

Rate Increased to Base Operating Grant / Wage Grid Supplement and 2024/25 ELCC Wage Grid

Thursday, May 16, 2024

00:15

Jason Booth

Hi, good afternoon, everyone. My name is Jason Booth, Engagement specialist with Manitoba Early Learning and Child Care Division.

00:07

Jason Booth

This afternoon's webinar will be presented by Jennifer Faulder Executive Director, Policy and Planning Branch, Nneka Onyenekwu, executive director funding and financial assistance, and Carla Kernasted, senior policy analyst.

After the webinar, we will have time for questions which you can submit via the chat. We will try to answer as many questions as time allows. However, ELCC will be documenting all the questions that are sent to ensure that even questions that are not answered live will be reviewed and considered.

And we'll turn it over to Jennifer for the land acknowledgement.

01:36

Jennifer Faulder

Hi everyone and it looks like there's a few people that are not able to see the video so we will keep troubleshooting that. Here and. I will continue. Hopefully you can hear okay. Let us know if having any difficulty hearing us.

We recognize that Manitoba is on Treaties 1, 2, 3, 4, 5, 6, and 10 Territories and the ancestral lands of Anishinaabe, Anishininewuk, Dakota Oyate, Denesuline, Ininiwak and Nehethowuk Peoples. We acknowledge Manitoba is located on the Homeland of the Red River Métis. We acknowledge northern Manitoba includes lands that were and are the ancestral lands of the Inuit. We respect the spirit and intent of Treaties and Treaty Making and remain committed to working in partnership with First Nations, Inuit, and Métis people in the spirit of truth, reconciliation, and collaboration.

02:46

Jennifer Faulder

Okay, so this afternoon this is the agenda for our time here today. Brief background on the ELCC wage grid. We'll review the increases to the base operating grant and the wage grid supplement. We have some reminders about board information and tools and reporting requirements and looking at the reassessment of operating grants and payments in CCO.

Frequently asked questions and some resources and then we always end with some going through some of the questions that have been entered. Into the chat. So please feel free to enter questions into the chat as we go.

03:39

Jennifer Faulder

Under the Canada Wide Agreement, Manitoba has committed to improving access to affordable quality early learning and child care and as part of that agreement we are committed to supporting the recruitment retention and growth of the early learning and child care workforce, including a specific commitment to implementing a wage grid as one step towards providing consistent fair and equitable and I would say competitive wages for the workforce.

And this is important to have a competitive wage framework for our workforce because we know that's critical for helping us to deliver high quality earlier than learning child care services.

For stabilizing and strengthening the sector, helping to address labor market shortages, supporting the retention of current staff, and supporting the recruitment of new individuals to consider pursuing a career in early childhood education.

04:50

Jennifer Faulder

In July, 2022, we introduced the 1st wage grid and accompanying the wage grid was the introduction of a wage grid supplement, which is additional funding that's provided as part of the operating grant to support increases to wages.

And effective July 1, 2024, the starting point and target wages on the wage grid are being increased to reflect wages on the wage grid are being increased to reflect new expectations.

05:22

Jennifer Faulder

So has this always been the case? The starting point provides guidance about what the lowest wage and employee of that position in classification should receive an offended facility.

And the target provides average wages that the facilities should be striving to achieve on average. It does not represent a cap for a maximum wage.

We have contracted with KPMG to support us with developing a more comprehensive framework for wages and benefits.

06:00

Nneka Onyenekwu

That as part of that work there is engagement with stakeholders across the ELCC sector. Hopefully you have noticed some invitations to participate in focus groups and there's also a survey that will be coming out soon to help support that work.

Knowing that this in-depth review and the implementation of a more comprehensive framework will take some time to complete, we decided to move forward in the interim with this increase to the wage grid that's taking effect on July 1. As described earlier since July, 2022, our total operating grants has had 2 confidence.

06:45

Nneka Onyenekwu

So the previously existing base operating then the wage with supplement that supports the introduced wage grid framework. So we are phasing the increases to both components and it's as follows. On April 1, we will first of all apply an increase to the base operating grant. And then on July 1, we will apply a second increase which targets the wage grid supplement.

And obviously, the increase that will be effective April 1 will be applied retroactively to take effect as from April 1.

So, on the table displayed we have 2 rate regimes. The current rate regime, which would have ended on March, 31, is not currently displayed.

07:46

Nneka Onyenekwu

So what we have here are the new rates. First of all, the retroactive one. From April 1, which will last till June 30th and then the second rate regime effective July 1. So the first set of rates here we see the \$15,957 for infants and \$1,771 for school age reflects only the increase that we will apply to the base operating. And by the time we apply the second increase to the wage grid component, we will then transition to the new rates. Which will be \$16,610 for defense spaces up to \$1,915 for school age spaces.

08:46

Nneka Onyenekwu

So to provide a little more detail on the first increase. Which would be retroactive to April 1. We are spending a total of. 9 million dollars, 6.4 of which would be the provincial. Contribution, 6.4 million. And it applies a 5% increase to the base operating grant rates. So while those amounts are not, you know, specifically identified in the total operating grants, you would normally receive this 5% on the back end is being applied to that base component.

And it's to It's targeted for use in our regular operating experiences, administrative costs, programming support. And these amounts when compared with the base operating branch rates effective March, 31, they will be 5% higher.

And the intention is also that these increases will help the boards of directors and their ability to you know, face the increases and cost of living and help. Work towards a more balanced budget.

09:45

Jennifer Faulder

The increase to the wage grid supplements, which will come into effect on July 1, 2024. It's a 2.75% increase to that component of the operating So that is we're investing a total of \$10.3 million to support this increase, \$600,000 of which is provincial the remaining is through the Canada Wide Agreement.

10:43

Jennifer Faulder

So the wage grid supplement is additional funding that's included as part of the operating grants to support those increased wages for facilities that employ staff.

It provides increases for the providers income for providers in child care homes that don't employ staff. And it can also be used to support other salary related costs that have increased due to higher wages such as employment insurance, Canada pension plan, workers compensation, and benefits.

And the wage goods supplement is calculated based on the unit funding model and so it provides a 2.75% increase. To the overall revenue generated per space. So through the unfunded model, looking at the revenue, which would be the base operating grant, the reduced parent fee revenue grant and parent fees and then providing that 2.75 percent increase to all of that. That is what how the calculation is done for this wage grid supplement. And that is to help support the coinciding 2.75% increase to the wages in the wage grid.

12:07

Jennifer Faulder

Okay, and then here we have about half of the wage grid and I won't go through and read it out but these positions the wages for each of the positions have been increased both the starting

point and the target wages have been increased by 2.75%. This is all in the circular. That was distributed and it is also in the on our website sorry So we wanted to provide a reminder of the board toolkit that is available. To support boards with taking the steps they'll need to take to move forward with these salary increases.

And that's partly why also the wage grid supplement is effective July 1, rather than retroactive to April 1, because we understand that facilities do need a bit of time to plan for these increases to their wages. So there's a link here. This will be posted on our website. And so you can, if you don't remember the link, you can find it again when the webinar is posted. And you can also contact us if you want a reminder of where to find it in the meantime.

It has been updated to reflect the wage grid that will be in effect on July 1, 2024.

13:57

Jennifer Faulder

So the toolkit includes guidance and steps for boards to take. Including drafting a revised salary scale, placing individual staff on the revised salary scale, identifying individual staff whose wage rates require a adjustments.

Reviewing and revising the budget to reflect these changes. And it also includes an operating budget template. So just as a reminder, As the employer, it is the board that is responsible for the development of the facility salary scale.

From front line staff to directors and the board of directors is also the legal entity that has responsible for the facilities management and administration, including approval of the budget.

So this is an important toolkit to ensure that as a board you are familiar with to support you in meeting these responsibilities.

15:00

Jennifer Faulder

So again, I, I guess I skipped ahead and already said some of this, but as the employer, the board is responsible for determining salary for employees.

And you can choose to have a salary scale that is more complex than what is provided in the salary scale that is more complex than what is provided in the wage grid.

So that is more complex than what is provided in the wage grid. Salary scales typically would have a number of levels.

Salary scales typically would have a number of levels that staff can move up as they The toolkit has examples of wage scales that you can reference.

15:32

Nneka Onyenekwu

MCCA also has a salary scale that facilities can use if it works for them. And as you are reviewing salaries and establishing salaries and a salary scale, it's important to be also looking at what the long-term impact of that will be as more staff become longer serving employees and therefore receiving higher wages.

16:00

Nneka Onyenekwu

So next we will be reviewing how we expect these changes to impact your financial reporting. I also a reminder on general reporting requirements for centers.

So. The wage, the minimum wage rate supplements and the increased operating grants would represent and the increased operating grants would represent increased revenue.

And we are expecting that these will translate into increased expenditures, especially on the workforce. So we are expecting that those will be reflected in the upcoming audited financial statements and in your next annual operating budget submissions. In addition, we asked that all operating costs detailed wage information as usual be included in your audited financial statement submissions.

17:00

Nneka Onyenekwu

So for centers, these statements must be audited. How left it for nursery schools. They do not have to be audited versions of your refinance. So far as they have been prepared to generally accepted accounting standards. For nursery schools then they will be accepted.

And as a general reminder for the centers and nursery schools, you are not required to submit the supplemental budget schedule form for your current fiscal year.

So if your fiscal year is still open, it's not yet ended. The one you originally submitted for this fiscal year was suffice in the following fiscal year and budget submission then you are expected to reflect these new rates in your next.

17:57

Nneka Onyenekwu

We're moving on to more of how this will be implemented. So on our end, we will effectively increases in 2 phases. So there will be actually 2 changes that will happen in child care online.

So the first one will happen effective April and we are on track to affect that change this week. Such that as from next week you will actually see grant's payments. So those for those who have already submitted their financial statements or budgets for their current fiscal year.

And they have already been assessed. These will reflect as adjustments to your original assessments. All current submissions in CCO will be reassessed. That's what we refer to here as a mass reassessment because they've been us this before.

And then after this assessment, the new operating grants rates will take effect. And for July to September. The second or the next operating grant will take the new rates that we will still input in the system to take place to take effect on July 1. So we'll do the first 3 assessments to first of all take the operating grants and increase retroactively from April one and then we will do the second reassessment that will wait until the July 1 payment and then your July 1 payments will have the second.

So for all centre operating budgets or for even homes that will send in their budgets after 2 by one. There will be no adjustments required because all the current rates will already be in place and they will get. The new rates, accordingly.

20:12

Jennifer Faulder

Okay, so we're gonna move into some frequently asked questions. I think Nneka is going to ask the questions.

20:19

Nneka Onyenekwu

Thank you, Jen. So how much of the total operating grants amounts is the wage rate supplements and how much of it is the base operating grant?

20:34

Jennifer Faulder

Okay, so the table on the next slide is included in the appendix of the FAQs. That outlines exactly this information, the base operating grant, the wage grid supplement and the total operating grant amounts for centers, nursery school spaces, and family group childcare homes.

So we won't go through this in detail, but you can see that. What's provided here is the current or the previous. Amounts and what was the base operating rent? How much was the wage grade supplement and what was the total prior to April 1?

And then the new amount where that 5% increase was applied to the base operating grant. And then the July one amount that has the increase to the base operating grant as well as a 2.75% increase to the wage group supplement and then what the new total is first base on July 1. So you can review that in detail by going to the FAQ or by referring back to this webinar. Once it's posted.

21:47

Nneka Onyenekwu

If the starting point wage has increased, can all employees expect their wages to increase in July, 2024?

21:56

Jennifer Faulder

So all facilities are expected to use the increase in funding to increase wages for staff. But it is as mentioned earlier, the board of directors is the employer and it is the response of the board to determine what the wages will be.

So the requirement from the province is that the wage goods supplement amount is dedicated to increasing salaries for employees. Exactly how much is at the discretion of the, board of directors. And so, you know, we, we do expect that everyone will be paid at minimum.

The starting point rates in the wage grid and that boards will be striving on average to achieve the target wage but again that is not a maximum. So that, you know, you can pay more than those if your budget allows.

23:07

Nneka Onyenekwu

Why are CCAs who have not yet completed the required 40 h of ECE related training not included on the wage grid? And what do we pay then?

23:17

Jennifer Faulder

Wages for a CCA without their 40 h training are at the discretion of the board and you may pay them more than the minimum wage if the operating budget permits.

23:47

Nneka Onyenekwu

Many CCAs are university students who meet the 40 h course requirements and are hired full-time. On the summit job grants programs should they be paid at the starting point?

23:56

Jennifer Faulder

Staff hired under summer grant programs should be paid the wage rates that are indicated on the approved grant application. If a summer grant employee becomes a regular employee after the summer, they should be placed on your new salary scale.

They would be eligible for retroactive pay as of the date when they become a regular employee, not while working under the summer grant program.

24:13

Nneka Onyenekwu

I see. Is there going to be an increase to the salaries covered by the inclusion program? ISP staffing grant?

24:25

Jennifer Faulder

Facilities will not need to submit a new ISP staff and grant application to increase hourly rates for staff higher through the enhanced staff and grant, the approved grant amounts will be automatically adjusted. Effective July 1, 2024.

24:46

Jennifer Faulder

Okay, so just we have contacts and resources here. So we have the circular and FAQs posted on our website at this location here where all of our circulars and webinars can be found.

The wage grid is available on our website at the link shown here. And as always, if you have additional questions, you can contact your childcare coordinator or reach out to childcare information services at the email and phone number listed here.

And again, just repeating the tools and resources available for the board of directors. So there's the link for where to find the toolkit. With specific guidance for supporting you to implement the 2024 / 25 wage and there is also a roles, responsibilities, a function of a board, a core development guide available on our website.

And Manitoba Child Care Association has a basics of effective board governance, online board orientation resource for facilities and it is available at the link provided there and it is available for no charge.

26:10

Jennifer Faulder

And now we will go through some of the questions that have been submitted in the chat. And we are not always able to get to all of the questions, but we will do our best to get to as many of them as we can.

26:31

Jessica Brosch

So we have some questions. The first one is from Rhonda. So why is there such a great difference between family child care homes and centers?

26:40

Jennifer Faulder

In terms of the, I'm assuming this is in terms of the operating, Yeah, so I mean I think that the operating grants and the unit funding model was developed a number of years ago and you know part of the reason is that there's a reflection that there's some additional costs operating costs that go into running a center that are not a family home provider doesn't face quite the same expenses in that regard.

27:17

Jessica Brosch

Thank you. We have a question from Chris. And just for clarification, what if the current salaries are already higher than the target rate? Are we still to increase them by the 2.75? Or can we apply to the current salaries to increase?

27:36

Jennifer Faulder

Yeah, so the 2.75% increase is the increase that we have made to the wage grid and to the wage grade supplement.

Facilities then have to decide what they can afford. That funding in terms of providing increases to their employees and applying increases to their salary scale and so It is up to the board to decide what those increases will be and what they can afford within the funding that's provided.

What we're requiring is that all of the funding that is provided as the wage-grid supplement be provided to increase wages by however much the facility can afford.

And that everyone should be paid at minimum the amount on the starting point. If you're already exceeding the starting point and the target then it's there's really a lot of flexibility to use the funding to provide the increase that makes sense.

Based on the amount of funding you're receiving.

28:51

Jessica Brosch

Thank you. We have a question from Donna. She's asking about the operating grant calculation. Sometimes it can be quite complicated due to possibly extended hours, nursery programs within their current program.

29:02

Jennifer Faulder

Is there someone they can contact to get the confirmed amounts of the new operating grant and I would recommend contacting your financial analyst.

29:13

Nneka Onyenekwu

They have access to the detailed information on how the system calculated based on the policy and the webinar we've just, delivering so they can provide you with the specifics and explain the confidence.

29:30

Jessica Brosch

Thank you. Bonnie asked if this will be based on license spaces or usage. So, this will be based on funded spaces, which is a subset of licensed spaces, which is a subset of licensed spaces.

29:46

Nneka Onyenekwu

So for the most part, which is a subset of licensed spaces. So for the most part, most facilities, the total number of funded spaces the number of licence bases but if you are in doubt again you can contact your financial analyst and they will clarify.

30:01

Jessica Brosch

Thank you. We have a couple questions regarding the ISP. So the first one is from Karen. Who asks, how will the increases to the ISP starting wages be placed and when and will they have to resubmit?

Or will it be all done on our end?

30:26

Jennifer Faulder

Does anyone even know the answer to that question? I think I think what we said was that you do not need to reset. And so it will be automatically processed on our end.

30:33

Jessica Brosch

Okay, and then Maryella asked, will the ISP staffing grants be at the starting point or will the to be considered. Starting point for CCA with 40 h of training.

30:58

Jennifer Faulder

So it's not specific, but the starting point of the wage grid. Will the ISP staff and grants start at that wage or will the grants go up to the term?

31:09

Nneka Onyenekwu

No, the grants will be based on the starting point.

31:14

Jessica Brosch

Okay. Thank you. And just to add to that one, will we have to resubmit ISP hour hourly rate due to a union contract.

31:27

Carla Kernsted

I would recommend you talk to your ISP coordinator.

31:33

Jessica Brosch

Okay, thank you. We have a question from Donna. So how is the nursery school offered and calculated if we run two five-day morning nursery school programs 10 sessions a week and then five afternoon sessions per week.

What is the amount of the operating grant for the nursery school program?

31:50

Jennifer Faulder

Okay, so without going into much detail. We provide the same operating ground for up to five sessions per week. And then we provide an additional component of that per additional session being offered.

So it's like one fifth of that amount for five sessions a week. We had offered that for every additional session. So if we were to go to the table, you would see the additional operating grants that we currently paying you for every additional session that you offer over the five sessions on which our base grants.

Is issues. So if you would like some more detail, your financial analyst is able to provide that to you.

32:54

Jessica Brosch

Thank you. We have one last question. From Pamela. So she says when she does the calculation for preschool and schoolage spaces, it seems that the base operating branch increases closer to 4 than 5% of the wage grid.

33:11

Nneka Onyenekwu

And the wage rate is lower. And 2.75%. Okay. I would say with the wage grant again that it's not actually a 2.75% increase to the dollar value of the wage grade supplement.

It's a bit complicated. It was on one of the slides here, but the wage grid supplement is calculated through a complex formula looking at the total revenue generated per space within the unit funding model.

33:45

Jennifer Faulder

Exactly. So you can't just take those amounts on those tables and do a 2.5% increase because it is significantly more complex of a calculation than that. So just to add to that, the operating grants increases are more straightforward like all the parameters are there on the table.

But for the wage rate increase we do take into account the parent. Fee confidence and we're providing, an increase that allows for the total revenue. Of the facility to have increased by 2.75%. So if you were to add the parent fee As a reduce spread through revenue grants, you would see that altogether that whole pocket has increased by 2.75%.

34:40

Jessica Brosch

Thank you.

34:43

Jason Booth

Okay, that wraps things up for this afternoon. I'd like to thank Jennifer, Nneka, Carla and Jessica Broschj for reading our questions today. Although we did not get to all of the questions in the chat. We will be able to answer all of your questions.

Following today's webinar. As we will be collecting all of all of the questions sent to ensure that everyone is answer reviewed and considered.

As a reminder, this webinar will be posted on our website within the next few business days, taking to account. Monday is Victoria Day. This has been rate increased to base operating. Wage grid supplements and in 2024/25. ELCC Wage Grid. Thanks so much and have a great afternoon.