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2016: EYCC3

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

FROM: Julia Danos
Director, Early Years Implementation Branch
Early Years Division
Ministry of Education

Marie Li
Director, Financial Analysis & Accountability Branch
Financial Policy & Business Division
Ministry of Education

DATE: **January 18, 2016**

SUBJECT: **First Nations Child Care 2016-17 Wage Enhancement
Implementation**

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 support greater employment and income security.

In order to meet these goals, the wage enhancement initiative is intended to be an ongoing investment.

We appreciate and acknowledge the contribution of First Nations toward making the first year of wage enhancement funding a success.

Wage Enhancement Amount in 2016

Consistent with the government's commitment, effective January 1, 2016 the wage enhancement will support an increase of up to \$2 per hour, plus 17.5 per cent benefits. In addition, the Home Child Care Enhancement Grant (HCCEG) will support an increase of up to \$20 per day effective January 1, 2016 for home child care providers.

Supplemental Grant

In addition to the increases mentioned above, the ministry will also 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. The supplemental grant provides First Nations with flexibility to cover salary shortfalls, and/or additional benefits. The grant can be used to fund additional eligible staff and/or hours in program, vacation days, sick days, PD days and/or other benefits.

Allocation

First Nations will receive a notional allocation for wage enhancement and HCCEG in their 2016-17 service agreements.

The 2016-17 wage enhancement entitlement and cash flow to First Nations will be updated, including funding retroactive to January 1, 2016, once the ministry has received and approved the application forms and the signed 2016-17 child care service agreement is received.

Wage Enhancement Administration Funding

To support First Nations with the implementation of the wage enhancement initiative the ministry will provide one-time funding equivalent to the amount provided in 2015-16 through the 2016-17 service agreement.

Eligibility

All licensed child care centres and home child care agencies that opened before January 1, 2016, with eligible staff and/or providers may apply for wage enhancement/HCCEG.

As in 2015-16, wage enhancement funding will be available to eligible child care program staff whose positions **can be counted toward adult to child ratios** under the *Child Care and Early Years Act, 2014* (CCEYA); working in **all** licensed child care centres and licensed home child care agencies in First Nations communities, including:

- Registered Early Childhood Educators;
- Program staff;
- Supervisors;
- Home child care visitors; and
- Home child care providers.

Non-program staff such as cooks and custodial staff may be eligible for wage enhancement if more than 25 per cent of their time 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 wage enhancement for the hours worked in the eligible position supporting ratio.

Application Process

First Nations must apply again in 2016 for all positions or providers that would be eligible for wage enhancement/HCCEG. In March 2016, the ministry will provide 2016 wage enhancement application forms along with 2016-17 service agreements. First Nations will have until June 30, 2016 to submit completed application forms to the ministry.

Payment to Staff and Home Child Care Providers

Please note that for 2015-16 and 2016-17, First Nations have the discretion to pay out wage enhancement to staff, visitors and providers through staff's regular pay cheques or through lump sum payments.

As referenced in the ministries 2015-16 Guideline, First Nations 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:

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

Additional details will be available in spring 2016 as part of the *2016-17 Ontario Child Care Business Practice, Service and Funding Guideline*.

We are excited to continue working with First Nations partners on 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 child care wage enhancement as described in this memo please contact your regional Child Care Advisor or Financial Analyst.

Sincerely,

Original signed by:

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Marie Li
Director, Financial Analysis &
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