

Ministry of Education

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MEMORANDUM TO: Chiefs of First Nations with Licensed Child Care
Child Care Administrators

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: **First Nations Child Care Wage Enhancement
Implementation**

We are pleased to provide you with information about the 2014 Budget investment of \$269 million over three years to support wage enhancement in the licensed child care sector. We will be engaging with our First Nations partners in the coming weeks about the wage enhancement implementation.

Providing the best possible care for our children also means recruiting and retaining the best possible Registered Early Childhood Educators (RECEs) and other child care program staff. Doing so supports children in their learning and development and enhances the confidence of parents/guardians 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 programs by supporting their ability to retain RECEs and non-RECE program staff; and
- to support 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 2015-16, plus 17.5 per cent for benefits, with an additional increase in 2016-17. The wage enhancement funding will be provided as part of your 2015-16 child care service agreements.

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

PART I – IMPLEMENTATION APPROACH

The approach below aligns with the eligibility and capping approach for all licensed child care program staff in Ontario.

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 and licensed private-home day care (PHDC) agencies in First Nations communities, including:

- Registered Early Childhood Educators;
- Program staff;
- Supervisors;
- PHDC visitors; and
- PHDC providers.

Non-program staff such as cooks and custodial staff may be eligible for a partial wage enhancement where a portion of their day is spent in a ratio position. For example, a cook who spends 25 per cent of their time in the preschool 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** 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, PHDC providers and visitors **earning more than \$26.27/hour will not be eligible** for a wage enhancement. If the wage enhancement brings an employee's wage close to the 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 FDK.

PART II - SUPPORT AND ACCOUNTABILITY

The ministry will be engaging with our First Nation partners in the coming weeks on the wage enhancement implementation. Below are the accountability requirements for all licensed child care programs in Ontario, including First Nations programs.

A. Accountability

It is crucial that the wage enhancement funding be paid to eligible child care staff and not spent to support other child care operations. This means that First Nations will be required to confirm that 100 per cent of the wage enhancement funds were provided to eligible child care staff, **in addition** to their wage rate. First Nations are not permitted to substitute funding previously provided to staff with ministry funding. Any funding that is not expended by a First Nation in accordance with the funding criteria for wage enhancement will be recovered by the ministry. Wage enhancement funding is an enveloped allocation; First Nations may not transfer funds between their regular child care allocation and their wage enhancement funding.

The ministry will collect data to support accountability and inform future policy and implementation decisions regarding this investment.

B. Administration

To support First Nations with the implementation of the wage enhancement initiative the ministry will provide a one-time grant equivalent to **ten per cent** of the projected 2015-16 wage enhancement allocation. Administration funding will be based on existing licensed child care capacity to reflect the projected administrative effort associated with the enhancement.

Additional details will be available in Spring 2015 as part of the *2015-16 Ontario Child Care Business Practice, Service and Funding Guideline*.

We are excited to work with you on the launch of 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.

Your Child Care Advisor will be in touch to further engage with you regarding the implementation of this initiative. In the meantime, 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

Jim Grieve
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Early Years Division

Andrew Davis
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Financial Policy & Business Division

cc: Social Services Coordination Unit, Chiefs of Ontario
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