

Early Childhood Investments Make Early Educator Compensation More Equitable and Stabilize the Child Care Sector

By Danielle Hamer

The DC Council took a significant step toward a more equitable early childhood care system by approving fairer compensation for the early educator workforce predominantly made up of Black and brown women, allocating federal funds toward the stabilization and expansion of the child care sector, and investing in Birth-to-Three¹ health programs that will help to put families on the path to equal access to needed care and support.

As the pandemic and recession increased business costs and sank revenues, child care centers struggled to stay afloat and many closed. As federal and state relief funds helped to stabilize child care programs and prevented more program closures, DC's early educators, early learning leaders, and advocates called on the Council to fulfill the promise made in the Birth-to-Three Act of 2018 to improve DC's early education sector by adequately compensating its workforce. Council champions responded by securing a recurring, local investment to increase wages for early educators

through higher taxes on high-income residents in the fiscal year (FY) 2022 budget. The budget also sustains funding for programs that help meet the urgent health and mental health needs of infants and toddlers exacerbated by the pandemic.

Early Educator Compensation Will Be Fairer, but the District Must Ensure Timely Implementation

The FY 2022 investments in child care workers affirm the value of a workforce engaged in complex work essential to children's learning and development and fundamental to the economy. Despite their critical role, early educators — who are predominantly Black and brown women — currently earn a median annual income of approximately \$31,950. That is barely above the minimum wage and not on par with the wages of public school teachers.²

Low wage conditions are contributing to a dwindling early care workforce, which, at the end of 2020, had declined by more than 15 percent nationally since before COVID-19 began, according to the Bureau of Labor Statistics.³ Early teacher compensation on parity with public school teachers is long overdue to ensure fair wages that adequately support early educators and the children they care for and teach.

SUMMARY

- Invests \$54 million in fiscal year (FY) 2022 to compensate early educators more fairly, with investments increasing to nearly \$75 million by FY 2025.
- Creates a task force to provide recommendations on design and implementation of compensation increases for early educators.
- Stabilizes early child care centers and homes by providing nearly \$40 million in grants from the American Rescue Plan (ARP).
- Enhances the District's child care subsidy program with a \$26 million investment in ARP funds.
- Sustains funding for infant and maternal health programs in the Birth-to-Three for All DC Act.
- Makes modest increases in funding for Healthy Steps and Healthy Futures, which are health programs that support early childhood development.

The District’s FY 2022 budget allocates local funds generated by an income tax increase on four percent of DC’s wealthiest households for wage increases for early care workers. The financial plan allocates annual investments, reaching almost \$75 million by FY 2025 (Figure 1), to the Office of the State Superintendent (OSSE) to implement the program and provide grants to all eligible licensed child care providers. The DC Council has established a task force charged with making recommendations on how to do so quickly and fairly.

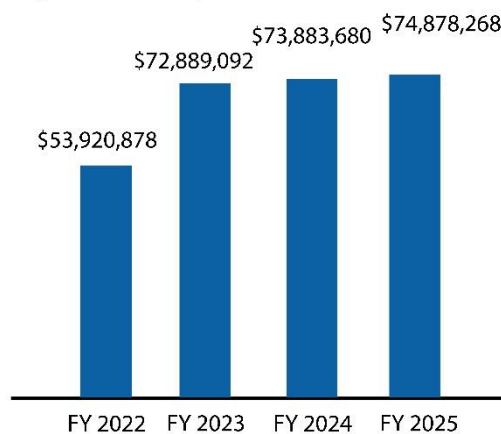
The task force consists of staff members from the offices of the Council Chairman and the State Superintendent, families whose children receive child care services, community-based organizations, early childhood advocacy and policy organizations, and operators and educators in child development facilities. Task force members are assessing the design of a new pay scale to ensure that it is on par with compensation for public school teachers and accounts for different staffing models and types and sizes of early childhood development facilities. They are also responsible for making recommendations for ensuring funds to child care providers truly translate into higher compensation.

The task force must submit its recommendations by January 2022. In the meantime, the city will store the funds in the Early Childhood Educator Pay Equity Fund. This task force is engaging relevant stakeholders and child care families and providers in order to collect community input, but the process will delay wage increases until at least the middle of school year 2022. To fairly compensate early educators as soon as possible, swift legislation and implementation following the task force report are crucial.

FIGURE 1.

Early Educators Receive Overdue Compensation Increase in the DC Budget

Early care wage compensation funds through four-year financial plan



Source: Fiscal Year 2022 Local Budget Act of 2021

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American Rescue Plan Funds Help Stabilize and Expand DC’s Child Care Sector Capacity

The budget helps address the deep financial hardship that child care providers are experiencing because of the pandemic and ease the short supply of slots for infants and toddlers in early education that predates the pandemic. Lawmakers allocated approximately \$68 million in American Rescue Plan (ARP) funds to stabilize the sector, help providers cover increased operating and health-related costs due in part to lower enrollment, and grow the number of slots available to meet need when the pandemic ends and child care demand increases (Table 1, pg. 3).

To increase the early care workforce and sector capacity, federal investments also provide additional college scholarship funding for educators seeking education degrees; updated OSSE rules require most early care staff, based on position and type of care setting, to obtain a Bachelor’s, Associate, or Child Development Associate degree by December 2023.⁴ Federal dollars also go towards a pilot that will examine the effectiveness of incentives for early childhood workers who stay in their profession for more than 12 months or complete an education credential.

The budget also invests federal dollars in Back2Work Childcare grants to pre-emptively open more slots in 90 child care programs that closed during the pandemic so that providers are better prepared to meet demand when people return to work, and in Access to Quality (A2Q) grants focused on increasing quality and high-quality child care supply in shortage areas. Additionally, ARP dollars fund increased subsidy rates and workforce incentives in child care centers participating in the District’s subsidy program that helps eligible families pay for child care.⁵

TABLE 1.

Federal Dollars Fuel Efforts to Stabilize District’s Child Care Sector

Funding by Fiscal Year

Funding Purpose	FY 2022	FY 2023	FY 2024
Childcare Stabilization grants to child care providers to cover operating and health-related costs from the pandemic*	\$39,842,313	\$0	\$0
Set subsidy payment rates to cover providers' costs during the pandemic recovery	\$34,154,862	\$53,286,401	\$0
College scholarship funding for early childhood educators	\$1,000,000	\$1,000,000	\$0
Retention incentives (bonuses) for early childhood workers	\$0	\$3,000,000	\$0
Funding to pay providers to pre-emptively open more slots so that they are ready when people return to work and need them	\$7,902,626	\$15,805,251	\$8,307,356
An additional round of Access to Quality grants focused on increasing quality and high-quality infant/toddler supply in shortage areas	\$5,000,000	\$5,000,000	\$0

Note: DC Council approved an additional \$16,000,000 investment for childcare stabilization grants in the FY 2021 Revised ARPA federal budget.

Source: DCFPI analysis of Approved FY 2022 budget

Birth-to-Three Health Programs that Ensure a Healthy Start at Birth See Modest Funding Increases

The FY 2022 budget meets early childhood advocates’ requests for modest increases in funding levels for health programs in the Birth-to-Three Act, taking steps toward a future where all DC children under three have access to high-quality early learning and health care. These programs are essential to providing support to the one-third of the District’s majority Black and brown infants and toddlers living in households with low incomes that have also experienced more pandemic-related stresses as a result of having fewer material resources.

The budget invests \$300,000 to add a new site for the Birth-to-Three program Healthy Steps, a program that integrates licensed child development health professionals in pediatric primary care settings to help parents adapt to life with a new baby and get connected to infant-toddler resources that help families thrive.⁶

The budget also allocates over \$416,000 in local funds to support the District's Healthy Futures program, a behavioral health consultation program that provides training and technical assistance to program staff and families to identify and respond to children's social-emotional needs.⁷ By fully funding the program, the DC Council helps build the capacity of child care staff and families to respond to challenging behaviors and mental health needs in children.

The budget holds harmless funding for critical home visiting programs to serve specialized populations and families facing circumstances that increase their risk for child abuse and neglect. Level funding allows for DC Health and CFSA to continue providing home visiting services to eligible families in DC.

The budget restores \$103,000 in funds for the Lactation Certification Preparatory Program, which equips people of color to become international board-certified lactation consultants to help more DC families meet their breastfeeding goals.⁸ These dollars will provide DC Health with funds to support the DC training and coursework provided through the Program.

There are no new funds in the budget for the Help Me Grow program, which conducts comprehensive physician and community outreach and operates referral centers to connect families to perinatal supports and early identification of developmental or behavioral concerns. In the wake of the pandemic, the program shifted focus to increase accessibility to resource and referral lines and is now evaluating its priorities to expand supports.

¹ District of Columbia, [Birth-to-Three for All DC Act of 2018](#), October 2018.

² McLean, C., Austin, L.J.E., Whitebook, M., & Olson, K.L., [Early Childhood Workforce Index – 2020](#), Center for the Study of Child Care Employment, 2021

³ McLean, C., Austin, L.J.E., Whitebook, M., & Olson, K.L., [Early Childhood Workforce Index – 2020](#), Center for the Study of Child Care Employment, 2021

⁴ Office of the State Superintendent of Education, Child Development Staff New Education Requirements, https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/FINAL_New%20Education%20Requirements%20for%20Child%20Development%20Staff%20Frequently%20Asked%20Questions%20%28FAQs%29%20for%20Child%20Care%20Staff_2021.pdf

⁵ Office of the State Superintendent of Education, Child Care Subsidy/Voucher Program, <https://osse.dc.gov/service/child-care-subsidyvoucher-program>

⁶ Fiscal Year 2022 Budget, [Department of Health](#)

⁷ Fiscal Year 2022 Budget, [Department of Behavioral Health](#)

⁸ Bowman, Jarred, Budget Recap: [The FY22 Budget Increases Investment in Birth-to-Three and Advance Pay Equity for Thousands of Early Childhood Educators](#), DC Action, October 2021 <https://www.wereaction.org/budget-priorities>