



COUNTY OF WELLINGTON PROVINCIAL WAGE ENHANCEMENT GRANT 2020 GUIDELINES AND PROCEDURES

WAGE ENHANCEMENT GRANT AGREEMENT

The Wage Enhancement Grant Agreement is the legal document that outlines the funding conditions for operators receiving the Wage Enhancement Grant. It is the responsibility of the operator to comply with the agreement.

PURPOSE OF THE WAGE ENHANCEMENT GRANT

Wage Enhancement (Home Child Care Enhancement) Grant is a 100% provincially funded investment which is an entitlement initiative. This means that it must be provided to all qualifying positions based on actual hours worked regardless of the operator's auspice, participation in quality initiatives, or current Purchase of Service status with their Consolidated Municipal Services Manager (CMSM). It is intended to close the wage gap between RECEs working in the publicly funded education sector, and RECEs, child care programme staff and providers in licensed child care settings.

WAGE ENHANCEMENT GRANT ELIGIBILITY

As the intent of the wage enhancement is to close the wage gap between RECEs working in publicly funded schools and RECEs, child care programme staff and providers in licensed child care settings, the ministry has established an hourly wage maximum of **\$27.75** per hour for wage enhancement and **\$277.50** per day for full HCCEG (**\$166.50** for partial HCCEG).

There are two types of Wage Enhancement Grants:

- Wage Enhancement
- Home Child Care Enhancement Grant (HCCEG)

Wage Enhancement

Eligibility requirements:

1. All licensed child care centres and home child care agencies are eligible to apply for wage enhancement/HCCEG funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status

2. Licensed centre or agencies created in 2020 are eligible to apply for wage enhancement or HCCEG in the year the programme begins operations. To determine eligible hours to be used for the application, new licensed programmes should estimate number of hours to be worked.
3. Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios under the *Child Care and Early Years Act*. Additionally, child care programme positions that are in place to maintain higher employee-child ratios than required under the *Child Care and Early Years Act* are also eligible for wage enhancement.
4. Wage Enhancement/HCCEG payments to staff and home child care providers will be made based on 2020 time in programme.
5. a) Full Wage Enhancement - to be eligible to receive the full wage enhancement, staff must have an associated base wage of **less than \$25.75 per hour excluding prior year's wage enhancement** (\$2 below the wage cap of \$27.75).

b) Partial Wage Enhancement - to be eligible to receive the partial wage enhancement, staff must have an associated base wage **between \$25.76 and \$27.74 per hour excluding prior year's wage enhancement**. The partial wage enhancement will increase the wage of the qualifying position to \$27.75 per hour without exceeding the cap.
6. Non-programme staff (e.g. cooks, custodial staff) that spend at least 25% of their time to support ratio requirements are eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
7. Staff hired through a third party (e.g. temp agency; third party business) are not eligible for wage enhancement.

Supplemental Grant:

The Ministry will 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 allows Operators with some flexibility to provide and implement wage enhancement in a way that aligns with their regular operations. The supplemental grant will be automatically calculated on the application form, based on the information provided by Operators.

The supplemental grant must be used to support staff, home visitors and providers' hourly/daily wage or benefits.

It provides Operators with the flexibility to cover salary shortfalls due to increased hours or staffing, (e.g. additional time in programme, new staff or providers) and, additional benefits (e.g. vacation days, sick days or PD days and/or other benefits) once mandatory benefits are covered. Any funding that is not used for these purposes will be recovered.

Home Child Care Enhancement (HCCEG)

In order to be eligible to receive HCCEG, home child care providers must:

- Hold a contract with a licensed home child care agency; and
- Provide services to one child or more (including privately placed children; excluding provider's own children).

To be eligible to receive the **Full HCCEG of \$20 per day**, home child care providers must:

- Provide on average **full-time services** (6 hours or more hours); and
- Receive less than \$257.50 (\$20 below the cap of \$277.50) per day in base fees *excluding prior year's HCCEG*.

To be eligible for **Partial HCCEG of \$10 per day**:

- On average provide **part-time services** (less than 6 hours); and
- Receive less than \$156.50 (\$10 below the cap of \$166.50) per day in base fees *excluding prior year's HCCEG*.

If at any point a home child care provider stops serving children or earns more than the cap, the home child care agency must terminate the transfer of HCCEG funds to the provider.

Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

APPLICATION PROCESS AND REQUIREMENTS

Child Care Operators are required to apply to their local CMSM (County of Wellington) for Wage Enhancement/HCCEG funding. Applications are made available on the County of Wellington's website. Information about the Wage Enhancement Grant is available on the County of Wellington's website, along with the guidelines and procedures, applications and instructions. The guidelines and procedures as well the application process is in line with all legislated requirements under the Ontario Child Care Service Management and Funding Guidelines.

Operators should enter total hours worked in 2019 for each eligible position, including overtime hours. Please note the base hourly wage rate or home child care provider fees

entered into the application form should exclude previous wage enhancement/HCCEG amount received.

WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANT PAYMENTS

1. Operators must 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, **or through a separate letter**, labeled as follows:
 - i. Provincial Child Care Wage Enhancement
 - ii. Provincial Home Child Care Enhancement Grant
2. Operators **must** include wage enhancement or HCCEG payments in **each pay cheque**. For Home Child Care agencies, this will be done with each payment made to providers.
3. Wage enhancement/HCCEG payments to staff and home child care providers will be made based on 2020 time in programme.
4. Operators have the flexibility to fund their current year's eligible positions, even if the position did not exist in 2019.
5. The Ministry will only fund up to a maximum of 17.5% benefits paid out for Wage Enhancement. Operators may exceed 17.5% for benefits if the supplemental grant is used to support additional benefits.

Once all statutory benefits requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Any residual benefits funding can be used to support wage enhancement salaries within the allowable expenses. Please note this is a one-way funding flexibility only, that is, salary funding cannot be used for benefits.

Any funding not used for the intended purpose will be recovered by the Ministry.

6. No one person can receive more than \$2 per hour in Wage Enhancement.
7. Statutory benefits represent the benefits in the approved Wage Enhancement application form. These are the employer costs.
8. The Ministry requires salaries and benefits to be reconciled separately. The benefits allocation provides funding for vacation and statutory days. This will

require Operators to report these items (vacation and statutory pay) separately on the reconciliation report, similar to the way the allocation was derived in the application form.

9. Any underspending in the salary component will result in a recovery. Operators may use any residual funding from the benefit component for use in the salary component (ensuring no staff receives more than \$2 per hour).
10. Within each component itself, surpluses and deficits can offset each other. For example, a surplus in the Fully Eligible RECE salary component can be used to offset a deficit in the Partially Eligible Supervisor salary component.

ACCOUNTABILITY

The following accountability mechanisms must be put in place by the County of Wellington to ensure operator accountability and the appropriate use of Ministry funds:

- A statement completed by participating child care centres which attests that 100% of Wage Enhancement funding was provided directly to eligible child care staff with a maximum of \$2.00 per hour provided for wage plus 17.5% provided for benefits.
- A statement completed by participating home child care agencies which attests that 100% of HCCEG funding was provided directly to eligible home child care providers and 100% of Wage Enhancement funding was provided directly to eligible home visitors.
- An approach for confirming operator compliance with service agreements and guidelines (e.g. audit procedures, special purpose reports, request for T4 statements to confirm wage increase, etc.)

The County of Wellington as the CMSM is responsible for establishing a process for confirming operator compliance. In the event that the County of Wellington determines that an operator has failed to meet the funding conditions outlined in their agreement for the provision of Wage Enhancement/HCCEG funding, the County of Wellington must recover all misused funds. Additionally, non-compliant providers may be deemed ineligible to receive future Wage Enhancement funding.

REPORTING REQUIREMENTS

An annual Wage Enhancement Reconciliation Report will be completed by operators which will verify the wage enhancement has been used for the intended purpose. The report will identify the totals paid out as reported in the application. The reconciliation

report will be due by the last business day in January of each year along with any unused funds for the previous year's allocation.

In addition, operators will be required to sign an attestation which will verify operator compliance with the service agreement and guidelines. The County of Wellington Children's Early Years Division reserves the right to require additional documentation to verify compliance.

Please contact the Manager of Child Care Administration at the County of Wellington Children's Early Years Division if you have any questions about an agreement or the grant guidelines and procedures. For more information about the Wage Enhancement Grant, please visit our website www.wellington.ca.