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**2015: EYCC3**

**MEMORANDUM TO:** Chief Administrative Officers, CMSMs/DSSABs  
General Managers/Commissioners, CMSMs/DSSABs  
Children's Service Managers, CMSMs/DSSABs

**FROM:** Jim Grieve  
Assistant Deputy Minister  
Early Years Division  
Ministry of Education

Andrew Davis  
Executive Director, Fiscal & Financial Planning  
Financial Policy & Business Division  
Ministry of Education

**DATE:** **January 20, 2015**

**SUBJECT:** **Child Care Wage Enhancement Implementation**

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The 2014 Budget included an investment of \$269 million over three years to support a wage enhancement in the licensed child care sector. Providing the best possible care for our children also means recruiting and retaining the best possible Registered Early Childhood Educators (RECEs) and child care program staff. In doing so, children are better able to learn and parents can be confident in the quality of their child care programs.

The wage enhancement initiative has a number of key goals:

- to close the wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector;
- to help stabilize child care operators by supporting their ability to retain RECEs and non-RECE program staff; and
- to reduce poverty by supporting greater employment and income security.

In order to meet these goals, the wage enhancement initiative is intended to be an ongoing investment. This will support an increase of \$1 per hour in 2015, plus 17.5 per cent for benefits, with an additional increase in 2016.

The first year of the wage enhancement initiative will be a **transition year** and will allow the ministry to work with service system managers on the delivery of the wage enhancement funding and offer opportunities for feedback and learning to inform adjustments for the second year.

We are pleased to provide you with an overview of the 2015 Child Care Wage Enhancement implementation strategy effective January 1, 2015. This memo outlines the following:

#### Part I – Implementation Approach

- A. Eligibility
- B. Capping
- C. Application Process

#### Part II – Support and Accountability

- A. Administration
- B. Accountability
- C. Reporting
- D. Tools and Resources

### **PART I – IMPLEMENTATION APPROACH**

This section outlines the details Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) require to begin planning their local implementation approach for the 2015 wage enhancement.

#### **A. Eligibility**

Wage enhancement funding will be available to eligible child care program staff whose positions **can be counted toward adult to child ratios** under the *Day Nurseries Act* (DNA) working in **all** licensed child care centres as well as licensed Private Home Day Care (PHDC) home visitors and providers employed as of January 1, 2015 including:

- Registered Early Childhood Educators;
- program staff;
- supervisors;

- private home day care visitors; and
- private home day care providers.

Non-program staff such as cooks and custodial staff are not eligible for the wage enhancement; however, if a portion of their day is spent in a ratio position, they can be eligible for a prorated amount of the wage enhancement. For example, a cook who spends 25 per cent of their time in the infant room supporting ratio may receive up to 25 per cent of the wage enhancement amount.

## **B. Capping**

As the intent of the wage enhancement is to close the wage gap between RECEs working in full-day kindergarten (FDK) programs and RECEs/child care program staff in licensed child care settings, the ministry has established an **hourly wage maximum of \$26.27/hour** (as of January 1, 2015) for centre-based staff or an equivalent rate for PHDC providers. This wage cap aligns with the top of the existing school board Educator Salary Matrix for RECEs in FDK.

RECEs, program staff, supervisors, private home day care providers and visitors **earning over \$26.27/hour will not be eligible** for a wage enhancement. If the wage enhancement will bring an employee's wage close to cap they will be eligible for a partial enhancement to bring them up to \$26.27/hour. The wage cap will be adjusted to align with any future changes to the provincial school board Educator Salary Matrix for RECEs working in full-day kindergarten.

## **C. Application Process**

CMSMs/DSSABs are required to provide wage enhancement funding to **all** operators/PHDC agencies with eligible staff. This may require CMSMs/DSSABs to enter into new funding agreements/arrangements with licensed child care centres and/or PHDC agencies for the provision of **wage enhancement funding only**. CMSMs/DSSABs will continue to have full discretion in determining which operators/agencies they enter into purchase of service agreements with for the provision of other child care services (e.g. fee subsidy, special needs resources, etc.).

CMSMs/DSSABs will be required to establish an application process for licensed child care centres and PHDC agencies that will be **posted on your public website** with a clear deadline for submissions. Any operator who has not submitted an application for the wage enhancement by the deadline will not be allocated wage enhancement funding in 2015, but may choose to apply in 2016.

CMSMs/DSSABs may choose to build the application information into your purchase of service process for operators with existing agreements. CMSMs/DSSABs are also required to post email and/or telephone contact information on your website for inquiries related to the wage enhancement.

## **PART II - SUPPORT AND ACCOUNTABILITY**

Detailed information on the distribution of funds and reporting requirements are included in the 2015 Child Care Service Management and Funding guideline and in the 2015 service agreements.

### **A. Administration**

To support CMSMs/DSSABs with the implementation of the wage enhancement initiative the ministry will provide a one-time grant equivalent to **ten per cent** of your projected 2015 wage enhancement allocation. This allocation will be based on existing licensed child care capacity to reflect the projected administrative effort associated with the enhancement.

The ministry recognizes there will be ongoing administrative costs associated with the wage enhancement investment and will provide details on future administration funding when 2016 allocations are released in the fall of 2015.

Please see Appendix A for CMSM/DSSAB administration funding allocations.

### **B. Accountability**

It is crucial that the wage enhancement funding be paid to child care staff and not spent on a child care operator's other expenses. This means that operators will be required to complete an attestation form (or a similar document of the CMSM's or DSSAB's choosing) which states that 100 per cent of the wage enhancement funds were provided to child care staff, **in addition** to their wage rate effective January 1, 2015. Operators are not permitted to substitute dollars that they previously provided to staff with ministry funding. Any funding that is not expended by an operator in accordance with the funding criteria for wage enhancement must be recovered by the CMSM/DSSAB.

Wage enhancement funding is an enveloped allocation; CMSMs/DSSABs may not transfer funds between their regular child care allocation and their wage enhancement allocation. CMSMs/ DSSABs will be required to use the funding only for the intended purpose (i.e. increasing wages of eligible child care staff). Any funding not used for the intended purpose will be recovered by the ministry. CMSMs/DSSABs are required to have a comprehensive reconciliation process for wage enhancement, which can be built into processes already established for child care.

### **C. Reporting**

The ministry will collect data to support accountability and inform future policy and implementation decisions regarding this investment. **At minimum**, the ministry will request CMSMs/DSSABs to report on the following:

- Number of centre-based staff /PHDC home visitors receiving a full wage enhancement in 2015 and 2016.

- Number of centre-based staff/PHDC home visitors receiving a partial wage enhancement in 2015 and 2016.
- Number of PHDC providers receiving a full wage enhancement in 2015 and 2016.
- Number of PHDC providers receiving a partial wage enhancement in 2015 and 2016.
- Total expenditures by auspice (non-profit, for-profit, directly operated).

Additional details are available as part of the 2015 Child Care Service Management and Funding Guidelines. The ministry will continue to work with York Region and the Ontario Child Care Management System (OCCMS) User Group to upgrade the OCCMS database to support wage enhancement reporting requirements.

#### **D. Tools and Resources**

The ministry will provide a wage enhancement tool kit to CMSMs/DSSABs which will include:

- a sample application;
- a template for calculating wage enhancement funding; and
- “Helpful Tips” for wage enhancement agreements with new operators.

The ministry will also send a memo to all operators and post information on its website about the wage enhancement in January 2015.

We are excited to work with you on the launch this important initiative. We would like to thank you for your ongoing feedback and advice and look forward to continuing our collaborative relationship over the coming year.

If you have any questions related to the child care wage enhancement implementation strategy as described in this memo please contact your regional Child Care Advisor.

Sincerely,

*Original signed by*

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Early Years Division

Andrew Davis  
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Planning  
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cc: Pam Musson, Director, Early Years Implementation Branch, Early Years Division  
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## APPENDIX A: 2015 WAGE ENHANCEMENT ADMINISTRATION ALLOCATIONS

<b>CMSM/DSSAB</b>	<b>Administration Allocation</b>
City of Brantford	\$ 75,430
City of Cornwall	\$ 57,375
City of Greater Sudbury	\$ 148,453
City of Hamilton	\$ 346,488
City of Kawartha Lakes	\$ 25,574
City of Kingston	\$ 97,938
City of London	\$ 277,075
City of Ottawa	\$ 855,325
City of Peterborough	\$ 70,933
City of St. Thomas	\$ 46,967
City of Stratford	\$ 32,599
City of Toronto	\$ 2,052,797
City of Windsor	\$ 241,025
County of Bruce	\$ 39,763
County of Dufferin	\$ 30,164
County of Grey	\$ 53,706
County of Hastings	\$ 61,769
County of Huron	\$ 28,193
County of Lambton	\$ 79,696
County of Lanark	\$ 38,769
County of Lennox & Addington	\$ 24,326
County of Northumberland	\$ 32,196
County of Oxford	\$ 50,916
County of Renfrew	\$ 40,313
County of Simcoe	\$ 259,095
County of Wellington	\$ 95,414
District Municipality of Muskoka	\$ 25,863
Municipality of Chatham-Kent	\$ 55,617

<b>CMSM/DSSAB</b>	<b>Administration Allocation</b>
Norfolk County	\$ 29,046
Regional Municipality of Durham	\$ 412,006
Regional Municipality of Halton	\$ 529,295
Regional Municipality of Niagara	\$ 250,340
Regional Municipality of Peel	\$ 716,945
Regional Municipality of Waterloo	\$ 337,660
Regional Municipality of York	\$ 954,147
United Counties of Leeds & Grenville	\$ 55,179
United Counties of Prescott & Russell	\$ 67,580
Algoma District Services Administration Board	\$ 28,600
District of Cochrane Social Service Administration Board	\$ 48,863
District of Nipissing Social Services Administration Board	\$ 63,383
District of Parry Sound Social Services Administration Board	\$ 20,716
District of Sault Ste Marie Social Services Administration Board	\$ 41,342
District of Timiskaming Social Services Administration Board	\$ 25,358
Kenora District Services Board	\$ 29,869
Manitoulin-Sudbury District Social Services Administration Board	\$ 13,534
Rainy River District Social Services Administration Board	\$ 6,115
Thunder Bay District Social Services Administration Board	\$ 69,410