature.
- C. In the event that a change in award payments due to Council mandate, budget reductions or lack of funding or availability of funds results in providers receiving a lower payment, OSSE will provide guidance to child development facilities on adjustments to minimum early educator salary requirements.

### **XIII. REMEDIES FOR NON-COMPLIANCE**

- A. The following policies and procedures shall be used to ensure compliance with this standard of conduct and ethics.
1. Any provider found to be out of compliance with requirements of this addendum shall receive a notice of noncompliance and shall be placed on probation status.
  2. Providers receiving a notice of noncompliance shall correct the finding and provide documentary evidence in the timeframe designated by OSSE.
  3. Providers wishing to appeal a determination of noncompliance shall submit a request for review in writing to OSSE. The written request for review shall include documentary evidence supporting the recipient's position.
  4. Following two infractions of noncompliance, facilities operated by a provider may be identified as noncompliant on <https://mychildcare.dc.gov/>.
  5. Following three infractions of noncompliance, a 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.
  6. Noncompliance and termination appeals shall be reviewed by OSSE. All review determinations are final.
  7. If a Provider materially fails to comply and/or maintain compliance with terms and conditions of this funding program, OSSE may:
    - a. Temporarily withhold payments;
    - b. Wholly or partly suspend or terminate the current Agreement;
    - c. Not exercise option years or renew at OSSE's discretion;
    - d. Recoup any overpayments based on audit finding, investigation findings, late termination or calculation errors; and
    - e. Take any other actions that may be legally available.
  8. Any provider who obtains funds as a result of submitting falsified documents, information or data shall be required to pay back those funds to the District of Columbia Government.
  9. Any provider who is confirmed to have violated the requirements of the Provider Agreement may be referred to OSSE/DEL Licensing and Compliance Unit or the District of Columbia's Office of the Attorney General for further action.
  10. OSSE shall investigate all allegations of misconduct and noncompliance.

### **XIV. DISALLOWANCE OF COSTS/PAYMENTS**

- A. OSSE shall disallow any costs or payments that:
1. OSSE determines were not expended and/or incurred in compliance with the terms and conditions of this funding program;

2. OSSE is unable to verify were expended and/or incurred in compliance with the terms and conditions of this funding program due to the Provider's failure to retain and/or provide upon request supporting documentation sufficient to allow OSSE to verify that the costs or reimbursements were expended and/or incurred in compliance with the terms and conditions of this funding program;
- B. OSSE's right to disallow costs based on audit, correction, refund, reconciliation or other transaction extends beyond termination, suspension or closeout of the Agreement. Provider is obligated to promptly return to OSSE any disallowed cost/reimbursements, and if disallowed, cost/reimbursements are not received by OSSE within thirty (30) days after making a demand for payment, OSSE may:
    - a. Offset amounts due from other requests for reimbursement;
    - b. Withhold further awards to provider/grantee for the projector program; and
    - c. Take any other actions that may be legally available.

**XV. SUPERSESSION**

- A. This Agreement addendum supersedes any and all prior agreements between the Provider and the District regarding the ECE Pay Equity Fund.