



NEW YORK CITY COMPTROLLER  
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# Review of Salaries Paid to Certified Early Childhood Teachers Hired by Community Based Organizations

**FN23-085S | March 5, 2024**





THE CITY OF NEW YORK  
OFFICE OF THE COMPTROLLER  
BRAD LANDER

March 5, 2024

To the Residents of the City of New York:

My office has conducted a review of the salaries paid to certified early childhood education teachers hired by Community Based Organizations (CBOs) for two programs (3-K for All and Pre-K for All) funded and overseen by the New York City Department of Education (DOE). The objective of the review was to determine whether salary disparities continue to exist among DOE teachers and early childhood education certified teachers hired by CBOs for these two programs. We conduct reviews such as this to identify areas where improvements could be made to strengthen the programmatic and fiscal effectiveness and equity of City programs.

The review found that despite the collective bargaining agreement between Local 205 of District Council 1707 and Day Care Council of New York signed in 2019 to create a pathway to pay parity between the CBO's certified early childhood education teachers and DOE teachers, salary disparity continues to exist. Specifically, 19% of certified lead teachers with Master's degrees were paid below the minimum salary of \$68,652 established for DOE teachers during School Year 2021-22 with the same degree and without any teaching experience, and a further 24% with Bachelor's degrees were paid below the minimum salary of \$61,070 paid to their DOE counterparts. Salary disparities worsened when certifications and years of teaching experience were taken into consideration. The Comptroller's Office Bureau of Budget estimates that as of January 2024, the City would need to provide an additional \$41.6 million annually to bring the salaries of CBO teachers up to par with their DOE counterparts.

The review makes five recommendations, including that DOE ensure that all certified lead teachers employed by CBOs who earned below the salaries promised to them in 2019 receive retroactive salary adjustments for the period from October 1, 2021 to present, and that DOE provide for true pay parity between certified early childhood teachers employed by CBOs and DOE in the future, by accounting for not only educational qualifications, but also for teaching experience and collective bargaining agreements which provide for increases, longevity, and cost of living adjustments.

If you have any questions concerning this report, please e-mail my Audit Bureau at [audit@comptroller.nyc.gov](mailto:audit@comptroller.nyc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "B. Lander".

Brad Lander  
New York City Comptroller

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# Introduction

The New York City Department of Education (DOE) provides early childcare and education services to children, from birth to five years old, who live within the City. These early childhood services may be provided by DOE or other alternatives, such as contracted Community Based Organizations (CBO). Under the contracts, CBOs are required to hire a lead teacher for each classroom based on qualifications listed in DOE's *Birth-to-Five Policy Handbook*, to ensure early childhood programs are held to the same standards and are supported to meet the same expectations of quality regardless of location or setting. The qualification requirements for lead teachers vary by program.

During Fiscal Years 2019 and 2020, CBOs provided more than half of the City's early childcare and education services and were paid by DOE based on the annual budget submitted in DOE's Pre-K Integrated Data System (Pre-KIDS).<sup>1</sup>

Despite the primary goal of DOE's Division of Early Childhood Education (DECE) to hold all programs to the same standard, the Day Care Council of New York City (DCCNY) released *The Value of Early Childhood Educators* report on May 10, 2019, which highlighted the issue of salary disparity between CBO lead teachers and their public school counterparts.<sup>2</sup>

In response, on July 9, 2019, negotiations between Local 205 of District Council 1707 (Local 205) and DCCNY led to an extension and amendment of the previous agreement and provided a pathway to pay parity between the certified early childhood education teachers and entry-level salaries for DOE teachers, by October 1, 2021.<sup>3</sup> The agreement provided for pay parity for union members at entry level but did not specifically provide for pay parity based on years of teaching experience. DOE pays teachers on a scale that is based on both educational qualifications and years of experience. As experience is gained, salaries increase.

DOE is not a party to the agreement between Local 205 and DCCNY, but after an agreement was reached, the then-Mayor, City Council, and DOE publicly announced that it would fund "entry-rate pay parity" with DOE for non-union certified teachers hired by CBOs, by October 2021. The announcement made by the City indicated that it was delivering on its promise to provide pay parity. DOE did not define pay parity, establish pay policies to implement it, or provide for future increases as DOE entry-level pay increased.

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<sup>1</sup> Pre-KIDS is DOE's online management tool used by vendors to submit to DOE enrolled students' information, detailed annual budgets, and budget modifications for the program, invoices, and expenditures.

<sup>2</sup> DCCNY is a membership organization of over 100 agencies that operate more than 250 publicly and privately funded childcare centers and family childcare programs in New York City. DCCNY is not a government agency.

<sup>3</sup> Local 1707, which represents private-sector members, joined District Council 37 in September of 2019.

The current contracts between DOE and CBOs agree to fund CBO salaries for union members of DC37 Locals 205, 95, and 215 based on collective bargaining agreements, and to fund salaries for non-union CBO certified teachers with a Bachelor’s degree at \$61,070 and those with a Master’s degree at \$68,652.<sup>4</sup> This was the entry-level salary for certified teachers with no prior teaching experience as of October 1, 2021, and it is fixed for the terms of existing contracts.

Notably, the contract language does not require CBOs to pay non-union teachers at this rate; it merely promises to fund CBOs at this level.<sup>5</sup> Further, the contract does not make any commitment to fund increases based on years of teaching experience or salary increases based on future collective bargaining.

## Pay Parity Matters

Pay parity matters—not only to achieve equity, but also to ensure viability of the early childhood program, which currently hinges on the ability of CBOs to hire and retain well-qualified and experienced staff. A September 2023 report by the City Council’s Black, Latino and Asian Caucus and the DCCNY estimates that a teacher with a BA degree who chooses to work for a CBO stands to earn \$692,475 less, and one with a MA degree stands to earn \$1.7 million less, than a DOE employed teacher over the course of a 25-year career.<sup>6</sup> This necessarily impacts the competitiveness of CBOs and their ability to attract and keep well-qualified teaching staff. The Comptroller’s Office Bureau of Budget estimated that as of January 18, 2024, the City would need to provide an additional \$41.6 million annually in order to bring the salary of CBO teachers up to par with their DOE counterparts. Additional funding will be needed for future increases.

## Objective

The objective of this review was to determine whether salary disparities continue to exist among DOE teachers and the early childhood certified teachers hired by CBOs for 3-K for All and Pre-K for All Programs.

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<sup>4</sup> The terms of individual contracts vary, but the RFP that led to the selection of the current CBOs was intended to cover the period from 2022–2026.

<sup>5</sup> CBOs are only reimbursed on the basis of what they actually pay teachers.

<sup>6</sup> *The Enduring Value of the Early Childhood Workforce: Why New York City Must Complete the Path to Parity for the Community-Based Early Childhood Education Workforce* was completed by the New York City Council Black, Latino and Asian Caucus and the DCCNY in September of 2023. The report calls upon Mayor Eric Adams and City officials to achieve racial equity through pay parity for teachers, staff, and directors at CBOs.

## Discussion of Review Results

The matters covered in this report were discussed with DOE officials during and at the conclusion of this review. A Draft Report was sent to DOE on January 19, 2024, and discussed with DOE officials at an exit conference held on January 30, 2024. On February 9, 2024, we submitted a Revised Draft Report to DOE with a request for written comments. We received a written response from DOE on February 26, 2024.

In its response, DOE agreed “with the core values undergirding the observations noted in the Report and the importance of equitable compensation for our early childhood workforce” but did not commit to implementing any of the report recommendations.

In its response, DOE questioned whether the data used by the auditors accounted for certification status or work for less than a full year and certain other factors it believes would alter the overall conclusions of the report. The auditors note in this regard that CBOs were asked specifically to submit teacher certification status. This information was considered in the analysis. The auditors also note that DOE provided no documentation that would allow the auditors to assess the accuracy of its other data queries, and therefore changes to the numbers cited in the report have not been made. The numbers questioned by DOE are in any case statistically insignificant and would be unlikely to alter the report’s overall conclusions.

The full text of DOE’s response is included as an addendum to this report.

# Key Takeaways

## Salary Disparities Continue to Exist for Certified Lead Teachers Hired by CBOs at Entry Level

Pre-KIDS does not capture union affiliation or years of employment. A review of data extracted from Pre-KIDS for School Year 2021–22 which only considered educational qualifications found 19% of certified lead teachers with Master’s degrees were paid below the minimum salary of \$68,652 established for DOE teachers with the same degree and without any teaching experience, and a further 24% with Bachelor’s degrees were paid below the minimum salary of \$61,070 paid to their DOE counterparts.

Because Pre-KIDS does not maintain information indicating union status, it was not possible to determine how union membership impacts this disparity.

## Salary Disparities Are Worse When Years of Teaching Experience Is Considered

When years of teaching experience is considered, the auditors found far greater pay disparity between certified teachers employed by DOE and those with similar experience employed by CBOs. Based on the self-reported teacher salary information provided by CBOs, 90% of full-time certified lead teachers with Master’s degrees and one or more years of experience earned less than their counterparts at DOE, and 80% of those with Bachelor’s degrees and one or more years of experience were paid less than their counterparts at DOE. This analysis was based on a survey of all DOE-contracted CBOs who provided early childhood education services during School Year 2021-22. The survey requested that CBOs provide information for teachers, including (but not limited to) name, title, salary as of March 1, 2022, years of service, and union affiliation.<sup>7</sup>

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<sup>7</sup> In response to an optional survey, CBOs voluntarily submitted the teachers’ salary information. The auditors randomly selected 220 teachers and cross-checked the survey teacher’s salary information with the Pre-KIDS data to determine the accuracy of the survey information submitted.



## Local 205 Members Did Not All Receive the Minimum as Required Under the Collective Bargaining Agreement

The City's commitment to fund the contract agreement between Local 205 and DCCNY was made for the purpose of addressing the issues of recruitment and retention of early childhood education employees by providing a pathway to parity. An evaluation of the certified lead teachers' salary information provided by CBOs showed that not all Local 205 members received their respective established salary minimums. Specifically, nine of the Local 205 members with BA degrees and certifications were paid below the DOE established minimum of \$61,070. Additionally, 50 of the Local 205 members with MA degrees and certifications were paid below \$68,652.

## DOE Contracts Do Not Provide for Actual Parity

The City's promise to provide a pathway to parity for certified teachers employed by CBOs, based on the agreement between Local 205 and DCCNY, does not appear to have provided actual pay parity with their DOE counterparts.

The current contracts between DOE and CBOs providing early childhood services only agree to fund salaries based on collective bargaining agreements for members of DC37 Locals 205, 95, and 215, and for non-union certified teachers with Master's degrees at a fixed salary of \$68,652 and for those with Bachelor's degrees at a fixed salary of \$61,070.

This was the minimum salary for certified DOE teachers with the same educational qualifications as of October 1, 2021. The contract language does not require CBOs to pay its certified teachers at this level and does not commit to providing funding that would allow CBOs to pay certified teachers for parity based on further raises achieved by DOE teachers due to collective bargaining or based on years of teaching experience.

# Background

## DOE Reliance on CBOs

The mission of DECE is “to create the best early childcare and education system in the country so that every New York City child has a fair shot at living up to her full potential.” To achieve its mission, DECE creates critical partnerships with contracted CBOs to provide high-quality, early childcare and education services for children, birth to five across the five boroughs. DECE also seeks to ensure that regardless of location or setting, early childhood programs are supported and held to the same standards and quality. During Fiscal Years 2019 and 2020, CBOs provided more than half of the City’s early childcare and education services.

DECE developed the *Birth-to-Five Policy Handbook* as a resource for CBOs for navigating program policies. The Handbook articulates pertinent policies, highlights operational guidance, and outlines lead teacher qualifications for each program as follows:

### **Lead Teacher Qualifications for the 3-K for All Program**

- BA degree and State certification
  - A BA in Early Childhood Education or related field of study (approved by the Department of Health and Mental Hygiene) and a current certification in the early childhood grades.
- Equivalent certification
  - An equivalent certification from a public or private teacher accrediting organization (out-of-state) granted reciprocity by the New York State Education Department (NYSED).
- BA degree and two years of experience
  - A BA degree in Early Childhood Education or related field of study and two years of supervised and documented relevant experience in an early childhood program if currently employed in a permitted childcare service.
- Approved study plan.

### **Lead Teacher Qualifications for the Pre-K for All Program**

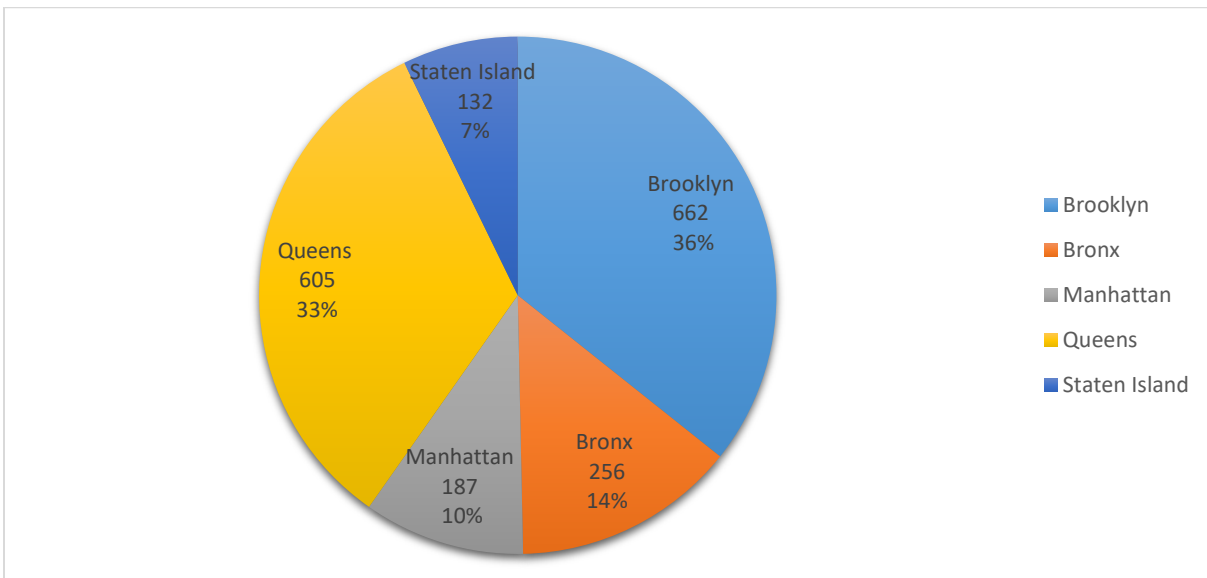
- Teaching license or certificate valid for service in the early childhood grades as set forth by NYSED regulations: Early Childhood (Birth–Grade 2); (n–6); or (Pre-K–6) certification.
- Teaching license or certificate for Children with Disabilities (Birth–Grade 2).

- BA degree in Early Childhood or a related field and a written study plan approved by an accredited college or university for obtaining Early Childhood (Birth–Grade 2) certification. Depending on their date of hire, lead teachers on a study plan must obtain the necessary early childhood certification as follows—whichever is later:
  - By June 30, 2022; or
  - By three years from their date of hire as a lead teacher in a city-contracted pre-K class.

## Demographic Distribution

According to information in Pre-KIDS provided by DOE, there were 1,842 full-time certified lead teachers at 1,099 service locations for School Year 2021–22. The number and percentage of these full-time certified lead teachers were distributed throughout the five boroughs as shown in Chart I below.

**Chart I: Number of Certified Full-Time Lead Teachers by Borough Based on Pre-KIDS**



Information submitted by CBOs in response to the survey, which captured information not included in the Pre-KIDS data extractions such as union affiliation and years of experience,

showed there were 912 full-time certified lead teachers (about 50% of the 1,842 extracted from Pre-KIDS) in 387 locations.<sup>8</sup> Borough representation is shown in Chart II below:

**Chart II: Number of Certified Full-Time Lead Teachers by Borough Based on Survey Responses**

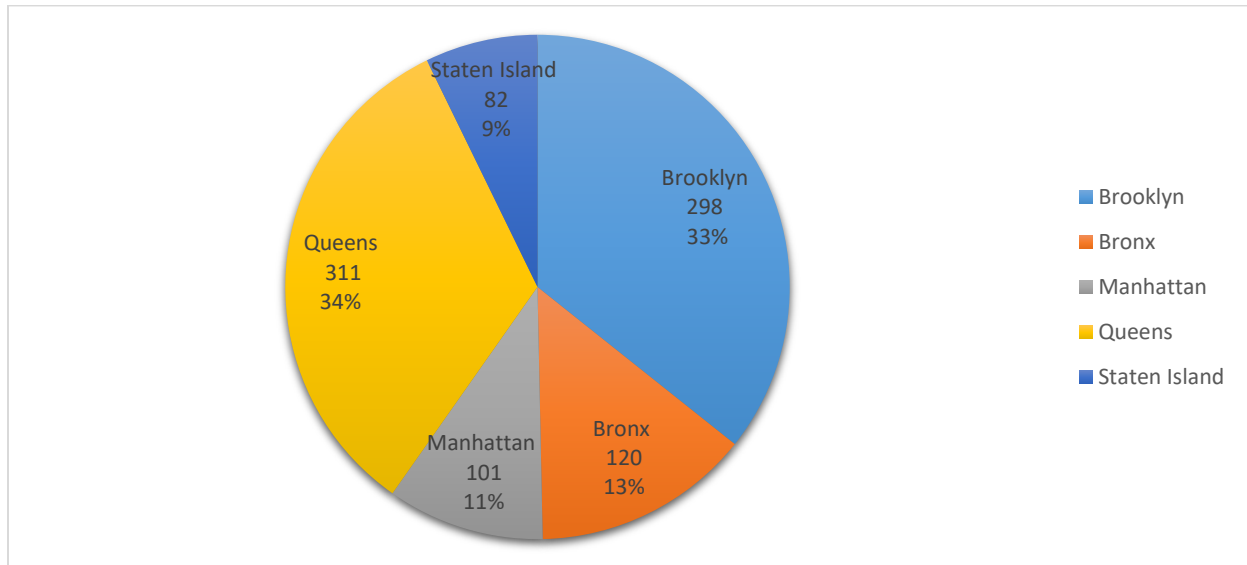


Chart I and Chart II show almost the same demographic distribution of full-time certified lead teachers based on survey responses and information extracted from Pre-KIDS. The majority of full-time certified lead teachers (close to 70%) were hired by CBOs within the boroughs of Queens and Brooklyn.

## DOE’s Established Teacher Salaries

DOE only hires teachers who are certified with a BA or MA degree. DOE establishes salary increases based on years of experience and additional certifications or qualifications that are given in the form of salary steps—pay increments based on qualifying professional experience and length of recurring service.<sup>9</sup> If a teacher teaches without interruption, they can move at a rate of two steps for each year they complete with a satisfactory evaluation, until reaching the maximum base pay after eight years. If a teacher has no previous work experience, they are

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<sup>8</sup> On August 21, 2023, the auditors sent out a survey to all the DOE contracted CBOs with a total of 1,091 sites that provided early childhood education services during School Year 2021-22. The survey consisted of nine questions and was accompanied by an Excel spreadsheet requesting that CBOs provide teachers’ information including name, title, work location, and salary as of March 1, 2022, hours worked per week, education level, certification status, and union affiliation.

<sup>9</sup> Additional pay supplements for the recurring services and additional education credits/certifications are not included in this review.

automatically placed at the lowest salary of \$61,070 for a teacher with a BA degree or \$68,652 for a teacher with an MA degree, and their anniversary dates or March 1 become their dates for advancing a salary step if they remain on payroll.

Based on the Teachers Salary Schedule as of May 14, 2021, a teacher with a BA degree and no experience starts at a pay rate of \$61,070 and increases to \$62,284 by the end of year two. A teacher with an MA degree starts at a pay rate of \$68,652 and increases to \$69,866 by the end of their second year. Upon obtaining experience and other professional certifications, a teacher’s pay rate will continue to increase until reaching the maximum. Please refer to Table I below for a detail of the DOE established salaries of teachers who hold a BA or MA degree based on years of service.

**Table I: DOE Established Salaries based on Years of Service**

Step (in years)	Minimum Salary for Teachers with BA Degree	Minimum Salary for Teachers with MA Degree
1	\$ 61,070	\$ 68,652
2	\$ 62,284	\$ 69,866
3	\$ 62,799	\$ 70,381
4	\$ 63,708	\$ 71,290
5	\$ 64,494	\$ 72,076
6	\$ 66,540	\$ 74,122
7	\$ 72,490	\$ 80,072
8+	\$ 81,022	\$ 88,604

## Salary Disparity

On May 10, 2019, DCCNY released *The Value of Early Childhood Educators* report which highlighted the issue of salary disparity between CBO lead teachers and their public school counterparts. The report indicated that CBOs could no longer maintain quality early childhood education programs if the basic infrastructure to operate the program—namely program directors and certified teachers—could not be provided, and detailed how this disparity created a staffing crisis that threatened the viability of CBO early childhood programs. The report also noted that advocates, providers, and City officials agreed that “individuals who work in our communities with the same education, qualifications, and work experience as their counterparts in the public education system should be paid a comparable salary.”

Subsequently, on July 9, 2019, Local 205 of District Council 1707 and DCCNY extended and amended the existing 2016 through 2020 contract and adjusted the minimum salaries of unionized certified teachers at CBOs who had no prior experience as listed in Table II below:

**Table II: Salaries for Entry-level Certified Teachers**

Effective Date	Certified MA Teachers	Certified BA Teachers
October 1, 2019	\$53,581	\$48,372
October 1, 2020	\$62,295	\$55,651
October 1, 2021	\$68,652	\$61,070

The extended agreement intended to provide a pathway to pay parity between early childhood education teachers and entry-level DOE teachers by October 2021. Subsequently, the City announced it would create a model to achieve pay parity for non-unionized lead teachers with valid Early Childhood Education certifications. CBOs are required to pay the unionized teachers in accordance with the collective bargaining agreement and can pay the non-unionized teachers with the same pay rates.

## CBO Teachers Paid Less Than DOE Teachers

### CBO Teachers Paid Below DOE’s Minimum Salaries

DOE’s Pre-KIDS information for School Year 2021–22, which contained salary, location, and certification information for CBO teachers, identified 1,842 certified full-time lead teachers.<sup>10</sup> The auditors identified 1,572 full-time CBO teachers who held an MA degree. Of these, 304 (19%) were paid below DOE’s minimum salary of \$68,652 for teachers who held the same degrees. They were paid a salary ranging from \$20,000 to \$68,648, with Queens teachers having the lowest salaries. Table III, below, provides a breakdown of underpaid certified lead teachers by borough.

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<sup>10</sup> The information provided did not contain an individual’s union affiliation nor years of experience.

**Table III: Underpaid Certified MA Teachers**

Borough	Number of Teachers Paid Below \$68,652	Percentage of Teachers Paid Below \$68,652	Salary Ranges of Underpaid Teacher
Brooklyn	79	26%	\$20,676 to \$68,648
Bronx	68	23%	\$27,597 to \$68,556
Manhattan	31	10%	\$24,669 to \$68,389
Queens	95	31%	\$20,000 to \$68,634
Staten Island	31	10%	\$34,000 to \$67,933
Totals	304	100%	

The information provided by DOE also disclosed that 64 of 270 full-time certified lead teachers who held a BA degree were paid below the minimum of \$61,070. They were paid between \$30,460 to \$61,000, with Queens teachers again having the lowest salaries. Table IV below provides this breakdown by borough.

**Table IV: Underpaid Certified BA Teachers**

Borough	Number of Teachers Paid Below \$61,070	Percentage of Teachers Paid Below \$61,070	Salary Ranges of Underpaid Teachers
Brooklyn	35	55%	\$34,991 to \$61,000
Bronx	12	19%	\$36,055 to \$60,570
Manhattan	4	6%	\$36,500 to \$55,651
Queens	13	20%	\$30,460 to \$61,000
Staten Island	0	0%	-
Totals	64	100%	

The Comptroller's Office Bureau of Budget estimated that the City would need to provide an additional \$4.3 million per year to retroactively bring the salary of the underpaid teachers up to entry levels of their DOE counterparts as of School Year 2021–22.

## Unionized Teachers Paid Below the Contract Rates

According to the extension and amendment of the 2016 agreement which was reached in July of 2019, members of Local 205 who were certified teachers employed by CBOs were to receive a substantial salary increase, as detailed above in Table II. Upon evaluating the information submitted by CBOs, the auditors noted that 9 of the 50 (18%) Local 205 members with BA degrees and certifications were paid below \$61,070—this ranged from \$218 to \$24,490 less than their DOE counterparts. Further, 50 of the 152 (approx. 33%) Local 205 members with MA degrees

and certifications were paid below \$68,652. The disparity in pay ranged from \$719 to \$38,652 less.

## Experienced CBO Lead Teachers Paid Below DOE Counterparts

A comparison of self-reported salary information obtained via the survey for teachers with one or more years of experience with the DOE Teacher Salary Schedule showed that 758 of the 912 certified lead teachers had a year or more of experience. Of these 758 lead teachers, approximately 89% of full-time certified lead teachers with one or more years of experience were also paid below DOE's established salaries. Specifically, 91 of the 114 (80%) certified lead teachers with BA degrees and one or more years of experience were paid below the established salary for their respective years of experience. Chart III below shows the range of underpaid salaries for full-time certified lead teachers who have BA degrees and one or more years of experience.

**Chart III: Underpaid Salary Ranges for Teachers with BA Degrees and One or More Years of Experience**

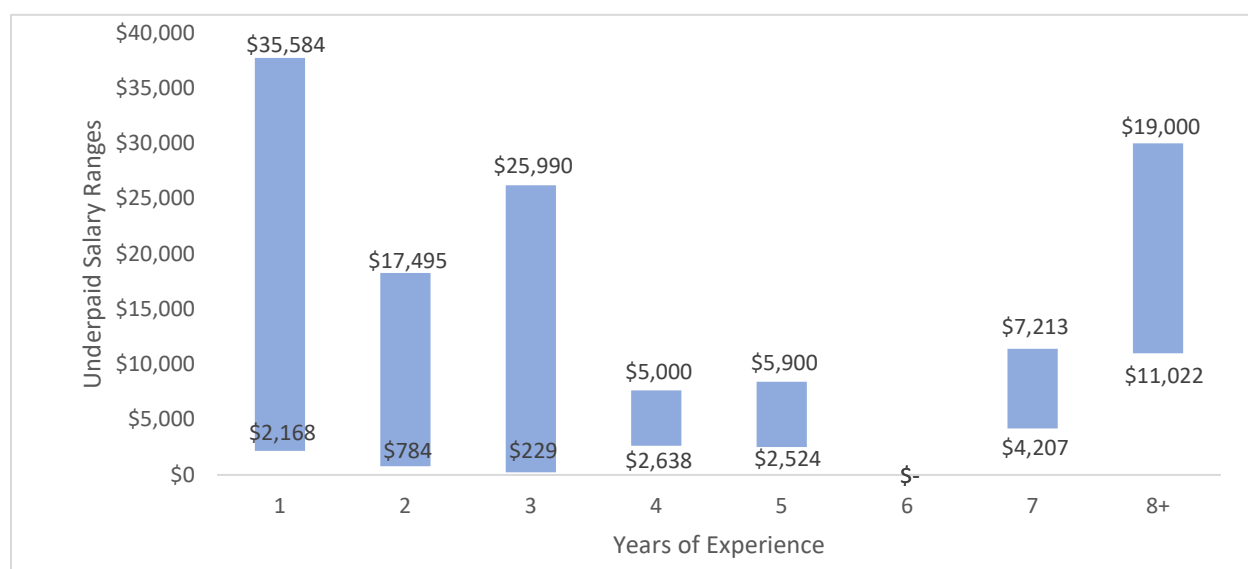


Chart III shows the range of salary differentials between the DOE established salaries and the actual salaries for CBO certified lead teachers who held a BA with one or more years of experience. The salary disparity ranges from a low of \$229 for a teacher with three years of experience to a high of \$35,584 for a teacher with one year of experience. The auditors found the greatest number of disparities occurred with teachers with more than two years of experience. Quantitatively, 27 of the 91 (30%) certified lead teachers who held BAs and experienced pay disparity had two years of experience. Although the median salary for this category of certified



teachers was \$61,000, categorically the established salary was \$62,284 reflecting a gap of \$1,284.

Further, 580 of the 644 (90%) certified lead teachers who held MA degrees and had one year or more of experience were paid below the established salary. Chart IV below shows the range of underpaid full-time certified lead teachers with both MA degrees and one or more years of experience.

**Chart IV: Underpaid Salary Ranges for Teachers with MA Degrees and One or More Years of Experience**

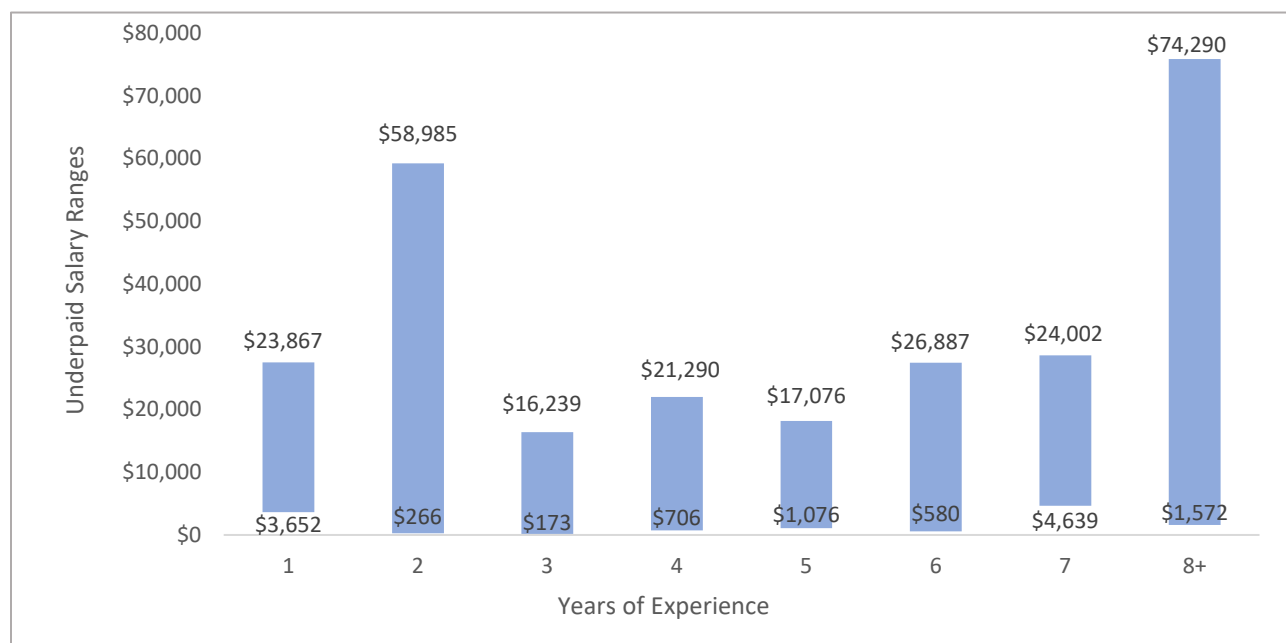


Chart IV shows the range of salary differentials between DOE's established salaries and the actual salaries for CBO certified lead teachers who held MA degrees and had one or more years of experience. The salary disparity ranged from \$173 for a teacher with three years of experience to a high of \$74,290 for a teacher with eight years of experience. The auditors found the greatest number of disparities occurred with teachers with more than eight years of experience. Quantitatively, 283 of the 580 (49%) certified lead teachers who held MAs and experienced disparity had eight or more years of experience. Although the median salary for this category of certified teachers was \$68,652, categorically the established salary was \$88,604 reflecting a gap of \$19,952. The remaining teachers in their respective degree categories were either paid within their respective established salary or exceeded the established salary.

## The Future of Pay Parity

Pay parity has not been achieved between DOE teachers and certified teachers hired by CBOs to provide Early Childhood Education services. DOE pays its teachers based on educational

qualifications and years of teaching experience, and salaries increase over time based both on collective bargaining agreements and step increases based on experience.

Current contracts between DOE and CBOs promise to fund salaries for CBO-employed members who belong to DC37 Locals 205, 95, and 215 based on collective bargaining agreements, and to fund non-union certified teachers employed by CBOs at the minimum entry-level salary in effect at DOE as of October 1, 2021. Notably, the contracts do not require CBOs to pay non-union teachers at this rate; it merely agrees to fund CBOs at this level.

The contract language does not promise to fund increases in salary for members of unions other than the three specifically named locals and does not promise to fund CBOs to pay non-union members for any increases going forward.

The new collective bargaining agreement which took effect for DOE teachers in 2023 will increase the gap between salaries. The new agreement raised the salaries of DOE teachers by 3% on September 14, 2022, and provides for further increases of 3% on January 18, 2024, and January 18, 2025, and 3.25% on September 14, 2025, and 3.5% on September 14, 2026. It also provides for longevity increases and cost of living adjustments (COLA) along with additional bonuses throughout the contract period.

The Comptroller's Office Bureau of Budget estimates that as of January 2024, the City would need to provide an additional \$41.6 million annually to bring the salary of CBO teachers up to par with their DOE counterparts, assuming the number of certified teachers and average years of experience remain unchanged since School Year 2021–22. Additional funding will be needed to match future increases.

## Recommendations

Based on this review, the auditors have identified areas for improvement to help achieve pay equity for CBO teachers. DOE should:

1. Ensure that all certified lead teachers employed by CBOs who earned below the salaries promised to them in 2019 receive retroactive salary adjustments for the period from October 1, 2021, to the present.
2. Tighten contract language to ensure CBOs pay their certified teachers in line with funding provided by DOE.
3. Provide for true pay parity between certified early childhood teachers employed by CBOs and DOE in the future, by accounting for not only educational qualifications, but also for teaching experience and collective bargaining agreements which provide for increases, longevity, and cost of living adjustments.
4. Ensure that any future promises of pay parity include a definition of pay parity, and that pay policies which fully implement promises are established.
5. Create a system to track the experience of certified lead teachers at CBOs and their union affiliations in future.

As noted above, DOE provided no response to any of the above recommendations.

## Recommendations Follow-up

Follow-up will be conducted periodically to determine the implementation status of each recommendation contained in this report. Agency reported status updates are included in the Audit Recommendations Tracker available here: <https://comptroller.nyc.gov/services/for-the-public/audit/audit-recommendations-tracker/>

# Scope and Methodology

This review was conducted in accordance with the audit responsibilities of the City Comptroller as set forth in Chapter 5, §93, of the New York City Charter.

The scope of this review was Fiscal Year 2022 (July 1, 2021 to June 30, 2022). To obtain an understanding of the teachers' qualification and pay policies governing early childhood education programs, the auditors reviewed the *Birth-to-Five Policy Handbook* for New York City Early Education Centers. The auditors also interviewed DOE officials to obtain an understanding of the vendor solicitation process; and how the CBO budgeted teachers' salary information is maintained and reviewed.

To obtain an understanding of the pay scale that DOE pays to its teachers, the auditors reviewed the Teacher Salary Schedule 2018–2021, Salary Steps, and Salary Differentials obtained from the United Federation of Teachers' website. In addition, the auditors reviewed DOE's Office of Salary Services' Certified Teachers Salary Schedule Effective May 14, 2021, and the explanation of "Salary & Benefits" to obtain an understanding of the salaries teachers should be earning based on their levels of certification and experience.

To gain an understanding of maintaining information in Pre-KIDS as it pertains to contracts, budgets, invoices, and expenses of teacher salaries, the audit team observed a demonstration of the system and interviewed the Director of Operations and the Senior Director of Finance.

To gain an understanding of the history of disparity amongst CBO teachers and their DOE counterparts, the auditors reviewed the DCCNY's report titled *The Value of Early Childhood Educators - A Pathway Forward to Salary Parity for Community-based Organizations*, issued in March 2019. In addition, the auditors obtained and reviewed The New School's Center for New York City Affairs' report titled *The Road to and from Salary Parity in New York City: Nonprofits and Collective Bargaining in Early Childhood Education*, released in January 2020. Auditors also reviewed *The Enduring Value of the Early Childhood Workforce: Why New York City Must Complete the Path to Parity for the Community-Based Early Childhood Education Workforce* released by the New York City Council Black, Latino and Asian Caucus and the Day Care Council of New York in September 2023. Auditors also reviewed the "Early Learn Programs - Pay Parity Press Release," provided by DOE.

To determine whether salary disparities existed, the auditors analyzed the Fiscal Year 2022 budgeted salary information based on Teacher Type, Hours per Week, and Annual Salary that DOE extracted from Pre-KIDS.<sup>11</sup> The auditors also sent a survey, on August 21, 2023, to all the DOE contracted CBOs with a total of 1,091 sites that provided early childhood education services

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<sup>11</sup> Teacher types include: ECE Certified – Professional (Masters), ECE Certified – Initial (Bachelors), and Non-Certified Teacher.

during School Year 2021–22. The nine-question survey was accompanied by an Excel spreadsheet for CBOs to provide teachers' information including name, title, work location, salary as of March 1, 2022, hours worked per week, education level, certification status, and union affiliation. As of September 15, 2023, the auditors received a total of 611 responses and 453 responses included teachers' salary information. The auditors then analyzed 912 full-time certified teachers' salary based on the certification status, education level, union affiliation, and compared with the amounts listed in DOE's Certified Teachers Salary Schedule Effective May 14, 2021.

To estimate the cost the City must incur to match the salaries of CBO teachers with DOE's counterparts, the Bureau of Budget of the Comptroller's Office first calculated the cost to bring the underpaid teachers to the minimum salary of the DOE teachers as of March 2021, then calculated the average years of experience using the self-reported survey data, and lastly estimated the final cost that the City needs to provide in order for the CBOs to pay their teachers up to DOE's pay scale, including base pay, step up increases, and longevity, as of January 2024.



February 26, 2024

Maura Hayes-Chaffe  
Deputy Comptroller for Audit  
The City of New York  
Office of the Comptroller  
One Centre Street  
New York, NY 10007-2341

**Re: Draft Report on the Review of Salaries Paid to Certified Early Childhood Teachers Hired by Community Based Organizations - FN23-085S**

Dear Ms. Hayes-Chaffe:

This letter constitutes New York City Public Schools' (NYCPS) formal response to the New York City Comptroller's (Comptroller) draft report on the Review of Salaries Paid to Certified Childhood Teachers Hired by Community Based Organizations (Report).

We welcome the well-intended objective of the Report, and we agree on the importance of this topic. Although we take issue with the analysis conducted by the auditors—more on this is discussed later in the response—the spirit of its conclusion resonates with NYCPS. Our continued enhancement and efforts to leverage and reallocate resources to meet family and community needs resulted in over 7,000 seats shifted to address that population. Further, our contracts with preschool special education providers (4410/4201) were enhanced to boost teachers' salaries and added over 800 new seats to better serve children with special needs. The pay parity agreement reached in 2019 was a step towards reaching compensation equity but certainly is not a complete solution.

Recognizing this issue since the start of the Adams administration, NYCPS continues to prioritize a comprehensive and sustainable compensation equity plan for birth-to-five general and special education early childhood education leaders, teachers, and teacher assistants who work in all NYCPS-contracted provider settings, not just Community Based Organizations (CBO) settings, and their counterparts in public schools. In a short amount of time, NYCPS has already created systems and pathways that have lasting impacts on the economic mobility and career trajectory of the educators across our contracted programs, including the following items:

- Promoted pay parity by raising state-approved special education program staff salaries to the DC-37 floor through a Special Education Contract Enhancement, which in turn enabled the creation of over 800 new special ed class seats and provide funds to existing programs which helped stabilize ~6,500 special education seats, delivering legally mandated services for thousands of children, across a sector that has a long-standing history of not being able to retain and recruit staff.

- Paid increased market rates for all Family Child Care providers, within allocated budget, creating equity and guaranteeing consistency with rates set forth by the state.
- Funded the first-ever cohort of 3-K NYCPS' Family Child Care home-based providers to obtain a credit bearing Child Development Association credential in English and Spanish and funded a cohort of candidates to obtain their master's degrees and teacher certification through Teach for America to work in Head Start programs – both of which provide a pathway for degree obtainment and career advancement.
- Developed the first-ever system to accurately track certification and credential data of teaching staff in contracted programs, which allow us to align our resources and efforts to support an individualized viable study plan for teachers to obtain their degree and credentials.
- Facilitated the non-mandated application process for Cost of Living Adjustment allocations through the Office of Head Start to further support program staff with increased wages.
- Established a Rapid Response team to expedite the processing and payment of over 4,100 contracted program invoices that predated our administration and developed a Stabilization Fund for over 100 programs. Further launched a brand-new finance training held twice a year for over 2,000 contracted program staff, which highlights budget creation, invoicing, and reporting of expenses – all to build internal program capacity and enhance knowledge, which supports budgeting of staff salaries.
- Initiated and led reform for equitable and inclusive holiday allowance, ensuring that NYCPS' early childhood contracted programs' employees could take Juneteenth as a holiday without contractual and fiscal impact.
- Continued collaboration with our internal and external partners to facilitate a thorough examination of NYCPS' contract provisions for workforce costs (e.g., state-issued minimum wage increases, annual raises, retirement, and other benefits) and to ensure clear career pathways, professional development, college degrees and certification, and equitable compensation, including the acknowledgement of longevity.

NYCPS agrees with the core values undergirding the observations noted in the Report and the importance of equitable compensation for our early childhood workforce. The approach used to develop and support the Report's claims, however, is less than ideal. The auditors based their analysis on two sets of salary data: self-reported teacher salary information provided by CBOs; and data from the PreKIDS data system, reflecting teachers' compensation budgeted and paid to CBOs.

A shortcoming of the self-reported data was that it didn't account for a teacher's certification status, which determines if the requirement for the salary benchmark is met. For example, of the nine local 205 members with bachelor's degrees (BA) who were found to be below the salary benchmark, three were not certified when the Comptroller conducted the review and five were not found in the PreKIDS salary data, which could demonstrate that the teachers worked in programs

outside of NYCPS. Additionally, a review of the PreKIDS data revealed that 58 out of 304 certified teachers with a BA degree that were identified as receiving salary below the established benchmark, did not work for the entire year or worked in a part-time capacity. It is important to note that contracted providers are incentivized to budget to the established salary benchmark and pay their staff accordingly: there is no fixed upper cap on the value of a contracted provider's budget, and they are reimbursed for all allowable costs. Further, as a control on staff compensation, contracted providers must spend NYCPS funds as indicated on their approved budgets (*i.e.*, they cannot reallocate staff salaries for other purposes).

The Comptroller has previously noted that a fully stabilized, secure, and equitable sector will require an all-hands-on deck approach from all our government partners. We look forward to working with the Comptroller's Office and our city, state, and federal partners to secure the funding to guarantee that early childhood educators receive equitable compensation.

Sincerely,

A handwritten signature in cursive script that reads "David C. Banks".

David C. Banks  
Chancellor







NEW YORK CITY COMPTROLLER  
**BRAD LANDER**

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