



EARLY CHILDHOOD EDUCATOR PAY EQUITY FUND

Early Childhood Educator Pay Equity Fund Frequently Asked Questions for Child Care Providers

About the Early Childhood Educator Pay Equity Fund

1. What is the Early Childhood Educator Pay Equity Fund?

The Early Childhood Educator Pay Equity Fund is a special fund of the District of Columbia Government to support child care providers to increase compensation of early childhood educators they employ. The program is administered by the Office of the State Superintendent of Education (OSSE). OSSE implements the Early Childhood Educator Pay Equity Fund based on District law and the guidance of the Early Childhood Educator Equitable Compensation Task Force (“task force”).

2. How does the Early Childhood Educator Pay Equity Fund work?

OSSE distributes program funds directly to child care providers to increase compensation for early childhood educators. The amount of funding a provider receives is calculated using a [funding formula](#).

To receive funds, a child care provider must operate a child development facility or facilities that are licensed by OSSE to care for infants, toddlers and/or preschoolers and agree to pay eligible early childhood educators, by position and degree, salaries that meet or exceed the [minimum salaries](#) established by OSSE.

Child care providers that receive funds are required to pay eligible early childhood educators minimum salaries established for the program, unless they have an approved waiver.

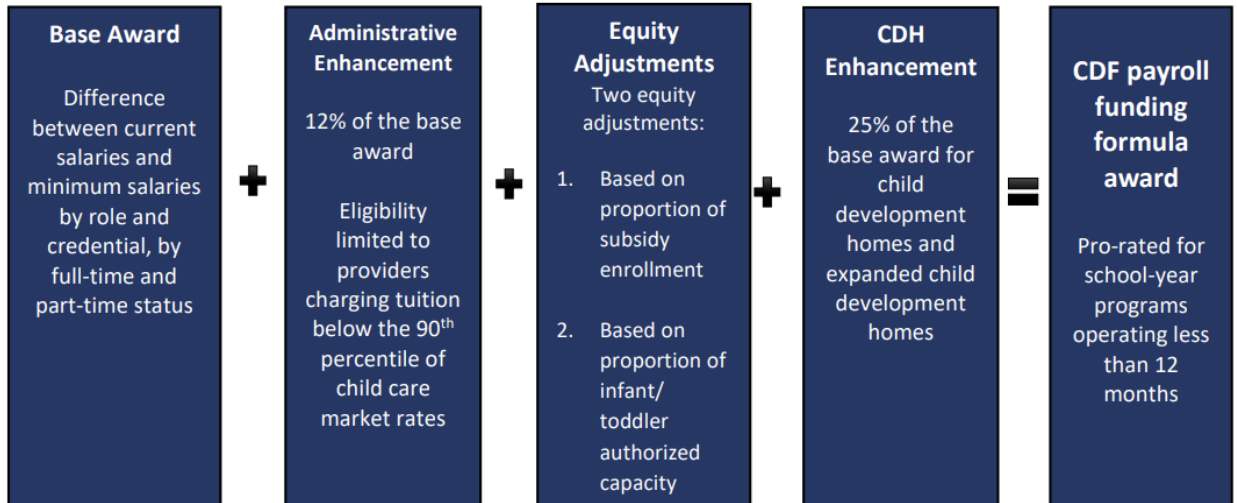
To participate in the Early Childhood Educator Pay Equity Fund, a child care provider must opt-in to the program through the process designated by OSSE.

Child Development Facility (CDF) Payroll Funding Formula

3. What are the components of the funding formula?

Figure 1 shows the funding formula effective as of Oct. 1, 2024. OSSE updated the [funding formula](#) based on the recommendations of the task force and hosted virtual information sessions to walk providers through the formula and highlight updates. Links to recordings of those sessions and slides can be found [here](#).

Figure 1. CDF Payroll Funding Formula (effective Oct. 1, 2024)



4. I am a child care provider who has been identified as operating one or more child development facilities that charges tuition at or above the 90th percentile of the child care market rates, how long will my program’s award be adjusted based on our tuition rate?

Providers identified as charging tuition at or above the 90th percentile will not have an administrative enhancement or infant-toddler equity adjustment included in their quarterly award calculation for the duration of FY25. OSSE will review tuition data each fiscal year to identify those providers whose payments will be calculated using the calculation for providers that charge tuition rates at or above the 90th percentile.

Quarterly Award Calculations

5. How does OSSE calculate a provider’s quarterly award?

Child care providers that participate in the program receive award payments on a quarterly basis. OSSE uses the funding formula found in Figure 1 to determine the amount of funding a child care provider receives. A provider’s award is calculated quarterly based on information in the Division of Early Learning Licensing Tool (DELLT) and child care subsidy system. Employees who have one of the following staff types, hold a Child Development Associate (CDA) credential or higher, have the required supporting documentation uploaded correctly in DELLT (e.g., proof of educational qualifications uploaded in the Educational Qualifications field of the Attachments section, etc.) with a status that is labeled “Approved” or left blank, will be included in the quarterly award calculation:

- Lead teacher: teacher, Montessori teacher, home caregiver, expanded home caregiver

- Assistant teacher: assistant teacher, Montessori assistant teacher, Pre-K Enhancement and Expansion Program (PKEEP) assistant teacher or associate caregiver

OSSE will determine the highest credential held by eligible employees as documented in DELLT. All facilities, regardless of participation in the Early Childhood Educator Pay Equity Fund, are required to update staff records in DELLT in accordance with OSSE's licensing regulations.

6. I reviewed my quarterly award statement and I believe there are errors, what should I do?

Providers who believe there is an error(s) in their award calculation should notify OSSE by sending an email to OSSE.ECEPayEquity@dc.gov. Providers must report errors within 30 calendar days of the date they were notified their award payment was distributed. Each quarter, OSSE sends an email to participating providers to notify them award payments have been distributed. This notification informs the provider that their payment has been distributed via direct deposit or paper check (depending on the provider's preference) and gives a specific deadline for reporting errors that is 30 calendar days from the date the notification is sent. Note, this notification is different from the notification that participating providers receive when award statements are published in DELLT. The notification that award statements are published in DELLT is sent before the notification that award payments have been distributed. Providers may report errors to OSSE before their payment is distributed (e.g., during the period between when the award statement is published in DELLT and when they are notified award payments were disbursed); however, any necessary adjustments will be issued the following quarter.

When emailing about the error(s), a provider should identify the staff member(s) they believe was assigned an incorrect wage supplement. OSSE will research the issue and if OSSE determines that the provider received an underpayment as the result of OSSE personnel or system error, a payment adjustment will be issued the following quarter. OSSE will issue all providers who report a suspected error(s) a memorandum detailing its findings.

7. Are directors, assistant directors, administrative staff, floaters and/or substitutes included in a provider's award calculation?

No. Individuals who have a staff type of director, assistant director, administrative staff, floater and/or substitute in DELLT are not included in a provider's award calculation. However, child care providers have discretion in how they spend their funding award and may use funds to compensate additional staff, including directors, assistant directors, administrative staff, floaters, substitutes and individuals employed in other roles, as long as they are meeting the minimum salary requirements for eligible lead teachers and assistant teachers.

8. Are individuals who are employed by third-party staffing agencies who work at child development centers and expanded homes included in a provider’s award calculation?

No. Individuals who work at child development centers and expanded homes but are employed by third-party contracting agencies are not included in a provider’s award calculation. Further, these individuals should not have records in DELLT as they are not employed by the facility.

Individuals employed by third-party contracting agencies who work at child development centers and expanded home serve as substitutes. The child care licensing regulations define a substitute as: “A person who performs the duties and responsibilities of a teacher or an assistant teacher for a period of one full day but no longer than three consecutive weeks when the assigned teacher or assistant teacher is unavailable due to illness, personal leave or other reasons.”

9. If a provider that is participating in the program has an eligible lead teacher and/or assistant teacher who achieves a higher credential or transitions to a different staff type, will their award payment be updated?

The data used to calculate a provider’s award are pulled from DELLT and the child care subsidy system each quarter. Each quarter, child care providers should review and update staff records and include the necessary supporting documentation in DELLT prior to the deadline to update staff records prescribed by OSSE. The deadlines to update staff records for FY25 are:

- Quarter one: Oct. 31, 2024
- Quarter two: Jan. 31, 2025
- Quarter three: April 30, 2025
- Quarter four: July 31, 2025

OSSE will not make adjustments to quarterly payment amounts based on any changes in the number of lead and assistant teachers, changes in credentials held by staff or changes in subsidy enrollment that occur after the quarterly deadline to update staff records prescribed by OSSE. For more information, see the guide on [how staffing changes impact funding formula awards](#).

Minimum Salary Requirements

10. What are the minimum salary requirements?

Child care providers that receive funds from the program must pay eligible lead teachers and assistant teachers (as defined for the Early Childhood Educator Pay Equity Fund) salaries that meet or exceed the [minimum salaries](#), unless the provider has an approved waiver. The minimum salaries for FY25 are found in the table below.

Role	Credentials	Minimum Salaries for FY25 (annual salary)	Minimum Salaries for FY25 (hourly wage)
<ul style="list-style-type: none"> Assistant Teacher 	CDA or equivalent	\$51,006	\$24.52/hour
<ul style="list-style-type: none"> Associate Home Caregiver 	Associate degree or higher or 60 hours of college-level coursework in any field	\$54,262	\$26.09/hour
<ul style="list-style-type: none"> Lead Teacher Expanded Home Caregiver 	CDA or equivalent	\$51,006	\$24.52/hour
<ul style="list-style-type: none"> Home Caregiver 	CDA or equivalent	\$54,262	\$26.09/hour
<ul style="list-style-type: none"> Lead Teacher Home Caregiver Expanded Home Caregiver 	Associate degree in ECE; associate degree with greater than or equal to 12 credit hours in ECE; or 60 hours of college-level coursework with greater than or equal to 12 credit hours in ECE	\$63,838	\$30.69/hour
	Bachelor's degree or higher in ECE or bachelor's degree or higher with greater than or equal to 12 credit hours in ECE	\$75,103	\$36.11/hour

Employers participating in the program are required to meet or exceed the minimum salaries required for full-time, year-round staff. Child care programs with staff who work part time or part of the year should pay hourly wages or salaries that are equivalent to or greater than the hourly wages listed. For more information see this [guide for determining an educator's minimum salary](#).

Providers that do not receive funds from the program 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.

11. Is there a minimum salary requirement for assistant teachers who do not hold a minimum of a CDA?

No. Effective January 2025, there is no minimum salary requirement for educators who do not hold a minimum of a CDA (e.g., educators whose highest credential is a high school diploma or GED; educators who are enrolled in a CDA or degree program but have not yet earned the credential). Child care providers will not receive award funds for staff who hold less than a CDA.

All child care providers must meet local and federal 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 DC Child Care Subsidy Program, the Living Wage Act of 2006.

Effective July 1, 2024, the District's Minimum Wage and Living Wage are both \$17.50/hour. Effective July 1, 2025, the District's Minimum Wage and Living Wage will increase to \$18.00 per hour. However, providers may choose to pay their staff above the minimum wage.

Child care providers should communicate with staff who may see their salary or wage change.

12. When are child care providers required to meet the minimum salaries for FY25?

Child care providers are required to pay eligible staff wages or salaries that meet or exceed the minimum salary requirements for FY25 following receipt of their first quarterly award payment in FY25. This means child care providers participating in quarter one of FY25 must pay eligible staff wages or salaries that meet or exceed the minimum salary requirements for FY25 beginning in January 2025, unless they have an approved waiver from FY24 that was extended.

Child care providers must meet the minimum salary requirements through hourly wages or annual salaries paid to employees through their regular paychecks. Bonuses or quarterly supplemental payments are not allowable methods for meeting the minimum salary requirements.

OSSE will conduct monitoring on a quarterly basis and will require that child care providers submit record of payroll following payment disbursement.

13. If a child care provider hires an early childhood educator in an eligible role after the provider's award is calculated, when is the child care provider required to begin paying the early childhood educator the minimum salary?

Child care providers are required to pay all eligible staff the minimum salary aligned to their staff type and highest credential, unless they have an approved waiver. If an early childhood educator is hired in an eligible role after the provider's award is calculated, the provider must create a staff record in DELLT for the new hire and include all required supporting documentation. The child care provider must pay the early childhood

educator the minimum salary following OSSE approval of the early childhood educator's staff record in DELLT. For more information see the guide on [how staffing changes impact funding formula awards](#).

14. If a child care provider has eligible staff who achieve a new credential that increases their minimum salary, when is the provider required to begin paying the increased salary?

Child care providers are required to pay all eligible staff the minimum salary aligned to their staff type and highest credential, unless they have an approved waiver. If an early childhood educator earns a new credential that changes their minimum salary, the provider must update the educator's staff record in DELLT to reflect the new credential with supporting documentation. The facility must pay the early childhood educator the minimum salary aligned to their role and highest credential following OSSE's approval of the staff record in DELLT. For more information, see the guide on [how staffing changes impact funding formula awards](#).

15. Why is the minimum salary for PKEEP teachers who have a bachelor's degree different than the Early Childhood Educator Pay Equity Fund minimum salary requirement for a lead teacher with the same or equivalent credential?

The minimum salary requirement for a PKEEP teacher in FY25, as required by the PKEEP program, is \$63,373. The minimum salary requirement for an eligible lead teacher with a bachelor's degree (or higher) in ECE or a bachelor's degree (or higher) with greater than or equal to 12 credit hours in ECE is \$75,301. The salaries are different because the PKEEP teacher minimum salary requirement is based on a 10-month salary schedule and the Early Childhood Educator Pay Equity Fund minimum salary requirement for a lead teacher with a bachelor's degree is based on a 12-month salary schedule. **Both annual salaries translate to approximately the same hourly wage rate.** PKEEP teachers are not included in the definition of eligible teachers for the Early Childhood Educator Pay Equity Fund and therefore are not included in a facility's CDF payroll funding formula award. Child care providers are not required to meet the Early Childhood Educator Pay Equity minimum salaries for PKEEP teachers.

How to Participate in the Early Childhood Educator Pay Equity Fund

16. I would like my business to participate in Early Childhood Educator Pay Equity Fund. How do I opt in?

All child care providers that want to participate in the Early Childhood Educator Pay Equity Fund need to opt-in to the program and enter into an agreement with OSSE. Child care providers who do not currently participate in the Early Childhood Educator Pay Equity Fund should [follow the steps in this guide](#) to complete the application process. Child care providers who participate in the DC Child Care Subsidy Program and want to participate in the Early Child Educator Pay Equity Fund starting in FY25 should contact their education services monitor (ESM).

Child care providers that offer only out of school time (OST) programming are not eligible to participate in the Early Childhood Educator Pay Equity Fund. Staff types for individuals who work at OST-only programs include group leader or assistant group leader. Teacher and assistant teacher are not allowable staff types for individuals who are employed at OST-only programs. Facilities that offer OST-only programming should ensure staff records in DELLT reflect the appropriate role for those individuals.

17. I am a business owner currently participating in the Early Childhood Educator Pay Equity Fund and have opened a newly licensed facility. How do I add the new facility to my existing provider agreement?

If you are a business owner that has a newly licensed facility and you want to add that facility to your Early Childhood Educator Pay Equity Fund Provider Agreement, you must email OSSE.ECEPayEquity@dc.gov to inform OSSE of this new facility. OSSE will issue a new Early Childhood Educator Pay Equity Fund Provider Agreement and add your new facility to the agreement. This agreement must be signed and returned by the owner/operator by the quarterly deadlines imposed by OSSE for the new facility to be included in the next quarterly award distribution. Child care providers who participate in the DC Child Care Subsidy Program should notify their ESM if they want a facility they are adding to their Provider Agreement for Subsidized Child Care Services to also be added to their Early Childhood Educator Pay Equity Fund Addendum.

18. The Early Childhood Educator Pay Equity Fund Provider Agreement and Early Childhood Educator Pay Equity Fund Provider Agreement Addendum include a provision on the “Hiring of District Residents.” If my business completes the agreement, will I have to ensure that 51 percent of any new hires in any of my facilities are District residents?

No. The Early Childhood Educator Pay Equity Fund Provider Agreement and Early Childhood Educator Pay Equity Fund Provider Agreement Addendum include standard District of Columbia contracting language related to the hiring of District residents. The hiring requirement applies to newly created positions that are the result of the contract or agreement. That is, if employees are hired for purposes related to the provider’s participation in the Early Childhood Educator Pay Equity Fund, 51 percent of new hires should be District residents, per the agreement. The requirement does not apply to existing staff and does not apply to filling vacancies in positions that existed prior to a child care provider’s participation in the Early Childhood Educator Pay Equity Fund. In general, OSSE does not expect child care providers to hire new staff as a result of complying with the agreement.

19. I am a child care provider and have concerns that my business lacks sufficient revenues to meet the minimum salaries for all eligible staff. Are additional supports available?

OSSE has established a waiver process for child care providers that lack sufficient revenues to meet the minimum salaries for all eligible staff.

For more information on the requirements to receive a waiver and the timeline and process for submitting a waiver application, see the [Waiver Policy for FY25](#). The waiver application for FY25 is available [here](#).

Using Award Funds

20. How can child care providers spend their awards payments?

A child care provider must use the funds they receive from the program to meet the minimum salary requirements for eligible lead teachers and assistant teachers, unless they have an approved waiver. Should a provider have funds in excess of those required to meet the minimum salaries for all eligible staff covered by the Early Childhood Educator Pay Equity Fund, the child care provider may use the remaining funds to:

- Pay staff wages or compensation for other child care provider employees.
- Pay costs of health and other fringe benefits for early childhood educators and other child care provider 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 child care provider associated with providing care and early education services to children.

21. Can child care providers use award funds to pay staff in the form of a bonus rather than as a raise in their pay rate?

No. Child care providers are required to meet the minimum salary requirements for eligible teachers and assistant teachers through their regular pay following receipt of the facility's first quarterly payment. Child care providers may not meet the minimum salary requirements through bonuses or quarterly supplemental payments.

22. Are child care providers responsible for paying taxes on the award payments they receive from OSSE?

The funds a provider receives from the program are revenues received by the child care provider and must be reported as such in the provider's tax filing/reporting. Child care providers are also responsible for paying employer payroll and other taxes and withholding taxes on wages and salaries paid to their employees, including wages and salaries increased as a result of the provider's participation in the Early Childhood Educator Pay Equity Fund. Child care providers with questions about how receipt of Pay Equity Funds may affect the provider's tax liability are encouraged to consult with their accountant or another tax professional.

23. Will a child care provider's award cover the entire cost of salaries to meet the minimum salary requirements for eligible lead teachers and assistant teachers?

A child care provider's award is meant to help the provider reach the minimum salary requirements for eligible lead teachers and assistant teachers (as defined for purposes of the Early Childhood Educator Pay Equity Fund). Child care providers are to use their CDF payroll funding formula award, in addition to funding they receive from other

revenue sources (e.g., family tuition payments, child care subsidies, Head Start or Early Head Start funds), to meet the required minimum salaries. Child care providers are not expected to meet the minimum salaries until after they have received their first CDF payroll funding formula award payment.

Staff Credentials

24. I have questions about the highest credential a staff member is assigned and approved for in DELLT. Who should I contact?

Child care providers should contact OSSE.ChildCareLicensing@dc.gov if they have questions about an employee's credentials in DELLT. For purposes of the Early Childhood Educator Pay Equity Fund, staff members with an approved staff record in DELLT who are in an eligible staff type will be included in the provider's award statement based on the highest credential uploaded and approved by OSSE in DELLT.

If a business owner has questions about how staff can meet the [minimum education requirements](#), they should contact OSSE's ECE Help Desk by emailing ECEhelpdesk@dc.gov.

Change in Employer Identification Number or Change in Entity or Ownership

25. My business has updated its Employer Identification Number (EIN). Do I need to notify OSSE?

Yes. Businesses that change their EIN must notify OSSE immediately by taking the following steps:

- Submitting the following information to their assigned licensing specialist:
 - An email to their assigned licensing specialist notifying them of the change
 - An application for a new license with all required documents

26. What if my business changes ownership, can my Early Childhood Educator Pay Equity Fund Provider Agreement be transferred to the new owner?

No. The Provider Agreement is not transferable. Additionally, licenses issued by OSSE are not transferable. Child care providers participating in the Early Childhood Educator Pay Equity Fund that intend to sell their business to new ownership should contact OSSE at OSSE.ChildCareLicensing@dc.gov for support navigating the closure process. When the new ownership has completed the [licensing process](#) and has an active license(s) for the facility or facilities it acquired, they may contact the Early Childhood Educator Pay Equity Fund team for support opting in to the program.

Questions?

For questions about [Early Childhood Educator Pay Equity Fund](#), [CDF payroll funding formula](#) or [minimum salaries](#), email OSSE.ECEPayEquity@dc.gov.