



**City of Hamilton**

**General Operating for Wages  
and System Priorities Funding  
Guidelines**

**2023**



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## Introduction

The purpose of this funding is to support the costs of operating licensed child care programs in order to reduce wait times and fees for services, stabilize service levels, and improve access to high quality affordable early learning and child care services for children and their families.

### Overview

The General Operating for Wages & System Priorities Funding consists of two components; funding for wages and funding for system priorities. The funding to support wages is to be used to enhance staff salaries, and the system priorities funding is to be used to support individual child care program goals.

The funding to support wages will be distributed monthly; and the system priorities funding will be distributed as a lump sum payment.

Child care licensees are required to record the number of spaces for Operating Capacity, Vacancies, and Waitlist on the monthly fee subsidy record of attendance (ROA). Child care licensees are also required to advise the City of Hamilton of any changes to operating levels that are anticipated to be more than two months.

### Changes for 2023

- The funding calculation is based on the operating capacity reported the end of 2022 and child care licensees were not required to complete a 2023 funding application.
- Order of operations – Effective January 1, 2023, GOG contributions are not included when determining eligibility for Provincial Wage Enhancement Grant (WEG) and CWELCC Workforce Compensation (if applicable)
- **One-time additional funding** has been provided for the 2023 funding year only.
  - As a result of the feedback received at the Early Years Community Session around the Access and Inclusion Framework, an additional \$5/point in General Operating Grant funding has been approved (see *Calculation Formula for the Wages Portion of the Funding*)
  - Child care licensees will distribute this additional funding using the GOG guidelines with one exception; child care licensees can match the \$1/hour increase provided to RECE staff through CWELCC Workforce Grant to support hourly wage rate increase for non-RECE staff
  - A maximum of 10% of the total GOG funding can be used to support general operating costs
  - NOTE: The City of Hamilton cannot commit to the continuation of this additional funding beyond 2023

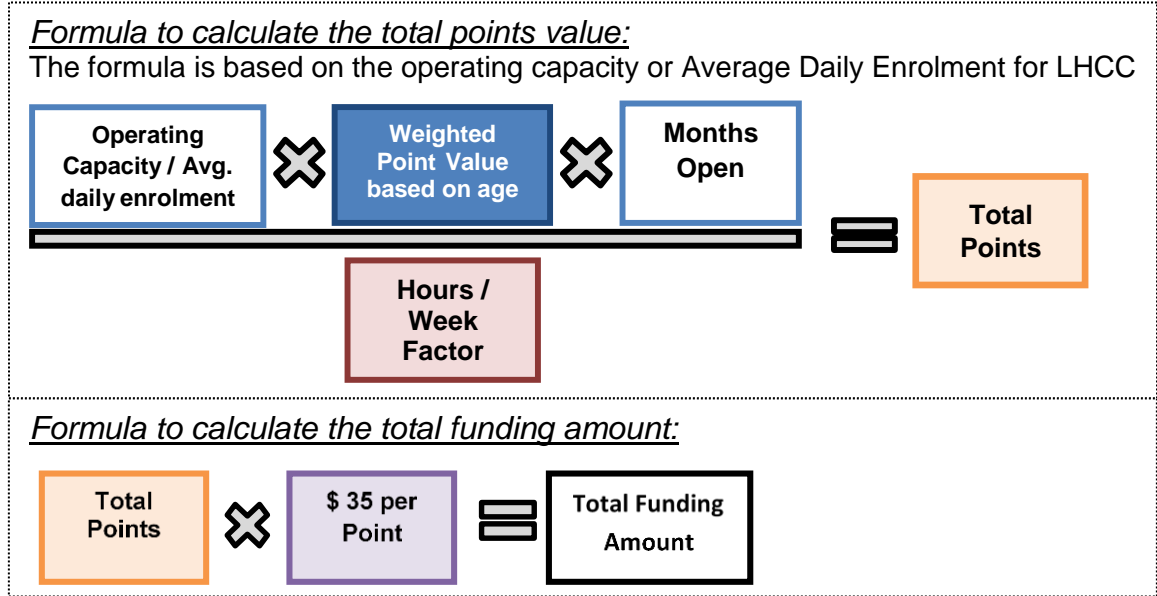


## PART ONE: FUNDING TO SUPPORT WAGES:

### Calculation Formula for the Wages Portion of the Funding

**\*\*REVISED for 2023\*\***

**(one-time additional funding = increased \$ per point from \$30 to \$35)**



### Details of the weighted point system and hours/week factor:

NOTE: With the implementation of full day kindergarten, funding will not be provided for full day child care for 4 and 5-year-olds during the school year.

| Age Group                           | Weighted Point Value | Age Group                     | Weighted Point Value |
|-------------------------------------|----------------------|-------------------------------|----------------------|
| Infant                              | 12.50                | Junior School age Full Day    | 2.00                 |
| Toddler                             | 7.65                 | Kindergarten & A <sup>B</sup> | 1.25                 |
| Preschool                           | 4.75                 | Primary SA B & A              | 1.00                 |
| Kindergarten Full Day               | 3.00                 | Junior School Age B & A       | 0.75                 |
| Primary/ Junior School Age Full Day | 2.50                 | LHCC                          | 4.50                 |

| Hours/Week                       | Factor |
|----------------------------------|--------|
| <b>Full Time Program</b>         |        |
| 30 +                             | 1      |
| Under 30                         | 2      |
| <b>Before &amp; After School</b> |        |
| 15 +                             | 1      |
| Under 15                         | 2      |



## **Distribution Guidelines for the 2023 GOG to Support Wages**

The purpose of the GOG is to provide resources and supports that focus on stabilizing the system by supporting wages required to recruit and retain highly skilled and qualified educators.

The GOG should not be used for the following:

- Merit or seniority pay increases
- Bonus payments
- To pay for positions that would remain in the organization if there wasn't a child care
- To meet the minimum wage requirement

### ***Eligible Employees***

To be considered an eligible employee the following conditions must be met:

- receives a T4 - Statement of Remuneration
- is filling a permanent position that is part of the program's regular staffing complement – can be full-time or part-time, or supply staff

### ***Eligible Positions – Front Line***

For 2023, a minimum of 90% of the GOG for wages will be used to increase the wages of the front-line staff. The 90% includes the wages and corresponding benefit costs for these positions.

The following positions fall into this category:

- Ministry approved Supervisor
- RECE, Non-RECE that can otherwise be counted toward adult to child ratios under the Child Care and Early Years Act (CCEYA).
- Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the CCEYA
- Supply staff (optional, as per the organization's distribution plan)
- Cook
- Home Visitor (listed on MEDU license)

### ***Eligible Positions – Administrative/Other***

A maximum of 10% of the GOG for wages can be used to increase the wages of other administrative positions directly related to the operation of the child care. The 10% includes the wages and corresponding benefit costs for these positions.

The following positions are eligible in this category:

- Clerical
- Accounting
- Housekeeping/Janitorial
- Additional supervisor

## ***Ineligible Positions***

The following positions are not eligible for the GOG:

- Executive Director
- Positions with base wage of more than \$35/hour
- Temporary contracts
- Students
- Staff whose salaries are covered by employment programs
- Central administrative positions that would remain in the organization if there wasn't a child care
- Persons who are paid on a fee for service basis such as someone who provides accounting services or janitorial services
- Sole Proprietors are not employees and cannot receive the GOG for wages

## ***Child Care Licensee Conditions for Distribution of the GOG for wages***

1. Funding Distribution towards staff salaries:
  - The funding will be used to increase the salary of eligible staff above the licensee's regulatory requirements for minimum wage and mandatory benefits.
  - Eligible staff are those who are issued a T4 Statement of Remuneration Paid
  - Child care licensees will provide each employee with a reasonable and equitable portion of the General Operating for Wages funding.
  - The amount of GOG should be equal for the same positions with one exception; child care licensees can match the \$1/hour increase provided to RECE staff through CWELCC Workforce Grant to support hourly wage rate increase for non-RECE staff
  - **Front-line staff (see definition above)** will receive a **minimum** of \$3 per hour in GOG
  - It is up to each organization to determine how they will treat supply staff. A policy statement should be included in the GOG distribution plan to outline how supply staff will be treated. Supply staff who are filling in a permanent role on a long-term basis (i.e. maternity leave or sick leave) should receive GOG funding.
  - Eligible staff will not receive more than \$6 per hour up to a maximum of \$10,920 per year
  - Child care licensees will provide the General Operating for Wages funding in addition to any planned salary increases.
  - GOG funding is to be provided in addition to existing staff wages. GOG cannot be used to replace employee's existing base pay.
  - Child care licensees will distribute GOG funding each pay period rather than allocating as a lump sum.
  - Child care licensees will clearly communicate to staff the portion of their pay that is being provided through the General Operating for Wages funding by separating the General Operating payment amount on each paystub or having a

letter signed by the employee acknowledging the amount of General Operating being received. In addition, any staff receiving an increase for 2023 with the one-time additional GOG funding will need to be made aware that this increase is temporary and is for 2023 funding year only.

2. Funding Distribution toward staff benefits:
  - A maximum of 20% of the GOG can be used for mandatory and non-mandatory benefits of eligible positions related to the GOG payments
  - A portion of the GOG can be used to offset the costs of a non-mandatory benefit plan that is provided to the eligible positions.
3. If funding cannot be distributed in accordance with these guidelines, a request can be made to transfer the excess amount to the System Priorities funding. This request is to be identified by the child care licensee to the City of Hamilton for approval.
4. Child care licensees will immediately report to the City of Hamilton reductions to operating capacities that are anticipated to be more than two months. Downsizing of a program will result in a recalculation of the amount of funding the child care licensee is eligible to receive to support wages.
5. Funding not utilized in accordance with these funding conditions will be returned to the City of Hamilton.

## Child Care Licensee Reporting Requirements for the Wages Funding

1. Child care licensees will submit an annual reconciliation to the City of Hamilton that details how the GOG was distributed by January 31, 2024 on the template provided by the City
2. Child Care Licensees will provide the monthly operating capacity for all applicable age groups as requested by the City of Hamilton.
3. FINANCIAL STATEMENT REQUIREMENTS:
  - a) Child Care Licensees who receive \$100,000 or more in General Operating funding for Wages from the City of Hamilton are required to submit **audited** financial statements that include a third-party special purpose report, verifying that the wages portion of the General Operating funding issued has been used for the purpose(s) intended.
  - b) Child Care Licensees who receive between \$30,000 - \$99,999 in General Operating funding for Wages from the City of Hamilton are required to submit either a Review Engagement or audited financial statements and include third party special purpose report, verifying that the wages portion of the General Operating funding issued has been used for the purpose(s) intended.



Hamilton

- c) Child Care Licensees who receive less than \$30,000 in General Operating funding for Wages from the City of Hamilton are required to submit financial statements signed by Board Chair or Agency Authorized Signee/Owner.

If a licensee fails to meet the requirements as outlined in the service contract, funds may be recovered, and the child care licensee may be ineligible to receive any future funding.

## PART TWO: SYSTEM PRIORITIES FUNDING

### Overview

Funding for system priorities is to support the four principles validated by the City of Hamilton Early Years Community. The **four system priorities** are Quality, Sustainability, Accessibility, and Integration. The purpose is to provide child care licensees with financial flexibility to meet their target goals by recognizing that child care licensees have unique strengths and challenges.

Child care licensees will be informed of the system priority funding entitlement once the 2023-point value has been determined. The funding will be distributed as a lump sum payment upon approval of the 2023 Hamilton Early Years Quality Program (HEYQP) System Priorities Template.


Once the template has been received and reviewed, child care licensees will be contacted with a date and time for the quality visit. For 2023, quality visits will be scheduled as individual meetings either virtually through WebEx technology or as an in person appreciative tour.

### Calculation of the System Priorities Funding

The amount of funding (calculation of the \$ value of the system priorities point) is determined annually based on the total System Priorities budget and available funding.

#### Step 1: Determine the Child Care Licensee’s System Priorities points

The system priorities points are calculated using the operating points from the wages funding and weighted based on the system priorities point value.

| <i>Operating Points</i> |   | <i>Factor</i> |  |
|-------------------------|---|---------------|--|
| 1 to 1,000 Points       | x | 5             |  <div style="border: 1px solid blue; border-radius: 15px; padding: 10px; display: inline-block;">                     System<br/>Priorities<br/>Points                 </div> |
| 1,001 to 15,000 Points  | x | 3             |  |
| Over 15,000 Points      | x | 2             |  |

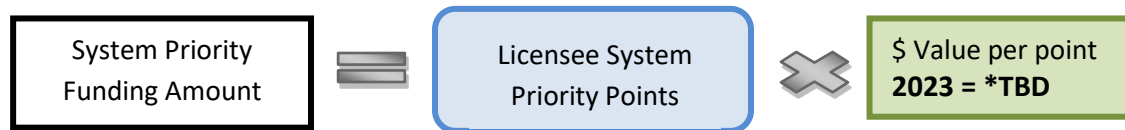




*Example:* A licensee has 6,000 operating points: the first 1,000 points are multiplied by a factor of 5 and the remaining 5,000 points are multiplied by a factor of 3 for a total of 20,000 system priority points.

**Step 2: Determine the Child Care Licensee’s 2023 System Priorities Funding amount**

The system priorities funding is calculated based on the licensee’s system priorities points multiplied by the point dollar value.



***Child Care Licensee Requirements for the System Priorities Portion of the Funding***

In consultation with the City of Hamilton, as the Child Care Service System Manager, child care licensees are required to set measurable goals for their organization based on the four system priorities.

***System Priorities Goal Setting – HEYQP Template***

The *Quality Framework* has been embedded into the System Priorities template. Annually, child care licensees are required to complete a template and meet with city staff to review the organizations’ goals and approve their work plan. Throughout the year, child care licensees must update city staff of any changes to their goals.

***Child Care Licensee Conditions for the Allocation of the System Priorities Funding***

**Allowable Expenses:**

- Licensee requests for the allocation of the funds will be discussed and approved by City staff at the meeting
- System Priorities Funding can only be used as approved by City staff based on the organizations’ goals listed on the template.

**Inadmissible Expenses:**

- Additional increase for staff wages and benefits; bonuses; gifts and honoraria
- Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators
- Debt costs including principal and interest payments related to capital loans, mortgage financing and operating loans
- Ongoing operating costs (e.g. Property taxes, rent/lease, utilities etc.) and capital costs

## ***System Priorities Reporting Requirements***

A System Priorities Financial Reporting Reconciliation Template verifying how the funding was spent is due by the end of January of each calendar year. This template is used to reconcile funds issued in the previous year.

Licensees are required to maintain a record of the status of their goals and advise City staff of any changes. The final status update will be recorded on the 2024 template. If a licensee fails to meet the requirements as outlined in the service contract, funds may be recovered, and the child care may be ineligible to receive any future funding.

## ***Contact Information***

If you have any questions, contact the child care system support team at [ccss@hamilton.ca](mailto:ccss@hamilton.ca) or 905-546-2424 ext. 5126.