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## ***Backgrounder***

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The Wage Grid Supplement will provide an increase to operating grants to support implementing wage scales based on the wage grid across the targets outlined in the Canada-wide Child Care Agreement across the regulated sector.

Most licensed non-profit child-care centres and licensed home-based child-care providers in Manitoba are funded facilities. Funded facilities receive operating grant funding from the Manitoba government and this funding, along with parent fees, are their primary sources of revenue. These sources represent a revenue unit to support operational costs such as staff salaries, administration, programming, rent and equipment. Child-care facilities that receive operating funding cannot charge parent fees higher than the maximum daily fee schedule, which is set by the government.

The wage grid provides targets for the starting point and average wage to be paid to a specified position and classification of employee to support boards of directors of regulated non-profit child-care facilities to establish fair wage scales.

The operating grant increase provides facilities with an average increase of 37 per cent across all space types in licensed centres, homes and nursery schools. This allows boards of directors to raise staff wages supporting retention and recruitment of trained early childhood educators.

All regulated child-care facilities operate as independent businesses, and the governing board is the legal entity and authority accountable for the proper conduct of the centre's business, staff and funds.

The Canada-Manitoba Canada-Wide Early Learning and Child Care Agreement was signed in August 2021. This is a new, five-year funding commitment directed at building a Canada-wide early learning and childcare system. Manitoba will receive \$1.2 billion in federal funding over five years to reduce the average out-of-pocket parent fees for licensed child care to \$10-a-day and to expand access to more quality, inclusive child-care spaces for children zero to six years of age. The Manitoba action plan initiatives under this agreement focus on the unique needs of Manitoba families, communities and child-care providers and establishes the building blocks to inform further development of these and other initiatives through consultation and engagement with parents and the early learning and child-care sector.