



**City of Kingston  
Report to Council  
Report Number 15-206**

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<b>To:</b>	<b>Mayor and Members of Council</b>
<b>From:</b>	<b>Lanie Hurdle, Commissioner, Community Services</b>
<b>Resource Staff:</b>	<b>Sheldon Laidman, Director, Housing and Social Services</b>
<b>Date of Meeting:</b>	<b>March 24, 2015</b>
<b>Subject:</b>	<b>Provincially Funded Wage Enhancement Initiative</b>

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**Executive Summary:**

In January, the Ministry of Education's Early Years Division announced an additional \$269 million dollars to be invested over three years across the Province. This funding is to support a wage enhancement for Registered Early Childhood Educators (RECE's) and other program staff in the licenced childcare sector. In 2015, the City of Kingston, as a Services Manager for the City and the County of Frontenac, had been allocated \$979,384 plus an additional 10% for administration. This investment is 100% provincially funded with no requirement for a municipal contribution.

The purpose of this report is to provide an overview of the program, the amount of funding provided to the City of Kingston and to report the municipal requirements for managing this program.

**Recommendation:**

**That** Council approve an amendment in the amount of \$1,077,322 to the 2015 operating budget to reflect Provincial funding and related expenses with respect to the Provincial Wage Enhancement Initiative.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

**Lanie Hurdle, Commissioner, Community Services**

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

**Gerard Hunt, Chief Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Cynthia Beach, Corporate & Strategic Initiatives	Not required
Denis Leger, Transportation, Facilities & Emergency Services	Not required
Jim Keech, President and CEO, Utilities Kingston	Not required
Desiree Kennedy, Chief Financial Officer & City Treasurer	

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**Options/Discussion:****Introduction**

The 2014 provincial budget included an investment of \$269 million dollars over three years to support a wage enhancement for childcare staff. The wage enhancement program is intended to be an ongoing investment and the key goals are:

- To close the wage gap between Registered Early Childhood Educators (RECE's) working in the publicly funded education system and those in the licenced childcare sector;
- To help stabilize licenced childcare operators by supporting their ability to retain RECE's and non-RECE program staff; and
- To reduce poverty by supporting greater employment and income security.

The City of Kingston is the Consolidated Municipal Service Manager for provincially funded childcare programs in the City of Kingston and the County of Frontenac. The Ministry has included the new wage enhancement funding allocations in the City of Kingston's 2015 Childcare Service Agreement. It is the City's responsibility to provide this funding to eligible service provider programs which complete their funding application by the required due dates. This funding may not be transferred to other childcare programs (i.e. fee subsidy, special needs resourcing) if not fully utilized for wage increases.

**Wage Enhancement Overview**

There are two different types of funding included in this program: Wage Enhancement for Licenced Childcare Centres and Home Visitors (employed with a licenced Private Home Childcare Agency) and the Home Childcare Enhancement Grant.

Under the Wage Enhancement funding, qualifying staff working in licenced childcare centres earning less than \$26.27 per hour will receive a wage enhancement of up to \$1 per hour plus up to 17.5% in benefits. Qualifying staff must have worked in the Centre between January 1, 2014 and October 31, 2014.

Under the Home Childcare Enhancement Grant, home childcare providers affiliated with a licenced Private Home Daycare Agency, are eligible to receive an increase of \$10 per day, if the home childcare provider held a contract with a licenced Private Home Daycare Agency between January 1, 2014 and October 31, 2014. Eligible home childcare providers also had to have the equivalent of two full-time children enrolled in their program who have been assigned to them by a licenced Home Childcare Agency, and received less than \$262.70 per day in fees from the private Home Childcare Agency. Providers that serve less than two agency placed children are eligible for a partial enhancement of \$5 per day.

**Funding Allocation**

In 2015, the Province has provided two new funding allocations for wage enhancement: Wage Enhancement and Wage Enhancement Administration. The Wage Enhancement Administration grant is provided to support the Service Manager with the implementation of the wage

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enhancement initiative. The Ministry is providing a one-time grant equivalent to 10% of the Service Manager's projected 2015 wage enhancement allocations. The Ministry recognizes there will be ongoing administration costs associated with the wage enhancement investment and will provide details on future administration funding when the 2016 allocations are released in the fall of 2015.

<b>Funding Allocation</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Municipal Administration Grant	\$97,938	TBD	TBD
Wage Enhancement Funding	\$979,384	TBD	TBD

### **Application Process**

Under the provincial guidelines, the City is required to post the application on its website for a period of 45-60 days beginning no later than May 1, 2015, with a deadline for operator submissions no later than June 30, 2015.

The Ministry and the Service Manager have provided information to the local service providers to provide them with advance notice of the purpose of wage enhancement and the eligibility requirements.

Childcare Operators are required to annually apply for this wage enhancement funding. A Childcare Operator who does not submit its application by the 2015 due date will not be allocated wage enhancement funding in 2015. Childcare Operators that miss the 2015 application due date may apply for wage enhancement funding in 2016.

The Service Manager will be utilizing the Administration funding provided to assist in the program design, implementation, review of funding allocations and program monitoring.

### **External Consultation:**

Jannette Amini, Manager of Legislative Services/Clerk, County of Frontenac

### **Existing Policy/By-Law:**

Not applicable

### **Notice Provisions:**

Wage Enhancement Information will be posted to the City of Kingston's website by May 1, 2015 and distributed via other means determined to be appropriate by the Service Manager.

### **Accessibility Considerations:**

Not applicable

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**Financial Considerations:**

A total of \$1,077,322 in provincial funding will be allocated to the City of Kingston as the Service Manager for both the City and the County of Frontenac. This funding will be allocated in 2015, with the flexibility to transfer a portion of the administration funding to 2016, if not fully utilized in 2015. As this funding is provided at 100% with no municipal cost sharing required, this funding will not impact the 2015 budget for childcare programs.

A 2015 operating budget amendment is required to ensure that the revenues and expenses for the Wage Enhancement Initiative are reflected and authorized through the budget.

**Contacts:**

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Sheldon Laidman, Director, Housing and Social Services 613-546-2695 extension 4916

**Other City of Kingston Staff Consulted:**

Lee Campbell, Manager, Housing and Child Care Programs, Housing and Social Services

Laura Austin, Supervisor, Childcare Programs, Housing and Social Services

Terry Bagnariol, Administration Coordinator, Childcare Programs, Housing and Social Services

Lana Foulds, Manager, Financial Planning, Financial Services Department

**Exhibits Attached:**

Not applicable