

Provincial Wage Enhancement Funding for Child Care Centres and Home Visitors Guidelines

2019

Children's Services, Region of Waterloo



Region of Waterloo
COMMUNITY SERVICES
Children's Services

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Wage Enhancement Funding for Child Care Centres and Home Visitors - Guidelines

General Information

Registered Early Childhood Educators (RECEs) and other child care program staff play a key role during the critical years of a child's development. However, there is a significant wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector. This wage gap creates challenges in retaining qualified pedagogical professionals to deliver affordable, high quality services.

The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. The Wage Enhancement/Home Child Care Enhancement Grant (HCCEG) will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help to 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.

The 2019 wage enhancement grant supports an increase of up to \$2 per hour, plus 17.5 per cent benefits for licensed program staff and home visitors. In addition, the HCCEG supports an increase of up to \$20 per day for home child care providers contracted with a licensed home child care agency.

This document pertains to wage enhancement funding. For the HCCEG, please see *Home Child Care Enhancement Grant Guidelines*.

New

2019 is the fifth year of the wage enhancement initiative. There are changes to the initiative for 2019, including:

- An increase in the salary cap, from \$27.07 to \$27.47.

Additionally, the changes implemented in 2017 and 2018 will continue.

- Administration funding to continue to support administration of wage enhancement at \$500 per site plus \$150 per funded FTE;
- Enhanced staff positions are **ineligible** for wage enhancement;

- Operators must issue wage enhancement funding to staff in **each pay cheque**; and
- Licensed centres or agencies that open in 2019 are eligible to apply for wage enhancement or HCCEG in the year the program begins operations.

Please see the relevant sections below for more information on these changes.

Funding

Wage enhancement funding will be transferred to licensed child care centres and home child care agencies to support eligible child care program staff and home visitors. Funding for the 2019 wage enhancement will be based on full time equivalent (FTEs) positions in licensed child care centres and Private Home Day Care (PHDC) agencies between January 1, 2018 and December 31, 2018.

Eligibility

All licensed child care centres and home child care agencies are eligible to apply for wage enhancement funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status. Those operators without a purchase of service agreement with the Region of Waterloo will be required to enter into an agreement for the purposes of allocating wage enhancement.

New licensed centres or agencies are eligible to apply for wage enhancement in the year the program begins operations.

Funding Allocations

There are three different types of funding under Wage Enhancement.

Wage Enhancement

Wage enhancement is provided to licensed child care centres and home child care agencies to support a wage increase for eligible child care program staff and home visitors. Entitlement is determined based on all hours worked by eligible positions.

As the intent of the wage enhancement is to close the wage gap between RECEs working in publicly funded schools and RECEs, child care program staff and providers in licensed child care settings, the Ministry of Education has established an hourly wage maximum of \$27.47 per hour as of December 31, 2018 for centre-based staff and home visitors. The cap applies when determining entitlement (based on hours worked in 2018)

and to determine payments to staff in 2019. For operators that open in the current year, please estimate number of hours to be worked.

Full wage enhancement

To be eligible to receive the full 2019 wage enhancement of up to \$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 prior year's wage enhancement of less than \$25.47 per hour (i.e., \$2 below the wage cap of \$27.47); 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, 2014 (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, excluding supplemental staff funded through Special Needs Resourcing (SNR).

Partial wage enhancement

Where an eligible centre-based or home visitor position has an associated base wage rate, excluding prior year's wage enhancement, between \$25.47 and \$27.47 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$27.47 per hour without exceeding the cap.

- For example, if an RECE position has a base wage rate excluding prior year's years wage enhancement of \$25.90 per hour, the position would be eligible for wage enhancement of \$1.57 per hour.

Ineligible positions (non-program staff)

- Cook, custodial, and other non-program staff positions (including Assistant Supervisors) 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;

- Special Needs Resourcing-funded resource teachers/consultants and supplemental staff (i.e., Enhanced Staffing) are not eligible for wage enhancement funding; and
- Staff hired through a third party (i.e., temp agency) are not eligible for wage enhancement.

Supplemental Grant

In addition to the \$2 an hour plus 17.5 per cent benefits, operators will receive an additional supplemental grant of \$150 x each eligible centre based FTE or home visitor FTE. The supplemental grant must be used to support eligible staff or home visitors' hourly wage or benefits. It provides operators with the flexibility to cover salary shortfalls (due to increased hours in program or new staff/providers) and additional benefits, (e.g., vacation days, sick days, professional development days and/or other benefits) once mandatory benefits are covered. The supplemental grant cannot be used for positions that are not eligible for wage enhancement (i.e., positions that are over the wage cap or non-program staff).

Any funding that is not used for these purposes will be recovered.

Administration Grant

Operators are eligible for a one-time grant to support the administrative effort associated with implementing wage enhancement. The grant will be calculated as follows:

- \$500 per site plus **\$150** per funded FTE.

The Administration Grant must be used towards offsetting the cost of administering wage enhancement. Allowable expenses for the Administration Grant include:

- Staff hours spent implementing wage enhancement (e.g., completing the application, calculating wage enhancement payments, completing reconciliation, etc.);
- Upgrading payment systems;
- Training for staff related to wage enhancement; and
- Other expenses, as approved by Children's Services.

The Administration Grant cannot be used to pay out wage enhancement salaries or benefits to staff.

Operators will be required to submit a reconciliation statement reporting how the Administration Grant was spent. Any unspent funds will be recovered by Children's Services.

Application Process

Operators must apply to Children's Services, Region of Waterloo for wage enhancement funding. Please refer to the **2019 Core Funding Application Package** (available on the [Children's Services Portal](#) or online at the [Children's Services website](#)) for the deadline date.

Any operator who has not submitted a core funding application by the deadline identified by Children's Services, Region of Waterloo will not be allocated wage enhancement funding in 2019. Operators who miss the application deadline may apply for wage enhancement funding in 2020.

Wage enhancement entitlement will be recalculated on an annual basis. This means that operators will be required to submit an application annually.

Eligible Hours

Operators should enter total hours worked in 2018 for each eligible position, including overtime hours.

Hours to enter on the application for eligible program staff include:

- Time spent in program during hours of operation;
- Prep time or planning time during hours of operation;
- Case conferences during hours of operation; and
- Any other meetings/commitments where staff are still required to be on-site to maintain ratios during hours of operation.

Hours **not** to be submitted for program staff include:

- Training (including training during regular working hours);
- Professional development (including professional development during regular working hours);
- Off-site meetings or functions; and
- After-hours meetings or functions.

Wages

Operators are required to enter the base hourly wage rate as of December 31, 2018 for each eligible position, in the application. Please note that this rate must **exclude** prior year's (2018) wage enhancement amount.

Service Data

In addition to the information required to generate the wage enhancement entitlement, operators are required to report on other service data including:

- Number of weeks centre was open in 2018;
- Standard work week;
- Total Operating Capacity;
- Total Licensed Capacity; and
- Ineligible positions that exceed \$27.47 per hour.

Positions that are ineligible for other reasons (e.g., administrative positions, positions that spend less than 25% of time in program) do not need to be reported.

Calculation

The position-based wage enhancement uses the centre's or agency's total number of hours worked per eligible centre staff or home visitor, between January 1 to December 31 of the previous year, and calculates the number of funded full-time equivalent (FTE) positions, which are submitted to the Ministry of Education. The calculation assumes an FTE works 1,820 hours per year.

Allowable Expenses

Operators may only use wage enhancement 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 and the wage cap of \$27.47 per hour. Operators may exceed 17.5 per cent for benefits if the supplemental grant is used to support additional benefit expenses; and
- Wage enhancement funding of up to \$2 per hour plus 17.5 per cent benefits should be provided for all hours worked in program, including overtime hours.

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.

Additionally, any residual benefits funding can be used to support wage enhancement salaries per the above allowable expenses. However, this is one-way funding flexibility only; salary funding **cannot** be used for benefits.

Payment to Staff

Wage enhancement funding entitlements are based on 2018 data (for operators that open in the current year, estimated number of hours to be worked); however, wage enhancement payments should be provided to eligible positions for each hour worked in 2019. Operators have the flexibility to fund their current year's eligible positions, even if the position did not exist in 2018.

The flexibility to provide wage enhancement to current staff may cause a shortfall in funding for 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, professional development days and/or additional benefits but cannot exceed \$2 an hour plus benefits for staff and home visitors.

Since one of the goals of this initiative is to close the wage gap, if an eligible staff member receives an increase to their hourly wage (excluding previous year's wage enhancement) that exceeds the wage cap, they are no longer eligible to receive funding through this initiative.

Payment Method

Operators must notify staff of the amount provided to them through this initiative on staff pay cheques, labeled as follows:

- Provincial child care wage enhancement.

Notification can be provided on staff pay cheques; however, if this is not feasible, operators continue to have the option of notifying staff of the portion of wage enhancement payments through a separate letter.

Operators **do not** have flexibility on the frequency of payment to staff. Operators must issue wage enhancement funding to staff in each pay cheque.

Program Downsizing

If an operator closes a room or ends a position during 2019, the funding that was attached to that position in the Core Funding Application can be redistributed to other eligible positions for eligible hours worked. Any unused funds will be recovered by Children's Services.

Operator Closure

If a centre closes during 2019, operators must meet the requirements listed above and support payments to eligible staff for hours worked before the closure. Any unused funds will be recovered by Children's Services.

Operator Accountability

A number of accountability mechanisms are in place to ensure wage enhancement funding is used appropriately.

Operators must clearly indicate on staff paycheques or by letter/insert the portion of funding that is being provided through the wage enhancement, and must be labeled as follows:

- Provincial child care wage enhancement

Operators must also complete an attestation statement in the Reconciliation Template, confirming that that 100% of wage enhancement funding was provided directly to eligible child care staff.

Children's Services may also require that an operator complete a Wage Enhancement Distribution Plan (provided by Children's Services) and/or provide T4 statements to confirm wage increases.

In the event that an operator has failed to meet the funding conditions outlined in their agreement for the provision of wage enhancement funding, Children's Services, Region of Waterloo will recover all misused funds. Additionally, non-compliant providers may be deemed ineligible to receive future wage enhancement funding.

Reconciliation

Operators are required to complete a Reconciliation Template, as provided by Children's Services. Templates will be provided early March of the current year.

Operators will complete the template and return it to Children's Services by April 30. The Reconciliation Template must be reviewed and approved by a signing authority at the organization.

Additional Information

Additional information regarding wage enhancement is available online at the [Children's Services website](#).

Support

For additional information regarding wage enhancement, please contact:

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