

CHILD CARE FUNDING MODEL FACT SHEET: PAY SCALES

A pay scale helps you to plan ongoing reasonable compensation for RECEs and Assistants. It provides you with a salary structure and a predictable path for staff compensation. A centre can increase staff satisfaction and motivation from the moment staff is hired by having an open, fair and equitable pay scale that is used consistently.

WHAT IS A PAY SCALE?

A pay scale is a system that determines how much an employee is to be paid and can help you determine an hourly rate or annual salary based on one or more factors such as: the current position, the employee's past work experience; education; and their seniority within the employer's organization.

A pay scale is part of broader strategic planning for a centre that must be considered in context of revenues and expenses including reasonable fees to support reasonable salaries and which in turn support quality¹.

A pay scale is more effective when it is well-designed, available and transparent to staff and used consistently.

Unionized workplaces generally have a pay scale that is negotiated as part of their collective agreement.

¹ Definition of Terms

Reasonable Salary: A reasonable salary is one that reflects the education and responsibilities required of the position. For more information see "Toronto Child Care Funding Model Update" June 2016.

Reasonable Fee: A reasonable fee is one that reflects the cost of operating the service on a per-space basis.

WHY A PAY SCALE?

Research in child care has shown that the training, experience and stability of caregivers are key determinants of quality of care. The development of a fair pay scale supports both adequate compensation for staff, the stability of the workforce and enables staff to increase compensation as they move through the scale over time.

It is the responsibility of the board of directors and operators to represent the centre as a whole and to make financial and policy decisions that support a stable, high-quality program.

A pay scale:

- is a way of clearly communicating to staff how they will progress in their salary level within a job category based on years of service and/or on other defined criteria
- can provide staff with confidence that staff are treated fairly and equally within the organization
- can provide an incentive for staff in a certain position to advance to more highly-paid positions through additional education or experience
- can provide a framework for operators to achieve and maintain reasonable salaries for RECEs and assistants
- allows operators to better project costs and plan budgets.

PAY SCALE DEVELOPMENT

AFFORDABILITY

The pay scale should outline progressive levels of pay for program staff positions.

Centres providing child care services must consider many factors when establishing compensation levels for program staff including:

- ✓ Fees paid by parents
- ✓ Subsidy per diem rates
- ✓ Enrolment stability
- ✓ Operating grants
- ✓ Operating costs, including rent
- ✓ Pay equity obligations

SPECIFIC CONSIDERATIONS

Develop a pay scale unique to your centre considering:

- ✓ Staff training and experience
- ✓ Job descriptions and responsibilities
- ✓ Number and type of program staff
- ✓ Salary obligations such as pay equity and benefit costs
- ✓ Current hourly rates/annual salaries and proposed salary ranges
- ✓ The annual budget process as based on a review of the fees charged to families, reasonable operating costs and competitive salaries
- ✓ Approval and monitoring process by the Board/operator

PAY SCALE IMPLEMENTATION

Once a pay scale has been developed, a pay scale implementation plan is needed. Consider the following:

- ✓ Progressive levels of pay for eligible staff positions
- ✓ Pay scale harmonization plan - how to align current salaries when implementing a new pay scale
- ✓ Current fees charged to families and operating costs
- ✓ How to achieve and/or review the pay scale every year
- ✓ General Operating Grant (GOG) funding available
- ✓ How you will communicate the new pay scale to staff
- ✓ Plan/policy that clearly defines how staff can progress through the salary range for their position
- ✓ Determine whether you will include annual increases (such as rate of inflation increase) as part of your normal operations
- ✓ Ensure that the most current pay scale is easily accessible to all staff and that its purpose and procedures for progressing through their salary range are included

Fact Sheet: Pay scales
WHAT DOES A PAY SCALE LOOK LIKE?

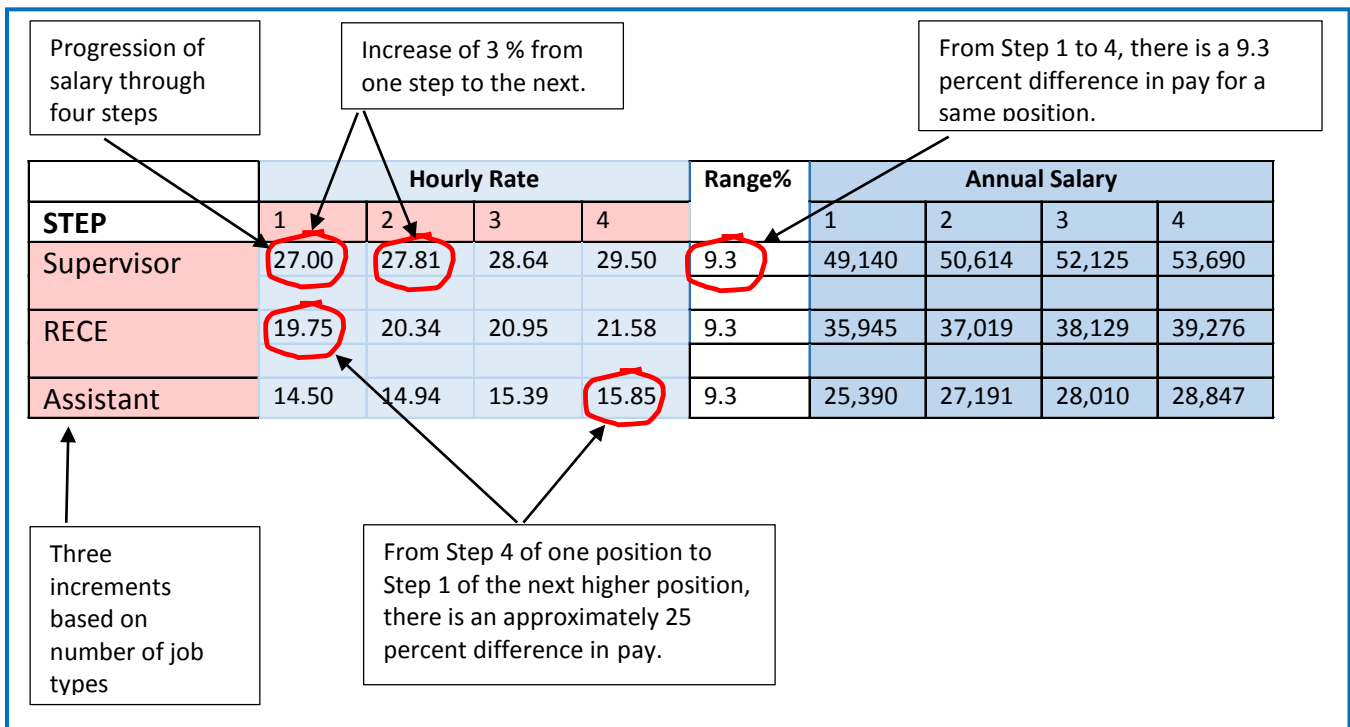
A pay scale typically has the following features:

- ✓ Steps that define salary progression from lowest to highest hourly or annual rates of pay
- ✓ A percent increase per step
- ✓ A percent gap between the lowest and highest steps for a position
- ✓ Different increments or pay rates for positions with different job descriptions and responsibilities (e.g. supervisor, RECE, assistant, housekeeper, cook, etc.)
- ✓ A gap between the highest salary in one position relative to the lowest salary in the next highest position to reflect the different job responsibilities and training, etc.

Sample Pay Scale:

Figure 1 illustrates a four-step scale with a reasonable range between steps and positions.

Figure 1: Sample Pay Scale



For more information: www.toronto.ca/children/fundingmodel
 Have questions? tcsfunding@toronto.ca