

Child Care Program Directors' Reflections on DC's Early Childhood Educator Pay Equity Fund

Findings from the DC Child Care Policy Research Partnership

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KEY FINDINGS

Program directors generally expressed support for the Pay Equity Fund,

sharing how the fund made staff feel valued and recognized for their work and the various ways in which recipients have used the fund.

Child care programs have advertised the Pay Equity Fund to attract new staff,

and directors reflected that it may support staff retention.

Directors raised concerns about equity and fairness related to the Pay Equity Fund,

reflecting that all child care staff, including support staff and directors, should be eligible in addition to teaching staff.

The Birth-to-Three for All DC Act, passed in 2018, set a vision for improving access to affordable, high-quality early care and education for every DC infant and toddler and outlined the need for pay equity to recruit qualified workers. Three years later, the DC Council established the Early Childhood Educator Pay Equity Fund (“Pay Equity Fund”) to achieve pay parity by prioritizing improved compensation for early educators. To realize this goal, the fund leverages a tax on individuals earning more than \$250,000 a year to sustainably fund supplemental payments to early educators in licensed child development centers and homes. This supports the goal of pay parity, which means that early educators working in licensed child care facilities will be paid the same minimum salary as DC Public School teachers with the same educational degree. Eligible workers include lead and assistant classroom teachers in centers and operators of licensed homes and expanded homes and their staff (referred to in DC as “lead home caregivers” and “associate home caregivers”).

In FY 2022, early educators were eligible for a one-time direct payment equaling \$10,000 for a full-time assistant teacher and \$14,000 for a full-time lead teacher. In FY 2023, direct payments to early educators are being made quarterly, with plans in FY 2024 to direct funding to child care operators who opt into the system, who will be required to use funds to raise staff compensation to a minimum level.¹ In contrast, other states have implemented wage boost initiatives in response to the COVID-19 pandemic but have typically relied on pandemic relief funding to make one-time bonuses rather than institute a long-term financing solution.

In late 2022 and early 2023, we held one-on-one and small group virtual interviews with directors of 29 licensed child care centers and homes. We asked directors about their experiences with enrollment changes since the beginning of the pandemic, staff retention and turnover, and their thoughts on the recently implemented wage supplement for teaching staff. In this fact sheet, we summarize their reflections on the Pay Equity Fund.

PERCEIVED BENEFITS OF THE PAY EQUITY FUND

Many center directors expressed positive sentiments around the Pay Equity Fund, discussing how their teachers were excited to receive the supplemental payments and noting how it could help with recruiting and retaining staff. Some directors shared that

¹ “Fiscal Year 2024 Minimum Salaries and Salary Schedule for Early Childhood Educators” (PDF), DC Office of the State Superintendent of Education, accessed June 1, 2023.

the Pay Equity Fund made teachers feel valued and recognized by government entities such as the DC Office of the State Superintendent of Education (OSSE), the mayor, and the city. Lead home caregivers who had received payments expressed deep appreciation and also saw how it was helping their staff:

The compensation makes you feel like you're valued. When the city does something like this, this is a huge step toward making us feel like, "You're not just like every babysitter."...There's a lot more to [the work]...I am grateful and looking forward and hopeful.

A few directors commented that the Pay Equity Fund may encourage individuals to obtain the credentials to be early childhood educators, with one sharing that the Pay Equity Fund is "making the field itself more professional."

HOW EARLY EDUCATORS ARE USING THEIR PAY EQUITY FUND PAYMENTS

The Pay Equity Fund payments are treated as income and have no restrictions on how they can be used. A few lead home caregivers shared how they used the payments to update their program space or pay for certain program expenses. Center directors described how the direct payment approach offers teaching staff the flexibility to use their payment funds for a range of purposes, such as making personal investments in education, covering housing and vehicle expenses, or saving for the future to potentially alleviate some of the impact of inflation and high cost of living in the city. For example, one director shared the impact on the teachers in her program:

It has meant a lot for them for stability. Our organization services people who need not just education, but we do food services and clothing, and we talk about the community need. And sometimes we forget about the needs of our teachers. They qualify for the services that we offer based on their pay...[The Pay Equity Fund] gives them a leg up...for them to see "I have money in my savings account." I think has been a tremendous help to them.

IMPLEMENTATION CONCERNS

We asked directors about any concerns they had with the Pay Equity Fund and possible unintended consequences. Concerns related to equity and fairness of the payment came up most frequently. Specifically, program directors expressed that other staff, including, but not limited to, directors, cooks, support staff, and teaching aides, should have been eligible for the wage supplement. While recognizing that the Pay Equity Fund was designed to support teaching staff, they reflected on the need to raise compensation for workers in the child care industry broadly. One director shared, "I hope it continues—it doesn't stop. But they should include support staff eventually. Everyone should be included eventually, because everyone from the bottom all the way to the top works hard every day."

A few directors raised concerns about tax implications, pointing to the fact that taxes were not deducted from the payments. Recipients may be surprised if required to pay taxes later if they are used to collecting a tax refund. Directors also mentioned the issue of a benefits cliff—people becoming ineligible for public benefits and tax credits if they earn too much. At least one provider pointed to challenges quickly meeting deadlines to verify staffing information for OSSE. They also questioned the sustainability of the Pay Equity Fund. These statements ranged from wondering about the permanence of the funding source to who would be responsible for covering the additional staff costs if the fund ceases to exist. These concerns aside, early findings indicate that the Pay Equity Fund is a starting point for addressing long-standing inequities and ultimately strengthening child care for DC children and families.

ADDITIONAL READING

Toward Pay Equity: A Case Study of Washington DC's Wage Boost for Early Childhood Educators

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<https://urbn.is/43Cvssr>