

**2016: EYCC11**

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

**FROM:** Julia Danos  
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**DATE:** **December 15, 2016**

**SUBJECT:** **2017 Wage Enhancement/Home Child Care  
Enhancement Grant (HCCEG) and Update on 2017  
Child Care Service Agreement Packages**

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This memo provides 2017 wage enhancement/ HCCEG tools and resources and an update on 2017 child care and child and family program allocations and service agreement packages for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

### **Wage Enhancement/HCCEG**

2017 will be the third year of the ministry's ongoing commitment to support a wage enhancement in the licensed child care sector. 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 response to extensive sector feedback, the ministry revised the implementation approach last year by allowing for greater flexibility and reducing administration. The ministry received positive feedback on these changes and has made minor modifications for 2017 to align the approach with existing processes while continuing to support the goals of this initiative.

This package includes:

- A summary of changes to the wage enhancement/HCCEG approach in 2017 (Appendix A),
- 2017 wage enhancement allocations (Appendix B),
- 2017 wage enhancement/HCCEG guidelines. (These guidelines are excerpts of those included in the 2017 Ontario Child Care and Child and Family Program Service Management and Funding Guideline to be released in the new year), and
- Sample wage enhancement and HCCEG application forms.

### **Wage Enhancement Funding in 2017:**

Consistent with the government's ongoing commitment, the 2017 wage enhancement grant will continue to support an increase of up to \$2 per hour, plus 17.5 per cent benefits for eligible centre-based staff and home visitors. The HCCEG will support an increase of up to \$20 per day in 2017 for home child care providers.

In addition, the ministry will continue to provide a supplemental grant of \$150 for each eligible centre based FTE or home visitor FTE and \$50 for each eligible home child care provider in 2017.

To align with adjustments to the salary and wages of the school-based ECE grid stated in the three year central labour agreements, the current salary cap of \$26.27 will be increased in 2017 by approximately **1.5% to \$26.68**. The base daily fees cap for HCCEG will also increase in 2017 from \$262.70 to **\$266.80**.

Please see Appendix B for the 2017 notional allocation for wage enhancement/HCCEG which will be included in the Budget Schedule of the 2017 service agreement

### **Cash Flow to CMSMs/DSSABs and Payments to Licensees**

To support service continuity, provincial wage enhancement/HCCEG will continue to flow to CMSMs and DSSABs in 2017, based on 2016 entitlement (as reported in 2016 Estimates submissions).

CMSMs/DSSABs have discretion to continue providing wage enhancement/HCCEG funding to licensees based on 2016 application forms.

The ministry will update cash flow to the 2017 entitlement amount once 2017 signed service agreement and 2017 entitlement (provided through 2017 Estimates reporting) are submitted.

## **Update On 2017 Child Care And Child And Family Program Allocations And Service Agreement Packages**

On September 12, 2016 the government committed to creating 100,000 new child care spaces for infants, toddlers and preschoolers in Ontario over the next 5 years. Increasing the number of child care spaces for 0-4 year olds will increase access, better support workforce participation, help reduce the gender wage gap, and support better outcomes for children.

The ministry is engaging with the child care and early years sector, parents and communities for critical advice and perspectives to support the development of a renewed early years and child care policy framework and expansion strategy.

In addition to this work underway, we are pleased to have a federal partner who is committed to supporting further progress on improving the accessibility, affordability and quality of child care and early year programs. The ministry is currently working with our federal partners to deliver on the National Early Learning and Child Care Multilateral Framework.

As a result of these important processes, 2017 child care and existing child and family program allocations and service agreement packages will be sent to you in the new year. In addition, the new funding approach for Ontario Early Years Child and Family Centres and associated allocations will also be shared in the new year. Funding will continue to flow as per your 2016 Revised Estimates submission until the new agreements are signed and 2017 Estimates submissions are received by the ministry.

The ministry is pleased to be supporting the child care sector in this time of transition and growth and look forward to our continued partnership through this process.

The 2017 service agreements packages will include:

- 2017 funding allocations,
- 2017 data analysis services allocations (also included in Appendix C of this memo),
- 2017 Child Care and Child and Family Program Service Agreements, and
- 2017 Ontario Child Care and Family Support Program Service Management Funding Guideline (Guideline).

We thank you for your ongoing collaboration and commitment to child care and early years services.

If you have any questions related to the 2017 child care wage enhancement/HCCCEG, please contact your regional Child Care Advisor. If you have questions related to wage enhancement/HCCCEG application forms and reporting requirements, please contact your Financial Analyst.

Sincerely,

***Original signed by***

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Julia Danos  
Director, Early Years Implementation  
Branch  
Early Years Division

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Med Ahmadoun  
Director, Financial Analysis &  
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Financial Policy & Business Division

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**APPENDIX A: 2017 WAGE ENHANCEMENT/HCCEG CHANGES**

| <b><u>2016</u></b>  | <b><u>2017</u></b>   |
|---|--|
| <b>Notional allocation</b>  |  |
| Based on licensed capacity.   | Notional allocation for wage enhancement and HCCEG based on 2016 entitlement, additional uptake and salary cap increase.   |
| <b>Salary Cap</b>   |  |
| Eligibility based on a maximum wage of \$26.27/hour for centre-based staff and home visitors.<br><br>An equivalent rate of \$262.70 per day for full time Home Child Care providers (the cap for part time providers was \$157.62).   | Eligibility based on a maximum wage of <b>\$26.68/hour</b> (increased by approximately 1.5%) for centre-based staff and home visitors.<br><br>An equivalent rate of <b>\$266.80</b> per day for full time Home Child Care providers (the cap for part time providers is \$160.08). |
| <b>Application Timelines</b>  |  |
| Wage enhancement/HCCEG applications must be posted on CMSMs/DSSABs websites for a period of 45 days with a deadline for submissions by March 31, 2016.  | Wage enhancement/HCCEG applications must be posted on CMSMs/DSSABs websites for a minimum of 45 days.<br><br>CMSM/DSSABs will determine application due dates to align with existing financial reporting deadlines.  |
| <b>Administration</b>   |  |
| CMSMs and DSSABs will be funded the equivalent of the 2015 wage enhancement administration amount through 2016 service agreements, and must provide a minimum of 10% of administration funding to operators. Funding not used for the intended purpose in 2016 will be recovered by the ministry. | CMSMs and DSSABs will be funded the equivalent of the 2015 wage enhancement administration amount.<br><br>A minimum of 10% of administration funding to operators. CMSM/DSSABs are encouraged to prioritize Home Child Care Agencies for administration funding.                   |
| <b>Entitlement</b>  |  |
| CMSMs and DSSABs submit their total 2016 wage enhancement/HCCEG entitlement requirement to the ministry as part of their  | Wage enhancement/HCCEG entitlements must be submitted to the ministry through Estimates reporting due in the spring.   |

|   |  |
|---|--|
| <p>Estimates submission.</p> <p>The ministry will fund 100 per cent of qualifying CMSM and DSSAB wage enhancement/HCCEG requests up to the entitlement amount generated by the application process and reported in Estimates.</p>   | <p>CMSMs/DSSABs can now submit a revised entitlement to the ministry through Revised Estimates submission in late summer.</p>  |
| <p><b>Indication of Payments to Staff</b></p>   |  |
| <p>Operators must clearly indicate on staff paycheques and home child care provider fee transfers, the portion of funding that is being provided through the wage enhancement/HCCEG, labeled as follows:</p> <ul style="list-style-type: none"> <li>• Provincial child care wage enhancement</li> <li>• Provincial home child care enhancement grant</li> </ul> | <p>CMSMs and DSSABs must require that operators clearly identify the portion of funding that is being provided through the wage enhancement/HCCEG on staff pay cheques/home child care provider fee transfers, <b>or through a separate letter</b>, labeled as follows:</p> <ul style="list-style-type: none"> <li>•Provincial child care wage enhancement; or</li> <li>•Provincial home child care enhancement grant</li> </ul> |
| <p><b>Surplus Funding</b></p>   |  |
| <p>Each centre was only entitled to the amount generated from their application form.</p>   | <p>CMSMs/DSSABs have flexibility to use wage enhancement/HCCEG funding surpluses from one centre to offset deficits in another centre/agency (within the same CMSM or DSSAB) in 2016, 2017 and onward.</p>   |

## **APPENDIX B: 2017 WAGE ENHANCEMENT/HCCEG ALLOCATIONS**

| <b>CMSM/DSSAB</b>  | <b>*Wage Enhancement/<br/>HCCEG Allocation</b> | <b>Wage Enhancement/<br/>HCCEG Administration</b> |
|--|--|---|
| 200 City of Brantford  | 1,538,460                                      | 75,430  |
| 201 City of Cornwall   | 865,671  | 57,375  |
| 202 City of Greater Sudbury  | 2,299,402                                      | 148,453   |
| 203 City of Hamilton   | 7,183,075                                      | 346,488   |
| 204 City of Kawartha Lakes   | 616,515  | 25,574  |
| 205 City of Kingston   | 2,028,903                                      | 97,938  |
| 206 City of London   | 6,370,424                                      | 277,075   |
| 207 City of Ottawa   | 15,599,981                                     | 855,325   |
| 208 City of Peterborough   | 1,444,882                                      | 70,933  |
| 209 City of St. Thomas   | 952,626  | 46,967  |
| 210 City of Stratford  | 527,718  | 32,599  |
| 211 City of Toronto  | 39,585,833                                     | 2,052,797   |
| 212 City of Windsor  | 4,325,339                                      | 241,025   |
| 213 County of Bruce  | 691,163  | 39,763  |
| 214 County of Dufferin   | 616,329  | 30,164  |
| 215 County of Grey   | 1,041,619                                      | 53,706  |
| 216 County of Hastings   | 1,164,331                                      | 61,769  |
| 217 County of Huron  | 665,167  | 28,193  |
| 218 County of Lambton  | 1,536,117                                      | 79,696  |
| 219 County of Lanark   | 704,796  | 38,769  |
| 220 County of Lennox & Addington                                     | 443,819  | 24,326  |
| 221 County of Northumberland   | 611,939  | 32,196  |
| 222 County of Oxford   | 689,208  | 50,916  |
| 223 County of Renfrew  | 862,948  | 40,313  |
| 224 County of Simcoe   | 4,916,831                                      | 259,095   |
| 225 County of Wellington   | 1,878,615                                      | 95,414  |
| 226 District Municipality of Muskoka                                 | 409,070  | 25,863  |
| 227 Municipality of Chatham-Kent                                     | 1,070,990                                      | 55,617  |
| 228 Norfolk County   | 727,538  | 29,046  |
| 229 Regional Municipality of Durham                                  | 9,497,337                                      | 412,006   |
| 230 Regional Municipality of Halton                                  | 10,977,260                                     | 529,295   |
| 231 Regional Municipality of Niagara                                 | 4,243,712                                      | 250,340   |
| 232 Regional Municipality of Peel                                    | 17,739,044                                     | 716,945   |
| 233 Regional Municipality of Waterloo                                | 6,784,328                                      | 337,660   |
| 234 Regional Municipality of York                                    | 19,863,393                                     | 954,147   |
| 235 United Counties of Leeds & Grenville                             | 1,115,375                                      | 55,179  |
| 236 United Counties of Prescott & Russell                            | 1,518,530                                      | 67,580  |
| 300 Algoma District Services Administration Board                    | 339,305  | 28,600  |
| 301 District of Cochrane Social Service Administration Board         | 795,899  | 48,863  |
| 302 District of Nipissing Social Services Administration Board       | 1,478,651                                      | 63,383  |
| 303 District of Parry Sound Social Services Administration Board     | 224,864  | 20,716  |
| 304 District of Sault Ste Marie Social Services Administration Board | 826,028  | 41,342  |
| 305 District of Timiskaming Social Services Administration Board     | 562,615  | 25,358  |
| 306 Kenora District Services Board                                   | 187,273  | 29,869  |
| 307 Manitoulin-Sudbury District Social Services Administration Board | 315,243  | 13,534  |
| 308 Rainy River District Social Services Administration Board        | 161,345  | 6,115   |
| 309 Thunder Bay District Social Services Administration Board        | 1,155,033                                      | 69,410  |
| <b>PROVINCIAL TOTAL</b>  | <b>179,154,539</b>                             | <b>8,943,167</b>                                  |

\* Notional allocation based on 2016 entitlement, additional uptake and salary cap increase.

## **APPENDIX C: 2017 DATA ANALYSIS SERVICES ALLOCATIONS**

| <b>CMSM/DSSAB</b>  | <b>2017 Data<br/>Analysis Services<br/>Allocation</b> |
|--|---|
| 200 City of Brantford  | 73,153  |
| 201 City of Cornwall   | 73,153  |
| 202 City of Greater Sudbury  | 73,153  |
| 203 City of Hamilton   | 109,729   |
| 204 City of Kawartha Lakes   | 73,153  |
| 205 City of Kingston   | 73,153  |
| 206 City of London   | 109,729   |
| 207 City of Ottawa   | 146,306   |
| 208 City of Peterborough   | 73,153  |
| 209 City of St. Thomas   | 73,153  |
| 210 City of Stratford  | 73,153  |
| 211 City of Toronto  | 219,458   |
| 212 City of Windsor  | 109,729   |
| 213 County of Bruce  | 73,153  |
| 214 County of Dufferin   | 73,153  |
| 215 County of Grey   | 73,153  |
| 216 County of Hastings   | 73,153  |
| 217 County of Huron  | 73,153  |
| 218 County of Lambton  | 73,153  |
| 219 County of Lanark   | 73,153  |
| 220 County of Lennox & Addington                                     | 73,153  |
| 221 County of Northumberland   | 73,153  |
| 222 County of Oxford   | 73,153  |
| 223 County of Renfrew  | 73,153  |
| 224 County of Simcoe   | 109,729   |
| 225 County of Wellington   | 73,153  |
| 226 District Municipality of Muskoka                                 | 73,153  |
| 227 Municipality of Chatham-Kent                                     | 73,153  |
| 228 Norfolk County   | 73,153  |
| 229 Regional Municipality of Durham                                  | 109,729   |
| 230 Regional Municipality of Halton                                  | 109,729   |
| 231 Regional Municipality of Niagara                                 | 109,729   |
| 232 Regional Municipality of Peel                                    | 219,458   |
| 233 Regional Municipality of Waterloo                                | 109,729   |
| 234 Regional Municipality of York                                    | 146,306   |
| 235 United Counties of Leeds & Grenville                             | 73,153  |
| 236 United Counties of Prescott & Russell                            | 73,153  |
| 300 Algoma District Services Administration Board                    | 73,153  |
| 301 District of Cochrane Social Service Administration Board         | 73,153  |
| 302 District of Nipissing Social Services Administration Board       | 73,153  |
| 303 District of Parry Sound Social Services Administration Board     | 73,153  |
| 304 District of Sault Ste Marie Social Services Administration Board | 73,153  |
| 305 District of Timiskaming Social Services Administration Board     | 73,153  |
| 306 Kenora District Services Board                                   | 73,153  |
| 307 Manitoulin-Sudbury District Social Services Administration Board | 73,153  |
| 308 Rainy River District Social Services Administration Board        | 73,153  |
| 309 Thunder Bay District Social Services Administration Board        | 73,153  |
| <b>PROVINCIAL TOTAL</b>  | <b>4,169,711</b>                                      |