

## **2018 FUNDING INFORMATION**

### WAGE ENHANCEMENT HOME CHILD CARE ENHANCEMENT FEE STABILIZATION SUPPORT

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We are pleased to confirm the ongoing commitment of the Ontario government to provide the Wage Enhancement/HCCEG funding for 2018. The Ontario government recognizes that although Registered Early Childhood Educators (RECEs) and other child care program staff play a key role during the critical years of a child's development, there is a significant wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector. This wage gap creates challenges in retaining qualified pedagogical professionals to deliver affordable, high quality services. The wage enhancement/HCCEG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario.

The Ministry of Education also recognizes that increasing operating pressures may lead to increases in child care fees. To support improved wages for the licensed child care workforce, affordability for families, and to address potential fee increases, the ministry will provide funding for the first quarter of 2018, to support licensed child care staff currently earning under \$14.00 per hour.

Details pertaining to these three funding types are included in this document for your reference.

Application forms, guidance and supporting information are available on The County of Hastings website at:

<http://www.hastingscounty.com/services/social-services/childrens-services>

Please direct any questions to the Child Care Co-ordinator via e-mail at:

[CSfunding@hastingscounty.com](mailto:CSfunding@hastingscounty.com)

**WAGE ENHANCEMENT - CENTRE BASED AND HOME VISITORS:**

All licensed child care centres and home child care agencies are eligible to apply for wage enhancement funding.

The 2018 wage enhancement grant will continue to support an increase of up to \$2 per hour, plus 17.5% benefits for eligible centre-based staff and home visitors.

Please note that you are receiving monthly Wage Enhancement payments in 2018, based on your 2017 allocation, to enable you to continue to flow funding to staff in 2018.

**NEW:** To align with the top of the existing school board Educator Salary Matrix for RECEs working in FDK, the current salary cap of \$26.68 will be increased in 2018 by approximately 1.5% to **\$27.07**. If child care staff exceed the cap at any time during the year, excluding wage enhancement, they will no longer be eligible to receive the increase.

To be eligible to receive the full 2018 wage enhancement of \$2 per hour plus 17.5% in benefits, staff must:

- be employed in a licensed child care centre or agency;
- have an associated base wage excluding prior year's wage enhancement of less than \$25.07 per hour (i.e. \$2 below the wage cap of \$27.07); and
- 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 Early Years Act.

Where an eligible centre-based or home visitor position has an associated base wage rate excluding prior year's wage enhancement between \$25.07 and \$27.07 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$27.07 per hour without exceeding the cap. (e.g. if an RECE position has a base wage rate, excluding the previous year's wage enhancement, of \$25.50 per hour, the position would be eligible for wage enhancement of \$1.57 per hour).

Special Needs Resourcing teachers/consultants and supplemental staff are ineligible for wage enhancement. Also ineligible are non-program staff positions including cooks, custodial and other non-program staff positions. The only exception is if the position spends at least 25% of their time to support ratio requirements, in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio. Staff hired through a third party (i.e. temp agency) are not eligible for wage enhancement.

For each eligible position, total hours worked in 2017, including overtime, will be gathered on application forms and used to determine funding entitlement for 2018.

As the wage enhancement and fee stabilization support funding applications are merged, you will be required to input both "base" hourly wages paid (prior to any additional funding including the general operating grant) and "base + GOG" hourly wages paid (inclusive of the general operating grant and exclusive of the wage enhancement grant).

Wage Enhancement payments are to be provided to eligible positions for each hour worked in 2018. Licensees have the flexibility to fund their current year's eligible positions, even if the position did not exist in 2017. Priority for the distribution of funds should be to staff who were eligible in 2017 and continue to be eligible in 2018.

Licensees must include wage enhancement payments in each pay cheque. In addition, Licensees must notify staff of the amount provided to them through this initiative on pay cheques or through a separate letter. The notification must be labeled "*Provincial Child Care Wage Enhancement*".

Benefits funding of 17.5% support Licensees in meeting their statutory benefit requirements. Once all statutory benefits requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within the 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 but please note this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

The ministry will continue to provide a supplemental grant of \$150 for each eligible centre based or home visitor FTE in 2018. The supplemental grant must be used to support staff and home visitors' hourly wage or benefits. It provides Licensees with the flexibility to cover salary shortfalls (due to increased hours in program or new staff) and additional benefits, (e.g. vacation days above the minimum of up to 2 weeks, sick days, PA days and/or other benefits) once mandatory benefits are covered.

Licensees will also continue to receive an administration allocation to support implementing wage enhancement.

The year-end reconciliation will include, separately, the collection of salary and benefit payments (including supplemental grant funding) and full time equivalent data under the categories of fully and partially eligible RECEs, Supervisors, Non-RECE/Other Program Staff and Home Visitors. The number of ineligible staff due to exceeding the cap of \$27.07 per hour will also be collected.

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Wage Enhancement application forms, guidance and supporting information are available on The County of Hastings website at:

<http://www.hastingscounty.com/services/social-services/childrens-services>

If you began operations prior to January 1, 2018 your application deadline is March 26, 2018. Any applications received after this date will not be eligible for wage enhancement funding in 2018. If you begin operations in 2018, you may apply for wage enhancement funding in 2018.

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**HOME CHILD CARE ENHANCEMENT GRANT:**

All licensed home child care agencies are eligible to apply for the Home Child Care Enhancement Grant (HCCEG) funding.

The 2018 Home Child Care Enhancement Grant continues to support an increase of up to \$20 per day for home child care providers.

Please note that you continue to receive your 2017 funding allocation for the Home Child Care Enhancement Grant monthly to enable you to continue to flow funding to home child care providers in 2018.

**NEW:** To align with the top of the existing school board Educator Salary Matrix for RECEs working in FDK, the base daily fee cap for the Home Child Care Enhancement Grant will increase in 2018 from \$266.80 to **\$270.70**, from \$160.80 to **\$162.42** for partial HCCEG. If home child care providers exceed the cap at any time during the year, excluding the HCCEG, they will no longer be eligible to receive the increase.

To be eligible to receive the full 2018 Home Child Care Enhancement Grant of \$20 per day home child care providers must:

- hold a contract with a licensed home child care agency;
- provide services to one child or more (including privately placed children\*; excluding the provider's own children);
- provide full time services on average (6 hours or more a day); and
- receive base daily fees, excluding prior year's HCCEG, of less than \$257.07 (i.e. \$20 below the cap of \$270.70).

To be eligible to receive the partial 2018 Home Child Care Enhancement Grant of \$10 per day home child care providers must:

- hold a contract with a licensed home child care agency;
- provide services to one child or more (including privately placed children\*; excluding the provider's own children);
- provide part time services on average (less than 6 hours a day); and
- receive base daily fees, excluding prior year's HCCEG, of less than \$152.42 (i.e. \$10 below the cap of \$162.42).

\*Please note: Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

For each eligible home child care provider, total days worked in 2017 will be gathered on the application form and used to determine funding entitlement for 2018. The "base" home child care provider fee entered in the application form should include the General Operating Grant but exclude the home child care enhancement grant.

Payments should be provided to eligible providers for each day worked in 2018. The compensation rate (partial or full) will be based on their 2018 services. Licensees have the flexibility to fund their current year's providers, even if they were not under contract in 2017. Priority for the distribution of funds should be to providers who were eligible in 2017 and continue to be eligible in 2018.

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

Licensees must include home child care enhancement grant payments in each payment. In addition, licensees must notify providers of the amount provided to them through this initiative on payments or through a separate letter. The notification must be labeled "*Provincial Home Child Care Enhancement Grant*".

The ministry will continue to provide a supplemental grant of \$50 for each eligible home child care provider in 2018. The supplemental grant must be used to support home child care providers' daily wage. It provides agencies with the flexibility to cover shortfalls due to increased hours and/or new home child care providers.

Licensees will also continue to receive an administration allocation to support implementing the Home Child Care Enhancement Grant.

The year-end reconciliation will include the collection of HCCEG payments (including supplemental grant funding) under the categories of fully and partially eligible home child care providers. In addition, the number of ineligible providers due to exceeding the cap of \$270.70 will also be collected.

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Home Child Care Enhancement Grant application forms, guidance and supporting information are available on The County of Hastings website at:

<http://www.hastingscounty.com/services/social-services/childrens-services>

If you began operations prior to January 1, 2018 your application deadline is March 26, 2018. Any applications received after this date will not be eligible for home child care enhancement grant funding in 2018. If you begin operations in 2018, you may apply for home child care enhancement grant funding in 2018.

Please direct any questions to the Child Care Co-ordinator via e-mail at:

[CSfunding@hastingscounty.com](mailto:CSfunding@hastingscounty.com)

**FEE STABILIZATION SUPPORT:**

All licensed child care centres and home child care agencies, including those opening prior to July 1, 2018, are eligible to apply for the Fee Stabilization Support (FSS). This funding is available for the first quarter of 2018 only. We have no information at this time of funding availability past March 31, 2018.

The FSS funding must be used to increase hourly wages of staff in licensed centres and licensed home child care agencies earning less than \$14.00 per hour (excluding wage enhancement), as of December 31, 2017. Please note that the funding will be allocated on the difference of \$14 per hour and the hourly rate being paid to staff as of December 31, 2017 inclusive of the General Operating Grant. Funding may not be used to support wages above \$14 per hour.

Fee Stabilization Support Funding Eligibility – Wage Examples					
Base Wage	General Operating Grant Wage	Total Base and GOG	Wage Enhancement Grant	total as per payroll records	eligibility for fee stabilization support
\$ 11.60	\$ 1.85	\$ 13.45	\$ 2.00	\$ 15.45	\$ 0.55
\$ 11.60	\$ 1.85	\$ 13.45	n/a	\$ 13.45	\$ 0.55
\$ 11.60	\$ 2.50	\$ 14.10	\$ 2.00	\$ 16.10	\$ 0.00

Licensees receiving FSS must demonstrate the percentage change in child care fee increases avoided in 2018, as compared to December 31, 2017. For example:

Centre A's child care fees as of December 31, 2017 are \$50/day. On January 1, 2018, child care fees would have increased to \$55/day (or 10 per cent), but as a result of Fee Stabilization Support funding, child care fees increased to \$51/day (or 2 per cent). Fee avoidance to be reported is 8 per cent (anticipated 10 per cent increase minus actual fee increase of 2 per cent).

Licensees will be required to report the number of staff impacted by fee stabilization support funding.

Applications, guidance, and supporting information for Fee Stabilization Support funding are available on The County of Hastings website at:

<http://www.hastingscounty.com/services/social-services/childrens-services>

If you began operations prior to January 1, 2018 your application deadline is March 26, 2018. Any applications received after this date will not be eligible for Fee Stabilization Support funding in 2018. If you begin operations prior to July 1, 2018, you may apply for Fee Stabilization Support funding in 2018.

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