

The \$1 wage enhancement for staff in regulated child care centres and the home child care (wage) enhancement grant: What do we know

This fact sheet uses information found in the *Ontario Child Care Service Management and Funding Guidelines 2015* to support ECEs and the child care community to better understand this new funding initiative and what to expect.

Who is eligible?

- Registered Early Childhood Educators, program staff and supervisors in regulated child care centres and home child care visitors who earn less than \$26.27 an hour are eligible for the \$1 per hour wage enhancement (plus 17.5% benefits)¹, regardless of their operator's auspice, participation in municipal quality initiatives, or current purchase of service status with their local CMSM or DSSAB. The grant is only applicable to those who are working in a full-time position that existed in that program between January 1, 2014 and October 31, 2014.
- Those qualifying positions that have a wage rate between \$25.27 and \$26.27 per hour are eligible for a partial wage enhancement that will increase the wage of the qualifying position to \$26.27 per hour without exceeding the cap.
- Other support staff such as cooks are not included unless at least 25% of their position is used to support ratio requirements (i.e. counted as an adult in the adult:child ratio in the program), in which case the staff may be eligible for a partial wage enhancement based on the amount of time they are supporting ratio in the program.
- Licenced private home daycare providers who held a contract with a licensed home child care agency between January 1, 2014 and October 31, 2014, serve the equivalent of two full-time children enrolled in their program and receive less than \$262.70 per day in fees from their agency are eligible for the home child care enhancement grant of \$10 per day. Licenced private home daycare providers who serve less than two full-time equivalent children and receive less than \$126.35 per day in fees from their agency are eligible for a partial grant of \$5 per day.

How will it work?

Individual child care centres and private home daycare agencies need to apply to the municipality (CMSMs and DSSABs) for the grant and then deliver the money to their eligible staff. The money will come from the province to the municipality, who will then distribute it to the individual programs and agencies that applied. The money associated with the wage enhancement is a separate envelope of money flowing from the province to the municipality and can only be used to increase wages. The wage enhancement funding cannot be used by the municipality or operator to support system expansion or reduce parent fees.

The *Ontario Child Care Service Management and Funding Guidelines 2015* outlines that CMSMs and DSSABs must require that operators clearly indicate on staff paycheques and home child care provider fee transfers the portion of funding that is being provided through the wage enhancement grants.

¹ Operators that provide benefits at a rate higher than 17.5 percent will not be reimbursed through the wage enhancement.

When will we see the money?

The Toronto Star² (Jan 20, 2015) reported that nobody will see the \$1 increase until spring 2015 at the earliest and as late as fall 2015. Eligible recipients should receive the raise retroactive from January 1, 2015.

Local governments (CMSMs or DSSABs) are required to post the application on their public website for a period of 45-60 days beginning **no later than May 1, 2015** and identify a clear deadline for operator submissions **no later than June 30, 2015**. Operators who miss this deadline will not be eligible for the grant for the 2015 year. The 2016 application process must be completed and submitted to the Ministry no later than November 15, 2015.

What is the purpose of the \$1 wage grant?

This wage increase aims to close the existing (hourly) wage gap between ECEs and staff in the regulated child care sector and those working in full-day kindergarten in the public school system. Additionally, the government has indicated that they want to attract and retain highly qualified educators into the regulated child care sector and support access to stable (less turnover of staff) and high quality (better staff) child care.

What about the additional \$1 promised for 2016?

The province has committed to an additional \$1 increase in 2016. However, we do not have the full details on any criteria or caps that will be applied to the second \$1 increase or if the hourly rate cap will be higher or lower. The application and distribution process may change based on feedback from the first year of implementation.

What do we need to know?

The AECEO, Ontario Coalition for Better Child Care and other partners are working hard to gather questions from the community and find the answers. Please let us know if you have any answers to these pressing questions and we will continue to update this resource as more answers become available.

- If an employer refuses to apply for wage subsidy to benefit the wages of their employees, is there any action that can be taken?
- Will this \$1 raise replace the raise that eligible recipients may have already received through other means (i.e. annual increase to parent fees)? Or will the \$1 be in addition to regular yearly raises?
- Will the \$1 raise be in addition to other wage enhancement grants coming from the municipal government/local service manager?
- Will ECEs in full-day kindergarten or family resource programs (i.e. OEYC's) also be receiving a raise in the near future?
- Will positions created after October 2014 be eligible for the grant in 2016?

For further information please contact info@aeceo.ca or info@childcareontario.org.

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² <http://www.thestar.com/news/queenspark/2015/01/20/promised-wage-hike-for-ontario-child-care-workers-still-far-off.html?app=noRedirect>