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2023 CWELCC Workforce Compensation Funding Guidelines



CITY OF HAMILTON



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Introduction

The Canada-Wide Early Learning Child Care (CWELCC) system includes funding to support recruitment and retention of Ontario's child care workforce through improved compensation for low wage earners. The purpose of the Workforce Compensation funding is to provide compensation for eligible Registered Early Childhood Educators (RECEs) working in licensed childcare programs that opt-in to the CWELCC system. Workforce Compensation funding will also be provided to eligible licensees to offset wage increases for non-RECE staff associated with the increased minimum wage (effective October 1st, 2022).

Overview

Workforce Compensation will support Licensees by helping them recruit and retain RECEs through improved compensation for low wage earners through the following funding components:

- **Annual Increase (AI)** – funding is provided for eligible RECE staff to receive an annual wage top-up of up to \$1/hour, to a cap of \$25/hour.
- **Wage Floor (WF)** – funding is provided for eligible RECE staff to receive a wage top-up to bring the hourly wage up to the RECE wage floor.
- **Minimum Wage Offset** - funding will be provided to eligible licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect October 1st, 2022. See page 5 for additional details.

Eligibility for Annual Increase (AI) and Wage Floor (WF)

Workforce compensation funding is focused on supporting Registered Early Childhood Educator (RECE) staff for licensed programs serving children 0-6 and 6-12. The hourly wage of eligible RECE staff must meet the Ministry of Education's annual wage floor. Funding is provided for eligible staff to receive up to \$1/hour wage increase, to a maximum of \$25/hour, and ensure eligible staff are brought up to the RECE wage floor.

Workforce compensation funding must be considered in addition to and not reduce other planned compensation increases for eligible staff. For example, the wage floor and annual wage increase cannot be used to reduce or offset planned merit increases for eligible staff.

Annual Increase (AI)

An annual wage increase of up to \$1/hour will be provided to eligible staff whose hourly wage, including Wage Enhancement Grant (WEG), is below the \$25/hour cap.

Wage Floor (WF)

After applying the AI funding, RECE staff earning less than the wage floor will receive a wage top-up to bring the hourly wage up to the RECE wage floor.

To receive workforce compensation funding (AI and/or WF), eligible staff must be in an eligible position and be in receipt of Provincial Wage Enhancement (WEG) funding.

Eligible positions:

- RECE Program Staff
- RECE Child Care Supervisors
- RECE Home Child Care Visitor staff

Ineligible Positions

- Child Care Supervisors or Home Child Care Visitors that are director approved, but do not have an RECE designation
- Non-RECE program staff
- Non-program staff such as: cook, custodial and other non-program staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.
- Staff hired through a third party (i.e., temp agency).

Exception: If a RECE non-program staff spends at least 25% of their time to support ratio requirements as outlined in the CCEYA, the staff would be eligible for the AI for the hours they are supporting the ratio requirements.

Determining Staff Eligibility

To receive the Annual Increase (AI) funding up to a \$1/hour increase, staff must be:

- working in one of the eligible positions,
- be receiving WEG funding, and
- have an hourly base wage plus WEG below \$25.

To receive the Wage Floor (WF) funding to increase the hourly wage to the RECE wage floor, staff must be:

- working in one of the eligible positions,
- be receiving WEG funding,
- be receiving AI funding, and
- have an hourly base wage plus WEG plus AI below the RECE wage floor.

Use the following order of operations to determine which RECE staff are eligible for workforce compensation funding:

Order of Operations:

1. Hourly Base Wage (As of January 1, 2023)

- Base Wage is the hourly wage paid to the employee, by the employer, *prior to any wage supplements*. The base wage does not include General Operating Grant (GOG) payments and does not include a benefit allocation.
- Licensees must pay a base wage equal to or greater than the minimum wage as per Ontario Employment Standards Act.

2. Provincial Wage Enhancement Grant (WEG) funding

- WEG funding of up to \$2.00/hr for eligible staff will continue to be provided to support the retention of qualified professionals.
- Licensees are required to apply for WEG to be eligible to apply for Workforce Compensation Funding.

3. CWELCC Workforce Annual Increase (AI) funding

- Eligible RECE staff will receive full or partial AI if the following conditions are met:
 - Base Wage plus WEG funding is below the cap of \$25.00/hour
- Hourly Base Wage + WEG + AI cannot exceed \$25.00/hour

4. CWELCC Workforce Wage Floor (WF) funding

If the hourly rate for eligible staff is below the wage floor *after* receiving the AI funding, staff will also receive Wage Floor (WF) funding to bring the wage up to the RECE wage floor.

- Eligible RECE staff will receive a WF increase if the following conditions are met:
 - Base Wage + WEG funding + AI are below the 2023 WF of \$19/hr for RECE Program Staff and \$21/hr for RECE Child Care Supervisors and RECE Home Child Care Visitors.
 - Wage Floor is increased incrementally to 2026 as per the below table:

Eligible Staff	2023 Wage Floor	2024 Wage Floor	2025 Wage Floor	2026 Wage Floor
RECE Program Staff	\$19.00	\$20.00	\$21.00	\$22.00
RECE Child Care Supervisors & RECE Home Child Care Visitors RECE Home Child Care Visitors	\$21.00	\$22.00	\$23.00	\$24.00

The below example illustrates how the order of operations is applied in the process of determining eligibility.

Position	Base Wage (as of Jan 1, 2023)	WEG / hr	AI / hr	WF / hr	Total Wage
RECE Program Staff	\$15.50	\$2.00	\$1.00	\$.50	\$19.00
RECE Program Staff	\$18.00	\$2.00	\$1.00	Ineligible (at or above wage floor)	\$21.00
RECE Program Staff	\$23.00	\$2.00	Ineligible (at or above wage max)	Ineligible (at or above wage floor)	\$25.00
RECE Supervisor or Home Visitor	\$17.75	\$2.00	\$1.00	\$.25	\$21.00
RECE Supervisor or Home Visitor	\$19.00	\$2.00	\$1.00	Ineligible (at or above wage floor)	\$22.00
RECE Supervisor or Home Visitor	\$23.50	\$2.00	Ineligible (at or above wage max)	Ineligible (at or above wage floor)	\$25.50

Information to Staff

Licensees are required to share, in writing, information about the Annual Increase (AI) and Wage Floor (WF) increase with eligible staff. The information must provide eligible staff with an understanding of upcoming annual changes to their wages as a result of workforce compensation funding.

Licensees must include workforce compensation payments in each pay cheque or payment made. Workforce compensation may not be paid at the end of the year as a lump sum payment.

2023 Funding Approval

The 2023 Workforce Compensation funding approval is based on information reported by the Licensee in the 2022 WEG Reconciliation template. The calculation of the cashflow required to fund the Annual Increase (AI) and Wage Floor (WF) will include an allocation of 17.5% for benefits. The benefit component is to support Licensees in meeting their statutory benefit requirements (vacation days, statutory holidays, Canada Pension Plan, Employment insurance). Once all statutory benefit requirements are met, any remaining funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Payments to Licensees

In May 2023, eligible childcare programs will receive Workforce Compensation funding for the Annual Increase (AI) and Wage Floor (WF) components and benefits retroactive to January 1st, 2023. Thereafter, equal monthly funding payments will be provided.

Once in receipt of the funding, Licensees will be required to determine employee eligibility and distribute retroactive payments within 30 calendar days. Workforce Compensation funding to employees must be included and itemized in each pay cheque thereafter.

Accountability and Reporting Requirements

Licensees will be required to submit a mid-year and annual reconciliation to confirm the distribution of Workforce Compensation Funding. Any unspent funding provided to licensees during the funding year, or funding not used for its intended purpose, will be recovered.

All Licensees in receipt of CWELCC funding must provide audited financial statements as verification the funding provided was used for the purposes intended.

CWELCC Workforce Compensation Minimum Wage Offset Funding

CWELCC Workforce Compensation also includes funding for Minimum Wage Offset. Minimum wage offset is paid to Licensees, to cover cost of the increase to minimum wage (this funding is not paid directly to staff).

Funding approvals will be calculated through a separate application process.

To be eligible for this funding, Licensees must be participating in CWELCC and employ staff in the following positions:

- Non-RECE Program Staff
- Non-RECE Child Care Supervisor
- Non-RECE Home Child Care Visitor

In addition, to be eligible for a minimum wage offset, licensees must employ staff in positions that were earning less than \$15.50 per hour (not including WEG funding) on September 30, 2022. Positions created after September 30, 2022, are not eligible for the minimum wage offset.

Ineligible Positions

The minimum wage offset will not apply to:

- non-program staff such as: Cook, custodial and other non-program staff positions,
- SNR-funded resource teachers/consultants and supplemental staff
- staff hired through a third party (i.e., temp agency).

The only exception to the positions listed above is if the position spends at least 25 per cent of their time to support ratio requirements as outlined in the CCEYA. In this case the licensee would be eligible for the minimum wage offset to address the hours that the employee is supporting ratio requirements