GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the City Administrator

Office of Budget and Performance Management

FY 2021 PROGRAM ENHANCEMENT - FORM 2

Agency Program Enhancement Request Details

This form enables agencies to submit a budget enhancement request with supporting details, as part of the budget formulation process led by the Office of Budget and Performance Management.

Enhancement requests should be for innovative, evidence-based ideas around new spending that will improve the quality and efficiency of city services provided to District residents, or for additional resources needed to support substantial volume increases in services provided or necessary to maintain existing service levels.

IMPORTANT NOTES ABOUT SUBMITTING AN ENHANCEMENT REQUEST:

- Sections I and II are required for all enhancement requests.
- Sections III and IV are required for enhancement requests $400,000 or larger.
- Section V is required for enhancements designed to replace services from a proposed reduction.
- Submit your enhancement request(s) to: Saesha Carlile, Deputy Budget Director and your OCA budget analyst only. Please submit each unique enhancement request on a separate enhancement request form.

I. Enhancement Request Snapshot

Agency Name: Office of the State Superintendent of Education
Agency Code: GD0
Enhancement title: Early Learning Workforce Investment (Pay Parity)
This request is priority # 4 out of **5** for this agency.
Agency Point of Contact: Elizabeth Groginsky
Date: November 8, 2019

What is the amount of Local funds requested?

Personnel Services Funds	Non-Personnel Services Funds	Total Funds
$0	$5,000,000	$5,000,000

Number of new FTEs requested: 0
What type of cost will this enhancement be? (select one)

One-time / Partially recurring / Recurring

If it is a recurring, or partially recurring cost, what do you estimate to be the costs in each of the following years?

FY 2022	FY 2023	FY 2024

Please summarize this enhancement in two sentences, where the first sentence tells us what the enhancement is, and the second sentence tells us what the expected impact of the enhancement would be:

In order to ensure access to high quality child care for all District residents, the District must take a multi-pronged approach:

1. Access: Increase the numbers of slots available across all 8 wards, especially for infants and toddlers;

2. Affordability: Increasing the reimbursement rate for the District's subsidized child care program and other fiscal incentives such as the tax credit that was implemented in FY19

3. Quality: Continue to raise the quality of child care through Capital Quality, the Quality Improvement Network and various workforce investments and development programs.

This enhancement will support OSSE's effort to address the third prong by funding a pilot program to subsidize increased teacher pay in selected child development facilities that adopt OSSE's compensation scale. The pilot program aims to assist child care teachers and assistant teachers to achieve pay parity with DCPS teachers and assistant teachers.

Please detail here or in an attached spreadsheet what the requested funds would purchase (personnel, equipment, contracts, etc.). For each proposed FTE, list the proposed grade and position type/title.

The enhancement would fund grants to child care facilities to subsidize increased teacher pay. Funds would be allocated to pilot participants via grant to disburse to employees as a supplement to their pay.

II. Rationale

What problem for the District are you aiming to address?

The workforce investment pilot grant authority will specifically address the work to continue to raise the quality of child care through workforce investment programs. Additionally, the Birth to Three for All DC Act requires that all teachers in a facility that participates in the subsidized child care program shall be paid at parity with teachers at DCPS. This provision is still subject to appropriations, but this new grant program would demonstrate the Executive's commitment to increasing the compensation of child care staff while also giving OSSE an opportunity to thoughtfully consider and address any potential implication associated with mandated increased compensation for staff at private businesses.
The low wages and subsequent economic insecurity faced by teachers has a negative impact on their relationships with children, as they experience anxiety and depression and may be less likely to engage in positive interactions as a result.[1] Additionally, low earnings contribute to increased turnover, which negatively effects continuity of care for children.[2] This disrupts the teacher-child relationships which are foundational for quality care and early learning. Decades of research has shown that higher quality programs paid higher salaries and had lower rates of turnover among the workforce.[3] As early childhood educators earn higher credentials, including college degrees, increased compensation will be necessary to continue to attract and retain a diverse, skilled and competent workforce to provide high-quality learning environments for the District's young children.

Child care salaries have been shown to be strong and consistent predictors of the quality of care that children receive.[4] Child care teachers in the District of Columbia (DC) are among the lowest paid workers. The Bureau of Labor Statistics found that DC "child care workers" [sic] make an annual mean wage of $29,450 a year.[5] Manicurists, waiters and waitresses, stock clerks, counter clerks and crossing guards all earn a higher annual wage than child care teachers on average.[6] A survey of the DC early childhood workforce found that 80 percent expressed anxiety about their ability to pay monthly bills.[7] Meanwhile, fourteen percent of early childhood educators (one in seven) in the DC area have a family income that falls below the federal poverty threshold.[8]

What are the reasons why this problem exists?

The 2018 cost model completed by OSSE demonstrated that infants and toddlers are the most expensive age group to serve because of the increased personnel costs based on adult to child ratio requirements, and enrollment of preschool children garners higher revenue.[9] Universal pre-k at DC Public Schools and DC Public Charter Schools serves a large number of three- and four-year-old children who otherwise might be enrolled at child development centers. In Fiscal Year 2018, DC Public Schools and DC Public Charter Schools served a total of 12,717 three- and four-year-old children, while Community-Based Organizations served only 1,303 three- and four-year-olds.[10] Furthermore, the cost model found that maximizing revenue requires economies of scale which are not possible to attain for small child development centers.[11]

How does this enhancement address this problem and its underlying reasons?

This enhancement provides child development facilities with additional stream of funding that can be used directly to increase teacher compensation.

Is this enhancement a change to an existing program/initiative or a completely new program/initiative?

- ☐ Change to an existing program/initiative (e.g., adding staff or resources, serving more or a different set of residents, making changes to the service model)
- ✓ Completely new program/initiative for DC

Cost-Benefit Analysis and/or Return on Investment: How does the amount invested relate to the anticipated/desired outputs and outcomes?
(if relevant, please also submit a supporting Excel sheet)
Please ensure responses address the following:

- Are there external costs that will be incurred by other parts of DC government or non-government entities? No.
- Have all ongoing operating, maintenance and/or equipment replacement costs been detailed in the analysis, including potential increases to space needs (if adding FTEs or new activities), utility costs, IT equipment, etc.? No.

The amount invested will have direct and immediate impact on approximately 900 assistant teachers and teachers. This money will in turn make them more financially stable and decrease their reliance on government assistance programs. Furthermore, a portion of this money will return to the DC economy with increased consumer spending.

Will legislative support be required? (Yes/No – If Yes, please submit BSA form) Yes.

[1] Whitebook, Howes, and Phillips, 2014.
[2] U.S. Department of Health and Human Services & U.S. Department of Education, 2016.
[3] Whitebook, Howes, and Phillips 2014.
[4] Phillips et al, 2000.
[5] U.S. Bureau of Labor Statistics, 2016.
[6] Ibid.
[7] DC Appleseed, 2017.
[8] Urban Institute, 2018.
[9] Modeling the Cost of Child Care in the District of Columbia, 2018.
[10] Fiscal Year 2018 Pre-K Report, 2019.
[11] Modeling the Cost of Child Care in the District of Columbia, 2018.

IMPORTANT: If this enhancement request is for $400,000 or more, **you must** also complete sections III, and IV. Incomplete submissions will be returned.

III. Draft Project Plan

Please complete this draft project plan to depict how the use of these requested funds would be managed. This will help demonstrate that the plan will enable the delivery of results before the end of the fiscal year. This will also help OBPM determine when full funding will be required for the full implementation of this initiative. Complete as best you can, with the understanding that this draft project plan may evolve if/once the enhancement is granted.

Project Owner: (Who is the single person who will be ***most*** responsible for this initiative?)

[If the project owner must be hired, specify who will own the project until that time]

Name: Annie Schaeffing

Title: Program Supervisor, Early Childhood Workforce Development

Email: annie.schaeffing@dc.gov

Phone: (202) 727-0969

Other Key Team members (Add more as needed)**:**

Name: Michael Rowe

Title: Program Manager, Quality Initiatives

Role in this project: Oversight and ongoing feedback

What other agencies or stakeholders would be critical to this project's success, and what communication have you had with them?

Because this is a pilot program, the planning of this project has been internal to this point. Engaging child development facility leadership, including owners and center directors, will be crucial if the project is funded.

Project Timeline: (Place expected milestones, by month. Some months may be blank.)

See table below.

	FY2020					FY2021											
Tasks & Milestones	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
- Outline requirements for child development facilities to participate in the program, such as Capital Quality rating, number of employees, and staff qualifications. - Create Request For Application (RFA). Considerations will include generalizability and designing the pilot program wisely for evaluation in the future.																	
- Build a reliable system for monitoring grantees and staff compensation (e.g. assigning staff members to correct levels on the compensation scale, confirming accurate payments based on compensation scale, determining ways to monitor staff turnover and quality improvements, etc). - Release RFA to Community.																	
Finalize compensation scale and specifications for how to assign staff to different levels.																	
Identify centers to participate in pilot program and orient them to aligning staff to proper compensation based on compensation scale, monitoring requirements and expectations.																	
- Meet with identified grantees to clarify monitoring and processes. - Collect baseline survey of employees on attitudes toward work, intention to stay in the field, daily stressors, and current financial security. - Complete initial evaluation of interactions between children and teachers (using Classroom Assessment Scoring System or other evidenced-based tool).																	
- Conduct monthly report through monitoring tool. - Complete random spot checks to verify pay.																	
- Conduct a first quarter check-in meeting with participating facilities.																	
- Complete mid-year surveys of employees with identical questions to baseline survey. - Complete mid-year evaluation of interactions between children and teachers (using Classroom Assessment Scoring System or other evidenced-based tool).																	
- Complete final surveys of employees with identical questions to baseline survey. - Complete final evaluation of interactions between children and teachers (using Classroom Assessment Scoring System or other evidenced-based tool).																	

IV. Draft Project Evaluation

Please complete this draft project evaluation to describe evidence that already supports the initiative, metrics that will demonstrate its success, and significant risk and success factors.

OBPM will categorize the research evidence you cited based on whether:

- *the study design was rigorous and the study was well-implemented;*
- *the findings are positive and statistically significant; and*
- *the evidence is based on a model and population similar to the proposed enhancement.*

Have questions about the evidence? E-mail thelab@dc.gov. The Lab can pre-review the evidence agencies are thinking of citing, brainstorm future evaluation ideas, offer ideas on where to look for evidence, help agencies think through the evidence they've found.

If the enhancement is granted, is your agency willing to evaluate whether the enhancement actually achieves the desired outcome for a randomly selected group of residents or neighborhoods?

✓ Yes

☐ No

What evidence supports the likelihood that this enhancement will achieve the desired outcome? Please describe outcomes from similar efforts that have been undertaken before in the District and/or in other cities. If possible, include formal evaluation studies as well as lessons learned from both successes and failures in any similar attempts. *Provide links to or cite your sources*.

While there is recognition that early childhood wages are very low, there has been little action nationally to address it. Most efforts by states have relied upon providing financial relief, such as wage supplements or tax credits, rather than directly raising wages or compensation. An example of this is the WAGE$ program, which provides education-based salary supplements.[12] These supplements are not ongoing or dependable, but instead offer a short-term, immediate solution. Nonetheless, they have proven effective. In North Carolina, the statewide turnover rate of WAGE$ participants has ranged from 12% to 16% over a decade of implementation, which is far below the national average of between 30 and 40%.[13]

[12] The Child Care WAGE$ Project: An Evidence-Informed Initiative, 2018.
[13] The Child Care WAGE$ Project: An Evidence-Informed Initiative, 2018.

Sustainable salary enhancements for pre-k teachers has been accomplished nationwide by multiple states and cities, including DC. These states provide parity compensation for state-funded pre-k teachers. Teachers in pre-k programs in DC Public Schools and Community Based Organizations (CBOs) participating in the Pre-K Enhancement and Expansion Program (PKEEP) are paid at parity with other elementary school teachers, in part through the utilization of the Universal Per Pupil Funding Formula.[14] During the FY18 Classroom Assessment Scoring System (CLASS) observation data collection cycle, the data showed that CBOs with at least one classroom participating in PKEEP had higher Instructional Support Domain scores than CBOs that did not receive PKEEP funding.[15] It is not possible to state direct correlation between pay parity and higher quality classrooms, but it may be a factor.

In the implementation of this pilot program, it will be important for DC to monitor the project for adverse outcomes or unintended consequences. Some questions to consider include the following:

- Will higher pay reduce the current diversity of early childhood teachers if new teachers are attracted to the field due to increased compensation?
- Will child development facilities be able to sustain parity pay for teachers after the pilot program ends, or will continuous government investment be required?

The Center for the Study of Child Care Employment recommends that states clearly outline mandatory compensation standards, though no state has done so to this point.[16] DC is once again pursuing an innovative approach to improving quality in early childhood education.

Is your enhancement identical to the model the evidence comes from?

☐ Yes – the enhancement is identical to the model the evidence comes from and the population served is similar. Below, indicate how you will make sure your agency will implement the model fully.

☐ No – the enhancement differs from the model the evidence comes from, is just a part of that model, serves a different population, etc. Below, describe how it differs and why:

[14] Pre-K Report, 2018.
[15] Ibid.
[16] Center for the Study of Child Care Employment, 2018..

List agency key performance indicators (KPIs) that will result from this enhancement.
List KPIs from most significant to least. If you are proposing a new KPI, write "NEW" in the columns for FY2018-FY2020 Actual.

	Key Performance Indicator	***Directionality***	***FY2018 Actual***	***FY2019 Actual***	***FY2020 Actual***	***FY2021 Target***
1.						
2.						
3.						

V. Proposed Budget Swap

Agencies may be interested in a new program or approach to a problem because they believe it is more effective than what they are currently doing. Enhancements are more likely to be approved if they replace a corresponding, less effective reduction.

Reduction title (from Form 1): _____

Total amount reduced:_____

What evidence is there that this reduction is not achieving desired outcomes? Please describe outcomes from the proposed reduction in the District and/or in other cities. If possible, include formal evaluation studies as well as lessons from both successes and failures in any similar attempts. *Provide links to or cite your sources*.