

Rainy River District Social Services Administration Board

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• Children's Services • Land Ambulance • Ontario Works • Social Housing

November 20, 2017

Jason Kabel
Manager of Community Services
Town of Fort Frances
320 Portage Avenue
Fort Frances, ON P9A 3P9

Dear Jason Kabel

RE: 2017 Provincial Child Care Wage Enhancement Agreement

The Rainy River District Social Services Administration Board (RRDSSAB) is pleased to provide one-time funding for the 2017 Provincial Child Care Wage Enhancement for eligible staff at Fort Frances Day Care. This allocation is based on the information submitted in your Application for Provincial Wage Enhancement Funding – Child Care Centres & Home Visitors (2017). Your approved application is attached.

This funding will provide your centre with the resources to grant eligible program staff a wage enhancement of up to \$2 per hour plus up to 17.5 percent benefits based on hours worked in 2016.

<i>Funding Type</i>	<i>2017 Allocation</i>
Provincial Child Care Wage Enhancement	\$ 43,676.93
Supplemental Grant	\$ 2,131.71
Administration Funding	\$ 87.36

If the Town of Fort Frances is in agreement with the terms as set out in this letter, please return **two signed hard copies or one signed scanned copy** of this letter to my attention at the Rainy River DSSAB by **December 8, 2017**.

TERMS OF THE AGREEMENT

1) Purpose

On January 19, 2015 the Premier announced that the Ministry of Education has committed \$269 million over three years to support a wage enhancement in the licensed child care sector. The wage enhancement initiative is intended to be an ongoing investment.

The wage enhancement objectives are:

- To help close the wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector;
- To help stabilize child care operators by supporting their ability to retain RECEs and non-RECE program staff; and
- To support greater employment and income security.

The ministry has established an hourly wage maximum of \$26.68/hour (as of January 1, 2017) for centre-based staff.

2) Eligibility

RECEs and other child care program staff are eligible for the 2017 wage enhancement if they:

- Are employed in a licensed child care centre or home child care agency;
- Have a wage of less than \$26.68 per hour excluding the prior year's wage enhancement; and
- Are categorized as a child care supervisor, RECE, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014 (CCEYA)*.

Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the CCEYA are also eligible for wage enhancement.

Ineligible Positions (Non-Program Staff)

- Cook, custodial and other non-program staff positions are not eligible for wage enhancement funding.
- SNR-funded resource teachers/consultants and supplemental staff are not eligible for wage enhancement funding.
- The only exception to this provision is if at least 25% of the non-program staff position is used to support CCEYA ratio requirements. In these instances, the enhancement will be provided for the time in program.

3) Payments to Staff

The Operator is required to pay the wage enhancement to qualifying staff during 2017 retroactive to January 1, 2017. Discretion is allowed for wage enhancement payments to staff in 2017. The Operator can provide wage enhancement payments to staff as follows:

- Through staff's regular paycheques; or
- Through quarterly lump sum payments in the funding year ending December 31, 2017.

With either of the above payment options the child care operator is required to clearly label the funding provided for wage enhancement on staff pay cheques as "Provincial child care wage enhancement". A separate code may also be used on the pay cheques (if text is not feasible) as long as clear communication has been provided to staff defining the code as "Provincial child care wage enhancement".

If a separate line or code on pay cheques is not feasible due to payroll restrictions, the Operator may provide the funding to staff through a separate payment. These payments must be clearly tied to the number of hours worked.

The 17.5% maximum in mandatory benefits is used for employer costs for the statutory contributions. This includes 4.00% in vacation pay and 3.59% in public holiday pay that will be provided to employees.

More Working Hours

If a centre has more working hours than in the previous year, the Operator will run out of wage enhancement funding prior to the end of 2017. The supplemental grant may be used to top up wage enhancement salary shortfalls.

The Operator is not required to absorb the additional cost to continue funding the enhancement until the end of 2017. The Operator can stop paying wage enhancement once the allocation for the centre has been depleted. There is no obligation for the Operator to pay the balance.

The Operator may choose to address wage enhancement for staff positions that are ineligible for the provincial child care wage enhancement or top up shortfalls in provincial wage enhancement for eligible positions through other funding sources.

Fewer Working Hours

If a position has fewer working hours than in the previous year (or as determined by the wage enhancement application) the Operator will only distribute wage enhancement for the actual hours worked in 2017. All surplus funds are to be returned to the RRDSSAB in the reconciliation process at year-end.

4) Use of Wage Enhancement

The Operator is required to provide 100% of wage enhancement funds to eligible staff. Wage enhancement funding must be paid to child care staff in addition to their standard wage rate as of January 1, 2017. Wage enhancement funding may be used to fund overtime hours worked in 2017 but not exceeding \$2.00 per hour. In addition, it may only be provided to staff whose positions were approved as part of the 2017 wage enhancement application process.

The funding cannot be:

- spent on any other child care program expenses;
- used to offset or replace a wage increase;
- used to replace other funding that the operator receives from the RRDSSAB (i.e. general operating funding).

The Operator is not permitted to substitute payments previously provided to staff with wage enhancement funding. Wage enhancement funding must be provided in addition to any pay equity payments agreed to under the pay equity memorandum of settlement. Wage enhancement funding that is not used for its intended purpose will be recovered by the RRDSSAB.

Benefits Funding and Flexibility

Benefits of 17.5 per cent support operators 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 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Operators may use any residual benefits funding for wage enhancement salaries. The flexibility is only one way; therefore, salary funding cannot be used for benefits.

Operators may exceed 17.5% for benefits if the supplemental grant is used to support additional benefit expenses.

Supplemental Grant

In addition to the wage enhancement funds, operators will also receive a supplemental grant of \$150 for each eligible centre based FTE. The supplemental grant provides operators with flexibility to cover salary shortfalls due to increased hours or staffing, and/or additional benefits (e.g. additional time in program, new staff, 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.

DSSAB staff is available to support operators in setting priorities for how to allocate the supplemental grant.

Administration Funding

To support operators with the implementation of the wage enhancement initiative, each operator will receive one-time funding for administration as part of its funding agreement. Unused administration funds will be recovered by the RRDSSAB.

5) Payment Schedule

Wage enhancement funding retroactive to January 1, 2017 will be included with the Operator's October 2017 electronic funds transfer (EFT). The remaining funds will be provided as equal installments in the monthly EFTs through to the end of 2017.

6) Reporting Requirements

The Operator is required to provide the RRDSSAB with the following information using forms to be supplied by the RRDSSAB:

- A statement which attests that 100% of wage enhancement funding was provided directly to eligible child care staff with up to \$2.00 per hour provided for wage plus up to 17.5 percent provided for benefits.
- Service and financial data required by the Ministry including:
 - Number of RECE FTEs receiving a full wage enhancement;
 - Number of Supervisor FTEs receiving a full wage enhancement;
 - Number of other program FTEs receiving a full wage enhancement;
 - Number of RECE FTEs receiving a partial wage enhancement;
 - Number of Supervisor FTEs receiving a partial wage enhancement;
 - Number of other program FTEs receiving a partial wage enhancement.

Rather than subtracting sick hours and adding in supply hours the Operator may have chosen to include the total hours worked for a position on its application and then pay whichever staff worked the hours in 2017. Where the Operator has chosen to combine staff positions on its wage enhancement application the Operator must ensure that records are kept on file for actual hours worked for each position from January 1, 2017 to December 31, 2017 and be prepared to present these upon request to the RRDSSAB.

7) Reconciliation

Reconciliation of wage enhancement funding will be completed on the total number of FTEs funded by the Operator. In instances where the wage enhancement allocation for a position exceeds the actual hours worked in 2017 the RRDSSAB will recover unused funds from the Operator.

To support the reconciliation of wage enhancement funding the Operator agrees to:

- Participate in a wage enhancement reconciliation and compliance audit to confirm adherence with this Agreement. Operators selected for a wage enhancement audit will be notified in advance and provided with further information to prepare for the audit.
- Retain records pertinent to the information provided in the wage enhancement application.
- Track salaries and benefits payments separately.
- Permit RRDSSAB staff to enter, at reasonable times, any premises used by the Operator in connection with the provision of wage enhancement and retention of records to inspect all records relating to the delivery of wage enhancement.
- Provide quarterly year-to-date reports that include actual and projected wage enhancement expenditures, revenue and all other service data information – "Schedule 3".
- Include a separate line within its audited financial statements for each wage enhancement revenue and wage enhancement operating expenses.

In the event that the RRDSSAB determines that the Operator has failed to meet the funding conditions

outlined in their agreement for the provision of wage enhancement funding, the RRDSSAB will recover all misused funds. Additionally, non-compliant operators may be deemed ineligible to receive future wage enhancement funding.

Thank you for your continued commitment to your staff, and the children and families in your community. If you have any questions regarding this agreement please contact me at tfretter@rrdssab.on.ca or (807) 274-5349 ext. 241.

Sincerely,



Tanis Fretter
Integrated Services Manager

Attachment

cc: Shawna McRitchie, Superintendent, Fort Frances Children's Complex
Dawn Galusha, Deputy Treasurer, Town of Fort Frances
Reta Dykstra, Finance Supervisor, Rainy River DSSAB

I, _____ have the authority to bind the **Town of Fort Frances** and accept the terms contained in this letter.

Signature

Date

I, _____ have the authority to bind the **Town of Fort Frances** and accept the terms contained in this letter.

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