



**Designing and Implementing
the DC Early Childhood
Educator Pay Equity Fund**
From Vision to Reality

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Introduction

In 2018, the District of Columbia (“the District”) City Council passed the Birth-to-Three for All DC Act (B-3 Act), a groundbreaking policy package designed to strengthen early care and education (ECE) for infants and toddlers. Building on the foundation laid by the Pre-K Enhancement and Expansion Act of 2008—which expanded access to Pre-K for 3- and 4-year-olds—the B-3 Act sought to increase access to affordable, high-quality ECE for younger children. A key part of this expansion included establishing a wage scale to ensure parity—or pay equity—between ECE educators¹ and Pre-K and public school educators, and provided free health insurance for ECE educators.² Together, these components are known as the Early Childhood Educator Pay Equity Fund, or the Fund, which aims to support and stabilize the early childhood workforce.

Over the last few decades, a growing research base has highlighted the contributions of ECE to child development (Schoch et al., 2023) and family stability (Herbst, 2022). As a result, policymakers and other stakeholders have given more attention to whether families have access to high-quality ECE. The District has emerged as a national leader in ECE policy, as evidenced by its investments in ECE subsidies, public Pre-K programs, and early adoption of what later became the nationally recognized Head Start program. These initiatives aimed to address disparities in access to ECE for families living in the District, particularly those with lower incomes, a need most recently amplified amid waves of gentrification (Kijakazi et al., 2016) and significant wealth disparities among residents (Naveed, 2017). Current disparities largely fall along racial lines, with 26.1 percent of Black residents, 5.2 percent of Latino³ residents, and 4.2 percent of non-Hispanic White residents experiencing poverty rates at or below the federal poverty line as of 2023 (Mitchell, 2024). These income differences underscore the need for attention to strategies that facilitate equitable access to ECE for all families and children in the District.

Political Environment in the District

The District of Columbia (“the District”) hosts a unique political environment because of its status as a district rather than a state. Although it has some self-governance under the Home Rule Act, local budget and laws are subject to federal oversight and approval.

As the country’s capital, the city is challenged to accommodate a diverse array of needs among long-standing families and residents, federal workers, commuters, tourists, and others. Locals uphold a long history of civic engagement and activism, in part due to their proximity to the federal government and the city’s reputation as a hub for federal advocacy and policy organizations.

¹ In the context of this report, ECE educator is used to refer to lead or assistant teachers and caregivers working in center or home-based settings.

² These components were introduced in the B-3 Act and further designed and implemented through other efforts (e.g., Early Childhood Educator Pay Equity Fund Task Force).

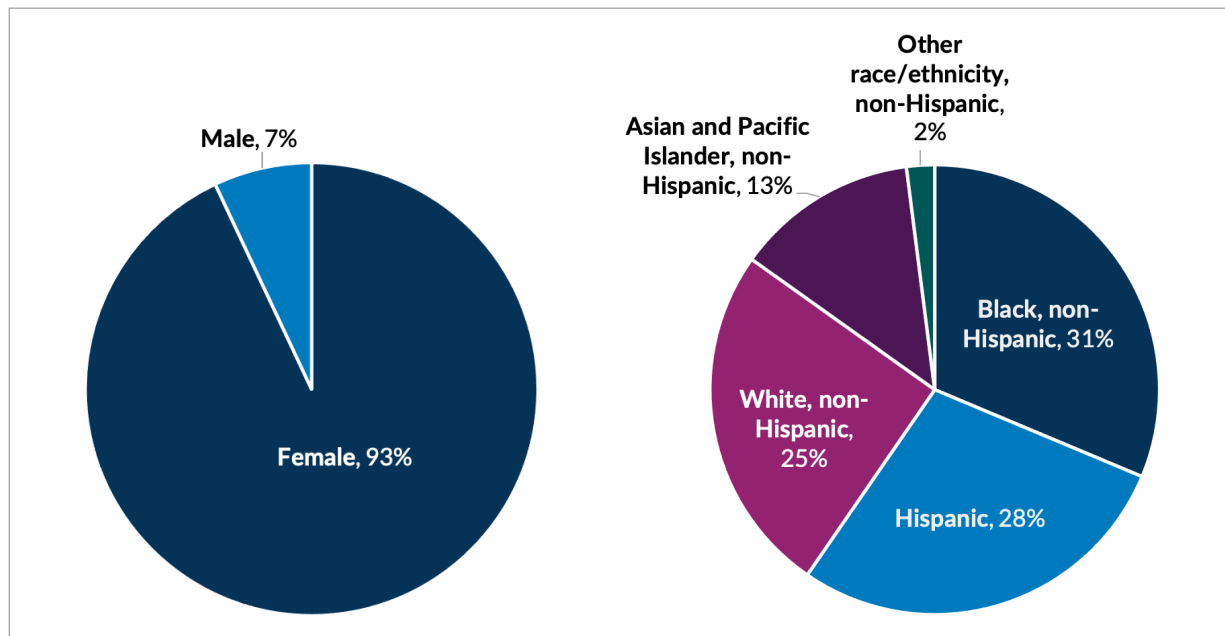
³ Note, we adhere to the phrasing and terminology presented in the cited sources to align directly with the context and meaning presented in original sources. As a result, multiple terms may be used throughout this work.

A key strategy for ensuring families and children have access to high-quality ECE is attending to the ECE workforce. Research shows that educators are an important factor for ensuring children are off to a good start (Burchinal et al., 2009). Despite their importance, the number of early childhood educators has dropped across the country (McLean et al., 2024), including in the District (National Association for the Education of Young Children [NAEYC], 2022); reasons for these shifts include low compensation and feelings of burnout and exhaustion (NAEYC, 2022). Racial disparities are also deeply embedded in the ECE workforce, one of the lowest paid occupations in the nation (McLean et al., 2024). This reality stems from a centuries-long history of systemic undervaluing of care work, often performed by women and disproportionately by women of color (Lloyd et al., 2021).

In line with national trends, the ECE workforce in the District region⁴ is disproportionately comprised of Black and Hispanic women (see Figure 1; Issacs et al., 2018). A survey of educators found that median wages were \$35,000 per year—well below the District’s median income of \$74,436 (Mefferd et al., 2024). Further, within the ECE workforce, Black and Latinx educators report earning less than White educators (Mefferd & Doromal, 2024). These data highlight the ongoing racial and ethnic pay disparities that undermine the financial stability of many educators.

The District Council established the Fund to address many of these challenges within the ECE workforce by offering financial support and access to health insurance to educators. By improving compensation and overall well-being for educators, the Fund aims to increase the supply of high-quality ECE.

Figure 1. Demographics of the District Region ECE Workforce



Source: Isaacs et al., 2018.

⁴ The District region includes individuals within the greater metropolitan area surrounding Washington DC, including parts of Maryland and Virginia.

Purpose and research questions

The Fund represents the culmination of decades of advocacy and incremental policy reforms. This resource provides an opportunity to learn and share insights about its design and implementation. To capture these lessons, Child Trends conducted an evaluation of the Fund that included an analysis of its historical background as well as research that facilitated a high-level understanding about how the Fund was implemented given its history and immediate impact on educators.

This study sought to explore the following research questions:

1. What was the catalyst for establishing the Fund?
 - a. What were the root causes and circumstances surrounding the disparities in compensation within the District's ECE workforce?
2. What groundwork led to the establishment of the Fund in the District?
3. How have policy conversations and shifts aligned with the realities faced by ECE educators?
4. How do ECE educators perceive and experience the Fund?
 - a. Do these experiences differ for various groups, such as center-based educators, home-based educators, and educators from specific racial or ethnic groups?

This work and report are situated under a larger research umbrella focused on shedding light on the history, conceptualization, design, implementation, and impact of the Fund. Other efforts include a multi-year implementation study by the Urban Institute that is occurring in partnership with the Office of the State Superintendent of Education (OSSE), the implementors of the Fund; and research by Mathematica, which has sought to understand the impact of the Fund. We reference both bodies of work throughout this report to supplement our findings.

Structure of this report

The report is divided into three chapters. Chapter 1 describes key events that precipitated the B-3 Act and Chapter 2 describes implementation of the Fund. Within each chapter, we describe key events and changes that influenced the Fund. Each chapter sub-section starts with a 'Summary & Key Takeaways' box that provides an overview of that section, discusses the approaches and strategies that influenced or guided decision making, and describes lessons learned.

The report concludes with Chapter 3, a discussion of ongoing developments related to the Fund, which includes insights for policymakers and others seeking to address pay and compensation issues for ECE educators.

Methodology

This historical analysis combines findings from primary data collection efforts (interviews, focus groups) with secondary data sources (literature and policy) to tell the history of the Fund from multiple perspectives.

Literature review and policy scan

To begin our work, we sought to understand the context of ECE compensation both locally (i.e., the District) as well as what was happening across the country (i.e., nationally). To do this, we conducted a literature and policy scan focused on ECE compensation. Documents were identified through Google, Google Scholar, ERIC, Research Connections, JSTOR, and ProQuest. Once we identified relevant resources, we categorized and analyzed the documents to understand patterns and highlight unique policy or contextual components. The team reviewed documents published between 1972 and 2024.

Primary data collection

Between June and September 2023, we conducted exploratory interviews with 14 individuals who played key roles in advocating for, designing, and/or implementing the Fund. We used snowball sampling to identify interviewees, asking each participant to share the names of other relevant individuals for our team to interview who might have insights about the genesis and implementation of the Fund.

This report also summarizes findings from five focus groups conducted between December 2023 and January 2024. The team held virtual conversations with 20 educators (9 Spanish-speaking; 11 English-speaking) and eight center directors/administrators (all English-speaking). For both the interviews and focus groups, the research team used a thematic analysis approach to identify and interpret themes emerging from the conversations.



Chapter 1.

History of the Fund



Building blocks for the Fund

Summary & Key Takeaways

Over time, ECE leaders and stakeholders have conceptualized and implemented policy changes with the goal of improving ECE conditions in the District. These efforts have shifted the narrative around the importance of access to high-quality ECE. This work culminated in the Early Childhood Educator Pay Equity Fund, an approach to improve compensation for the ECE workforce. The Fund was introduced within a larger ECE system change package known as the Birth to Three for All Act.

Conditions

- At the turn of the century, the District's composition shifted, resulting in **higher costs of living** and broadened **wealth inequity** among residents.
- The DC Commission on Early Childhood Teacher Compensation elevated concerns about low early childhood educator wages and suggested that raising wages and benefits would strengthen the supply of high-quality ECE across the District.

Policy approach and strategy

- The political environment in the District has been carefully constructed to address ongoing and emerging needs and is informed by ongoing research to understand the experiences of families and educators. Interviewees attributed the success of passing the Fund (2018) to a series of **policy changes**, that occurred over time including:
 - the pay parity precedent set in the Pre-K Act (2008),
 - efforts to improve program quality via the QRIS redesign (2016), and
 - increased education standards in licensing regulations (2016).
- Interviewees also noted the importance of having a unified group organizing the B-3 Act, which helped to ensure an aligned approach and strategy for the Fund. They noted that this structure helped to **centralize conversations** about their goals, **create a unified vision**, and **include multiple perspectives** to mitigate potential unforeseen consequences of their work.
- The group was also strategic about using **inclusive language**, for example referencing people as “early childhood educators” regardless of the system in which they worked, to ensure all who participate in the mixed delivery ECE system were valued.

Lessons learned

- **Incremental policy change was necessary to make progress toward increased compensation, but also sparked concerns among educators about whether their efforts to improve quality would be rewarded in the future.** For example, increasing education qualifications was necessary to build political buy-in for the Fund; however, educators were not guaranteed a salary increase at the time that the qualifications were raised.

When we asked community members their perspective on where the story of the Early Childhood Educator Pay Equity Fund began, some started all the way back in the 1960s, when the first Head Start program was initially piloted in the District—others recalled more recent initiatives and investments in ECE. Although there is a long history related to ECE in the District, this section will focus on key demographic and legislative shifts that happened at the turn of the 21st century that connect to the District’s current pay and compensation efforts.

Contextual shifts in the District

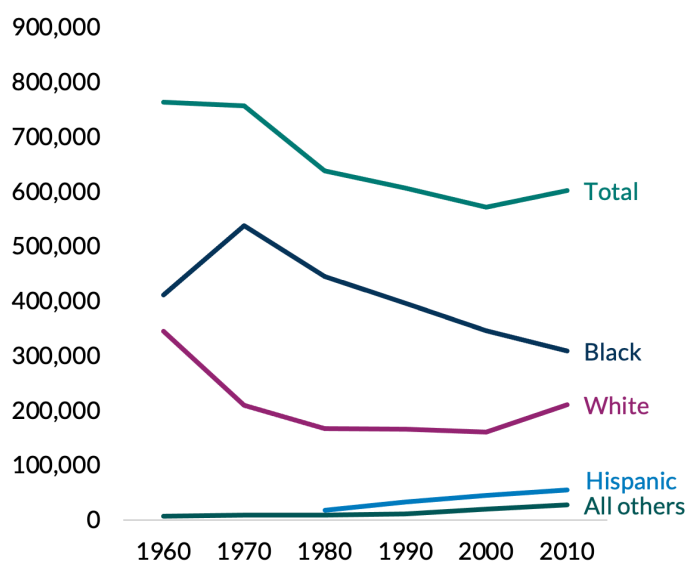
The District has long been a city in flux. As the city’s composition has changed, so has the supply and demand for ECE. In the 1900s, the District was often used as a testing ground for various policy interventions⁵ aimed at addressing poverty (Kijakazi et al., 2016; Charkasky & Shoenfeld, 2019). Many of these initiatives have contributed to ongoing wealth gaps and segregation among residents (Kijakazi et al., 2016; Charkasky & Shoenfeld, 2019).

In the early 2000’s, the District’s population increased for the first time in many decades, primarily because of an influx of White and Hispanic residents (see Figure 2). The District quickly became one of the most

expensive cities to live in across the nation—as the population increased, so did the wealth gap among residents. As city officials tried to attract businesses to the District, young professionals who were primarily White were moving into the city at high rates (Kijakazi et al., 2016).

These shifts caused a new wave of gentrification that drove up rental and home prices⁶ and reduced the availability of affordable housing. Lower-income families and communities were driven to the outer edges of the city or out of the city entirely (Kijakazi et al., 2016) and were largely replaced by young White residents who did not have children (Urban Institute, 2013; Kijakazi et al., 2016). Despite these changes, demand for ECE still surpassed the supply of ECE in the District (Murphey & Mae Cooper, 2015).

Figure 2. Population Changes in DC, 1960 - 2010



Data source: Urban Institute, 2013.

⁵ For example, urban renewal. Urban renewal is the process of revitalizing urban areas. In Washington DC, the goals of urban renewal included eliminating slums and improving conditions for residents that lived in them. “Approximately 23,000 residents, predominantly Black people, were displaced and received little relocation assistance.” (Kijakazi et al., 2016).

⁶ Between 1999 and 2005, rent for a two-bedroom apartment in the District increased 45% (Kijakazi et al., 2016).

Strategic and incremental ECE policy change

Around the turn of the century, new research⁷ came out emphasizing the positive effects of high-quality ECE for children and society. Researchers, policymakers, advocates and others called for more federal and state investments into the sector, most of which focused on improving access to ECE and raising quality standards⁸. In the District, advocates were pushing for significant investments in the ECE workforce as a strategy to increase the supply of care across the District and raise the quality.

One initiative that supported access to high-quality ECE in the District was the **Pre-K Enhancement and Expansion Amendment Act of 2008** (Pre-K Act), the first initiative to address ECE access on a universal basis. The primary goal of the Pre-K Act was to grant access to ECE for all 3- and 4-year-olds living in the District whose families were interested in participating (Malik, 2018).

As part of this goal, the Pre-K Act granted several provisions, such as establishing pay parity between Pre-K educators and District public school (DCPS) educators; and funding a variety of educational programs and scholarships for ECE educators. The Pre-K program leveraged the existing mixed-delivery ECE system⁹ by enabling community-based organizations, public schools, and charter schools to receive Pre-K funding. Existing ECE programs were eligible to participate if they met specific eligibility criteria, including that early educators—referred to as teachers and assistant teachers—had the same or higher qualifications as DCPS K-12 educators. Interviewees indicated that **the Pre-K Act helped to establish precedent for significant public investment in ECE and pay parity between ECE educators and K-12 educators.**

While the Pre-K Act addressed a number of access and supply challenges, it had unintended ripple effects that shaped the next decade of ECE policy work in the District. **Interviewees shared mixed feelings about the Pre-K Act's passage—noting that this was a win for 3- and 4-year-olds, but wishing more could have been done to address issues related to infants and toddlers.** For instance, the supply and cost of infant and toddler care continued to be a hurdle for many families; in 2015, there were more than 26,000 children under age 3 living in the District and, on approximately, 7,000 slots available (Murphey & Mae Cooper, 2015). At the same time the

⁷ For example: Institute of Medicine and National Research Council. (2000). *From Neurons to Neighborhoods: The Science of Early Childhood Development*. Washington, DC: The National Academies Press. <https://pubmed.ncbi.nlm.nih.gov/25077268/>

⁸ For example, the federal government initiated the Race to the Top – Early Learning Challenge grant program in 2011, which focused on improving the quality of ECE and closing achievement gaps for children across the nation. The growth in quality rating and improvement systems (QRIS)—state-level methods to assess, improve, and communicate about the level of quality in ECE settings—is largely attributed to these grants (the BUILD Initiative and Child Trends, 2024).

⁹ A mixed-delivery ECE system refers to a system where services are offered through a variety of mechanisms, such as public, private, and community-based providers.

average annual fee for full time infant care in a center-based program was \$22,631 (Child Care Aware of America, 2016).

According to interviewees, provisions for children birth to three were originally included in the Pre-K Act but were ultimately removed because there was not enough buy-in from politicians or the community. Because of the costly nature of caring for infants and toddlers, and the significant compensation benefits available under the Pre-K program, interviewees shared concern about the consequences of the Pre-K Act on the already slim supply of infant and toddler ECE. In other words, they expected teachers to apply for Pre-K jobs to earn additional money, which would reduce the number of educators available to work in slots set aside for infants and toddlers.

“pre-2021 what we were hearing from early ed program directors was as soon as teachers were able to be credentialed to be hired in Pre-K three and four spaces, or in Kindergarten, it was a pretty clear switch to go to the DCPS system because your pay could be up to doubled in some cases. And so, you know, who wouldn’t want the higher pay if they are eligible for those roles?”

- Blotner, DC Action for Children

Without a universal approach for improving access and supply of high-quality infant and toddler ECE in the

District, a series of programs and policies were developed to encourage growth across the sector. For example, in 2010, OSSE began redesigning the District Quality Rating and Improvement System (QRIS; OSSE, 2023). The new system, Capital Quality, was piloted and fully implemented in 2018. In addition to streamlining quality standards, it focused on quality measurement and continuous quality improvement. Like many other states, the District’s QRIS was intended to scaffold ECE quality improvement efforts by providing financial benefits and other supports (e.g., coaching) to ECE programs and staff.

In 2011, the District of Columbia Commission on Early Childhood Teacher Compensation was convened to discuss options for stabilizing the ECE workforce for those working with infants and young children ages birth to five (DC Commission on Early Childhood Teacher Compensation, 2013). The Commission provided recommendations for strengthening the quality and increasing the quantity of educators working in the District, including improving wages and benefits to align with public school educators and raising qualification standards for educators.

In December 2016, ECE facility licensing regulations were updated to meet changes to federal standards¹⁰ and national health and safety recommendations (OSSE, n.d.a). **The new regulations raised minimum education qualifications to some of the highest in the country** (Whitebook et al., 2016). At the time, it was estimated that about 1,000 people working as lead teachers would need to obtain an associate degree; and another 1,000 home-based educators and 1,000 assistant teachers would need to obtain a CDA (Chandler, 2017). Educators were originally required to meet these education standards by 2020; though the deadline for some requirements have been modified since.

¹⁰ These updates were made in response to the 2014 Child Care and Development Block Grant (CCDBG) Reauthorization and subsequent 2016 Child Care and Development Fund (CCDF) Final Rule. Together, new requirements and recommendations were made related to ECE health and safety, including training and professional development; ECE quality; and consumer education, among other areas.

“There’s lot of city support around scholarships to help teachers meet their credential. But we do realize that there are certain barriers to earning their credential. When we look at the demographics of our workforce, most of them are mothers who have small children themselves, ...they don’t always have the time to devote to earning the degree. And so, we really want to encourage [meeting credentials/degrees], but we do realize that there are barriers.”

– Hollowell-Makle, Makle Consulting

The increased minimum qualifications were highly controversial among some educators and the broader ECE community. While research suggests that formal coursework that provides foundational knowledge and competencies in ECE could improve the overall quality of ECE (Institute of Medicine and National Research Council, 2015), people acknowledged the practical challenges of meeting these requirements. For example, advocates and community members indicated that the time and money needed to obtain a degree or credential might be a barrier (Bourne & Partin, 2021). OSSE attempted to alleviate these barriers by establishing a number of scholarships and aid programs to improve access to degree and credential programs (OSSE, n.d.b). Even with financial aid, however, educators were expected to participate in educational activities while simultaneously being engaged in full-time work.

“On school days, she wakes up at 4:15am to take the Metro from Rockville to her work, on the edge of the District’s Washington Highlands neighborhood, so she can use the computer to do homework before the children arrive... By 4pm she’s headed for the Metro again to a child-care center on the other side of the city, where classes go to 9:15pm.”

– Chandler (2017; description of an educator’s experience completing degree requirements)

Others noted that even if educators did obtain higher degrees and credentials, there was no guarantee that salaries would increase as a result (Bourne & Partin, 2021). Additional concerns were that the policy might increase the cost of ECE for parents, a particularly problematic issue since ECE prices were already unaffordable for many. Alongside questions about whether such requirements were necessary for ECE educators, people expressed fears that the policy could push educators out of the field (Bourne & Partin, 2021; Chandler, 2017; Johnson-Staub, 2017). The broader labor market in the District was shifting to favor residents with higher educational attainment, an issue that disproportionately impacted historically Black and newly arrived Hispanic residents, who were less likely than incoming White residents to hold degrees.¹¹

Although there were growing pains that came along with these incremental policy shifts, OSSE and ECE advocates remained focused on the longer-term goal of supporting higher rates of degree obtainment to improve educator knowledge and competencies.

Drafting legislation

In 2016, the Bainum Family Foundation convened and funded a group of advocacy organizations to develop a vision for the early childhood system in the District that focused on

¹¹ 27% of Black residents held a four-year degree compared to 91% of White residents (Crawford & Das, 2020). 65% of Hispanic residents held a high school diploma compared to 98% of White and 90% of Black residents (Hendey, 2017).

increasing affordability of and access to high-quality ECE. The group came to be known as the “Birth to Three Policy Alliance” and was comprised of many of the same advocates that helped to pass the Pre-K Act and that participated as members of the DC Commission on Early Childhood Teacher Compensation. The Alliance created a vision focused on developing an environment that supported the whole child and their families. At the core of their vision was a strong workforce of well-supported early childhood educators.

Their policy goals were informed by a number of indicators, including:

1. **Subsidy reimbursement rates were falling short of actual program costs incurred,** particularly in small programs and programs serving infants and toddlers (OSSE, 2016). This indicated that ECE programs, particularly those serving children receiving subsidy, were struggling to make ends meet.
2. **ECE educators were among the lowest paid workers in the region** and only about half were estimated to receive health insurance or retirement benefits from their employers (Berman, 2016). With new education requirements in place, the Alliance’s goal of supporting the ECE workforce was especially important to ensure that educators were not further pushed out of the field.

Research at this time drew significant attention to ECE workforce issues and identifying how lack of support for the workforce was negatively impacting supply of quality care (Whitebook et al., 2016). The Alliance recognized these nationwide strains on the ECE workforce and perceived an immediate and pressing need for action within the District. They were also deliberate in using language to unite rather than further fragment the mixed delivery system of ECE in the District. For example, by “early childhood educator,” they meant any teaching staff working in any setting and receiving any type of funding stream(s).

The result was the development of a comprehensive birth to three advocacy agenda that focused on the education and health needs of infants and toddlers. In response, Councilmembers Vince Gray and Rob White took the lead on collaborating and drafting a bill. **Joining together in a shared mission meant that advocates and legislators continued to strengthen their messages rather than compete for attention.** Multiple interviewees indicated that this collaborative approach, along with continuity in leadership across the DC Council and across advocacy groups, helped to connect people and contributed to the development of meaningful legislation.

In 2018, the Council unanimously passed the **Birth to Three for All DC Amendment Act (B-3 Act)**, laying a policy roadmap for systemic improvements to the birth to three landscape in the District. Among those provisions was the **Fund. The Fund was designed to offer financial support to educators, with the broader goal of increasing the supply of high-quality ECE.** To do so, the Fund suggested 1) establishing pay parity between K-12 DCPS educators and early childhood educators (Hamer & Mitchell, 2022) to address the pay penalty¹² early educators face by working

“The Birth to Three Act set the vision for a strong early education sector, and at the heart of that was higher teacher pay, and expanding the subsidy program to more families because it was good for the sector and also good for the economy.”

– Mitchell, DC Fiscal Policy Institute

¹² “Pay penalty” refers to the relatively lower wages educators receive for choosing to work with young children compared to older children in elementary schools.

with younger children (McLean et al., 2024); and 2) leveling the playing field within the early childhood workforce by standardizing salaries.

Councilmembers and advocates also reflected on the Fund as a way to address systemic racial inequities within the District:

“Early childcare workers in DC are overwhelmingly women of color. Working to address the pay inequities seen in care-based professions like early childhood education has been a tangible way to ensure DC’s investments align with the goal of improving racial outcomes.”

– **Councilmember Robert White (White, 2022)**

“These are all Black and brown women who America has never done right by, and so how can we really set up a program that honors them and honors the hard work that they’re contributing.”

– **Mitchell, DC Fiscal Policy Institute**

Several interviewees attributed their success to the precedent set in the Pre-K Act and the incremental progress they made in between. However, advocates did not consider their work finished—at the time that it was passed, the Act was viewed as an unfunded mandate, meaning that unless funding was identified and allocated, the proposed policy initiatives would eventually expire.

Funding and designing the Fund

Summary & Key Takeaways

Once the Birth to Three for All Act was passed in 2018, the Under3DC Coalition was launched to advocate for complete funding and implementation of the Act. This group evolved from existing groups (for example, the Birth to Three Policy Alliance) and established a clear vision for the work, while consistently incorporating multiple perspectives from the community.

Conditions

- Just after the Coalition was launched, the COVID-19 pandemic hit. In the midst of **economic and social strain**, the importance of the ECE workforce was thrust into the spotlight. This attention influenced the Coalition's focus on the Fund as one of the first provisions to work on within the B-3 Act.
- In Fiscal Year 2021, requests to fully invest in the Fund were declined by the city Council. In partnership with the Coalition, the DC Fiscal Policy Institute launched a **tax campaign** to build public buy-in to a new tax on the District's highest earners. This tax ultimately passed through legislation and fully funded the Fund in Fiscal Year 2022.

Policy approach and strategy

- Interviewees commended the use of a task force to propose a design for the Pay Equity Fund. This group debated critical issues and leveraged their networks to incorporate many perspectives into their proposal. Their discussions covered various topics, including:
 - **Who should and should not be eligible for the Fund.** Because the legislation clearly referenced "educators," the Task Force recommended limiting the Fund to only be available to lead and assistant teachers. Others, such as directors and chefs working in ECE programs, were excluded from their recommendations.
 - **How the Fund should be distributed to educators.** The Task Force recommended a multi-stage approach to distributing the Funds. They viewed salary increases via pay checks as the long-term goal; but because this would require significant infrastructure, they suggested doing lump-sum payments directly to educators as a short-term approach.
 - **Unintended effects of increasing salaries.** The Task Force urged OSSE and the Council to consider the unique characteristics and needs of the District's early childhood educators. For example, access to materials in multiple languages, accessibility for people without an SSN, etc. They also noted the importance of being mindful about the potential unintended outcomes on other income-based public benefits such as Medicaid.

The B-3 Act laid a policy roadmap to improve conditions for children under three across the District. The Fund was a key component of that Act, which aimed to establish pay parity across early childhood educators; and parity with K-12 DCPS teachers. In doing so, they hoped to address historic and ongoing gender and racial inequities within the ECE system, improve staff recruitment and retention, and ultimately improve the quality of ECE in the District (Greenberg et al., 2023).

This section describes how a coalition worked together to secure funding and how a task force diligently developed recommendations to implement the Fund.

Building a coalition

The Under3DC Coalition was launched under a parent organization, DC Action for Children, in 2020. The Coalition is supported by various local and national organizations such as the Bainum Family Foundation, the Annie E. Casey Foundation, and others. The goal of the Coalition was to advocate for complete funding and implementation of the B-3 Act (Under3DC, 2020). When reflecting on the Coalition's work during their first few years, interviewees shared that their ultimate success was due to a few key attributes:

1. **Continuity**—the group naturally evolved from previously established groups (e.g., the Birth to Three Policy Alliance) and maintained similar members.
2. **Partnership**—the group expanded their Coalition to include parents, educators, and leaders and organizations from other sectors, such as the business community. Partnerships helped to strengthen buy-in for their work while reducing competition for the same resources.
3. **Messaging**—the Coalition immediately established guiding principles for their work that helped them to clearly communicate their vision to Coalition members and the general public. Interviewees regularly pointed to the Coalition's vision, principles, and unifying message as an anchor point for their work.

People also discussed the role of the Coalition in elevating educators' voices at each stage of the design process. The Coalition established space for educators to come together to discuss ideas and provided tools needed to advocate and testify to the District Council. For example, translation support for Spanish-speaking educators to submit testimony.

The Coalition's work was just getting started when the COVID-19 pandemic brought things to a sudden halt. The crisis resulted in unprecedented economic strain on the District, ECE educators, and the community as a whole. In this period of uncertainty, Under3DC pivoted from their ambitious birth to three goals and focused on preserving existing funding for children and families living in the District (Under3DC, 2020).

Despite its negative effects on the District (and the nation), the pandemic shed light on the critical role of ECE and its workforce for children, families, and the economy. In short, **the pandemic put**

“From gathering stories on the ground from the organizers to grassroots groups, leading storytelling sessions and trainings on how to testify, to having a dedicated [legislative director]; we've come together in really meaningful and strategic ways to advance this cause.”

– Mitchell, DC Fiscal Policy Institute

additional pressure on the ECE system, resulting in issues related to educator compensation and access to health care emerging as critical topics for the Coalition to consider. According to interviewees, public attention to these issues helped to build public buy-in for funding aspects of the B-3 Act. Given this context, the Coalition focused on the Fund as one of the first components that should be financed from the B-3 Act. However, the Coalition also knew the city budget was under significant pressure because of the pandemic. As a result, they requested funding for a small portion of what was estimated to be needed to fully fund the B-3 Act, a request that was ultimately denied for the FY21 budget cycle.

Securing funding

Advocates felt the need to identify and generate new revenue to fulfill the Fund's goals. The DC Fiscal Policy Institute, along with other key Coalition partners, suggested a **new progressive tax that would only apply to high-income earners in the District** (i.e., those earning over \$250,000). The proposed tax would more than cover the Fund's goals, and was feasible in part, because of recent population shifts. As noted previously in this report, over the last few decades the District has become home to a greater number of high-income earners, and interviewees explained that this tax approach fit squarely within the Coalition's equity principles. One person noted: "...we're correcting inequities in our tax structure and not building regressive taxes or burdening the general population." Interviewees also commented that high-income earners in the District were less likely to be economically impacted by the COVID-19 pandemic and therefore more capable of shouldering a higher tax burden.

Understanding that convincing voters and legislators to implement a new income tax would be a challenge, the **DC Fiscal Policy Institute quickly began a tax campaign to generate buy-in**. A poll¹³ among District voters indicated that over 83 percent of voters would support the tax (Zugar, 2020). The data were shared back with councilmembers and helped to generate buy-in among city leaders.

"We were building power all along the way; we made the moral case, the social case, the economic case, for why this was necessary. We connected it with what was going on in the real world... the strains the pandemic put on the early education sector and the workforce... we made the case to every single lawmaker about what child care looked like in their [ward in] the District, what it looked like in all of the District, and gave them a clear picture of what would happen if they did nothing."

– Perry, DC Action for Children

In August of 2021, the **FY22 Budget Support Emergency Amendment Act of 2021** formally implemented the tax and established the Fund as non-lapsing.¹⁴ For FY22, the Fund would have \$53,920,878 in local dollars available and funding was set to increase annually.

¹³ This poll was administered by the [Just Recovery DC Coalition](#), a group that represents multiple advocacy organizations in DC; and [Public Policy Polling](#), an organization that designs and administers polls. The poll was funded by the DC Fiscal Policy Institute and DC Action for Children.

¹⁴ A non-lapsing fund is a financial allocation in which unspent funds can carry over between fiscal years. The funds do not need to be reauthorized or reallocated.

Developing recommendations

With newly acquired funding, and in accordance with steps laid out in the B-3 Act, OSSE established an [Early Childhood Educator Equitable Compensation Task Force](#) to develop recommendations for implementation of the Fund. Membership included a number of existing Under3DC Coalition members as well as public officials (Early Childhood Educator Equitable Compensation Task Force, 2022). The group was responsible for tackling issues related to the Fund including eligibility, delivery, the educator compensation scale, and other implementation considerations (e.g., timing, oversight, cost).

The Task Force was only given three months to consider implementation issues and return a report with recommendations. One interviewee pointed to the values and goals established by the Coalition, noting that their **years of planning and preparation helped to formulate and provide immediate recommendations to the Task Force**—in other words, they did not have to start from scratch and had a foundation on which to build. The Task Force also relied on a **robust and already existing body of national research and research on the District and other localities** about the early childhood workforce to inform their recommendations (see Box A).

Box A. Select examples of research used by the Task Force

Local studies

- [*DC Commission on early childhood teacher compensation \(2013\)*](#)
- [*Early childhood educator compensation in the Washington region \(2018\)*](#)
- [*Early childhood workforce index, 2020: District of Columbia \(2020\)*](#)
- [*Using contracts to support the child care workforce \(2021\)*](#)
- [*Modeling the cost of child care in the District of Columbia \(2021\)*](#)
- [*Compensation scale for the DC child care workforce \(2021\)*](#)

National studies and research from other localities

- [*Strategies in pursuit of Pre-K teacher compensation parity \(2017\)*](#)
- [*Increased compensation for early educators: It's not just 'nice to have' - it's a must have \(2020\)*](#)
- [*Equitable compensation for the child care workforce: Within reach and worth the investment \(2020\)*](#)
- [*Minnesota early care and education wage scale \(2021\)*](#)
- [*Improving child care compensation backgrounder \(2021\)*](#)
- [*Backgrounder on compensation in child care \(2021\)*](#)
- [*A look at salary/wage scales for the early childhood educator workforce \(2021\)*](#)
- [*Power to the Profession Unifying Framework*](#)

The Task Force approached their work with inclusivity and efficiency in mind, utilizing the following strategies:

1. **Regular Task Force meetings** that were publicly live-streamed and translated into Spanish
2. **Small workgroup meetings** to discuss particularly challenging issues (e.g., disbursement mechanisms, salary scale)
3. **A public roundtable** to solicit input directly from educators, community members, and other interested parties (Early Childhood Educator Equitable Compensation Task Force, 2022)

“If we’re building this for teachers, they need to be shaping it, designing it, influencing it. And oftentimes, they’re the most removed from power because of structural reasons. But the organizers spoke to them and brought back their concerns, their wishes, and fed that to the policy team and other folks who were doing the lobbying to make sure that that vision was incorporated into what the coalition was moving forward.”

- Mitchell, DC Fiscal Policy Institute

According to interviewees, **task force members were also expected to bring ideas back to their organizations and coalitions to gather further input from the community.** They noted that this engagement was critical given that the Fund was the first of its kind. Despite its novelty, the Task Force looked to similar efforts completed in other communities to inform their approach. In doing so, they built and adapted their work from existing models rather than starting from scratch. Ultimately, interviewees tended to reflect positively on the process used by the Task Force, commending their efforts to include and consider various perspectives and approaches.

Interviewees reflected on a number of sticking points in their conversations that required in-depth discussion among Task Force members. The following sub-sections describe key considerations when determining eligibility for the Fund, how to deliver payments to educators, and other considerations.

Eligibility

The Task Force engaged in rich conversations about who should be eligible to participate in the Fund (Early Childhood Educator Equitable Compensation Task Force meeting, November 1, 2021). The group discussed various considerations such as how to acknowledge different roles within the District’s mixed delivery system (e.g., staff titles between center- and home-based settings); whether roles such as coaches and directors would be included; and whether the Fund would be available to educators receiving (or not receiving) other public funds (e.g., subsidy, Head Start, Pre-K).

At the time, the group knew how much funding was available in the Fund but did not have data on educators’ salaries to understand how far the money could go. The Task Force weighed whether, in the face of limited funds, it would be better

“As a general prospect, the Task Force supports erring on the side of inclusivity, given that these supplemental payments are intended as: 1) a recognition of the significant historic financial undervaluing of early educators’ work, and 2) a preview of the District’s commitment to the sustained salary increase planned through the long-term mechanism.”

- Early Childhood Educator Equitable Compensation Task Force (2022)

to maximize the number of educators receiving benefits or provide full benefits to a smaller group (e.g., educators serving children who received subsidy). Drawing on the language used in the B-3 Act, which stated that the Fund was for “early childhood educators,” **the group ultimately proposed that lead and assistant teachers in OSSE-licensed centers and homes would be eligible for the Fund.** Other staff, such as directors and those in administrative or other supportive roles (e.g., program management, coaches, food service staff), were excluded.

Delivery

One of the key topics the Task Force considered was how educators would receive supplements from the Fund. They used three potential models to guide their conversations around delivery:

1. **Direct to individuals**—a public entity would provide or contract with a vendor to provide a wage supplement directly to educators
2. **Through ECE facilities**—each ECE facility would contract with the distributor to increase salaries using a funding formula
3. **Through an intermediary**—an intermediary organization would manage the increased salaries for facilities

The Task Force identified the second option, through ECE facilities, as the ideal long-term option (Early Childhood Educator Equitable Compensation Task Force meeting, December 1, 2021). However, they also acknowledged that it would take a substantial amount of time to build the infrastructure needed to distribute and monitor the payment process. Knowing that the funds were available and ready to be distributed to educators, **the Task Force determined that the first option was the best and most feasible and realistic short-term choice.** Their formal recommendation to OSSE included both approaches, suggesting direct wage supplements to educators in the short-term, with the long-term goal of distributing funds through ECE facilities.

“We want this scale to send a clear message that whether an educator serves 4-month-olds or 4-year-olds, their work is equally valued. Similarly, whether they work in a family child care that serves six children or a community based organization that serves 106 children, their work is equally valued.”

- Early Childhood Educator Equitable Compensation Task Force (2022)

“...we have \$50 million that is ready to go to educators this fiscal year, and we do not want to lose that opportunity...”

- Early Childhood Educator Equitable Compensation Task Force Meeting, December 1, 2021

Two other key considerations emerged as the Task Force considered the short- and long-term approaches:

1. The importance of sustainability and consistency to build educators' trust in the Fund.
2. The importance of minimizing burden on ECE programs while also ensuring accountability. The group acknowledged that administrative burden would disproportionately affect smaller programs, particularly home-based programs, which may have more limited administrative capacity.

"...ultimately, we want educators to be able to rely on increased wages. And similarly at the program level that there should be an ability to plan budgets to sustainably meet wage expectations..."

– Early Childhood Educator
Equitable Compensation Task Force
Meeting, December 1, 2021

Key components of the short-term approach

The short-term approach ultimately proposed payments of \$14,000 to lead teachers and \$10,000 to assistant teachers. The payments were prorated based on educators' work status (full-time or not), but did not take into account years of experience or education. The rationale for excluding experience and education in this delivery option was based on:

1. Not having complete data on experience and education immediately available;
2. Many educators being actively engaged in educational processes and still working to meet the education standards put forth in the 2016 licensing regulations; and
3. The education and experience standards for the funding formula in the long-term approach not yet being established and therefore, could not provide any guiderails (Early Childhood Educator Equitable Compensation Task Force meeting, December 9, 2021).

According to interviewees, some educators shared that providing lump sum payments directly to educators was their preference because it was simple and efficient.

Key components of the long-term approach

The Task Force also wanted the long-term approach to salary increases to be simple and clear to educators (Early Childhood Educator Equitable Compensation Task Force meeting, December 9, 2021). The group generally agreed on basic principles, like the approach should not pass on costs to families and should result in increased salaries for educators. Unlike the lump-sum payments, the proposed long-term approach introduced several other factors for the Task Force to consider, including:

1. Whether and how to incorporate experience in the salary scale;
2. How to develop a salary scale in a mixed-delivery system, where revenue models may differ based on issues such as children served, types of public funding sources, and fees to parents;
3. How to reconcile salary differences between ECE and DCPS educators, given the reality that hours, benefits, and length of school year (and as a result, educator working hours) differ; and

4. How to honor and reward degrees and credentials, recognizing that access to degree/credentialing programs is variable and not equitable.

The Task Force ultimately put forth a salary scale that acknowledged experience, education or credentialing, and role. Because this mechanism would provide funding to educators through their regular pay checks, the Task Force proposed a funding formula to calculate payments. The formula accounted for the difference between average proposed and average current salaries; a base funding amount that was dependent on the number of eligible FTE teachers and assistant teachers; and an equity adjustment. They suggested that the equity adjustment should provide additional funds to facilities “serving historically marginalized communities and/or serving significant numbers of children receiving subsidies. This additional boost in funding would help mitigate current and historic inequities that make these [facilities] less likely to have the resources to meet the [Fund’s] salary requirements, advancing our guiding principle of centering those furthest from opportunity.” (Early Childhood Educator Equitable Compensation Task Force, 2022).

Benefits cliff

Although not explicitly part of their charge, members of the Task Force consistently raised concerns about benefits cliffs as they discussed both the short- and long-term approaches. It was well understood that many educators were likely eligible for public assistance programs like Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and ECE subsidies; **the Task Force did not want to inadvertently reduce eligibility for benefits by increasing salaries.**

In their final recommendations, the Task Force highlighted this issue and suggested that OSSE:

1. **Ensure educators are aware of alternatives** that may be available should they lose benefits (e.g., health insurance through other public marketplaces);
2. **Expand ECE subsidy eligibility** for educators; and
3. **Collaborate with other departments** to mitigate the effects of benefits loss (e.g., the Department of Human Services and Department of Health Care Finance, which administer various assistance programs).

“...health benefits are incredibly important. So I think we need to be thinking about any decision we make with the impact on teachers ability to have health benefits...”

– Early Childhood Educator Equitable Compensation Task Force Meeting, December 1, 2021

One Task Force member pointed out that these departments would likely see a reduction in costs, as fewer educators would need to rely on their programs if they had an increased income (Early Childhood Educator Equitable Compensation Task Force meeting, December 1, 2021).

The Task Force clarified the short-term mechanism would not cause a benefits cliff as many public assistance programs exclude one-time payments when considering eligibility. The long-term approach, however, had the potential to have more negative implications for access to public benefits.

Access for all early educators in the District

The Task Force was also mindful of the composition of the workforce as they developed recommendations. They emphasized the importance of clear and robust communication from OSSE with educators to ensure successful implementation (Early Childhood Educator Equitable Compensation Task Force, 2022). Strategies discussed included, for example, communication through trusted community networks or targeted support to certain populations (e.g., those speaking languages other than English).

Several individuals raised concerns about access to the Fund for individuals without a social security number (SSN) (Early Childhood Educator Equitable Compensation Task Force meeting, December 15, 2021). Given the large population of immigrants working in ECE facilities, the Task Force also included explicit recommendations that **any individual with an individual taxpayer identification number (ITIN)¹⁵ was eligible to receive the supplements** (Early Childhood Educator Equitable Compensation Task Force, 2022).

¹⁵ ITINs are “[only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number \(SSN\).](#)”



Chapter 2. Implementing the Fund



Implementing wage supplements

Summary & Key Takeaways

In the first phase of the Early Childhood Educator Pay Equity Fund, lump sum payments were distributed to educators working in the District, based on their role and full-time status.

Approach and strategy

- OSSE strategically **partnered with AidKit**, an organization with experience distributing funds quickly to a diverse population. This helped them efficiently set up systems for the Fund.
- OSSE and AidKit **worked with various trusted community-based organizations** to spread the word about the Fund and help educators enroll in the program.

Lessons learned

- According to the people we spoke with, **the first phase of the Fund was an overall success**. The supplemental payments supported educators' financial health and boosted morale across the field. There was also early evidence that the Fund was helping to improve recruitment and retention rates. Despite these benefits, this approach still did not acknowledge experience, education, or account for existing salary rate differentials. Some directors also alluded to potential unintended consequences for roles not eligible for the Fund. For example, directors may opt to transition into teaching roles to gain eligibility for the Fund.
- Interviewees, directors, and educators all shared that **more support and communication was needed** at all stages of distribution. For example, support for directors with updating licensing data, help for educators applying for the Fund, and support for educators in understanding the general financial and tax implications of the lump sum monies.

Once approved by the Council, the District Office of the State Superintendent of Education (OSSE) was responsible for implementing the Task Force's proposal for the Early Childhood Educator Pay Equity Fund. As proposed, the initial supplemental payments were available to all District-based educators currently employed in a licensed child development facility (OSSE, 2024a). Payments ranged from \$5,000 to \$14,000 depending on staff title and educators' work status—full- or part-time (see Table 1).

Table 1. Wage supplements by staff title and educators' work status

Staff title	Educators' work status	
	Full-time*	Part-time**
ECE I (Assistant teachers) <ul style="list-style-type: none"> • Assistant Teacher • Associate Caregiver • Montessori Assistant Teacher 	\$10,000	\$5,000
ECE II (Lead teachers) <ul style="list-style-type: none"> • Teacher • Expanded Home Provider • Home Provider • Montessori Teacher 	\$14,000	\$7,000

*Full-time staff are defined as those who work 30 or more hours per week, or at least 240 hours over a predetermined eight-week period.

**Part-time staff are defined as those who work at least 10 hours per week; and between 10-30 hours per week on average. Part time staff work at least 80 hours over a pre-determined eight-week period.

Source: OSSE, 2022.

In FY22, the supplemental payments were distributed to educators in one lump sum; in FY23, they were distributed in quarterly payments. Over both years, over \$80 million dollars was distributed to 4,085 people (OSSE, 2024a).

This section provides an overview of strategic decisions made during this period, and describes successes and challenges that educators, directors, advocates, and others shared with us. Alongside the wage supplement program roll out, the Health Care 4 Child Care (HC4CC) program was established, which is highlighted in the *Implementing Health Care Benefits* section.

Payment distribution

Partnership with AidKit

With the end of the 2022 fiscal year approaching, OSSE needed to distribute funds quickly. OSSE granted a sole-source grant¹⁶ to AidKit, an organization that had experience distributing funds to diverse populations and who also had the infrastructure in place to manage the payment distribution (Greenberg et al., 2023). Interviewees reported that timely distribution of funds worked to build trust between OSSE and educators.

“OSSE was able to [work] with [AidKit] and provide them with necessary information so they could move quickly. That was a huge challenge. If you can't keep your word and if you can't get it done right, people lose confidence and won't believe or trust you.”

-Otero, Otero Strategy Group

¹⁶ It is common practice to put opportunities like this out for bid, so that various organizations can submit a proposal to complete the work. However, this process can be time consuming.

Enrollment system

Prior to launching the program, AidKit and OSSE pilot tested the application with a group of educators to refine the process and respond to questions. AidKit used ECE licensing data to verify individuals' roles; program directors and administrators played a critical component in verifying and updating information for their staff. Interviewees reflected that issues in the licensing data presented barriers for many educators applying for funding and resulted in some educators' applications being denied. Challenges included things such as misclassification of teaching roles in the licensing data and an inability to find foreign credentials (Greenberg et al., 2023). Interviewees shared that these struggles particularly impacted monolingual Spanish-speaking ECE facility owners, directors, and educators, some of whom reported challenges reaching the sole Spanish-speaking licensing staff member.

According to interviewees, **lack of licensing technical assistance** for both English- and Spanish-speaking providers created barriers. In focus groups, ECE directors reflected on challenges gathering the materials needed to verify their teachers. Some directors also noted experiencing frustration when having to upload documents, explaining that the portal was challenging to use; it was hard to find documentation within the portal; and, in some cases, they were asked for the same documentation multiple times.

“So, we do have a lot of teachers in my school that may have received their high school diploma in a different country. So finding that diploma and knowing that their payment would not be approved unless it went [through]... it was just a lot of a lot of time and stress for that.”

- Pre-K Center Director

Delivery

Educators could choose to receive their pay supplements either through direct deposit or debit cards, and most opted for direct deposit over a debit card (Greenberg et al., 2023). Educators who preferred the debit card option were able to have the cards mailed to their home or picked them up at a community-based location. Although debit cards were not the most popular form of payment, some interviewees believed having this option was important, particularly for individuals who may have less trust in sharing personal information with the government.

“The DC Child Care Connections offices were an option for picking up debit cards if they did not want them mailed to their home. People utilized this option and the funds were not preloaded—they were not loaded until that card was authenticated and activated.”

- Kigera, OSSE

Engagement and messaging

OSSE and AidKit partnered with community organizations to share information about the Fund to program administrators, directors, and educators. In doing so, they hoped to facilitate the verification process and make enrollment easier. Interviewees attributed much of their success in reaching educators to these partnerships because they already had trusted relationships and networks.

“The fact that [teachers] have a channel to speak directly to OSSE about the impact that all of this has on them feels like a great success, that we've all been able to stay true to our principles of making sure that those who are feeling the pain are a part of crafting what happens moving forward.”

- Perry, DC Action for Children

In general, interviewees shared that AidKit was very responsive and sought **constant engagement and feedback when working with educators**. OSSE held **town hall meetings** for the early education community informing them about the Fund and the enrollment process. They also worked to show educators how to sign up, what information they would need, how to know if they qualified, and about the different details of the process.

Importantly, **this assistance was also made available to educators in different languages (OSSE, n.d.c)**. Applications and outreach materials were available in multiple languages including English, Spanish, and Amharic.

Although AidKit and OSSE worked hard to maintain open lines of communication, educators were mistakenly provided with incorrect tax forms by AidKit, which caused unexpected challenges for many educators. An interviewee explained that the tax form assumed the educators were all self-employed, which was not the case for most educators. The forms had to be reissued and if educators had already submitted their taxes, they had to resubmit.

OSSE had partnered with another entity to provide tax support to educators, but the service was underutilized. Educators reported receiving guidance on taxes from multiple sources, resulting in some inconsistencies. One educator shared that “things ran very smoothly for me” because their child care program had a representative available to provide guidance. This was not the case for many others, who described this information as a “shock.”

“The main issue was that it was one lump sum and so they didn't think - I guess I could have like educated them more... And so they were like when tax time came, they were like, ‘hold on I owe \$3000?’ And I was like, ‘well, yeah’”

- Center-Based Director

Because the lump sum payments were a large and immediate increase to educators' income, several interviewees indicated that **educators needed more support and information** related to managing their new income, particularly as it related to tax implications.

Impact

As described earlier, the goals of the Fund were multifaceted, and aimed to improve:

- Conditions for the ECE workforce by addressing historic inequities tied to race and gender;
- Recruitment and retention of the ECE workforce; and
- The quality of ECE services in the District.

In FY22, 99 percent of eligible educators received the one-time lump sum payments (Sandstrom et al., 2024). In FY23, 96 percent of eligible educators received the first quarterly payment and 98 percent received the second quarterly payment.

Workforce conditions

Interviewees, educators, and administrative staff expressed that **the supplemental payments were critical for financial stability and for improving educators’ sense of value.** Similar findings were echoed in a survey of educators eligible for the Fund, which found that educators who received Fund supplements reported more financial security compared to those who did not (Mefferd et al., 2024). In focus groups, educators shared their appreciation of the Fund because it made them feel like they were **“being taken seriously”** and **“finally acknowledged.”** Before the implementation of the Fund, some educators expressed feeling as though they were not valued or seen as professionals. Multiple educators also emphasized the importance of the Fund to properly compensate educators following the increased education requirements.

“I think the first rollout was definitely pocket filling, but I think it was morale filling as well. I think that it really gave teachers a boost and they felt appreciated and valued for the first time”.

- Hollowell-Makle, Makle Consulting

“As an educator, ...it allowed me to feel appreciated financially for the first time and I really appreciated that.”

- Center-Based Teacher

When asked about whether they believed this approach addressed pay inequities, multiple interviewees flagged that **this approach did not acknowledge disparities within the workforce.** For instance, an educator already making \$80,000 was receiving the same wage supplement as an educator making \$40,000. One interviewee noted that this was “just the tip of the iceberg,” and there was a lot more work to be done to address inequities for educators. Parents in the District shared similar sentiments, reacting positively to the Fund, but seeing it as a starting point to improving conditions for educators (Bose et al., 2023).

“It really helps reduce that stress, of the burden, of having just a little more money to help you through.”

-Center-Based Teacher

Further, interviewees, educators, and administrative staff shared concerns about **wage compression** between educators and other early childhood professionals. In a survey of 137 center directors, 25 percent reported that since the Fund had been rolled out, most teachers at their facilities earn more than them, and 31 percent agreed that they have considered going back into the classroom

(Nikolopoulos et al., 2024). In focus groups, a few directors reflected that some administrators were returning to the classroom due to the higher pay.

Recruitment and retention

Many of the directors we spoke with believed there was a **positive impact of the Fund on ECE workforce recruitment and retention rates**. An analysis of ECE workforce data conducted by Mathematica, a District-based research organization, found that after two years of wage supplements from the Fund there was a statistically significant increase in ECE employment levels in the city—suggesting that the Fund played an important role in improving ECE recruitment and retention (Schochet, 2024). Directors explained that they used the lump sum payments and upcoming wage increases as a marketing tool or a talking point to attract new talent. Directors also predicted that staff were now less likely to “jump ship to go to DCPS” where Pre-K teachers were historically paid more. Overall, the directors we spoke with reported seeing less turnover, more retention, and happier educators.

ECE quality

Few of the people we spoke with commented on the impact of the Fund on ECE quality. However, findings from a survey of educators eligible for the Fund found that of the educators who felt they were being paid fairly, nearly all (89%) felt like they could better focus on the needs and development of children they worked with (Doromal et al., 2024). This rate was lower among those who felt their pay was still insufficient.

Implementing salary increases

Summary & Key Takeaways

In the second phase of the Pay Equity Fund, funds were distributed to programs and then distributed to educators, based on their role and full-time status.

Approach and strategy

- **OSSE was directly responsible for distributing funds** to programs, using a funding formula that covered the average expected salary in programs and the new salary benchmark. The formula also included add-on funds to cover administrative costs and an equity adjustment for programs serving children receiving subsidies.
- OSSE continued to **work with various trusted community-based organizations** to spread the word and assist with enrollment.

Lessons learned

- According to the people we spoke with, transitioning from the wage supplements to the salary increases caused **anxiety among educators** who were unclear about the way the additional money would be distributed.
- Some **directors reported feeling a lot of pressure** to enroll in the Fund to ensure their ability to recruit and retain staff, but were unclear about the financial implications and ramification for their businesses. This was particularly true among those with minimal to no administrative support.
- Communication needs to be ongoing and frequent. **Although working with trusted community partners helped to facilitate this communication, interviewees, educators, and directors all shared that more support and communication was needed** from OSSE and their partners at all stages of the Fund implementation.

As planned, a programmatic shift for delivery of the Fund's dollars occurred in FY24. Rather than distributing lump-sum payments directly to educators, funds were provided to programs to adjust salaries. Table 2 outlines the minimum salaries for educators, based on their education level.

Table 2. Minimum salaries for teachers and assistant teachers

Lead Teacher	Minimum
CDA <u>or</u> 48 Credit Hours with at least 15 Credit Hours in ECE	\$54,262 (\$26.09/hr)
AA in ECE <u>or</u> AA with at least 24 Credit Hours in ECE	\$63,838 (\$30.69/hr)
BA in ECE <u>or</u> AA with at least 24 Credit Hours in ECE	\$75,103 (\$36.11/hr)
Assistant Teacher	Minimum
Less than a CDA	\$43,865 (\$21.09/hr)
CDA	\$51,006 (\$24.52/hr)
AA	\$54,262 (\$26.09/hr)

Source: OSSE, 2024b.

This section provides an overview of how the salary adjustments were implemented, and describes successes and challenges that educators, directors, advocates, and others shared with us.

Payment distribution

Eligibility

Lead and assistant teachers in centers and homes continued to be eligible for the Fund. According to OSSE, only about 39 percent of center-based teachers, 53 percent of expanded home caregivers, and 77 percent of home caregivers working in the District had attained the degree needed for their role as of October 2023 (OSSE, 2023).¹⁷

In focus groups, directors and educators continued to elevate concerns about aides, floaters, directors, and others not being eligible to receive the Fund.

“I think that everybody in the program should get some type of incentive, we would not be a program without all of us, we all function as one.”

- Center-Based Educator

¹⁷ These numbers do not account for individuals who may have a waiver. Waivers may have been provided for a variety of reasons, including working in the role for 10 continuous years without a significant gap in service; and educators who were in a degree/credential program.

Enrollment system

In this new phase, **employers were responsible for enrolling their program** into the Fund and had a choice of whether to engage. Interviewees shared concerns that employers may not opt into the program if they did not have enough information or understanding to determine whether it was a good business decision. Some educators raised concerns around recruitment and retention if some programs opted in while others opted out.

"So those lump sums that we received from [the Fund] were so helpful, and now we're finding that we're not part of it at all anymore."

- *Montessori Program Teacher*

Delivery

While some directors celebrated the **opportunity to more directly provide educators increased support and guidance**, some interviewees noted that educators who had learned to rely on the wage supplements were confused and anxious about when and how they would receive the money. These interviewees were concerned that there may be a gap between the last supplemental payment and the initial salary increase.

In focus groups, **directors shared multiple challenges** as they transitioned to the new approach, such as delayed payments from OSSE; challenges navigating the online system; and receiving incorrect funding amounts. Some noted that they expected these challenges to decrease over time.

Most of the educators we spoke with reported not feeling the impact of the payment delivery challenges and even noted improvements made to the Fund since the supplemental payments. For example, although taxes were a challenge for some educators in the previous phase of the payments, educators and directors appreciated that the payroll tax was already submitted for the program-level payments.

Funding formula

The funding formula was designed to cover the gap between what programs were paying educators and the salary scale. During the initial roll-out of the salary increases, OSSE experienced multiple unforeseen challenges. The salary scale was intended to bring ECE educators' salaries to parity with DCPS salaries. However, between the time that the Task Force made that recommendation and set a budget, interviewees explained that DCPS salaries increased by about 12 percent. While this was a celebrated increase for DCPS educators, it meant that **the budget set aside for the Fund was no longer enough to meet all of the Fund's goals**. OSSE was ultimately able to raise the first level of the salary scale by 12 percent but had to sacrifice the higher wage supplements that were tied to experience due to the budget shortfall. During focus groups, educators expressed frustration about this change.

"I'm getting paid more than what the minimum [salary] required, but the payments that was sent to our center, both of them was wrong. We had a[n] assistant teacher with no CDA had the payments that was a teacher with a degree and it was vice versa. And you know, nothing could be done until the next quarter."

- Center-Based Director

The original funding formula relied on average salaries. However, **OSSE did not have access to data on programs' salaries**, so they had to make assumptions and use averages to estimate the gap. They conducted a preliminary survey to gather this information, but the survey ultimately did not provide enough concrete information to comprehensively inform their approach.

Interviewees also shared concerns with the formula, noting that **programs paying below the average rate may have deficits in their budgets**. They explained that this was a source of anxiety for programs as they considered whether enrollment in the Fund was a feasible business decision. OSSE recognized that this gap may exist and hoped that an administrative enhancement (10% of the base award) could cover the difference. Per Task Force recommendations, an equity adjustment was also added if programs were serving children who received CCDF subsidies. Some interviewees pointed out that although these adjustments would likely be helpful, program income was likely to be more variable than anticipated because of fluctuating enrollment rates and inflation.

"The challenge of going into this was the lack of data... you're trying to create a formula that supplements the wages of teachers without knowing what they actually make. We recognized we would keep learning and improving based on feedback, lessons learned, and accumulating more data over time."

- Kigera, OSSE

Engagement and messaging

As in previous years, OSSE **partnered with trusted community partners** to spread information about changes to the Fund. Together, they hosted webinars, support sessions, and other information sharing events to reach educators and employers across the District. Interviewees explained that information-sharing at this phase of the process was critical but complex, as employers had varying levels of financial literacy and time to learn about an entirely new revenue source. This burden was especially salient for programs with fewer administrative staff (e.g., small home-based programs). One interviewee noted that Spanish-speaking providers were fearful that they would enroll and then lack resources in their language to successfully implement the program. Some educators expressed confusion as the program shifted, sharing that they did not know what was going on and they wanted more information about how they would receive money.

Some interviewees expressed a desire for more one-to-one outreach during this transitional phase to encourage program leaders to enroll in the Fund. Others wanted more opportunities for educators and employers to be involved in design decisions.

Impact

This section describes the anticipated and early impacts of the salary increases through the Fund. We spoke with educators and administrators in early 2024, when the salary increases were just starting to roll out.

Workforce conditions

Interviewees reflected on how they expected this phase of the Fund to begin to **address equity issues within the ECE workforce**, unlike the lump sum payments. Further, interviewees hoped that the salary increases would continue to **promote financial stability** among ECE educators and stabilize the workforce.

As with the first phase of the Fund, many of the people we spoke with noted that **wage compression** remained a concern with the shift to program-level payments. They expressed that this was a challenge within the classroom (for example, between educators with varying levels of experience and education), between administrative staff and teaching staff, and across other ECE professions like coaching staff.

"I have teachers that are new right out of college who are making the same as those who have 10 years of experience or with a master's degree even."

- Center-Based Director

Recruitment and retention

Interviewees anticipated **greater stability** within the field with consistent wage increases. They also expressed enthusiasm about the potential to **recruit high-quality staff** who may have otherwise pursued careers in public schools. However, many emphasized the importance of **sustainability for the Fund**, indicating that educators were beginning to rely on the Fund while their trust in the government continued to be fragile. Both educators and directors raised concerns about the sustainability of the Fund and its impact on recruitment and retention of early childhood educators.

"...The concerns with a lot of the teachers are, once we get used to being paid this kind of money and they don't have any more [funding] and we have to look for other jobs; other centers and specific areas of DC are not paying the salary that we're getting."

- Center-Based Teacher

Other impacts

During our interviews, representatives from OSSE acknowledged the ongoing challenges they faced in implementing this phase of the Fund. They anticipated that **they would continue to refine their approach with feedback from educators and employers**, and hoped that the Fund would help them **develop positive relationships between the local government and directors and educators and facilitate participation in other ECE initiatives**, such as ECE subsidy. Other interviewees shared successes elevating educators' concerns to the District Council and OSSE via trusted community organizations such as the Multicultural Spanish Speaking Providers Association and the Directors Exchange, who played a key role in passing along feedback and facilitating educators' participation in meetings.

Although some educators expressed a desire to return to the lump sum payment approach, most shared appreciation for the **ongoing financial stability** they had from the Fund.

Implementing health care benefits

Summary & Key Takeaways

The Health Care 4 Child Care program (HC4CC) was a key component of the Early Childhood Educator Pay Equity Fund. The program helped to address concerns that increasing compensation would result in loss of publicly offered health insurance. HC4CC offered a free health insurance option for all educators working in the District. Those who were District residents could also enroll their dependents free of cost.

Approach and strategy

- OSSE strategically **partnered with the DC Health Benefit Exchange (HBX)**, an organization with experience designing and enrolling health insurance programs for diverse populations. This helped them efficiently set up systems for the HC4CC program.
- HBX **worked with various trusted community-based organizations** to spread the word and assist with enrollment.

Lessons learned

- HBX **worked closely with community-based organizations and educators** to learn about various barriers educators and directors faced in enrolling. Doing so helped them adapt their approach to meet the needs of the community. For example, they brought on Spanish-speaking staff; worked with community-based organizations to spread the word; and provided additional one-to-one support to educators/programs that needed it.
- **Of the individuals we spoke with who had enrolled in HC4CC, nearly all reported having positive experiences.** They explained that the HBX staff were supportive and helpful, and the program helped to reduce costs for educators and programs. Nonetheless, long-term sustainability of the program was a concern, and led some educators and directors to opt-out of HC4CC.

In addition to the wage supplements and salary increases, the Health Care 4 Child Care (HC4CC) program was designed in 2022 and launched in 2023 to provide health care benefits to ECE educators working in the District. This was a critical piece of the Fund, as the Task Force anticipated that pay increases may exclude educators from accessing health insurance from other sources like the publicly-funded Medicaid program. In partnership with OSSE, the DC Health Benefit Exchange Authority (HBX), served as the distributor of the HC4CC program (Hamer & Mitchell, 2022).

This section describes the design of the HC4CC program, and then describes how HBX navigated program implementation.

Program design

OSSE chose to partner with HBX to administer the HC4CC program. As former implementers of the Affordable Care Act (ACA) in the District, HBX brought a wealth of experience to the table and were uniquely positioned to support implementation. **Because of their history in the District, they adapted existing infrastructure to implement the Fund, rather than starting from scratch.** During interviews, representatives from HBX described how their team worked around the clock to ensure everything was in place for the HC4CC program just six weeks after being asked to design the program.

We did everything very quickly because we understood the huge need in this community for health insurance coverage...We were able to reuse a lot of our IT infrastructure, but it all had to be modified.”

- Kofman, HBX

Despite the quick implementation of HC4CC, the HBX team was careful to ensure that the program was designed with input from the community to ensure it reflected the priorities and met the needs of educators. For example, while they were still designing the HC4CC program, HBX conducted a pilot with 10 providers to refine the program with educator input.

Enrollment eligibility and process

The HC4CC program allowed any early childhood educator working in the District to enroll in a subsidized health insurance plan—educators who resided in the District could also enroll their dependents into the program for free; while educators living in Maryland or Virginia had to pay additional premiums to enroll their dependents.

There were two methods through which educators could enroll in HC4CC:

1. Through their center/employer (only if they had 100 or less employees), or
2. Through the individual marketplace (only if they were not eligible for Medicaid).

Although both methods of enrollment provided educators with subsidized insurance plans, interviewees pointed out a few notable differences between the two methods. Importantly, an educator could only enroll in HC4CC through their center if the director/owner had decided to participate in the program. If an employer did not enroll their center into the HC4CC program, educators could still enroll through an individual plan. Additionally, while educators could only select from three plans on the individual marketplace, employers had additional options. For example, employers could opt into a higher level of insurance for their educators if they were willing and able to pay a subsidized rate.

Although educators who were eligible for Medicaid were not eligible for the HC4CC program, an interviewee from HBX explained that they would **screen eligibility for HC4CC and Medicaid during the application process.** For instance, if an educator was eligible for Medicaid, they

“We took the most experienced staff people from different areas, and we put them all on HealthCare4ChildCare. The success of this program was really important to us, and we wanted experienced people to focus on it.”

- Kofman, HBX

would enroll them; if they were not, they would enroll in HC4CC. Interviewees from HBX explained that HBX prioritized assigning experienced staff to roll-out the HC4CC program to ensure its success.

"...We followed along and listened to all of the information, but we determined that [our center] has more robust health insurance than what they had to offer. So it wasn't going to benefit anyone, and they have that dependent care and all that stuff. So, I mean, it's great for independent smaller centers if they can't already offer it."

- Center-Based Director

Interviewees and educators shared **multiple barriers** to enrolling in HC4CC. For some educators, the program did not align with their needs or preferences. For example, the enrollment period may have differed from their current insurance, which may have resulted in overlapping or loss of coverage, or they wanted a different level of coverage than HC4CC offered. When asked about why they chose not to enroll, some educators shared that they were not aware of the HC4CC program, were already enrolled in Medicaid, or were enrolled in other insurance

plans held by their spouse or parent. Some directors explained that they were already enrolled in other insurance plans and were not interested in switching.

Many individuals we spoke with shared **concerns about the long-term sustainability of the HC4CC program**, which they suggested may impact educators' and directors' decisions to enroll. One interviewee noted that there was a lot of hesitation among educators and directors when they were initially advertising the program. At the time, HBX could not guarantee educators that premiums would be free beyond 2023 due to uncertainties about future funding. According to interviewees, this reality made educators feel hesitant, skeptical, and confused. They also explained that employers worried about the administrative burden enrolling in the HC4CC would cause, particularly for smaller or under-resourced programs. As a result, employers wanted to make sure that HC4CC would be a long-term support before enrolling.

Engagement and messaging

According to interviewees, educating ECE educators and directors on HC4CC was a heavy lift. As the Health Benefit Exchange began their outreach, they reported **lack of understanding about health insurance programs made it a challenge to garner buy in or interest in the program**. One interviewee explained that it was difficult to explain the program to both employees and employers. Interviewees shared that people struggled to understand the program, especially those who previously did not have or offer health insurance. This was especially concerning for Spanish-speaking educators.

"I think it would be better if they explained all this [health insurance], because as it is, health insurance is like a cloud where you don't know what happens to each individual in the United States. I mean for us teachers that come from other countries it would be so much easier if they could just explain it to us step by step, and say what goes, what doesn't go, and what we have to pay for."

- Center-Based Teacher

Further, interviewees noted that **educators did not immediately trust the HC4CC program**. HBX explained that getting their foot in the door with

educators was challenging, as many were not familiar with them. Initial attempts to cold-call employers and educators were unsuccessful; they also quickly realized the need to have Spanish-speaking representatives conduct outreach.

To address these challenges, **HBX provided intensive and individualized supports to both educators and employers.** Interviewees from HBX indicated that once they were linked with an interested program or educator, they would explain each step of the health insurance process to educators, help them create accounts, and provide reminders or supports about paying premiums. These supports were also “high touch,” meaning HBX checked in with educators up to 15 times during the enrollment process. This high touch approach was seen as a way to increase educator enrollment and reduce confusion. Multiple interviewees reflected positively on these efforts, explaining that the tailored assistance that HBX provided helped employers and educators enroll. In addition, Spanish-speaking educators mentioned satisfaction related to working directly with HBX representatives in their preferred language during enrollment.

“I do remember that one of the things that the program, the person from HC4CC was saying, was that the funding wasn’t guaranteed for the future. And so we just wanted to stick with what was kind of, what was stable so that people wouldn’t have to constantly be changing.”

- Center-Based Director

HBX also pivoted from their initial outreach approach by **communicating through trusted community-based organizations.** HBX ended their cold-calling strategy and launched an advisory panel composed of educators and employers focused on strategies to best communicate with employers and educators. HBX also began sending outreach materials in both English and Spanish. Many directors recalled receiving swag bags, kits, and additional communication about the HC4CC program that they passed along to staff. HBX began holding workshops at associations and organizations trusted among educators. For example, they presented at both the Multicultural Spanish Speaking Providers Association (MSSPA) and DC Association for the Education of Young Children (DC AEYC) to build awareness and trust in the program among educators and employers. Additionally, HBX worked with the Director’s Association to create buy-in among ECE directors.

“Actually, I got a hold of one individual that was very helpful and instrumental in speaking and getting [staff] registered and signed up and was able to speak to them independents. . . We have some staff that are Spanish speakers that had translators. So I really can say a contact that I have at [HBX], she was really great and she went over and beyond helping us out.”

- Center-Based Director

As HBX conducted workshops, news of **HC4CC was spread by word of mouth.** While most directors and Spanish-speaking educators that we spoke with were aware of HC4CC and had received communication from either OSSE or HBX, many of the English-speaking educators we spoke with had not heard of HC4CC until their participation in our focus groups. After hearing more about HC4CC and its benefits, a couple of educators indicated interest.

Impact

HBX reported significant success enrolling employers and educators into the HC4CC program. In mid-2023, HBX reported enrolling almost half of eligible licensed facilities in the HC4CC program.

“It's a huge deal for us that we've been able to find and convince these employers to start offering health insurance.”

- Kofman, HBX

In focus groups, both directors and educators who accessed the HC4CC program named multiple benefits of participation including **significant decreases in health insurance costs and maintaining access to preferred medical providers**. For example, one center-based director praised HC4CC due to receiving a 50 percent decrease in their premium and a Head Start teacher mentioned saving \$900 a month on premiums. Many educators also expressed positive experiences working with staff at HBX.

When discussing potential updates to HC4CC moving forward, most educators were happy with the current offerings and expressed a desire for the program to continue.

“And so when this insurance came about, I applied and I got it. ...And so it was another way to put money back into my household. So I really appreciate the health insurance more than anything.”

- Center-Based Teacher

“...including me, we have several of our staff enrolled and the benefits are great and we receive a premium discount each month. That's a significant payment taken out of our bill. So as a small program, that's a huge relief for us and we hope the program continues and we are very happy about it.”

- Center-Based Director



Chapter 3. Looking Ahead



Ongoing developments

Between our conversations with community members in 2023 and early 2024 and the publication of this report, a few notable events and changes occurred related to the Early Childhood Educator Pay Equity Fund.

In the spring of 2024, the District government was faced with major budget deficits moving into the next fiscal year, in part due to expiring COVID grants. In response, Mayor Muriel Bowser put forth a budget that would significantly cut monies for public programs including the Fund (Camera, 2024). Numerous organizations, educators, and advocates came together to submit testimony¹⁸ in support of the Fund. DC Action for Children also organized rallies to show the community's support. Although the Mayor's proposed change was mostly repealed in the final budget, it sparked anxiety and distrust among early educators and the community at large who had relied on the promised income increase and for those who elected to participate in the HC4CC program for health insurance.

The Early Educator Equitable Compensation Task Force was reconvened in response to a charge laid out in the FY25 Budget Support Act that requested the following:

- Recommendations for changes to the Fund to limit fiscal pressure through FY28;
- Development of a new compensation scale; and
- Recommendations for distributing the available Fund money (Early Childhood Educator Equitable Compensation Task Force, 2024).

The Task Force put forth a number of recommendations to meet these goals, including:

- Reducing salary minimums for educators who had not met the minimum credentials for their role;
- Freezing minimum salaries for the duration of the four-year budget plan;
- Adjusting the funding formula that determines program allocations; and
 - Reducing OSSE's administrative costs.

The Task Force also highlighted that they may need to adjust again in the future as they anticipate more educators will participate, credentials may change, and the costs of HC4CC may increase over time. Additional information about their recommendations can be found in the Task Force's [September 2024 draft recommendations report](#).

Key insights

- **The Fund emerged from a long history of strategic and intentional policy changes and unwavering advocacy for ECE in the District.**
- **Decades of incremental policy change established a legal precedent for the Fund and built community buy-in.** For example: pay parity established in the Pre-K Act; efforts to increase

¹⁸ Examples of testimony submitted by community members and organizations: [DC Fiscal Policy Institute](#); [Jewish Community Relations Council](#); [Urban Institute](#).

program quality through the QRIS redesign; and higher education standards in licensing regulations. These incremental steps to improve ECE quality strengthened the case for the Fund within the community and government.

- **The influx of high-income earners to the District in the early 2000s presented a unique opportunity to implement a progressive income tax that would fully finance the Fund.** By leveraging this growth, the city was able to achieve the goals of the Fund while redistributing resources to reduce disparities.
- A committed coalition of advocates and local organizations consistently worked together to unite the ECE field and amplify critical conversations. **The sustained efforts of advocates and community members helped establish a strong campaign that ultimately led to the passage of the B-3 Act.**

The Fund was designed—and continues to be refined—with community input.

- Educators and other stakeholders were included as thought partners during the design and implementation of the Fund, which allowed implementing partners to anticipate the diverse needs of the workforce and address challenges as they arose. **Nearly everyone we spoke with in our interviews and focus groups discussed the importance of clear, transparent communication with educators and directors.** OSSE and their partners took deliberate steps to improve communication, such as: providing materials and support in multiple languages; offering multiple avenues to receive wage supplements (pre-paid debit card, check mailed to their home); and providing more direction as new phases of the Fund were rolled out.
- Many of the people we spoke with highlighted the need for continuous improvement over time. **Partnerships with community-based organizations and ongoing research studies provided real-time insights that informed program updates.** Throughout the design and implementation of the wage supplements, salary increases, and HC4CC program, leaders actively created opportunities to listen to community concerns and assess implementation. This learning process included public testimonies, engaging various organizations in planning processes, and conducting research and evaluation studies, among other strategies. This helped leaders adapt to the ever-changing needs of the ECE community effectively.

The Fund is beginning to address equity- and workforce stability-related issues in ECE and is enhancing early educators' and ECE programs' fiscal well-being.

- **The Fund's design stage included attention to the breadth of the ECE workforce in the District, which helped address equity issues within the field.** The Fund was carefully designed to unite the diverse mixed delivery workforce in the District—which is evident in decisions regarding the inclusion of center- and home-based settings; consideration regarding the use of the same wage scale for both settings; and goals to acknowledge education and experience in their compensation approach. Individuals that we spoke with underscored the importance of recognizing education and experience in the salary scale to ensure that pay reflects the qualifications and contributions of each educator.
- **The Fund has the potential to improve recruitment and retention within the early childhood workforce.** Specifically, individuals we spoke with shared enthusiasm about recruiting high-

quality staff who may have otherwise pursued careers in public schools and retaining their existing staff with consistent wage increases.

- **The Fund led to greater financial stability among recipients.** Many of the people we spoke with, however, also asked leaders to consider unintended consequences of this policy, such as wage compression between those eligible for the Fund and those who were not eligible (e.g., program staff such as substitutes or directors; surrounding communities). They also emphasized the need to consider additional benefits, such as retirement plans, paid leave, and other supports that contribute to long-term workforce stability and wellbeing.
- **The HC4CC program has reduced expenditures on and improved access to health insurance.** The program led to cost savings for programs and educators and, in some cases, increased coverage.

Directors, educators, and community members identified ongoing challenges and needs as the Fund continues to be implemented.

- **One-on-one support to programs is important to help people engage with the Fund and understand the implications of participation.** Directors, educators, and community members emphasized that this individualized support was critical in understanding how participation in the Fund would impact ECE programs, particularly for educators and directors who spoke languages other than English or had limited administrative staff. When available, tailored assistance was critical in helping people navigate the Fund effectively and make informed decisions about their involvement.
- **Maintaining confidence and trust in the District's government is linked to smooth implementation and sustainability of the Fund.** Directors, educators, and community members discussed the importance of trusting the entities administering each component of the Fund (i.e., OSSE, AidKit, HBX) who, by extension, were linked to and representative of the District government. When the program transitioned to the second distribution phase, some educators experienced delayed payments, leading to apprehension about the program's reliability and a loss of trust. The need for the District to address fiscal deficits via budget cuts that threatened the viability of the Fund also heightened mistrust among Fund participants. These experiences highlight the need for constant and consistent communication to ensure that when implementation related or other challenges occur, Fund participants are "in the know," which may temper feelings of distrust. As with any government program, unanticipated issues do arise. Fund leaders may consider proactively planning for potential challenges, such as budget cuts or rising program costs and ensure that participants are aware this type of planning is underway, which may increase confidence in participating in the Fund and its long-term sustainability.

"You have to start somewhere, so I would just like to keep seeing things being consistent to keep going and just figuring out how we can get better each year."

- Center-Based Teacher

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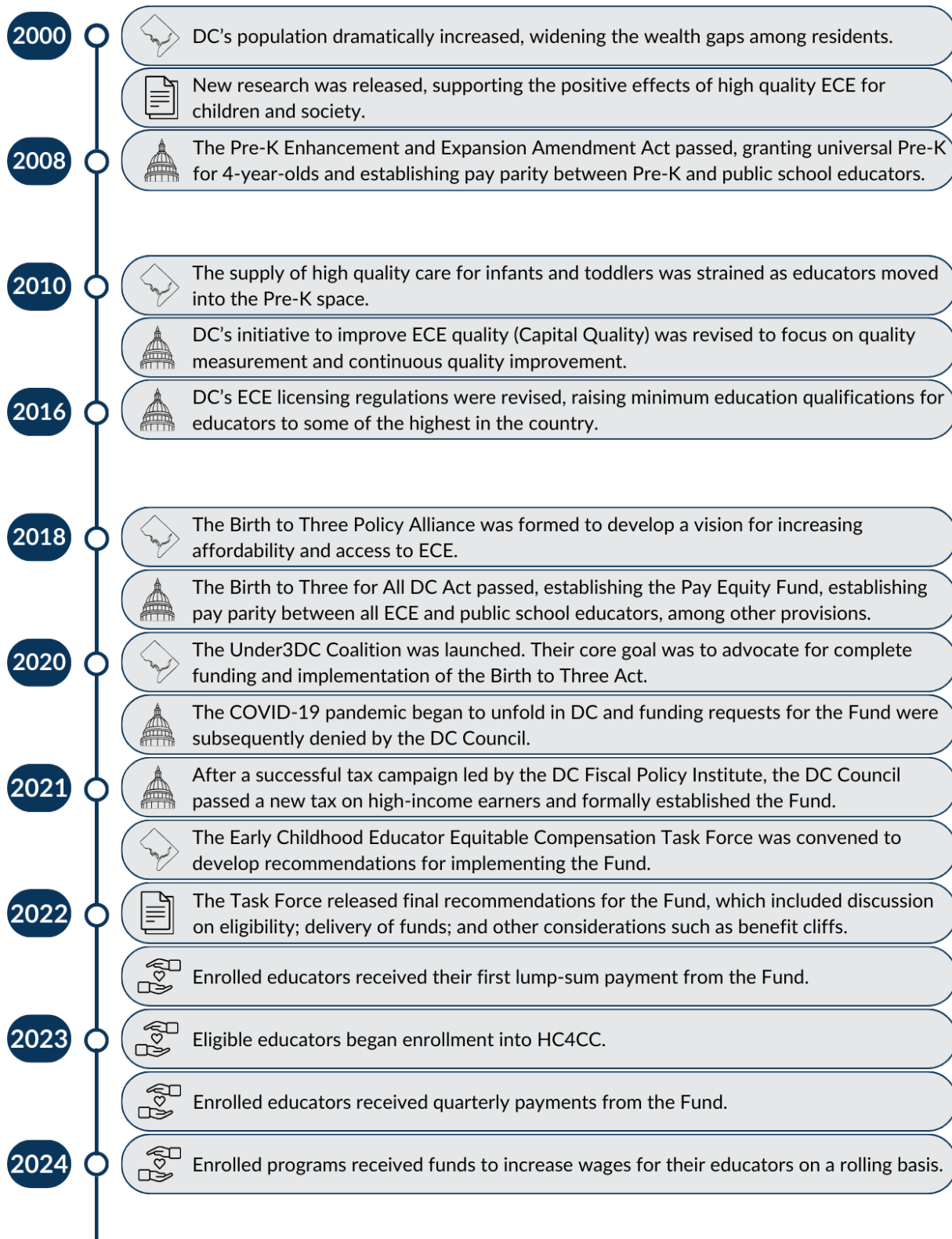
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Appendix A. Timeline



Appendix B. Methodology

The Fund represents the culmination of decades of advocacy and incremental policy reforms. This resource provides an opportunity to learn and share insights about its design and implementation. To capture these lessons, Child Trends conducted an evaluation of the Fund that included an analysis of its historical background as well as research that facilitated a high-level understanding about how the Fund was implemented given its history and immediate impact on educators.

This study sought to explore the following research questions:

1. What was the catalyst for establishing the Fund?
 - a. What were the root causes and circumstances surrounding the disparities in compensation within the District’s ECE workforce?
2. What groundwork led to the establishment of the Fund in the District?
3. How have policy conversations and shifts aligned with the realities faced by ECE educators?
4. How do ECE educators perceive and experience the Fund?
 - a. Do these experiences differ for various groups, such as center-based educators, home-based educators, and educators from specific racial or ethnic groups?

Literature and policy scan

We conducted a literature and policy scan to explore both the local and national context surrounding ECE compensation. We reviewed peer-reviewed academic literature, data points, legislative reports and policy, and gray literature, including book chapters, policy briefs, and reports. Literature was identified through Google, Google Scholar, ERIC, Research Connections, JSTOR, and ProQuest. Additionally, we included literature as recommended by interview participants and completed backwards citations searches of identified literature.

Literature was included in the final analysis if it addressed ECE compensation or the ECE workforce in the District and/or in the United States or provided historical and current context of ECE workforce inequities in the District. We established these criteria so that we could examine the root causes and current circumstances regarding the development, design and implementation of the Fund in the District while also considering national ECE context.

The search terms used in this landscape analysis were informed by those used in other foundational reports exploring the historical basis for workforce inequities and compensation (see Lloyd, et al., 2021). Table B1 outlines the topic areas and search terms used for the scan.

Table B1. Topic areas and search terms

Topic area	Search Terms
ECE Workforce inequities in the U.S and D.C.	Babysitters and Pay Equity, Child Care Workers and Women of Color in DC, Immigrant ECE workforce in DC.
ECE Workforce and Compensation in D.C	Professionalism in the Early Care and Education DC, Early Care and Education Compensation in DC, Early Care and Education Professional Development in DC, Early Care and Education Training in DC, Early Care and Education Workforce in DC, ECE Pay Equity in DC, Health Care and ECE Workforce in DC, Healthcare4childcare DC
Historical and Current D.C. Context	Child Care History in DC, CCDF Subsidy Use in DC, Commuter Patters in DC, Compensation Study in DC, Immigrant Women Workforce in DC, Labor Market Racial Discrimination in DC, Racial Inequities in DC, Racial Wealth Gaps in DC, Racism and Compensation in DC , Racism and Feminism in DC, Domestic Work Policy and Rights DC, Domestic Workers in DC

Note: each search term had a series of variations that were included in the search. For example, babysitters may have been searched using “babysitter” or “nanny.”

Once literature was identified it was logged in an Excel spreadsheet for analysis. Key information from each resource was documented, including year published, first author, type of resource, ECE setting discussed, and years/time period reviewed in the article. Literature was then assigned to one of the categories outlined in Table B2.

Table B2. Analysis categories and definitions

Category	Definition
Broad ECE context in the US	Information about the national ECE workforce, including compensation, inequities, workplace conditions, or workforce stability in DC.
Broad context in DC	Context in DC that may influence ECE policies or conditions, including housing, employment, education, or demographic data in DC.
ECE workplace planning/no-contact time in DC	Discusses planning or no-contact time (i.e., paid or unpaid time for teachers to address demands such as planning instruction plans, communicating with families, and assessing children's development) in DC.
ECE workforce compensation and benefits in DC	Discusses pay, wages, or compensation and benefits for the ECE workforce (e.g., health insurance, paid time off, paid parental leave, and paid professional development opportunities) in DC.
ECE workforce characteristics (e.g., qualifications, demographics) in DC	Provides general information on the ECE workforce, such as demographics (e.g., gender, race, ethnicity, socioeconomic status) and their qualifications and standards (e.g., education, certificates, training) in DC.
ECE workforce inequities in DC	Discusses how inequities within the ECE workforce have been created, perpetuated, or are beginning to be addressed in DC.

Category	Definition
Access, supply, and demand for ECE in DC	Discusses context related to family access, supply, and/or demand for ECE in DC.
Quality of ECE in DC	Discusses the quality of ECE programs in DC or initiatives to improve quality in DC.

We conducted similar searches within local news reporting agency websites to identify major events and/or changes occurring within the District’s ECE landscape. Reviewing news articles helped to identify significant ECE policies that were proposed or passed and in-the-moment reactions from the public. Our goal was to identify these major events and understand various perspectives on the issue.

Primary data collection

Key informant interviews

We conducted exploratory interviews between June and September of 2023 with 14 individuals who played major roles in advocating for, designing, or implementing the Fund.

The interview guide was designed to address the project’s research questions, with an emphasis on uncovering more in-depth historical information. The interview guide was tailored to each participant’s background and involvement in the Fund, covering the following topics:

1. Interviewee’s background and connection to the Fund
2. Historical background related to the Fund and ECE in the District
3. The process of advocating for and designing the Fund
4. The implementation of the Fund
5. The anticipated or experienced impact and effects of the Fund
6. Recommendations

We invited interviewees according to their connection to the Fund to ensure a wide breadth of perspectives and roles were included. Each interview took place over Microsoft Teams and was recorded, with permission from each interviewee. We used snowball sampling to identify interviewees, asking each participant to identify other relevant individuals for our team to interview who had insights about the genesis and implementation of the Fund. We offered interviewees a \$100 gift card after completing the interview. Interviews continued until the team reached a saturation of recurring themes regarding each topic area.

Interviews were analyzed using Dedoose, a qualitative analysis software. One team member developed a draft codebook to summarize recurring themes and ideas presented in the interviews. Other members of the study team reviewed the codebook to ensure it mirrored the protocol and topics that emerged from the interviews. Each interview transcript was double coded and reviewed by both coders until consensus was reached.

Focus groups

In early 2024, we conducted focus groups with ECE educators and directors/administrators. A team of researchers knowledgeable about the District's context and the Fund developed and reviewed the focus group protocol. The team designed the focus group questions based on the projects' guiding research questions, with an emphasis on understanding the group's unique impressions of the Fund, experiences learning about or accessing the Fund, and any impressions or ideas they may have about the Fund moving forward.

Our goal was to conduct focus groups with English and Spanish-speaking educators and directors/administrators. We formed these groups to gain insight from diverse educators based on role (educator vs administrator/director) and preferred language (English vs Spanish). Providers were recruited through ECE stakeholder groups in the District, who contacted their networks of providers about the opportunity. At the point of recruitment, we gathered basic demographic data to be able to summarize the characteristics of the sample. All participants were age 18 years and above, per our selection criteria.

Overall, we conducted 5 focus groups with 20 educators (9 Spanish-speaking; 11 English-speaking) and eight center directors/administrators (all English-speaking). Although we conducted extensive outreach to home-based educators, there was not enough interest to hold a focus group. The focus groups were held virtually via Microsoft Teams and were offered in both English and Spanish. Each session lasted 60 to 90 minutes. Participants received \$60 after participating to thank them for their time.

Because different groups (e.g., educators vs directors) experience the Fund in different ways, the focus group guide was tailored to each group's background and probable knowledge of the Fund. The focus group guide covered the following topics:

1. Participants' overall experiences with the Fund and HealthCare4ChildCare
2. Successes and challenges with the Fund and HealthCare4ChildCare
3. Payment schedule preferences
4. Impact of payments and insurance on participants' lives
5. Participants' knowledge of HealthCare4ChildCare
6. If they are using insurance benefit, and if not, why?
7. How administrators support educators in receiving benefits of the Fund
8. What could be improved about the Fund, including insurance
9. The Fund's impact on hiring processes, recruitment, retention

Focus group facilitators and notetakers debriefed after each focus group to highlight key takeaways which contributed to the creation of the codebook. Other members of the study team reviewed the codebook to ensure it mirrored the protocol and topics that emerged from the focus groups. After the completion of all focus groups, the analysts then systematically coded the focus group transcripts using Dedoose and remained in communication throughout to maintain inter-rater reliability.