



WAGE ENHANCEMENT GUIDELINES

NOTICE: CHANGES FOR 2018

1. *Hourly Wage maximum has increased to \$27.07 per hour and \$270.70 per day for HCCEG (\$162.42 for partial HCCEG)*
2. *Newly opened centres and agencies are eligible to apply for funding*

PURPOSE

This wage enhancement will benefit low-income child care program staff in the sector, help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help close the wage gap between registered early childhood educators (RECEs) working in full-day kindergarten (FDK) programs and RECEs/other child care program staff working in licensed child care settings.

In 2017, the wage enhancement will support an increase of up to \$2 per hour, plus 17.5 percent benefits. In addition, the Home Child Care Enhancement Grant (HCCEG) will support an increase of up to \$20 per day for home child care providers.

ELIGIBILITY

All licensed child care centres and home child care agencies are eligible to apply for wage enhancement/HCCEG funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status with their local CMSM.

Wage Enhancement: Child Care Centre Program Staff and Home Child Care Visitors

Note: Eligibility applies to determine allocations (based on 2017) and to determine payments in 2018 to staff.

Full Wage Enhancement

To be eligible to receive the full 2018 wage enhancement of \$2 an hour plus 17.5 per cent in benefits, staff must:

- Be employed in a licensed child care centre or agency;
- Have an associated base wage excluding year one's wage enhancement of less than \$25.07 per hour (i.e. \$2 below the wage cap of \$27.07); and
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios under the *Child Care Early Years Act* (CCEYA).

Child care program positions that are in place to maintain lower adult-child ratios than required under the CCEYA, and meet the eligibility outlined above, are also eligible for wage enhancement.

Partial Wage Enhancement

Where an eligible centre-based or home visitor position has an associated base wage rate excluding year one's wage enhancement between \$25.07 and \$27.07 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$27.07 per hour without exceeding the cap.

Ineligible Positions (Non-Program Staff):

- Cook, custodial and other non-program staff positions are not eligible for wage enhancement funding.
- SNR-funded resource teachers/consultants and supplemental staff are not eligible for wage enhancement funding.
- The only exception to the above is if the position spends at least 25 per cent of their time to support ratio requirements; in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (i.e. temp agency) are not eligible for wage enhancement.

Home Child Care Enhancement Grant (HCCEG) - Home Child Care Providers

Full Home Child Care Enhancement Grant

In order to be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees excluding year one's HCCEG of less than \$250.70 (i.e. \$20 below the cap of \$270.70).

Partial Home Child Care Enhancement Grant

In order to be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (excluding providers own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees excluding year one's HCCEG of less than \$152.42 (i.e. \$10 below the cap of \$162.42).

ALLOWABLE EXPENSES

Wage enhancement/HCCEG funding (including the supplemental grant) is an enveloped allocation. Wage enhancement/HCCEG funding must be directed solely to licensed child care staff and home visitors to increase wages and benefits, and to home child care providers to increase daily income. Wage enhancement/HCCEG funding cannot be used to support child care system expansion or reduce fees.

Operators may only use the funding for the intended purposes of:

- Increasing wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5 percent benefits based on their current wage rate,
- *Please note: the salary increase cannot exceed \$2 per hour in program and the wage cap of \$27.07 per hour. Operators may exceed 17.5 per cent for benefits if the supplemental grant is used to support additional benefit expenses.*
- Wage enhancement funding of up to \$2 an hour plus 17.5 per cent benefits should be provided for all hours worked in program, including overtime hours.

- Providing a daily increase of up to \$20 for eligible licensed home child care providers based on current hours of service provided.

Please note: the daily wage increase cannot exceed \$20.00 and the daily cap of \$270.70.

Benefits Funding and Flexibility

Benefits of 17.5 per cent support operators in meeting their statutory benefit requirements.

Once all statutory benefits requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Any residual benefits funding can be used to support wage enhancement salaries per the above allowable expenses. Please note this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

RECONCILIATION

As you know, operators can only use Wage Enhancement Funding for the intended purpose per the 2018 Ontario Child Care Service Management and Funding Guidelines. Any funding not used for the intended purpose will be recovered by the ministry. The County of Grey is required to have a reconciliation process for operators' use of wage enhancement funding.

It is the responsibility of the operator to ensure the funding is distributed only to eligible staff. Any unused funds shall be recovered by the County of Grey.

The County of Grey reserves the right to conduct an in depth audit of the Wage Enhancement Grant.

PAYMENTS TO STAFF AND PROVIDERS

Wage enhancement/HCCCEG funding entitlements are based on 2017 data; however, wage enhancement payments should be provided to eligible positions for each hour worked in 2018.

Similarly, HCCCEG payments should be provided to eligible home child care providers for each day worked in 2018. Agencies have the flexibility to fund current year eligible providers, regardless of whether the provider had a contract with the agency in 2017. The compensation rate (partial or full) will be based on their current year services.

Since one of the goals of this initiative is to close the wage gap, if an eligible staff member or home child care provider receives an increase to their hourly wage or daily fee (excluding year one's wage enhancement/HCCCEG amount) and exceeds the wage cap in 2018, they are no longer eligible to receive funding through this initiative.

The flexibility to provide wage enhancement/HCCCEG to current staff and providers may cause a shortfall in funding for the year. The County of Grey may support operators in determining priorities for funding new staff or providers joining in the year. If there is a shortfall in an operator's entitlement, the operator can use the supplemental grant to fund the additional time in program for new or existing staff. The supplemental grant can also be used to fund sick days, PD days and/or additional benefits but cannot exceed \$2 an hour plus benefits for staff and visitors and \$20 for home child care providers.

Payment Method

The County of Grey requires that operators clearly indicate on staff pay cheques and home child care provider fee transfers the portion of funding that is being provided through the wage enhancement/HCCCEG labeled as follows:

- Provincial child care wage enhancement; or
- Provincial home child care enhancement grant