

## 2018 Wage Enhancement Grant (WEG) Information Bulletin 2 – March 19, 2018

The following provides an update on the Wage Enhancement Grant process in London-Middlesex. Readers are reminded that information is subject to change by the Ministry of Education.



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Ontario's Ministry of Education introduced a new initiative called the Wage Enhancement Grant in 2015. They have continued this initiative in 2018. The Wage Enhancement Grant must be provided in addition to other funding sources.

As established by the Ministry:

### 1. **PURPOSE:**

The purpose of this Enhancement Grant is to:

- Close the wage gap between RECE wages in the school board and those in the licensed child care sectors;
- Stabilize licensed child care operators by helping them recruit and retain RECEs/child care staff and strengthen the licensed home child care system;
- Reduce poverty by supporting greater employment and income security; and
- Support higher quality consistent child care services to support children's learning and development.

### 2. **ELIGIBILITY:**

All licensed child care centres or agencies are eligible to apply for the Wage Enhancement Grant.

Beginning in 2018, licensed centres or agencies created in 2018 are eligible to apply for wage enhancement or HCCEG in the year the program begins operations.

#### a) For Full Wage Enhancement Grant:

To be eligible to receive Full 2018 Wage Enhancement Grant (\$2.00 per hour and 17.5% benefits), program staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated base wage of less than \$25.07 per hour (excluding Wage Enhancement);
- Be categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014 (CCEYA)*; and

- Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the CCEYA may also be eligible for Wage Enhancement Funding.

b) For Partial Wage Enhancement Grant:

To be eligible to receive Partial 2018 Wage Enhancement Grant (less than \$2.00 per hour and 17.5% benefits), program staff must:

- Be employed in a licensed child care centre or home child care agency;
- Have an associated wage between \$25.07 and \$27.07 per hour (excluding Wage Enhancement);
  - The partial Wage Enhancement Grant may increase the wage of the qualifying position to \$27.07 per hour without exceeding the cap.
- Be categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014 (CCEYA)*; and
  - Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the CCEYA may also be eligible for Wage Enhancement Funding.

c) Ineligible Positions (Non-Program Staff):

- Special Needs Resource funded Resource Teachers/Consultants and Program Assistant staff are not eligible for Wage Enhancement Grant Funding;
- Cook, custodial and other non-program staff positions are not eligible for Wage Enhancement Grant Funding;
  - The only exception to this provision is if at least 25% of the non-program staff position is used to support ratio requirements; in which case the staff may be eligible for Wage Enhancement Grant Funding equal to the proportion of time their position is used to support ratio requirements.

d) Ministry EDU Supplemental Grant

- In 2018, the Ministry of Education is providing operators with a supplemental grant to support shortfalls related to Wage Enhancement. This funding can be used to provide Wage Enhancement for additional days/hours worked, sick time and/or additional benefits not captured in the 2018 information submitted in the application process.
  - Note: This supplemental grant can only be used toward eligible positions and will be attested to with all other WEG funding. Any unused supplemental grant will be recovered by the CMSM.
- This supplemental grant is funded at \$150 per FTE (Ministry definition of 1 FTE: 1827 hours worked, including 9 general paid public holidays).

## **APPLICATION PROCESS**

- Eligible hours are based January to December 2017 actual hours worked. For new or anticipated positions in 2018, anticipated hours worked for the entire year.
- Every Agency will receive 17.5% Mandatory Benefits (regardless of true benefit amount)
- The Ministry of Education is interested in new Service Data, namely the head count of program staff within an agency that exceeds the hourly rate cap of \$27.07.
- The eligibility wage cap is \$27.07, which means in 2018, to be fully eligible a position must have an associated wage of less than \$25.07 (i.e. \$2 below the cap). In 2018, positions with an associated wage of \$25.07-\$27.07 will be considered partially eligible.
- Ministry provided supplemental grant of \$150 per FTE that must be used for eligible positions (additional days/hours worked, sick time, and/or additional benefits).

The Wage Enhancement Grant application form will be posted to the City of London website and the County of Middlesex website no later than March 19, 2018. The applications are due **May 4, 2018**, and applications not received or incomplete by **May 4, 2018** will not be eligible to receive Wage Enhancement Grant funding in 2018. **We encourage agencies to submit applications by April 20, 2018 so we can review and request changes if required before the actual deadline.** Agencies that applied for Wage Enhancement in 2017 are required to apply again in 2018.

### **3. PAYOUT**

Wage Enhancement funding (including the Ministry EDU supplemental grant) must be directed solely to eligible licensed child care staff and home visitors to increase wages and benefits. **Wage Enhancement funding cannot be used to support child care system expansion or reduce fees.**

Operators must use Wage Enhancement funding for the intended purposes of:

- a) Increasing wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5% benefits based on their current wage rate (excluding previous year's Wage Enhancement),
  - a. Note: the salary cannot exceed \$2 per hour in program and the wage cap of \$27.07 per hour. Operators may exceed 17.5 % for benefits if the supplemental grant is used to support additional benefit expenses.
- b) Wage Enhancement funding of up to \$2 per hour (for all hours worked in program, including overtime hours) should be provided to staff, plus 17.5% benefits provided to the agency to offset additional costs incurred with this wage increase.

If child care staff or home visitors exceed the cap at any time during 2018, excluding Wage Enhancement, they will no longer be eligible to receive the increase.

Operators must clearly indicate on staff paycheques the portion of funding that is being provided through the WEG labeled as follows:

“Provincial Child Care Wage Enhancement”

### **PAY-OUT GUIDELINES**

- In 2018, agencies have the flexibility to pay any staff working in a position that meets the guidelines to receive Wage Enhancement.
  - This means an agency can pay any staff working in program making less than \$27.07 per hour regardless of whether or not the position existed in 2017.
- Benefits Flexibility
  - Once all mandatory benefits requirements are met, any remaining funding within 17.5% can be used to fund other benefits expenses paid by the employer on behalf of the employee. Any residual benefits funding can be used to support Wage Enhancement salaries.
    - Note: this is one-way flexibility. Salary funding cannot be used for benefits.
- In 2018, operators must include Wage Enhancement payments on each pay cheque.