

Ministry of Education

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MEMORANDUM TO: Licensed Child Care Operators

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

DATE: February 23, 2015

SUBJECT: Child Care Wage Enhancement

On January 19, 2015 the Premier announced that the Ministry of Education has committed \$269 million over three years to support a wage enhancement/ Home Child Care Enhancement Grant (HCCEG) in the licensed child care sector. The wage enhancement/HCCEG initiative is intended to be an ongoing investment.

This memo provides information to licensed child care programs about the purpose of the wage enhancement, such as who is eligible, how to apply, expected timelines, and where to go if you have questions.

The wage enhancement objectives are:

- To help 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 support greater employment and income security.

In 2015, eligible program staff working in licensed child care centres are entitled to a wage enhancement of \$1 per hour plus up to 17.5 percent benefits. An additional increase will be provided in 2016.

In 2015, qualifying home child care providers working with a licensed Private Home Day Care (PHDC) agency are entitled to an increase of \$10 per day including benefits. An additional increase will be provided in 2016.

The wage enhancement is intended to help 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 **daily rate of \$262.70** for PHDC providers. This wage cap is consistent with the top of the existing 2013-14 school board salary grid for RECEs in FDK settings.

Eligibility for the Wage Enhancement

RECEs, PHDC home visitors and other child care program staff are eligible for the 2015 wage enhancement if they are employed in a licensed child care position that:

- Existed in a licensed child care centre or home child care agency between January 1, 2014 and October 31, 2014 ;
- Had a wage of less than \$26.27 per hour as of October 31, 2014; and
- Is categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Day Nurseries Act* (DNA).

Program staff positions that are supplementary to the required DNA ratios are also eligible for wage enhancement. For example, if your centre has four program staff in an infant room, even though the required ratio is 3 adults to 10 children, all four staff are eligible for wage enhancement.

Partial Wage Enhancement

If an eligible position has an associated wage rate between \$25.28 and \$26.27 per hour, as of October 31, 2014, it is eligible for a partial wage enhancement. The partial wage enhancement **will increase the wage of the qualifying position to \$26.27 per day** without exceeding the cap.

- For example, if an RECE position has a wage rate of \$25.50 per hour it would be eligible for wage enhancement of \$0.77 per hour.

Eligibility for the Home Child Care Enhancement Grant (HCCEG)

Home child care providers working with a licensed Private Home Day Care agency are eligible to receive an increase of \$10 per day including benefits under the HCCEG if they:

- Held a contract with a licensed home child care agency between January 1, 2014 and October 31, 2014;

- Served the equivalent of two full-time children enrolled in their program who have been **assigned to them by a licensed home child care agency** during the above time period;
- Receive less than \$252.70 per day in fees from their agency; and
- Are actively serving agency placed children during 2015.

Partial HCCEG

If a home child care provider does not qualify for the full HCCEG because they serve less than the equivalent of two full-time children assigned to them by their agency, they can still qualify for a **partial HCCEG of \$5 per day** if they:

- Are regulated through a licensed home child care agency as of October 31, 2014;
- Served less than two full-time equivalent children, assigned to them by a licensed home child care agency during the above time period;
- Receive less than \$126.35 per day in fees from their agency; and
- Are actively serving agency placed children during 2015.

Application Process

Municipalities will post wage enhancement/HCCEG applications for licensed child care centres and PHDC agencies **on their public website by May 1, 2015 for a period of 45 - 60 days**. The deadline for submissions will be no later than June 30, 2015. Some municipalities may post their applications earlier than May 1, 2015 so please check frequently to ensure you do not miss the deadline. Any operator who has not submitted an application for wage enhancement by the deadline will not receive wage enhancement funding in 2015, but may apply for funding in 2016.

All operators/PHDC agencies with eligible staff may apply for wage enhancement/HCCEG funding regardless of their auspice (i.e. both non-profit and for-profit), participation in municipal quality initiatives, or current purchase of service status with their local municipality.

Child Care Programs in First Nations Communities

Operators in First Nations communities do not need to apply to CMSMs/DSSABs for wage enhancement/HCCEG funding. As with other child care funding, these programs will be directly funded by First Nations. This includes any programs that are not currently receiving funding from the Ministry of Education through their First Nations.

Payments

Since this is the first year of the wage enhancement/HCCEG, and in some cases the municipal application process may not close until June 30th 2015, child care centres and PHDC agencies will likely receive wage enhancement/HCCEG funding from municipalities mid-year. Operators are required to pay the wage enhancement/HCCEG to qualifying staff and providers during 2015.

Child care operators will be required to clearly label the funding provided for wage enhancement/HCCEG on staff paycheques and home child care provider fee transfers with the following descriptions:

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

Use of Wage Enhancement and HCCEG Funding

Wage enhancement/HCCEG funding must be paid to child care staff/home providers in addition to their standard wage rate or fee transfer amount, as of January 1, 2015; it cannot be spent on any other child care program expenses.

Child care operators are not permitted to substitute payments previously provided to staff with wage enhancement funding. Wage enhancement/HCCEG funding that is not used for its intended purpose will be recovered by your local municipality.

Further information about the wage enhancement/HCCEG

Municipalities will post all wage enhancement/HCCEG materials including funding applications, frequently asked questions and contact information on their websites in the coming weeks. If you have any questions related to the child care wage enhancement/HCCEG funding please contact your local municipal service manager. A listing is provided on the ministry's website: [Service Managers and their Service Areas](#)

Additional information can be found in the [Premier of Ontario's news release](#) and the [Ministry of Education's backgrounder](#) on the wage enhancement.

Thank you for your continued commitment to children and families in Ontario. We are working together to build a more responsive, high-quality and accessible child care and early year's system that better serves Ontario's children and families. I am confident we are helping children across Ontario get the best possible start in life.

Sincerely,

Original signed by:

Jim Grieve
Assistant Deputy Minister
Early Years Division

cc: Pam Musson, Director, Early Years Implementation Branch, Early Years Division
Marie Li, Director, Financial Analysis & Accountability Branch, Financial Policy &
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