



OFFICE OF THE STATE SUPERINTENDENT OF EDUCATION

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

FROM: Sara Mead
Deputy Superintendent of Early Learning

RE: Waiver Policy for Fiscal Year 2025 (FY25) Early Childhood Educator Pay Equity Fund

DATE: Nov. 7, 2024

I. Summary

The Office of the State Superintendent of Education (OSSE) may waive compliance with the minimum salary requirements for fiscal year 2025 (FY25) of the Early Childhood Educator Pay Equity Fund if a child care provider demonstrates their inability to meet the minimum salary requirements without operating at an unsustainable budget deficit and meets the identified criteria. This document offers guidance on the waiver process for FY25.

II. Waiver Application Timeline and Process for Providers Participating in Quarter 1 (Q1) and/or Q2 of the Early Childhood Educator Pay Equity Fund in FY25

Child care providers that lack sufficient revenues to meet the minimum salary requirements for FY25 for all eligible early educators may apply for a waiver of the salary requirements. Providers currently participating in the Early Childhood Educator Pay Equity Fund who wish to receive a waiver of the minimum salary requirements for FY25 must apply for a waiver by Dec. 10, 2024. OSSE will review all applications and notify providers if their application was approved or denied by Jan. 31, 2025. All determinations made by OSSE are final.

Waivers issued for FY24, which are active through Dec. 31, 2024, do not apply to FY25. Child care providers previously approved for a waiver of the minimum salary requirements must re-apply if they wish to continue to receive a waiver of the minimum salary requirements for FY25. Child care providers that applied for a waiver in FY24 and were denied, may re-apply for a waiver for FY25.

Providers with FY24 waivers who apply for a FY25 waiver will have their FY24 waiver automatically extended through March 31, 2025, and may continue to pay salaries based on their approved waiver from FY24 pending OSSE’s review of their waiver application for FY25. Providers with an approved waiver from FY24 who do not apply for a waiver for FY25 must begin meeting the minimum salary requirements for FY25 in January 2025.

Providers without FY24 waivers, who participated in FY24 of the Early Childhood Educator Pay Equity Fund and apply for a waiver for FY25, must meet the minimum salary requirements for FY25 until notification of an approved waiver.

Providers whose waiver application is not approved by OSSE, may choose to opt out of the program for Q2 or remain in the program and pay eligible staff wages or salaries that meet or exceed the minimum salaries for FY25.

III. Waiver Application Timeline and Process After the Second Quarter of FY25

Providers who enter the program after Dec. 10, 2024 will have the opportunity to apply for a waiver when they opt-in to the program. If granted, the waiver will apply to subsequent quarters of a provider’s participation in the program.

Providers participating in the Early Childhood Educator Pay Equity Fund in FY25 who do not apply for a waiver by Dec. 10, 2024 may apply for a waiver in future quarters but must meet minimum salary requirements for all quarters for which they do not have an approved waiver.

The eligibility criteria, requirements and required application information are the same regardless of when a provider applies for a waiver.

Quarter	Deadline for Submitting a Waiver
Q1	Dec. 10, 2024
Q2	Dec. 10, 2024
Q3	March 15, 2025
Q4	June 15, 2025

IV. Requirements to Receive a Waiver

Any provider who has employees¹ and enters into an agreement to participate in the Early Childhood Educator Pay Equity Fund in FY25 may apply for a waiver. To be granted a waiver, a provider must meet the following requirements:

¹ Home and expanded home caregivers are small business owners and are often self-employed. As business owners, some home caregivers and expanded home caregivers may not take a salary, but rather receive profits of

- Demonstrate that the child care provider's revenues cannot cover the costs to operate while paying minimum required salaries for the Early Childhood Educator Pay Equity Fund, even after considering the provider's anticipated child development facility (CDF) payroll funding formula revenues.
- Provide an assurance that the provider will use all funds received from the CDF payroll funding formula to increase salaries or wages for eligible teachers and assistant teachers, cover taxes and mandatory benefits associated with higher salaries or wages and/or provide health or other discretionary benefits for staff.
- Agree to participate in the [DC Shared Services Business Alliance](#) (DC SSBA) support for the Early Childhood Educator Pay Equity Fund program to receive technical assistance on business practices and financial sustainability, including sharing relevant business financial information as requested.

The following criteria must be met by all providers eligible to receive a waiver:

- Base undiscounted tuition rates for full-time, traditional child care do not exceed the 75th percentile of child care market rates for any age group of children (or the pro-rated equivalents for part-time or school-year only care);
- The provider is not operated by or in a business relationship with a for-profit child care business associated with six or more total child care facilities operating in the District or other jurisdictions;
- Each participating child development facility operated by the provider must maintain enrollment at or above 30 percent of its authorized capacity;
- The number of eligible educators employed by the child development facility does not exceed the following:
 - For a child development home or expanded child development home, the number of eligible early educators is less than the total number of enrolled children;
 - For a child development center, the number of lead teachers does not exceed the minimum number of teachers required to comply with OSSE licensing regulations;
- Facilities covered by the waiver deliver child care services for at least eight hours a day.

the business. Child development homes (CDHs) and expanded child development homes (CDXs) who have employees other than the business owner and participate in the Early Childhood Educator Pay Equity Fund are required to demonstrate that they meet minimum salary requirements for their employees. However, OSSE will not require CDHs or CDXs to demonstrate compliance with the minimum salary requirements for home caregivers or expanded home caregivers who are self-employed small business owners.

V. Application Requirements

Providers applying for a waiver must submit the following information with their application:

- A complete Early Childhood Educator Pay Equity Waiver Application for FY25 in the format prescribed by OSSE.
- A certified financial statement showing the program’s revenues and expenses for the most recent fiscal year available.
 - If a certified financial statement is not available, a provider may submit alternative documentation that details the program’s revenues and expenses.
 - For child care providers that received Early Childhood Educator Pay Equity Funds during the most recent fiscal year available, these funds must be reflected in the revenues and expenses shown on the statement or other documentation.
- Projected monthly or annual budget for FY25 showing the provider’s anticipated CDF payroll funding formula revenue and operating costs if the provider pays all eligible teachers and assistant teachers the minimum required salaries for FY25.
- A summary statement outlining why the provider is unable to meet the minimum salaries for FY25. If the provider participated in the Early Childhood Educator Pay Equity Fund in FY24 without a waiver, the statement should address why the provider can no longer meet the minimum salary requirements.
- Payroll records or related documents that demonstrate the salaries paid to all eligible educators as of Sept. 30, 2024, before any adjustments related to the Early Childhood Educator Pay Equity Fund in FY25.

VI. Requirements for Providers with Approved Waivers

Providers with approved waivers shall do the following:

- Submit to OSSE on or before the date specified by OSSE a salary schedule that describes the wages or salaries that the provider will pay to eligible teachers or assistant teachers following receipt of the first quarterly CDF payroll funding formula award. OSSE reserves the right to review, approve and/or request modification of the salary schedule to ensure adequate and equitable increased pay for eligible early childhood educators employed by the provider.
 - **If participating in the Early Childhood Educator Pay Equity Fund for the first time in FY25**, the *minimum wages or salaries paid to teachers and assistant teachers must be higher than the wages or salaries paid as of Sept. 30, 2024, as documented by the provider in the waiver application but are not required to meet the minimum salary requirements for the Early Childhood Educator Pay Equity Fund in FY25.*

- Following receipt of the first quarterly CDF payroll funding formula and for the remainder of FY25, pay eligible educators wages or salaries in accordance with the provider's approved salary schedule.
- Demonstrate, through submission of financial data and reports in the format prescribed by OSSE, that CDF payroll funding formula awards are used in only the following ways:
 - to raise wages or compensation of eligible teachers and assistant teachers, including associated payroll taxes.
 - to pay administrative costs associated with implementing the salary scales and meeting OSSE requirements related to the Early Childhood Educator Pay Equity Fund as outlined in the Provider Agreement.
 - to pay costs of health and other fringe benefits for early childhood educators and other child development facility employees.
- Provide to OSSE or its designees, upon request:
 - Monthly child enrollment data
 - Annual operating budget
 - Certified financial statements
 - Most recent available annual tax filing.
- Be subject to increased Early Childhood Educator Pay Equity Fund monitoring.

VII. Terms of the Waivers

The following terms shall apply to all Early Childhood Educator Pay Equity Fund waivers for FY25:

- Waivers are issued at the discretion of OSSE and may be revoked by OSSE at any time, upon violation of any condition attached to the waiver.
- Approved waivers will be in effect for the remainder of FY25 and will be revoked with the termination of an Early Childhood Educator Pay Equity Fund Provider Agreement for FY25 or Early Childhood Educator Pay Equity Fund Provider Agreement Addendum for FY25.
- Noncompliance with the terms of the waiver shall void the waiver and require compliance with the minimum salary requirements for FY25. Non-compliance with the minimum salaries for FY25 without an approved waiver will result in a non-compliance finding for the Early Childhood Educator Pay Equity Fund in FY25.
- Child development facilities that receive a waiver may choose to terminate their participation in the Early Childhood Educator Pay Equity Fund in FY25, subject to the terms included in the Early Childhood Educator Pay Equity Fund Provider Agreement/Addendum for FY25.

- Should a facility that holds a waiver choose to terminate its participation in the Early Childhood Educator Pay Equity Fund in FY25, OSSE will continue enhanced monitoring of the provider's compliance during all quarters for which the provider received a CDF funding formula award payment and may issue a non-compliance finding if a provider is found to be out of compliance with the terms of its waiver during the period in which it was participating in the program.
- Providers operating under a waiver who terminate their participation in the Early Childhood Educator Pay Equity Fund in FY25 may not reapply for another waiver in FY25 if they attempt to rejoin the program.