



CITY OF HAMILTON
COMMUNITY & EMERGENCY SERVICES DEPARTMENT
Children's & Home Management Services Division

TO:	Chair and Members Emergency & Community Services Committee
COMMITTEE DATE:	April 13, 2015
SUBJECT/REPORT NO:	2015 Child Care Wage Enhancement (CES15016) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton accept the new 2015 Child Care Wage Enhancement funding in the amount of \$3,464,880 (100% Provincial) from the Ministry of Education;
- (b) That the City of Hamilton accept the new Wage Enhancement Administration Grant in the amount of \$346,488 (100% Provincial) from the Ministry of Education; and,
- (c) That the General Manager of Community & Emergency Services Department be authorized to execute the 2015 Wage Enhancement Service Agreements with child care operators in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

In January 2015, the Province announced a province-wide investment of \$269 million over three years to support a wage enhancement for the licensed child care sector. The City of Hamilton has received \$3,464,880 (100%) funding from the Ministry of Education in its 2015 allocation for the wage enhancement initiative, as well as an administrative grant in the amount of \$346,488.

The goals of the initiative are to:

- Close the wage gap between Registered Early Childhood Educators (RECEs) working in the publicly funded education system and those in the licensed child care sector;

- Help stabilize child care operators by supporting their ability to retain RECEs and non-RECE program staff; and
- Reduce poverty by supporting greater employment and income security.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The City of Hamilton has received \$3,464,880 funding from the Ministry of Education for the wage enhancement initiative, as well as an administrative grant in the amount of \$346,488, which represents 10% of the wage enhancement allocation. These are 100% Provincial funds and there are no cost sharing requirements on the City.

Child care operators will be required to complete an application and funds will be allocated based on the number of eligible staff positions. The Ministry of Education has committed to increasing the 2015 wage enhancement allocation to the City, should the number of eligible staffing positions exceed its initial estimates. Likewise, if the number of positions is less than anticipated, the Ministry will recover these funds from the City. The application and reconciliation processes will be comprehensive and will require significant analysis to confirm the eligible funding for each individual operator.

The wage enhancement initiative is intended to be an ongoing investment however the City has only received confirmation of the 2015 allocation at this time.

Staffing:

In order to meet the increased workload demands associated with this new initiative, Children's & Home Management Services Division will be utilizing the administrative grant to hire 2.5 additional temporary staff to develop the comprehensive application and reconciliation processes for the new wage enhancement funding. These positions will be 12 month temporary positions, which will be reviewed after one year. The positions include a Project Manager, a Program Analyst, and a 0.5 Subsidy Eligibility Worker. All positions are 100% ministry funded. Staff will also work closely with operators to assist them in completing the application to ensure that operators are taking full advantage of the funding that is available to them.

In addition to the above positions, a portion of the administrative grant will be used to support child care operators, as it is recognized that there will be an increased administrative workload on operators as well.

Legal:

The 2015 Child Care Service Agreement and Wage Enhancement Administration Letter have been received from the Ministry of Education and have been forwarded to Legal Services for review. Once approval is received from Legal Services, the agreement will be executed and the grant letter will be signed off and accepted.

The City will be required to enter into service agreements with all eligible child care operators that apply for the wage enhancement funding. In Hamilton, there is the potential for up to nine new service agreements to be established with operators that we do not currently have an agreement in place with. All other licensed child care operators, 77 in total, currently have an existing service agreement in place with the City which will need to be amended to reflect the new funding.

HISTORICAL BACKGROUND

The Ministry of Education included an investment of \$269 million over three years in the 2014 provincial budget to support a wage enhancement for the licensed child care sector. The purpose of the investment is to reduce poverty, stabilize child care operators, and close the wage gap between RECEs working in the education system and those working in licensed child care. On January 20, 2015, the City received the allocation and implementation details of this initiative.

The first year of the wage enhancement initiative is considered a transition year and the Ministry of Education has indicated that there will be opportunities for municipalities to inform the rollout of the second year. The 2016 application process (year 2) is expected to begin in the fall of 2015.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

The 2015 Ontario Child Care Service Management and Funding Guideline for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSABs) provide the accountabilities and reporting requirements related to the wage enhancement initiative.

RELEVANT CONSULTATION

Since the announcement of the wage enhancement initiative, Children's & Home Management Services Division has sent out two communications to all child care operators and the Best Start Network, providing details about the initiative and the timing of the application process. Staff have committed to keeping operators well-informed as the process moves forward and further details are available. All information is required to be posted publicly on the City's website, and will be made available in May 2015.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Wage enhancement funding will be available to eligible child care program staff whose positions can be counted towards adult to child ratios under the Day Nurseries Act working in licensed child care centres, as well as licensed private home day care home visitors and providers.

The wage enhancement funding will support an increase of up to \$1/hour in 2015, to a cap of \$26.27/hour, plus 17.5% benefits. This hourly wage maximum aligns with the top of the existing school board Educator Salary Matrix for RECEs working in Full Day Kindergarten. An additional increase will be made available in 2016. Home child care providers are eligible for up to a \$10/day increase.

The wage enhancement funding is attached to positions that existed within a licensed child care centre or home child care agency between January 1, 2014 and October 31, 2014. Positions that were created after this date will be eligible to apply for funding in 2016.

The City is required to post the application template on its website for a minimum of 45-60 days. Operators will be required to complete the application template no later than June 30, 2015. Children's & Home Management Services Division expects to distribute the 2015 funds to operators in the fall of 2015, which will be retroactive to January 1, 2015.

Child care operators will also be required to complete an attestation form which states that the funds were provided to child care staff, in addition to their wage rate effective January 1, 2015.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES AND SCHEDULES ATTACHED

None