

REGION OF OTTAWA CARLETON
 RÉGION D'OTTAWA CARLETON

REPORT
RAPPORT

Our File/N/Réf.
 Your File/V/Réf.

DATE 23 September 1998

TO/DEST. Co-ordinator
 Community Services Committee

FROM/EXP. Commissioner
 Social Services Department

SUBJECT/OBJET **1998 CHILD CARE PER DIEM RATES**

DEPARTMENTAL RECOMMENDATIONS

That the Community Services Committee recommend Council approve:

- 1. An increase of 2.21% in the salaries and wages component of per diem rates in community child care agencies not eligible for Provincial pay equity grants retroactive to January 1, 1998.**
- 2. An increase of 2.21% in the rates paid to home child care providers retroactive to January 1, 1998.**

PURPOSE

On June 25, 1998 Community Services Committee approved per diem rate increases for community child care agencies which included allowance for uncontrollable cost increases but did not include across the board salary and wage increases. The Committee also approved a motion stating that

“The matter of increase in salaries for all child care workers be referred to regional staff for a report in September, with more information on the Province’s funding/cost-sharing intentions and any other relevant material.”

This report has been prepared in response to that motion.

BACKGROUND

In 1998 as a result of the collective bargaining process Regional staff received an increase of 2.2%. This increase restored the 1.5% roll back of salaries and wages instituted under the social contract and added an additional 0.7%. The Corporation was in a position to fund these increases because of a 2% decrease in contributions to the pension plan. On June 25th Community Services Committee heard many delegations from the child care community arguing that a similar increase in compensation should be included in their per diem rates. They also argued that pay equity adjustments were never intended to replace annual cost of living increases. Total cost of an across the board increase of 2.2% was estimated at \$700,000 gross.

Although supporting the salary increase in principle, the Department could not recommend an expenditure of this magnitude with little likelihood of Provincial subsidy. The Department instead recommended increases in home child care provider rates and compensation for staff in private agencies not eligible for Provincial pay equity grants. The increase for home child care providers was based on recognition of several factors, primarily, they are the group of people with the lowest rates of compensation within the child care program. In addition, several agencies have indicated increasing difficulties recruiting providers in the licensed sector when they can do better in the private market. Salary increases for staff in private agencies not eligible for Provincial pay equity grants were recommended in acknowledgement of the fact that these agencies are legally required to make pay equity adjustments to their staff compensation rates and these increases must be included in per diem rates. Total cost of the increases recommended by the Department is estimated at \$225,000 gross.

UPDATE ON PROVINCIAL FUNDING: PAY EQUITY

As a result of a Court ruling made in 1997, a Provincial decision to discontinue the proxy comparison method of establishing pay equity was overturned. Consequently, child care agencies and many other community programs are again required to increase their total payroll by 1% per year in order to move compensation levels towards their pay equity targets. Under the previous Provincial government, ongoing funds were made available to non-profit agencies to help achieve pay equity. In December 1997 the current Provincial government announced that they would be making available \$140 million to fund "one-time retroactive proxy pay equity payments to eligible agencies in the Broader Public Sector." At the June 25th Committee meeting these payments had not been forthcoming and many community agencies expressed doubt that they would receive money from this source.

Subsequent to the June 25th meeting, eligible child care agencies have received a pay equity survey from the Province which had to be completed by August 14, 1998. The results of that survey are currently being compiled and indications are payments will be made late in 1998 or in early 1999. The covering letter with the survey which is attached to this report as Annex A indicates that "For most agencies, the rough calculated estimates of the retroactive one-time payment are around 6% of 1993 payroll." The Province, however, maintains no commitment to increases beyond 1998 and indicates that ongoing pay equity payments "will be provided through the redistribution of the \$500 million in pay equity annual support, in a fair manner". This suggests that the entire issue of the future of wage subsidy/pay equity will be back on the table in 1999.

UPDATE ON PROVINCIAL FUNDING: INCREASED SUBSIDY

Also at issue on June 25th was the potential for increased Provincial subsidy to cover their share of 1998 rate increases covering uncontrollable costs and either across the board salary increases or increases to a limited number of programs as recommended by the Department. The Department has received correspondence from the Ministry of Community and Social Services that some fiscal funding might be available to cover a portion of the increases but they could not commit to annualized funding at this time.

Based on expenditures to the end of August it is likely that the increases recommended by the Department could be covered in 1998 with a combination of unspent Regional funds and additional Provincial subsidy dollars provided on a fiscal basis. However, the total cost of \$225,000 plus \$86,000 for increases related to uncontrollable costs would have to be included in the Region's 1999 child care budget at 100% Regional expense. Approval of an across the board salary increase for all agencies and an increase in home child care provider rates at an estimated gross cost of \$700,000 would require an expenditure of 100% Regional funds in 1998 and future years.

REVIEW OF COMPENSATION LEVELS

In the June 25 report, the Department indicated that it planned to conduct a review of compensation paid to child care workers in Ottawa-Carleton. Committee had asked that a preliminary report on findings be provided early in the fall. Annex B contains data resulting from the salary portion of this review.

PUBLIC CONSULTATION

This report was prepared in response to a directive given on 25 June 98, during consideration of the 1998 Per Diem and Administration Rates for Community Child Care Agencies. For this reason, no additional consultation was undertaken.

*Approved by
Dick Stewart*

GP

FINANCE DEPARTMENT COMMENT

Based on expenditure and revenue estimates for 1998 as provided by the Department, the additional cost of \$225,000, as recommended can be funded from within the current 1998 Departmental Budget. The total 1999 estimated cost of \$311,000 (\$225,000 plus \$86,000 for uncontrollable costs) represents an increased taxation requirement of 2.5%.

*Approved by T. Fedec
on behalf of the Finance Commissioner*

ANNEX B

SALARY REVIEW:

Ministry of
Community and
Social Services

10 Rideau Street
Ottawa ON K1N 9J1
(613) 234-1188

Ministère des
Services sociaux
et communautaires

10, rue Rideau
Ottawa ON K1N 9J1
(613) 234-1188



July 7, 1998

Dear : Executive Director

Re : Proxy Pay Equity Funding

In the December 1997 Economic Outlook and Fiscal Review, the Government of Ontario announced it would provide \$140 million to fund one-time retroactive proxy pay equity payments to eligible agencies in the Broader Public Sector.

Attached please find the 1998 Proxy Pay Equity Funding Survey and Instructions which are being mailed to all agencies which have received proxy funding, and to agencies which may be eligible for proxy funding. To be eligible for funding, you must have a proxy order from the Pay Equity Commission, a posted pay equity plan(s), and have incurred pay equity costs. Depending on your eligibility, you may receive one-time retroactive funding for some or all of years 1994, 1995, 1996 and 1997. For most agencies, the rough calculated estimates of the retroactive one-time payment are around 6% of 1993 payroll.

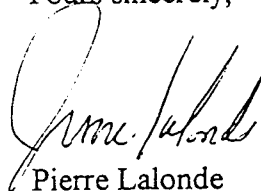
Funding support for the base (ongoing) proxy payments for any of the unfunded years of 1994, 1995, 1996, 1997 and 1998 will be provided through the redistribution of the \$500 million in pay equity annual support, in a fair manner. The minimum 1% obligation, up to the incremental adjustment of January 1998, will be fully funded for agencies using the proxy comparison method.

To begin completing the 1998 Proxy Pay Equity Funding Survey, you will need the following documents: a valid proxy order from the Pay Equity Commission, a posted proxy pay equity plan(s) and either your Audited Financial Statements or Revenue Canada T4 Summaries for 1994, 1995, 1996 and 1997. You have until July 31, 1998, to complete your 1998 Proxy Pay Equity Funding Survey and return it to the ministry.

To be considered for proxy pay equity funding, the 1998 Proxy Pay Equity Funding Survey must be returned on or before the deadline. For questions about funding, contact Theresa Bazinet, 10 Rideau Street, 4th floor, at 787- 5279

If you have questions about your legal obligations under the Pay Equity Act, or questions about how to calculate your retroactive payments, please contact the Pay Equity Commission at 1-800-387-8813 (Ontario) or (416) 481-3314 (Toronto).

Yours sincerely,

A handwritten signature in black ink, appearing to read "Pierre Lalonde". The signature is written in a cursive style with a large initial "P".

Pierre Lalonde
Area Manager

15 July 1998

Dear Executive Director:

Re: Extension of Proxy Pay Equity Funding Survey Deadline

To provide additional time to complete the 1998 Proxy Pay Equity Funding Survey, the deadline has been extended to **August 14, 1998**, from July 31, 1998. As stated in the letter accompanying the 1998 Proxy Pay Equity Funding Survey, the survey must be returned on or before the deadline to the Ministry of Community and Social Services, 10 Rideau Street, 4th floor, Ottawa Ontario, K1N 9J1 to the attention of Theresa Bazinet.

This extension should meet the needs of those agencies requesting more time to fill out the survey. For those agencies that have already completed the survey, please submit it as soon as possible, irrespective of the new deadline.

Yours sincerely,



Area Manager

COMMUNITY CHILD CARE AGENCIES PRELIMINARY FINDINGS

INTRODUCTION AND METHODOLOGY

Child care agencies were sent a letter early in July indicating that the Department would be preparing a preliminary report on salaries. Each year budget packages are submitted by the agencies to the Department. The packages included information on the salaries, including pay equity and wage subsidy for each position allowable under the RMOC guidelines for staffing. Agencies were informed that this information would be used for the initial salary review. They were requested to inform their Area Manager if they believed that information contained in their submission was no longer accurate, so that appropriate data would be used in the report. In some cases, staff from the Child Care Directorate followed up with agencies to clarify the information provided.

Salary information was gathered on the following positions:

- teachers (including senior teachers if agencies had two levels of teachers)
- supervisors
- assistant teachers
- cooks
- housekeepers
- supply teachers
- clerks
- home visitors (home child care agencies only)
- executive directors (large multi-site or multi-program agencies)

To facilitate comparison all salaries were converted to full time equivalents rather than trying to compare a variety of part-time positions. These FTE (full time equivalent) salaries were also converted to hourly rates for the purpose of comparison. Salaries include wage subsidy and pay equity. It is important to note, however, that commercial agencies do not receive the full wage subsidy and some non-profits receive no wage subsidy if positions were created after the wage subsidy funds were capped by the province. This means that some non-profit agencies have either no wage subsidy funds, or have this supplement for only some of their positions.

Another variable found was salary ranges. Some agencies have a salary scale that includes increments for staff who continue their employees for more than one year. When a variety of salaries were reported for similar levels of positions, salaries were averaged. Other agencies have a set salary for all employees regardless of their length of employment. There are also a number of agencies that are part of CUPE Local 2204 that are co-operatives. In this case, all employees are paid the same rate, regardless of their position. In other words, teachers, centre coordinators and cooks are all paid the same rate of pay. The exception to this is supply teachers who are paid an hourly rate that differs from that paid to full-time or permanent employees.

Salary data was collected by position and then ranked from lowest to highest. The average, median, low and high rates were also identified for each position. These rates were then compared to the low and high rate of pay for similar positions at the Region. The following data

will show the number of agencies that are reporting salaries that are in the 60, 70, 80, 90 and 100 percentile of regional salaries. It will also show the number of subsidized spaces which are being purchased from agencies in these ranges.

Nursery schools from which the Department purchases services on an occasional basis were not included in this research.

Data was gathered on all positions in centres, however this report will only present detailed analysis on teaching and supervisory staff that make up the largest number of staff.

TEACHERS

TEACHER I

% of first level of RMO salary (\$31,102)	Number of programs in range	# of subsidized spaces (group)	average salary in this range
50-59%	1	50	\$16,900
60-69%	6	205	\$20,269
70-79%	5	167	\$23,292
80-89%	19	698	\$26,569
90-99%	40	1447	\$29,473
100% or more	28	1011	\$33,280

TEACHER I

% of top level RMO salary (\$36,391)	Number of programs in range	# of subsidized spaces (group)	average salary in this range
50-59%	8	275	\$19,787
60-69% of top level	5	222	\$23,496
70-79%	31	1134	\$27,246
80-89%	38	1322	\$30,328
90-99%	17	557	\$33,830
100% or more	1	40	\$37,757

TEACHER II or HEAD TEACHER

% of first level of RMO salary (\$32,482)	Number of programs in range	# of subsidized spaces	average salary in this range
50-59%	0	0	
60-69%	0	0	0
70-79%	6	157	\$23,671
80-89%	13	353	\$28,368
90-99%	25	699	\$31,409
100% or more	56	1542	\$34,798

TEACHER II or HEAD TEACHER

% of top level of RMO salary (\$38,005)	Number of programs in range	# of subsidized spaces	average salary in this range
50-59%	0	0	0
60-69%	6	157	\$23,671
70-79%	14	390	\$28,613
80-89%	50	1375	\$32,697
90-99%	28	773	\$35,893
100% or more	2	56	\$39,184

All but one agency in the category that have salaries in the 50-60 percentile do not receive any or all of the wage subsidy.

The majority of Teacher I salaries fall in the 80-100 percentile ranges of the entry level pay for Regional employees, including 28% where salaries are equal to or higher than the comparable Regional salary. These salaries represent agencies where 87% percentage of the subsidized spaces are located. When comparing to the top level of Regional salary for Teacher I, 56% are in the 80-100 percentile.

For Teacher II, or head teacher, 94% of teachers are paid in the 80-100% range including 56% that are equal to or higher than the first level pay of teachers in the region. For the top pay level in this category, 80% are still in the 80-100 percentile, although most are in the 80-90 percentile.

SUPERVISORS

% of first level of RMOc salary (\$39,379)	Number of programs in range	# of subsidized spaces	average salary in this range
50-59%	0	0	0
60-69% of first level	3	134	\$26,561
70-79%	3	135	\$29,022
80-89%	14	687	\$33,829
90-99%	18	896	\$37,777
100% or more	62	2916	\$43,730

% of top level of RMOc salary (\$46,075)	Number of programs in range	# of subsidized spaces	average salaries in this range
50-59%	1	62	\$26,074
60-69% of first level	4	168	\$29,742
70-79%	19	916	\$34,831
80-89%	41	1940	\$39,352
90-99%	12	553	\$43,938
100% or more	22	1057	\$50,223

In the Supervisor category, supervisors in agencies where 95% of the subsidized spaces are located are paid in the 80-100 percentile range, including 62% in the 100 percentile or more. When comparing to the top level RMOc pay, 75% are in the 80-100 percentile including 22% at the same rate of pay or more.

NOTE:

Because agencies are independent organizations, their boards or operators can choose how to structure their positions. Some agencies choose to combine functions within positions differently. For example, some agencies have their supervisors performing supervisory tasks and administrative duties, while others have them working with children, supervising staff and performing few administrative tasks as they have separate administrative coordinators performing these duties. Therefore, strict comparison among salaries is sometimes difficult. In agencies, where other staff perform some of the administrative duties normally associated with supervisors, the salary of the administrative staff tends to be higher than in other centres. This also leads to the wide range of salaries in the administrative category.