



## EARLY CHILDHOOD EDUCATOR PAY EQUITY FUND

# Fiscal Year 2024 (FY24) Early Childhood Educator Pay Equity Fund Provider Agreement

September 2023

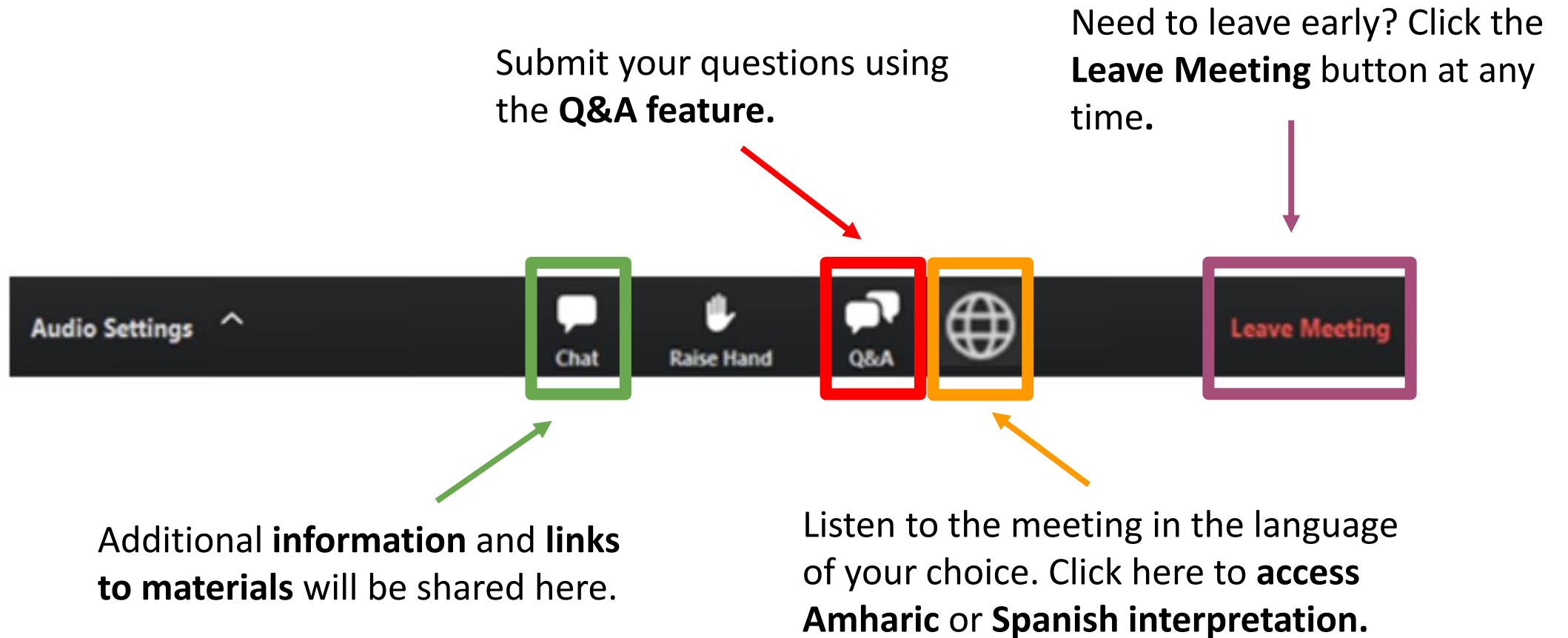


WE ARE  
WASHINGTON  
DC GOVERNMENT OF THE  
DISTRICT OF COLUMBIA  
MURIEL BOWSER, MAYOR

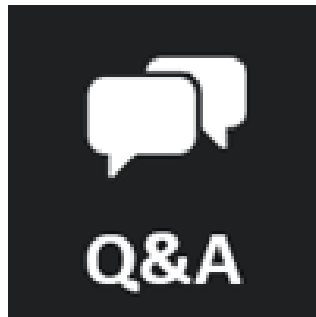
Welcome child  
care providers!



# Zoom Engagement



# Live Questions and Answers



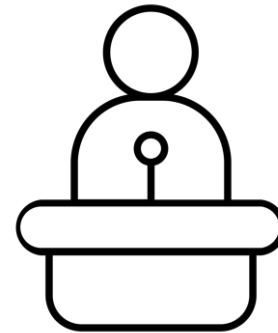
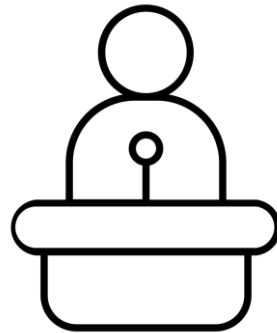
A screenshot of a Q&amp;A interface. At the top, it says "Q&amp;A" with a blue arrow icon. Below that are two tabs: "All questions (2)" in a blue button and "My questions" in a grey button. A user named "Lee" posted a question at "01:54 PM": "Will there be a follow-up session?". Below the question is a thumbs-up icon with the number "1" and a "Comment" button. At the bottom of the screenshot, a text input field with the placeholder "Type your question here..." is highlighted with a red border.

Type your question here and click **Submit**.



# Meet Today's Speakers

- **Hannah Matthews**, Director, Policy, Planning and Research, Division of Early Learning (DEL), Office of the State Superintendent of Education (OSSE)
- **Sara Mead**, Deputy Superintendent for Early Learning, OSSE



# Agenda

1. Overview of Provider Agreements for the FY24 Early Childhood Educator Pay Equity Fund
2. Waiver Process
3. Q&A
4. Closing and Next Steps





# Overview of Provider Agreements for FY24 Early Childhood Educator Pay Equity Fund

# FY24 Early Childhood Educator Pay Equity Fund

- In fiscal year 2024 (FY24), OSSE will distribute Early Childhood Educator Pay Equity Funds directly to child development facilities to increase compensation for early educators through a [child development facility \(CDF\) payroll funding formula](#).
  - Early childhood educators will no longer receive direct payments through AidKit.
- 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.





# FY24 Provider Agreements

- To participate in the FY24 Early Childhood Educator Pay Equity Fund:
  - Non-subsidy providers must complete the FY24 Early Childhood Educator Pay Equity Fund Provider Agreement
  - Subsidy providers must complete the FY24 Early Childhood Educator Pay Equity Fund Addendum to their subsidy agreement
- The provider agreement and the subsidy addendum include the same requirements for participation in the FY24 Early Childhood Educator Pay Equity Fund.
- Providers must comply with all terms of the agreement or addendum.



# Deadlines

<b>FY24 OPT-IN/APPLICATION AND AGREEMENT SUBMISSION DEADLINES</b>				
*all deadlines 5 p.m. ET				
Quarter	Provider Opt-in/Application Deadline	Provider Agreement Deadline	DELLT Updates Deadline	Payment Distribution
Quarter One	Sept. 15, 2023	Sept. 30, 2023	Oct. 31, 2023	Dec. 2023
Quarter Two	Dec. 15, 2023	Dec. 31, 2023	Jan. 31, 2024	March 2024
Quarter Three	March 15, 2024	March 31, 2024	April 30, 2024	June 2024
Quarter Four	June 15, 2024	June 30, 2024	July 31, 2024	Sept. 2024

A child development facility only needs to apply once and complete one agreement for FY24. Once a child development facility has an FY24 Provider Agreement or Addendum executed, they will automatically receive remaining FY24 quarterly CDF payroll funding formula award payments if they continue meet the requirements of the program.



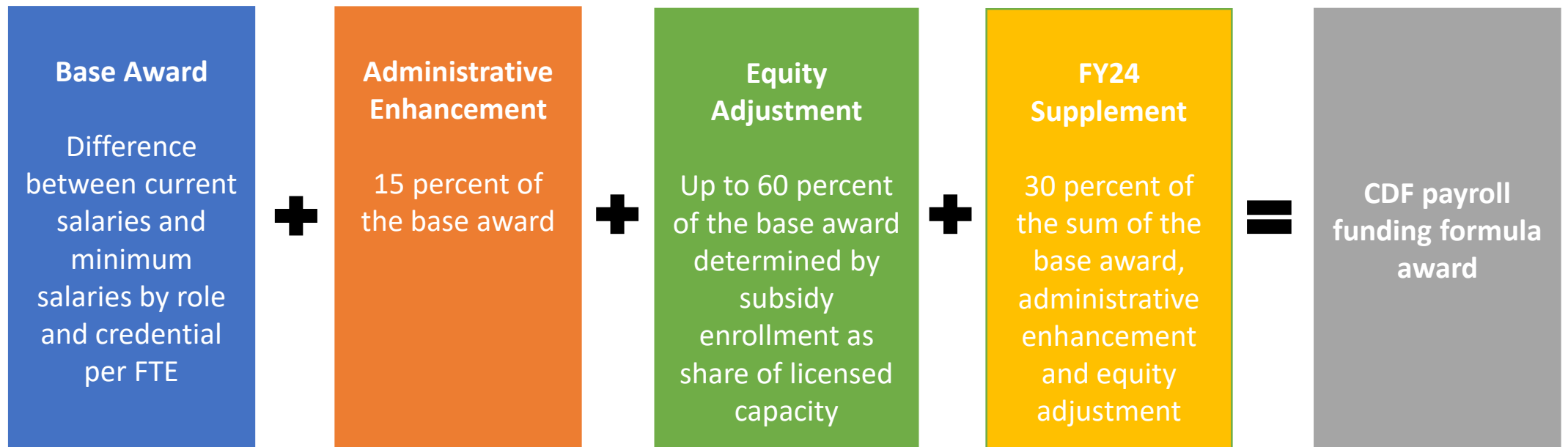
# What does the Provider Agreement Cover?

- Description of the CDF payroll funding formula
- Schedule of Calculation and Payments
- Overpayment and Underpayment of Funds
- Use of Funds
- Provider Requirements, including Reporting Requirements
- Fiscal Requirements
- Annual Observations
- Records, Right to Inspect and Copy
- Monitoring and Auditing
- Taxes and Fees
- Indemnification
- Availability of Funds
- Duration of Agreement
- Termination of Agreement
- Modification of Agreement
- Resolution of Disputes
- Waiver/Release
- Representative Payee
- Hiring of District Residents
- Remedies for non-compliance
- Disallowance of costs/payments
- Supersession
- Assignability
- Signatures

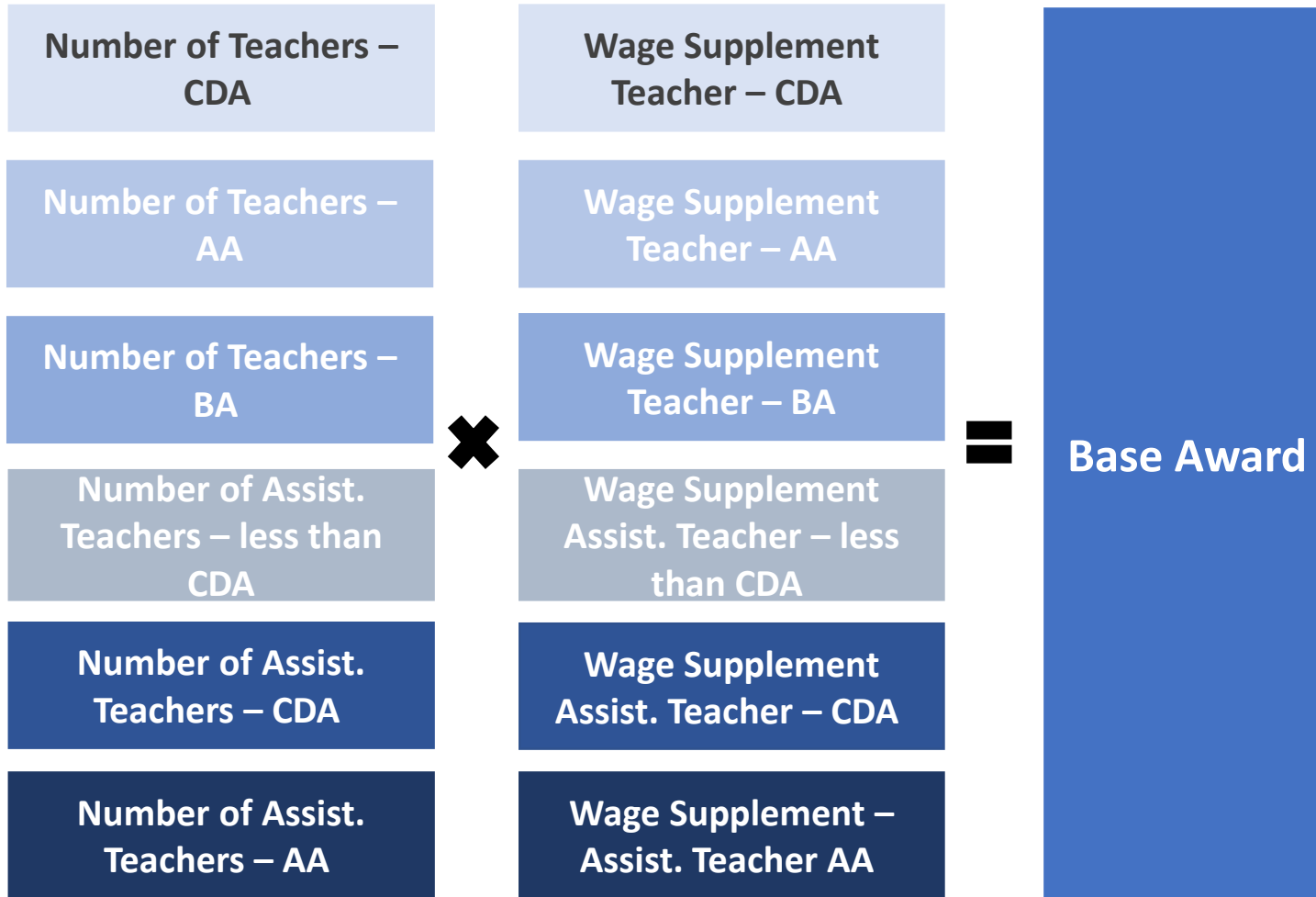


# The CDF Payroll Funding Formula

- In FY24, CDF payroll funding formula awards will be calculated and distributed once per quarter.
- The quarterly award for each child development facility will be the total CDF payroll funding formula award, divided by four.
- 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.



# Base award calculation



- 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).

# Educator Staff Types

- Child development facilities that receive funds from OSSE must pay eligible lead teachers and assistant teachers, in the following staff types in DELLT, salaries that [meet or exceed the minimum salaries](#).

The following staff types in DELLT qualify as an **assistant teacher**:

- Assistant teacher
- Montessori assistant teacher
- Pre-K Enhancement and Expansion Program (PKEEP) assistant teacher
- Associate home caregiver

The following staff types in DELLT qualify as a **lead teacher**:

- Teacher
- Montessori teacher
- Expanded home caregiver
- Home caregiver



# Educator Credentials

- 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 degree in ECE *or* an associate degree with greater than or equal to 24 credit hours in ECE.
  - To qualify for the “CDA” wage supplement, have a Child Development Associate (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 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.



# FY24 Wage Supplements

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.



# Deadlines for Providers to Update Staff Records in DELLT

FY24 Deadlines for Updating DELLT Records	
Quarter	Deadline
Quarter one	Oct. 31, 2023
Quarter two	Jan. 31, 2024
Quarter three	April 30, 2024
Quarter four	July 31, 2024

- CDF payroll funding formula awards will be recalculated each quarter.
- Providers must ensure staff records in DELLT are up-to-date and accurate so that all teachers and assistant teachers are included in the calculation and assigned the wage supplement that corresponds to their highest credential.
- Facility leaders who require assistance updating staff records or have questions about credit hours should contact their assigned licensing specialist.
- Note: OSSE licensing regulations require all child development facilities to maintain up-to-date staff records in DELLT, regardless of participation in the Early Childhood Educator Pay Equity Fund.



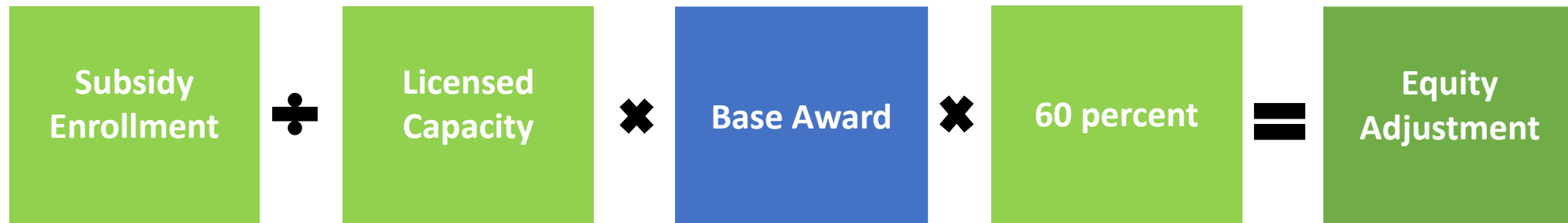
# Administrative Enhancement

- 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.



# Equity Adjustment

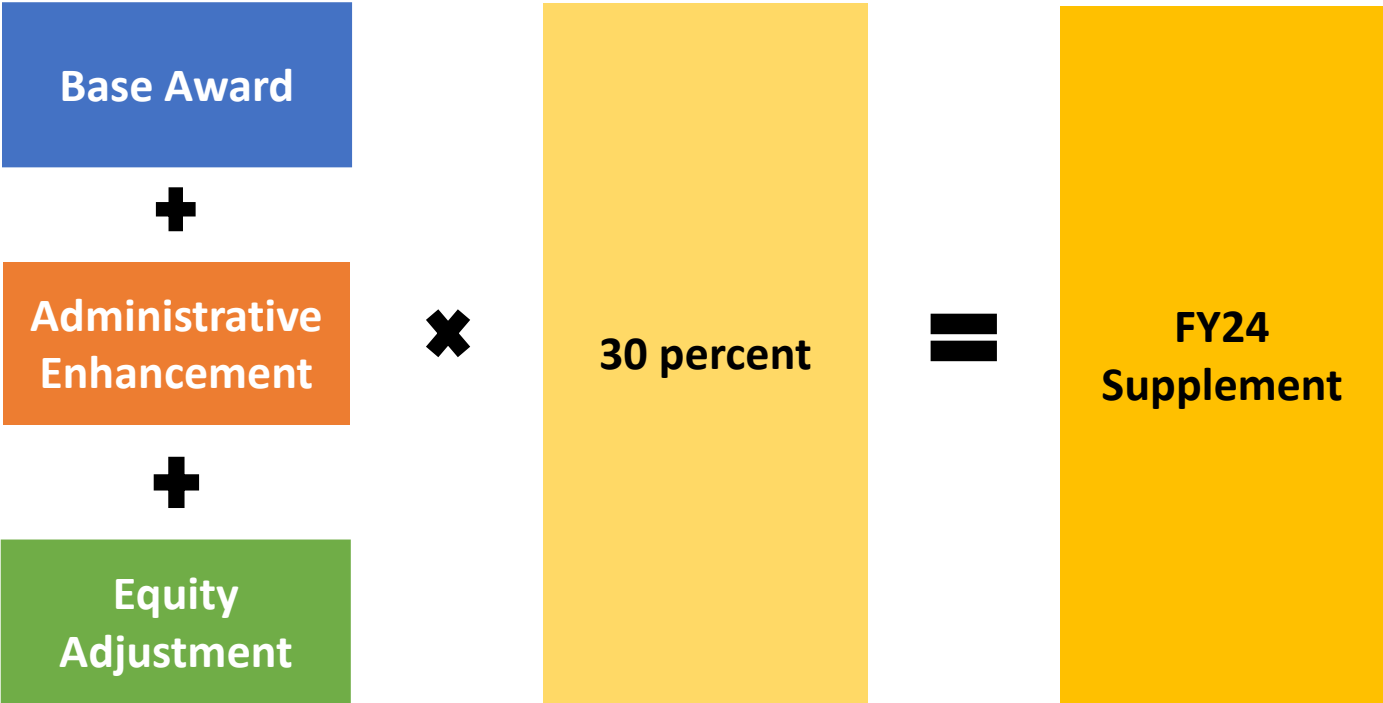
- The equity adjustment equals up to 60 percent of the base award, based on the facility's subsidy enrollment as a share of licensed capacity.
- It directs increased funding to child development facilities that serve families and communities with fewer economic resources.
- Facilities that do not participate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



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.

# FY24 Supplement

- OSSE is increasing FY24 awards to support facilities in meeting minimum salary requirements in the first year of the program’s implementation.
- The FY24 supplement is 30 percent of the sum of the base award, administrative enhancement and equity adjustment.



# Staffing Changes

- OSSE will not make adjustments to quarterly payment amounts based on changes in the number of lead and assistant teachers employed the facility, or their credentials, that occur after the deadline for updating DELLT.
- Providers that experience changes in staffing after the quarter deadline should update staff records prior to the deadline for the following quarter and will see updates reflected in the following quarter's payment.



# Overpayment and Underpayment of Funds

- Providers shall notify OSSE within 30 calendar days of receipt of their payment statement if they believe there is an error in the calculated payment.
- If the facility's quarterly payment differs from the payment statement, the provider must submit an error report to OSSE within 10 calendar days of receiving the quarterly payment.
- Provider must report to OSSE all overpayments, regardless of size.
- Overpayments will be recovered through deduction(s) from future quarterly payments.
- Underpayments will be added to the next quarterly payment.



# Use of Funds

- 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.
- A provider that operates multiple facilities may not use funds to cover costs associated with facilities that are not participating in the Fund.



# Staff Wages and Salaries

- After receiving the first quarterly payment, providers must pay teachers and assistant teachers salaries or wages that meet or exceed minimum salary requirements by role and credential.

Staff Type	Credentials	Minimum Salaries for FY24 (annual salary)	Minimum Salaries for FY24 (hourly wage)
Assistant Teacher	Less than a CDA	\$43,865	\$21.09/hour
	CDA	\$51,006	\$24.52/hour
	Associate degree or higher	\$54,262	\$26.09/hour
Lead Teacher	CDA <u>or</u> 48 credit hours with greater than or equal to 15 hours in Early Childhood Education (ECE)	\$54,262	\$26.09/hour
	Associate degree in ECE <u>or</u> an associate degree with greater than or equal to 24 credit hours in ECE	\$63,838	\$30.69/hour
	Bachelor's degree (or higher) in ECE <u>or</u> a bachelor's degree (or higher) with greater than or equal to 24 credit hours in ECE	\$75,103	\$36.11/hour





# Staff Wages and Salaries

- Providers must meet the minimum salary requirements through hourly wages or annual salaries paid to employees through their regular paycheck.
- Providers must upload payroll records in DELLT, on a quarterly basis.
- The provider must adopt, and upload in DELLT, a salary schedule outlining the minimum and maximum salary for lead and assistant teachers.
  - A provider may use OSSE's recommended salary schedule but is not required to do so.
  - The salary schedule must include salaries or wages for lead and assistant teacher by credential.



# Sample Salary Schedule

	Step 1 (Minimum)	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12-15	Step 16
<b>Assistant Teacher-Education Level</b>													
Less than a CDA	\$43,865	\$43,999	\$44,813	\$46,300	\$47,778	\$49,265	\$51,154	\$53,026	\$54,912	\$56,784	\$58,666	\$62,433	\$66,952
CDA	\$51,006	\$51,161	\$52,108	\$53,838	\$55,556	\$57,285	\$59,481	\$61,658	\$63,852	\$66,028	\$68,216	\$72,596	\$77,851
Associate degree	\$54,262	\$54,427	\$55,434	\$57,274	\$59,102	\$60,941	\$63,278	\$65,594	\$67,927	\$70,242	\$72,570	\$77,230	\$82,820
<b>Teacher-Education Level</b>													
CDA	\$54,262	\$54,427	\$55,434	\$57,274	\$59,102	\$60,941	\$63,278	\$65,594	\$67,927	\$70,242	\$72,570	\$77,230	\$82,820
Associate degree	\$63,838	\$64,031	\$65,216	\$67,381	\$69,532	\$71,696	\$74,445	\$77,169	\$79,914	\$82,638	\$85,377	\$90,859	\$97,436
Bachelor's degree or higher	\$75,103	\$75,331	\$76,725	\$79,272	\$81,802	\$84,348	\$87,582	\$90,787	\$94,017	\$97,221	\$100,443	\$106,893	\$114,630

Child development facilities are not required to adopt the sample salary schedule or pay individual staff at specific steps or band levels, based on experience. Child development facilities may choose to adopt the recommended salary schedule or develop their own salary schedule, which differentiates pay based on years of experience, provided that the minimum salary paid to educators in each eligible staff type meets or exceeds the minimum for that educator's highest credential.

# Offer Letter or Contract

- The provider must provide every lead teacher and assistant teacher with a formal letter or contract stating the employee's:
  - Name
  - Staff type
  - Location of employment
  - Anticipated hours/working schedule (including variable schedules if applicable)
  - Annual salary or hourly wage
  - Provided benefits
- The contract or letter must be signed by the employee and employer and must be updated following any changes in the terms of employment or compensation.
- A copy of the contract or offer letter must be maintained in the employee's staff record in DELLT.



# Staff Records

- For each lead or assistant teacher covered by the Fund, in addition to any other staff person whose salary is paid in whole or part with CDF payroll funding formula funds, the facility must maintain up-to-date staff records in DELLT.
- Records must include:
  - Base salary or wages, which may be provided in an hourly or annual format,
  - Participation in health and other benefits programs,
  - Documentation of the employee's offer letter, employment contract, or other documentation reflecting the employee's salary or wages, and
  - Documentation of staff credentials as required by licensing.
- These records shall be reviewed, updated and submitted for approval by licensing staff by the date(s) prescribed by OSSE.



# Enrollment and Tuition and Fees

- The provider shall provide quarterly a report on the facility's total enrollment, by age of children served, and the number of enrollment vacancies.
- The provider shall provide to OSSE annually a schedule of tuition and fees charged to tuition-paying families.



# Fiscal Requirements

- Provider must maintain workers' compensation insurance for all employees, in accordance with the District's Worker's Compensation Act of 1979.
- Provider must comply with the District's Living Wage Act of 2006.
  - Providers must sign the District of Columbia Living Wage Act of 2006 Affirmation Form.
  - Providers shall provide this certification to OSSE annually.
- Providers must comply with the District's Universal Paid Leave Amendment Act of 2016.



# Annual Observations

- Providers must allow OSSE to conduct annual classroom observations and evaluations.
- Subsidy providers are required to participate in Capital Quality, which will satisfy this requirement.
- For non-subsidy providers:
  - OSSE shall not report or share observation results or assign a rating or other quality designation to a facility.
  - OSSE shall share program-level results of observations with the child development facility.
  - OSSE shall include the results of observations in aggregated reports that include information from observed licensed child development facilities, without disclosing information specific to a child development facility.
  - OSSE may share the results of observations with independent researchers while preventing the disclosure of any information specific to a child development facility.



# Records; Right to Inspect and Copy

- Providers shall maintain a copy of all employee contracts, offer letters, salary schedules and all other documents necessary for the Agreement for a period of no less than five 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.
- OSSE shall have the right to inspect and copy all records.





# Monitoring and Auditing

- Providers shall cooperate fully with all monitoring and auditing to verify recordkeeping and compliance with terms of the agreement.
- Providers will be monitored quarterly for compliance with the minimum salary requirements. OSSE will provide more information on the monitoring process later this fall.
- OSSE will conduct an annual audit of a subset of child development facilities to review staff records and compliance with the minimum salary requirements.
- OSSE reserves the right to audit any child development facilities flagged in DELLT based on irregularities in staffing patterns.



# Taxes and Other Fees

- The provider is solely responsible for the payment of all taxes and fees incurred from the payments received pursuant to this agreement.
- The provider is responsible for paying all employer taxes and ensuring appropriate employee tax withholding on salary payments to staff.



# Indemnification and Availability of Funds

- The provider will protect and hold harmless the District and its agents against any assessments, fines or penalties imposed on the District as a result of an act, omission or default of the provider, its employees, agents or subcontractor in connection with any work required or performed under the agreement.
- The District's obligation to fulfill financial obligations under the agreement are contingent upon the availability of appropriated funds as approved by DC Council and subject to associated statutes.



# Duration of Agreement

- The agreement will be in effect from the date it is signed by OSSE's Deputy Superintendent of Early Learning until Sept. 30, 2024.
- The agreement may be extended annually, provided written notice is given by OSSE to the provider.
- The agreement may not be extended more than four times from the original date.



# Termination of the Agreement

FY24 Opt-Out Deadlines	
Quarter	Deadline
Quarter one	Oct. 15, 2023
Quarter two	Jan. 15, 2024
Quarter three	April 15, 2024
Quarter four	July 15, 2024

- Should a provider want to end their participation in the FY24 Early Childhood Educator Pay Equity Fund, they must report to OSSE prior to the 15th day of the first month of the quarter in which the provider intends to terminate this agreement
  - Providers will not receive additional payments after the effective date of termination, except where appropriate to correct past underpayments.
- Providers who receive funds and later opt-out of the program must continue to pay eligible staff at least the required minimum salaries until the start of the following quarter.
  - Example: A facility that receives funds for quarter one in December and decides to opt-out in January, must meet the minimum salary requirements through March 2024.
- The District may terminate this agreement 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 and the date of termination.



# Modification of Agreement

- The agreement may be modified, renewed or extended in writing only and the parties must sign and date any modifications to the agreement.
- Should OSSE need to amend award payments, based on actions of the DC Council, OSSE will unilaterally modify the agreement.
- In the event of a reduction in funding, OSSE will provide guidance to child development facilities on adjustments to the minimum salary requirements.



# Resolution of Disputes, Waiver/Release and Representative Payee

- **Dispute Resolution:** Providers/OSSE should attempt to resolve any disputes arising from the agreement informally. If that is not possible, providers may submit written statements of dispute. OSSE will review and attempt to resolve. If the provider appeals a decision, the state superintendent will make a final decision.
- **Waiver/Release:** The District shall not be liable for any injury, claim or loss to person or property arising out of or as a result of the performance of the agreement.
- **Representative Payee:** A provider must designate a representative to receive any outstanding payment owed to the authorized provider, in the event of incapacitation or death.



# Hiring of District Residents

- Any newly created employee positions must comply with the District First Source Act, which requires least 51 percent of all new jobs created as a result of a contract to be performed by residents of the District of Columbia.
- This is standard District contracting language, which is also included in the Child Care Subsidy Provider Agreement.
- The requirement does not apply to existing staff and does not apply to filling vacancies in positions that existed prior to a facility's participation in the Early Childhood Educator Pay Equity Fund.
- In general, OSSE does not expect that child development facilities will be hiring new staff as a result of complying with the Early Childhood Educator Pay Equity Fund Provider Agreement.





# Remedies for Non-Compliance

- OSSE shall investigate all allegations of misconduct and noncompliance.
- Providers receiving a notice of noncompliance will have an opportunity to correct the issue. Providers may appeal a determination of noncompliance.
- Following two infractions of noncompliance, a provider may be identified publicly on My Child Care DC.
- Following three infractions, a provider may be terminated from the program for a minimum of one year. Providers may appeal a determination of termination.
- Noncompliance and termination appeals shall be reviewed by OSSE. All review determinations are final.



# Remedies for Non-Compliance Cont'd.

- If a provider fails to comply with the agreement, OSSE may:
  - Temporarily withhold payments;
  - Wholly or partly suspend or terminate the current agreement;
  - Not exercise option years or renew at OSSE's discretion;
  - Recoup any overpayments based on audit finding, investigation findings, late termination or calculation errors; and
  - Take any other actions that may be legally available.
- 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.
- 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.



# Disallowance of Cost/Payments

- OSSE shall disallow any costs or payments that:
  - OSSE determines were not expended in compliance with the agreement.
  - OSSE is unable to verify whether they were expended in compliance with the agreement due to the provider's failure to retain and/or provide appropriate documentation.
- Providers will be obligated to return all disallowed costs or payments.



# Supersession, Assignability and Signatures

- The agreement supersedes any and all prior agreements between the provider and the District regarding the Early Childhood Educator Pay Equity Fund.
- The parties may not assign or transfer the agreement or any right or obligation of this agreement, by operation of law or otherwise.
- The agreement must be signed by OSSE and the child development facility to be fully executed.





# Waiver Process

# Waiver Process

- OSSE will offer a waiver process in FY24 for child development facilities that cannot afford to meet the minimum salaries for all eligible staff.
- Later this fall, OSSE will share information with child development facilities about how to apply for a waiver, the specific criteria a facility must meet to be granted a waiver and requirements a facility that receives a waiver must adhere to.



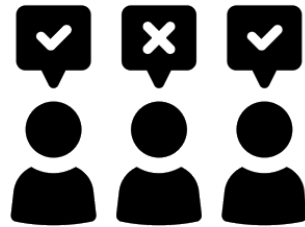
# Waiver Process

- Facilities requesting a waiver will be required to share financial information with OSSE to document their inability to meet the minimum salary requirements without operating at an unsustainable budget deficit, among other requirements.
- Facilities that are granted a waiver will be required to use FY24 Early Childhood Educator Pay Equity Fund monies to raise salaries for eligible educators even if they cannot raise them enough to meet the FY24 minimum salaries.



# Please tell us what language you attended today's session in.

Please respond to the Zoom poll on screen







# Q&A

Thank you for  
attending today's  
information  
session!

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

Resources:

- [Frequently Asked Questions for Child Development Facility Leaders](#)
- [Sample FY24 Early Childhood Educator Pay Equity Fund Provider Agreement \(for non-subsidy providers\)](#)
- [Sample FY24 Early Childhood Educator Pay Equity Fund Provider Agreement Addendum \(for subsidy providers\)](#)

Questions:

- [OSSE.ECEPayEquity@dc.gov](mailto:OSSE.ECEPayEquity@dc.gov)