



**Ministry of Education**

**Ontario Child Care and Child and  
Family Program Service  
Management and Funding Guideline  
2017**

**For Consolidated Municipal Service Managers and District  
Social Services Administration Boards**

**April 2017**



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## **SECTION 1: INTRODUCTION**

The Ministry of Education (the “ministry”) is pleased to release the *2017 Ontario Child Care and Child and Family Program Service Management and Funding Guideline* (“guideline”) for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

The *Ontario Early Years Policy Framework (2013)* provides a vision for the early years where Ontario’s children and families are well supported by a system of responsive, high-quality, accessible, and increasingly integrated early years programs and services that contribute to healthy child development today and a stronger future tomorrow. In addition, the *Achieving Excellence: A Renewed Vision for Education in Ontario* outlines the province’s commitment to the success and well-being of every child and student.

The release of *How Does Learning Happen? Ontario’s Pedagogy for the Early Years* in 2014, helps to bring the provincial vision to life. Identified in the *Ontario Early Years Policy Framework* as a priority area for action, *How Does Learning Happen?* provides a comprehensive framework to guide program development and pedagogy in early years settings.

The [\*Ontario Early Years Policy Framework\*](#), [\*How Does Learning Happen? Ontario’s Pedagogy for the Early Years\*](#), and [\*Achieving Excellence: A Renewed Vision for Education in Ontario\*](#) can be accessed on the Ministry of Education website.

On September 12, 2016, the Ontario government made a historic commitment to support access to licensed child care for 100,000 more children over the next five years, beginning in 2017. In the first year of this expansion plan, this substantial new funding for licensed child care will support approximately 16,000 more children 0-4 years old. This funding will support new child care fee subsidies, expand access to affordable licensed child care spaces and reduce fee subsidy waitlists to help parents access quality child care.

### **CHILD CARE AND EARLY YEARS ACT, 2014**

On August 31, 2015, the *Child Care and Early Years Act, 2014* came into effect, replacing the *Day Nurseries Act (DNA)*. The new legislation strengthens quality and clearly defines which child care programs require a licence and which are exempt from a licence in order to support informed choices for parents about their child care options. The act also recognizes and articulates the role of the province, local service system managers, and First Nations and sets out the provincial interest in a child care and early years system.

## **CMSM and DSSAB Service System Management**

Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) are the designated child care service system managers responsible for planning and managing licensed child care services in their communities. Child care services are managed by CMSMs and DSSABs through a local service planning process that reflects current child care legislation, regulations and policies/directives, including this consolidated guideline as well as engagement with local licensees.

In addition to managing child care services, CMSMs and DSSABs will also be responsible for the local management of all ministry-funded child and family programs as of January 1, 2018. This responsibility is part of the Ontario government's plan to integrate existing child and family programs into a cohesive system of services and supports known as Ontario Early Years Child and Family Centres.

The new *Child Care and Early Years Act, 2014* recognizes the essential role of the CMSM and DSSAB as the local service system manager in ensuring an increasingly integrated, high quality child care and early years system. The ability to strengthen the quality of child care and early years experiences and enhance system integration requires the strategic leadership of CMSMs and DSSABs to initiate, sustain and monitor local planning and development to achieve Ontario's vision for the early years. The new legislation also sets out a "provincial interest" for child care and early years programs and services (refer to section 49 (1) of the *Child Care and Early Years Act, 2014*).

## **FRENCH LANGUAGE SERVICES**

In areas designated under the *French Language Services Act*, CMSMs and DSSABs are required to meet the specific requirements outlined in their service agreement. Where the CMSM or DSSAB is not at full capacity, it is required to submit a plan to the ministry annually to build capacity. The 2017 French Language Service plans are due to the ministry by June 30<sup>th</sup>.

## **FUNDING FORMULA**

This guideline supports the child care funding formula that was implemented by the ministry in 2013. The funding formula is an evidence-based and equitable approach to funding that responds to demographic changes and provides increased flexibility for service system managers to better meet local needs for licensed child care services.

The funding formula relies on publicly-available data to drive an equitable funding allocation to child care service system managers across the province.

The funding formula and allocations are updated annually as new data becomes available<sup>1</sup>. Updating the formula annually allows the ministry to remain responsive to the changing needs of children and their families across the province. The four year phase-in of the 2011 census Low-Income Cut-Off (LICO) measure data is now in its third year. For additional details on the transition to the updated LICO data and the 2017 child care benchmarks, please see the 2017 Child Care Funding Formula Technical Paper, which is available on the [Financial Analysis and Accountability Branch's website](#).

The funding formula and framework supports child care operating costs, including: general operating, fee subsidy, Special Needs Resourcing (SNR) and administration. These central costs are funded through the core service delivery allocation, which is comprised of an 80/20 cost shared allocation, a 100 per cent provincially funded allocation and a 50/50 cost shared allocation for administration. Variances in local need (e.g. rural/remote and language) are supported through special purpose allocations that provide funding to supplement the core service delivery allocation.

The province also provides small water works (SWW) funding to support regular ongoing water testing and maintenance expenses. A reimbursement is also provided to DSSABs for the Province's share of Territory without Municipal Organization (TWOMO) costs.

In 2017, the following updates have been made to the child care funding formula:

- Increases to benchmarks to reflect new investments.
- The ministry has refreshed the Ministry of Finance's population projections and LICO. Changes to LICO data (2006 to 2011 data) will continue to be phased in over a 4 year period from 2015-2018.
- The integration of Full Day Kindergarten (FDK) Transition and Transformation (approximately \$54.5 million) across the child care funding formula to reflect the full implementation of FDK, as signaled in 2016 in memo EYCC17.
- Capital retrofit allocation has been removed from the child care funding formula and framework as 2016 was the final year for this allocation.

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<sup>1</sup> The formula will only be updated prior to the release of agreements; there will not be mid-year allocation adjustments as a result of new data availability.

The Indigenous component of the funding formula supports the unique costs of providing culturally appropriate child care services for families identifying themselves as Indigenous living off reserve. This funding should be used with the overall objective of increasing access to licensed child care for Indigenous children and families. The ministry will work with CMSMs and DSSABs in 2017 to develop a reporting process to demonstrate how this priority is being supported locally.

The following sections provide a brief overview of each of the allocation areas; for more information on the allocation methodology, please see the 2017 Child Care Funding Formula Technical Paper, which is available on the [Financial Analysis and Accountability Branch's website](#).

### **Core Service Delivery**

The core service delivery allocation is intended to support the availability of licensed child care programs that contribute to healthy child development as well as to provide fee subsidy for eligible families to access licensed child care, camps and authorized recreation programs, and before and after school programs and to support children with special needs participating in these programs.

In order to support access to child care for children and families in need, core service delivery allocations should be prioritized for fee subsidies, Ontario Works and SNR expenses.

Additional details on how this funding is allocated are available in the 2017 Child Care Funding Formula Technical Paper.

### **Special Purpose**

Special purpose funding has two allocation components:

1. Allocations that are enhancements to the core services allocation intended to reflect unique service delivery demands. These are: Rural/Remote, Language, Indigenous, Cost of Living, TWOMO and SWW.
2. Allocations that align with ministry priorities to support, supplement or transform the delivery of child care services are: Capacity Building, and Repairs and Maintenance.

### **FDK Transition and Transformation Allocations**

As full-day kindergarten is fully implemented, 2016 was the final year for FDK Transition and Transformation allocations. The funding previously allocated under these components of \$54.5M has been maintained without a dedicated funding line and has been integrated across the entire funding formula. The Transformation expense

category has been maintained to support the continued transformation of the child care system (see Section 5 of this guideline).

## **Cost-Sharing Requirements**

For almost 10 years the Ontario government has made incremental investments in child care without requiring additional financial contributions from Ontario's municipalities. Consistent with this principle, the implementation of the child care funding formula and framework did not require additional cost-sharing by municipalities. There will be no increase to cost-sharing requirements in 2017, which is consistent with the approach taken since the inception of the Child Care Funding Formula in 2013.

In order to maintain municipal cost share requirements at historical levels (or lower) while implementing the funding formula and framework, the cost-sharing requirements of the child care allocations are as follows<sup>2</sup>.

### 1. Core Services Delivery

- Core Service Delivery 100/0 - expenditures are 100 per cent provincially funded.
- Core Services Delivery Cost Share Requirement 80/20 – expenditures are 80 per cent provincially funded and 20 per cent municipally funded.
- Core Services Delivery Cost Share Requirement 50/50 – Administration – expenditures are 50 per cent provincially funded and 50 per cent municipally funded.

### 2. Special Purpose

- All special purpose expenditures are 100 per cent provincially funded.

To enhance the child care system, the ministry covers expenditures incurred by CMSMs and DSSABs by the 100 per cent core services delivery funding first, and any remaining expenditures in general operating are to be covered 80 per cent by the Ministry of Education and 20 per cent by the CMSM or DSSAB.

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<sup>2</sup> Funding allocations that are cost shared will be provided under the authority of the *Child Care and Early Years Act, 2014*, S.O. 2014 ("*Child Care and Early Years Act, 2014*"), while 100 per cent allocations will be provided under the authority of the *Ministry of Community and Social Services Act*, R.S.O. 1990, c. M.20 ("*Ministry of Community and Social Services Act*").

When exercising flexibility from one allocation to another, the original cost sharing requirements must be maintained. For example, when applying core service delivery funding to special purpose expense categories within the calendar year, the cost sharing requirements of core funding (i.e. 80 per cent provincial, 20 per cent municipal) must still be met.

### **Child Care Administration**

The expenditure benchmark for administration will be a maximum ceiling of 10 per cent of the total CMSM or DSSAB's child care allocation, less funding for TWOMO and wage enhancement. Please note the 10 per cent administration ceiling includes the CMSM or DSSAB's 50/50 cost sharing amount noted in their budget schedule.

Should a CMSM or DSSAB choose to exceed the Child Care Administration Maximum Allowable Expenditure (10 per cent of total 2017 allocations less TWOMO and wage enhancement); any additional expenditure must be funded with 100 per cent municipal contributions. If the additional spending over and above the maximum allowable expenditure is not funded with 100 per cent municipal contributions, the ministry will recover the overspent funds equal to the amount of overspending on administration above the maximum allowable expenditure.

## **ENHANCED ACCOUNTABILITY MEASURES**

### **1. Child Care Expansion Plan Funding**

Beginning in 2017, funding will be provided for the new child care expansion plan. This funding is intended to support new fee subsidies, net new spaces and/or enhanced affordability in licensed child care for infants, toddlers and preschoolers aged 0-4. Enhanced accountability measures for child care expansion funding build on existing accountability mechanisms (e.g. the child care funding formula, compliance audit strategy and CMSM and DSSAB reporting requirements) and introduce additional mechanisms that align with the priorities of the commitment, including: enveloping funding for use on prescribed expenditures; ministry reporting requirements including assurance by external auditors; and specific expansion targets to meet the commitments of this plan. See Section 3 for more information on child care expansion plan funding.

### **2. Prioritization of the Not-For-Profit Child Care Sector**

The ministry is taking steps to further prioritize provincial funding to the not-for-profit child care sector, and support the effective use of ministry funding, by working closely with CMSMs and DSSABs to maintain funding allocated to for-profit child care at current levels. Beginning in 2017, a For Profit - Maximum Percentage Threshold has been added to the Budget Schedule of the service agreement to support CMSM and DSSABs

with maintaining existing maximum expenditure levels to for-profit entities. The threshold was determined based on past expenditures that each CMSM and DSSAB directed towards for-profit programs in the most recently reviewed financial statements submission. This overall threshold applies to both base funding and funding to support the child care expansion plan for infants, toddlers and preschoolers. The government recognizes and values the important role of both non-profit and profit licensees in providing accessible quality child care services for children and families in Ontario. We also recognize that a number of communities in Ontario are served by for-profit licensees which support access to licensed child care; therefore 2017 will be a transition year. The ministry will work with those CMSMs and DSSABs that do not maintain or reduce their thresholds in 2017 and will consider financial penalties for exceeding for-profit thresholds in the future.

### **3. Child and Family Program Funding**

As in prior years funding for child and family programs is included in the child care and child and family program service agreements as a separate enveloped allocation. For 2017, child and family program funding will continue to be based on previous allocations (with the exception of Data Analysis Services) and restricted to use only for these programs (i.e. there is no flexibility between child care and child and family program allocations). See section 7 for more information on funding for child and family programs.

### **4. Wage Enhancement/Home Child Care Enhancement Grant**

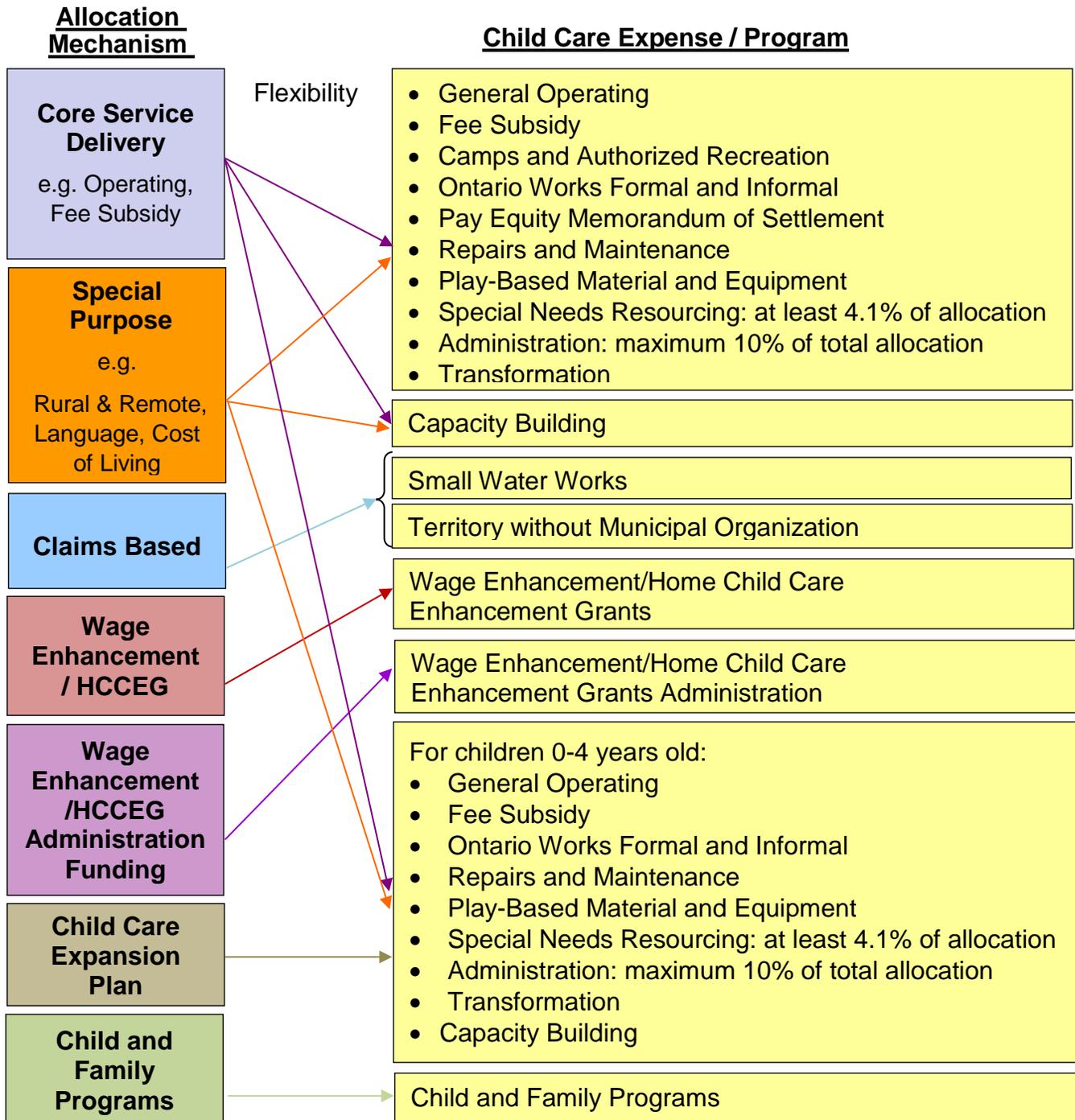
The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. Wage enhancement/HCCEG funding is an enveloped allocation; CMSMs and DSSABs and licensees are required to use the funding only for the purpose of increasing wages of eligible child care staff. Any funding not used for the intended purpose will be recovered by the ministry. CMSMs and DSSABs may not transfer funds between their regular child care allocation and their wage enhancement/HCCEG allocation.

CMSMs and DSSABs will also receive Wage Enhancement/HCCEG Administration funding in 2017. Wage Enhancement/HCCEG Administration funding will be an enveloped allocation provided through the service agreement. See section 6 for more information on the wage enhancement/HCCEG.

The following diagram illustrates the two main funding formula and framework allocation components: core service delivery and special purpose. The diagram also includes expense/program categories: general operating, fee subsidy, camps and authorized recreation, Ontario Works, pay equity, repairs and maintenance, play-based material and equipment, special needs resourcing (SNR), administration, transformation, capacity building, wage enhancement/HCCEG, wage enhancement/HCCEG

administration, SWW, TWOMO, child care expansion plan and child and family programs.

CMSMs and DSSABs have full flexibility to spend their allocations on any of the expense/program categories, except in situations where the allocation is enveloped or has limited flexibility to address specific purposes (e.g. wage enhancement, capacity building, claimed based, child care expansion plan and child and family programs). Additional details on financial flexibility are provided in the Ministry Business Practice Requirements section of this guideline (section 2).



## **SECTION 2: MINISTRY BUSINESS PRACTICE REQUIREMENTS**

### **TRANSFER PAYMENT BUSINESS PROCESS**

#### **OVERVIEW OF CONTRACTING PROCESS**

In accordance with the Government of Ontario's Transfer Payment Accountability Directive, and consistent with the principles of prudent fiscal management, funds must be flowed to recipients only upon signature of the service agreement.

Service agreements identifying funding levels are distributed to CMSMs and DSSABs for signature by June 28, 2017.

The contracting process will consist of the following three stages: contracting; payment; and financial reporting.

#### **CONTRACTING**

Service agreements between the ministry and CMSMs and DSSABs:

- Set out expectations, terms and conditions of funding to support good governance, value for money, and transparency in the administration of transfer payment funds;
- Document the respective rights, responsibilities, and obligations of the ministry and CMSMs and DSSABs;
- Include specific, measurable results for the money received, reporting requirements, and any corrective action the Ontario government is entitled to take if agreed upon results are not achieved; and,
- Subject to the *Freedom of Information and Protection of Privacy Act*, the *Municipal Freedom of Information and Protection of Privacy Act* and other relevant legislation, allow for inspection by the Province and/or independent professionals identified by the Province of any relevant financial and non-financial documents relating to the program to verify program progress and financial information including the Recipients' allocation and expenditure of funds. In addition, the agreements do not limit the power or authority of the Auditor General of Ontario.

## FINANCIAL REPORTING

### Financial Reporting Cycle

As stated in the Reports Schedule of the service agreement, CMSMs and DSSABs are expected to provide the following submissions to the ministry as per the following cycle:

Submission Type	Due Date
Service Agreement	June 28, 2017*
Estimates	Not required for 2017
Revised Estimates (Interim Report for child and family programs)	August 31, 2017
Financial Statements	May 31, 2018

\*With automatic extensions should the CMSM or DSSAB not receive municipal council approvals by this date.

### In-Year Funding Adjustments

As per the service agreement, the ministry automatically adjusts entitlement and the resulting cash flow to reflect under spending which is expected or forecasted following the submission of the Revised Estimates (Interim Report) and Financial Statements (where actual under spending is reported).

These adjustments will result when the following occurs:

- Projected or actual spending levels indicate that the CMSM or DSSAB will not generate an entitlement amount to the same level that was communicated prior to the start of the calendar year;
- The ministry identifies through its review process that projected spending levels should be adjusted to reflect an amount that more closely reflects previous years' actuals, trends and expectations for the current calendar year. This process is completed through discussions between the ministry and CMSMs and DSSABs.

### POLICY FOR LATE FILING

The ministry acknowledges that the majority of CMSMs and DSSABs provide signed service agreements, updated financial submissions and related information on a timely basis. The intent behind the late filing process outlined below is to ensure the ministry has the information required to demonstrate accountability for public funds. The ministry

will continue to support our CMSM and DSSAB partners with timely financial documentation filing through regional outreach, training and ministry resources. Late filing policies of financial submissions are implemented as follows:

1. Policy for late filing of signed service agreements:

- Where a signed service agreement is not received by the ministry six months from the date new contracts were released (i.e. October 30, 2017, unless an extension has been granted), the ministry will stop all payments to the CMSM or DSSAB until the signed agreement is submitted.

2. Policy for late filing of financial submissions, including:

- a) Financial reporting (Revised Estimates (Interim Report), Financial Statements)
- b) Queries related to financial reporting
- c) Financial documentation (audited Financial Statements, Review Engagement Reports)

Where a CMSM or DSSAB files its submission after the filing deadline, the ministry will take the following action until the submission has been received:

- If the submission is not received by the ministry within 30 days after the filing deadline, the ministry will inform the CMSM or DSSAB that the submission is overdue.
- After 31 days, cash flow will be reduced by 50 per cent of their monthly payment. The ministry will work with the CMSM or DSSAB to discuss any challenges with providing the information and to offer support.

Upon submission of ministry requirements, the ministry will revert back to the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

The ministry reserves the right to suspend funding (in year or in the subsequent year(s)). Should a CMSM or DSSAB have any outstanding submissions the ministry may exercise its discretion by not providing funding in the subsequent calendar year.

## **SERVICE/ CONTRACTUAL TARGETS**

In compliance with the Transfer Payment Accountability Directive, there are contractual service targets tied to the child care service agreement to support accountability and facilitate funding recovery. There are three contractual service targets associated with

CMSM and DSSAB's base allocation (i.e. excluding child care expense plan funding), which are a compilation of three expense categories and data elements related to fee subsidy, Ontario Works and SNR. There are no contractual service targets for child and family programs in 2017.

**\*NEW\*** In 2017, the ministry will also require CMSM and DSSABs to establish targets for the child care expansion plan. Please see Section 3 of this guideline for details.

CMSMs and DSSABs are required to set contractual service targets, in collaboration with the ministry, each calendar year; the targets should reflect local demand and priorities. These targets are included in the child care service agreement for the current contract year.

The target reported in schedule 1.1 of EFIS is limited to targets achieved solely with provincial funding and required municipal cost share. More comprehensive service level reporting can be reflected in schedule 1.2 in EFIS (service levels achieved with all sources of funding i.e. provincial required cost share, additional municipal funding and parent fees).

Should the CMSM or DSSAB not meet all of the three contractual service targets by 10 per cent or more, and 10 children or more in the aggregate, the Recipient's entitlement and cash flow will be reduced by 1 per cent to reflect the underachievement of contractual service targets. This one-time funding adjustment will be processed upon review of the Financial Statement submission by the ministry.

For example:

If a CMSM or DSSAB reports 70 children for a service target but EFIS submissions identify 61 children were served, they have met the service target.

- Number of children missed is 9
- Percentage is 13 % (9 children missed/ 70 children identified in service target)

In this scenario the service target was met because the number of children missed is less than 10.

If a CMSM or DSSAB reports 70 children for a service target but EFIS submissions identify 60 children were served, they have not met the service target.

- Number of children missed is 10
- Percentage is 14% (10 children missed/ 70 children identified in service target)

In this scenario the service target was not met because BOTH the number of children missed equals 10 and the percentage missed is more than 10%.

Contractual service targets are monitored by the ministry through a two-step progressive action process:

1. The ministry will meet with the recipient to monitor these targets should they project the inability to meet all three contractual service targets after the Revised Estimates submission;
2. The ministry will affect a one-time recovery of funds if contractual service targets are not met by year-end as identified to the ministry in the Financial Statement submission.

Service targets must be consistent with ministry policy direction as well as community priorities; financial flexibility should improve client and service outcomes.

Children who receive fee subsidy for camps and authorized recreation programs and/or before/after school child care should be included in the fee subsidy contractual service target. Children who receive Ontario Works child care funding should be counted under Ontario Works regardless of the type of program they attend. Children who receive SNR funding should be counted as part of the SNR contractual service target. If a child receives both SNR and fee subsidy funding, they should be counted under both service targets as they are receiving two different types of services.

CMSMs and DSSABs will report on all regular data elements not included in the contractual service targets in schedule 1.2 of their Revised Estimates and Financial Statement reports. Schedule 1.2 should reflect the data elements achieved by all sources of funding (i.e. provincial required cost share, additional municipal funding and parent fees). Contractual service target settings will be automatically uploaded into the appropriate fields in EFIS once set by the CMSM or DSSAB.

**Contractual Service Targets (provincial funding and required municipal cost share)**

Target	Expense Category	Contractual Target	Description
1	Fee Subsidy	Total of the Average Monthly Number of Children Served	Total average monthly number of infants, toddlers, preschoolers, kindergarten*, school aged** and recreation children served
2	Special Needs	Total of the Average	Total average monthly number

Target	Expense Category	Contractual Target	Description
	Resourcing	Monthly Number of Children Served	of children served from 0 up to kindergarten* and school aged**
3	Ontario Works	Total of the Average Monthly Number of Children Served (formal and informal)	Total average monthly number of infants, toddlers, preschoolers, kindergarten* and school aged children** served.

\*"Kindergarten" includes both junior and senior kindergarten

\*\*"School Age" includes both the primary and junior school age categories (age 6-12).

### **ESTIMATES REPORTING**

Due to the significant delay in release of the 2017 allocations and service agreements, the ministry will not require the submission of Estimates Reporting for 2017.

### **REVISED ESTIMATES/INTERIM REPORTING**

The Revised Estimates submission, or Interim Report for child and family programs, allows CMSMs and DSSABs to monitor in-year performance against financial and service data targets. The Revised Estimates/Interim Report submission is submitted annually by each CMSM or DSSAB to the ministry. Revised Estimates/Interim Report is for the period ending June 30, with a projection of expenditures and service data to December 31 and is due by August 31, 2017.

### **FINANCIAL STATEMENTS REPORTING**

The Financial Statements reporting submission represents the CMSM or DSSAB's performance against its financial and service targets for the year. It is due five months following the CMSM or DSSAB's year-end date, or May 31, 2018 and includes the following five elements:

1. Audited financial statements of the CMSM or DSSAB;
2. A post audit management letter issued by the external auditors. If such a letter is not available, confirmation in writing for the rationale as to why it is not available;

3. A special purpose audit report<sup>3</sup> which includes the breakdown of expenditures and other restrictions for both child care and child and family programs funded by the ministry and outlined in this guideline;
4. An active EFIS submission;
5. Two Signed copies of the following three documents printed out from the active EFIS submission of the 2017 Financial Statements:
  - a) Cover Page
  - b) Adjusted Gross Expenditure page
  - c) Funding Entitlement Calculation Summary of Entitlement page

## **VARIANCE REPORTING**

Variance reporting is required for identified significant variances in expenditures at Financial Statements. CMSMs and DSSABs will be required to report significant variances, provide a reason for variances, impacts on staff and services and provide an action plan as part of financial reporting.

### **Variances**

Significant variances are identified as follows:

- A variance report is required if the major expenditure category is \$25,000 and 10% over or under the prior year Financial Statements expenditure category.
- A variance report is required if the service data category is 10 children and 10% over or under the prior year Financial Statements service data.
- With respect to contractual service targets, a variance report is required if service data is both 10% or more over or under the target and 10 children or more over or under the target. Please see Service/Contractual Targets section for examples.

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<sup>3</sup> The special purpose audit report will allow for the independent verification of data reported within EFIS. Sample word and excel templates will be provided at a later date.

## Significant Variance

	Variance Reporting
Major Expenditure Category	+/- \$25,000 and +/- 10%
Service Data	+/- 10% and +/- 10 Children
Contractual Service Target Data	+/- 10% and +/- 10 Children

## Exceptions to Variance Reporting

Where additional funding is announced following the receipt of the Revised Estimates submission in EFIS, a modified variance reporting methodology will be introduced to allow CMSMs and DSSABs to report on variances based on the revised funding allocation and increased expenditures.

## PAYMENT

### Budget Schedule

The Budget Schedule identifies the ministry's allocation to CMSMs and DSSABs. Generally, the allocation is divided into 12 payments. While payments in each calendar year should only begin after the service agreement is signed by the ministry and the CMSM or DSSAB, the ministry may continue to make payments based on the Revised Estimates for the immediately preceding calendar year until the signed Service Agreement for the current calendar year is received.

### Payment Mechanics

Monthly cash flow percentages will be based upon the total 2017 allocation\*:

Month	Percentage
January*	8.3%
February*	8.3%
March*	8.4%

<b>Month</b>	<b>Percentage</b>
April*	8.3%
May*	8.3%
June*	8.4%
July	8.3%
August	8.3%
September	8.4%
October	8.3%
November	8.3%
December	8.4%

\*Payments may be based upon the prior year's Revised Estimates (interim report) submissions until the signed service agreement is received. The ministry automatically adjusts entitlement and the resulting cash flow to reflect forecasted or actual under-spending that is reported in financial submissions.

Based on Service Agreement:

The original monthly cash flow will be updated to reflect the 2017 allocations upon receipt of the signed service agreement.

Based on Revised Estimates:

If the Revised Estimates submission in EFIS, due by August 31, 2017, reflects a different entitlement amount than in the service agreement, then the cash flow for the October payment will be adjusted based on 10/12th of the entitlement amount subtracting the total amount of payments made to date in 2017. The following monthly payments will be based on the monthly cash flow percentages as noted above multiplied by the entitlement amount in the Revised Estimates submission in EFIS.

Based on Financial Statements:

When the CMSM or DSSAB submits their Financial Statements, if the entitlement calculated in the Financial Statements exceeds the total amount paid for that fiscal period, the difference will be cash flowed to the recipient after the review of the Financial Statements submission by the Financial Analyst. Any amounts owing by the CMSM or DSSAB to the ministry will be deducted from a future month's cash flow

amount. The CMSM or DSSAB is not required to issue a cheque for the recoverable amount.

## **FINANCIAL FLEXIBILITY**

### **Child Care**

To modernize the approach to child care funding, in 2013 the Ontario government developed a new, more transparent approach to funding that responds to demand for services, helps stabilize fees and improves reliability of child care, to better support licensees and parents.

Under the funding formula, child care funding is divided into two allocations:

1. Core Service Delivery
2. Special Purpose

As part of the ministry's revised child care funding framework, the allocation and expense reporting functions have been separated. As a result of increased flexibility for CMSMs and DSSABs in their ability to allocate funding to local priorities, the allocations and expenditures no longer align.

Funding provided through the core service delivery allocation and the following special purpose allocations can be used for any type of expense (other than TWOMO and SWW):

- Language
- Indigenous
- Cost of Living
- Rural/Remote
- Repairs and Maintenance

### **Exceptions to Financial Flexibility in Child Care**

To align with the ministry priorities of supporting quality and transforming the child care sector, some allocations have limited flexibility:

- Child Care Expansion Plan Funding - this is an enveloped allocation, funds may be transferred into but not out of the child care expansion plan.
- Capacity Building – funding may be transferred into but not out of Capacity Building.
- Small Water Works – SWW is a claims-based program. Cash flow will be adjusted to reflect SWW claims. Funding may not be transferred into or out of SWW.
- Territory Without Municipal Organization – TWOMO is a claims-based program. Cash flow will be adjusted to reflect TWOMO claims. Funding may not be transferred into or out of TWOMO.
- Wage Enhancement – this is an enveloped allocation, funds cannot be transferred in or out of wage enhancement.
- Wage Enhancement/HCCEG Administration Funding – this is an enveloped allocation, funds cannot be transferred in or out of wage enhancement administration funding.

### **Child and Family Programs**

Funding for child and family programs flows under detail codes (e.g., A462 – Ontario Early Years Centres), which are codes that describe each type of child and family program funding. The budget schedule of the service agreement outlines the detail code(s) and the amount of associated funding. Below is a list of detail codes for child and family programs:

- A462- Ontario Early Years Centres
- A466- Data Analysis Services
- A525- Early Child Development Planning
- A386- Child Care Resource Centres

### **In-Year Flexibility**

CMSMs and DSSABs have in-year flexibility to realign funds between child and family program detail codes outlined in the budget schedule of their service agreement. Financial flexibility should be exercised to meet service needs and address volume pressures and must be in accordance with the financial flexibility criteria outlined below.

CMSMs and DSSABs must identify the realignment of funding in their applicable financial reporting submissions.

In order to exercise financial flexibility, CMSMs and DSSABs must meet the following criteria:

- **Program/Policy Direction and Priorities** - services must be delivered in the most effective, efficient and affordable manner. Service levels must be consistent with community priorities. Financial flexibility must improve client and service outcomes.
- **Funding Policies and Guidelines** - permanent realignments between detail codes cannot be made. Any realignment between detail codes is only effective for the current calendar year.

**Funding may be transferred between the following detail codes:**

- Data Analysis Services (A466)
- Ontario Early Years Centres (A462); and
- Early Child Development (ECD) – Planning (A525)
  - There is full flexibility with regular ECD – Planning
  - There is limited flexibility with Indigenous ECD – Planning; funding may be transferred into, but not out of this portion of A525.

**Funding may not be transferred in or out of the following detail codes:**

- Child Care Resource Centres (A386)

**Please note there is no flexibility between child care and child and family program allocations.**

**System Needs – Child Care**

In general, CMSMs and DSSABs should be able to report the majority of previous system needs expenditures under general operating, capacity building and play-based material and equipment.

In recognition of the fact that some CMSMs and DSSABs may have a need to transition some other established system needs funded services, the ministry will continue to

permit this practice in 2017. CMSMs and DSSABs may file expenses for system needs under “Miscellaneous” in EFIS provided they have consulted with their Child Care Advisor and both parties have agreed that the expenditure cannot fit under any other expense category. Expenditures cannot exceed system needs expenditures from 2012, and no new expenditures and/or programs may be funded under system needs.

For reference, below is the prior provincial direction for system needs:

Where the CMSM or DSSAB is able to demonstrate that the spaces created under Best Start can be sustained and secured through fee subsidies, wage subsidies, Special Needs Resourcing and administration (now funded using core service delivery and special purpose allocations), CMSMs and DSSABs may request from the ministry, to allocate funds to further support the spaces. This could be achieved by allocating funds to areas that could include quality initiatives, training of staff and/or addressing accessibility in rural and northern areas through transportation. These areas require prior approval from the ministry.

The ministry will continue to work with CMSMs and DSSABs who have a history of recording system needs expenses in the interests of funding sustainable solutions to community needs. This may include work with other ministries and community partners, including efforts connected to child and family programs.

## **BASIS OF ACCOUNTING**

CMSMs and DSSABs are required to report their revenues and expenditures using the modified accrual basis of accounting as directed by this guideline.

### **Modified Accrual Basis of Accounting**

The modified accrual accounting requires the inclusion of short-term accruals of normal operating expenditures in the determination of operating results for a given time period. Short-term accruals are defined as payable or receivable usually within 30 days of year-end. Under modified accrual accounting, expenditures that would be amortized under full accrual accounting must be recognized as expenditures in the budget year the goods or services are received.

Expenditures made once each year (e.g. insurance) must be treated consistently from year-to-year.

Non-cash transactions are not recognized as these expenses do not represent actual cash expenditures related to the current period<sup>4</sup>.

## **AUDITS**

Auditing is a cornerstone of good public sector governance. It is an unbiased and objective assessment of whether public resources are managed responsibly and effectively to achieve intended results.

Audits fulfill a number of roles:

- Help organizations achieve accountability;
- Identify non conformity and required corrective actions leading to improved operations;
- Highlight areas of good practice; and
- Identify trends and emerging challenges.

The ministry developed an initial audit strategy for CMSMs and DSSABs in 2015 and will undertake audits on CMSMs and DSSABs on a rotational basis each fiscal year. The audit strategy is being implemented in phases and entails a review of CMSM and DSSAB adherence to specific requirements, such as regulations, guidelines, policies, and directives – otherwise known as a compliance audit

### **Compliance Audit Objectives**

- To strengthen accountability within the child care sector;

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<sup>4</sup> Non-cash transactions include:

- a) provisions for pension expenses
- b) provisions for unused sick leave and wage settlements
- c) provisions for repairs or replacements
- d) provisions for bad debts
- e) retainer fees for legal services
- f) provisions for amortization

However, related payments are admissible.

- To ensure that expenditures and data elements driving the funding entitlement are properly reported in EFIS;
- To address material financial risks identified in previous audit reports that continue to be applicable today;
- To gather field intelligence on data and validate/strengthen existing processes and inform future policy decisions; and
- To obtain best practices contributing to continuous sector improvement.

### **Audit Scope**

The audits will focus primarily on regular fee subsidy, but does not preclude the inclusion of other audit components. At this time, child and family programs are not in scope for the audit.

## **BUSINESS PRACTICES WITH SERVICE PROVIDERS**

### **STANDARDS AND REQUIREMENTS**

CMSMs and DSSABs are required to:

- Ensure that funds are used in accordance with the service agreement and the ministry's policies, procedures, and guidelines;
- Monitor the use of funds with service providers on an annual basis; and
- Reconcile service provider use of funds and recover funds as required.

CMSMs and DSSABs must also have policies and procedures in place to fulfill all of their reporting requirements to the ministry. This accountability applies to both service providers from whom CMSMs and DSSABs have purchased service as well as services directly operated by CMSMs and DSSABs. In addition, the delivery agent's financial policies and procedures are subject to ministry review.

### **RECONCILIATION**

CMSMs and DSSABs must have a comprehensive reconciliation process in place with service providers. This process allows CMSMs and DSSABs to reconcile actuals against allocation, assist in recovering unused funds as indicated below and provide supporting documents for audit purposes. The CMSM's or DSSAB's reconciliation process should be documented, retained and is subject to ministry review.

### **RECOVERIES**

Identified unused funds must be recovered from service providers within two years of the claim being discovered. These funds must be identified as offsetting revenues in EFIS in the year that the unused funds relate to (e.g. if the unused funds pertain to the 2014 calendar year, then the 2014 Financial Statement submission in EFIS should be adjusted to reflect the recovery). Contact your ministry Financial Analyst once the funds have been recovered in order to update the relevant EFIS submission and for further assistance with this process.

### **MAJOR CAPITAL**

CMSMs and DSSABs are required to advise the ministry of any knowledge regarding the sale/transfer/renovation of child care or child and family program properties that previously received capital funding from the Ontario government.

## **SECTION 3: CHILD CARE EXPANSION PLAN**

### **PURPOSE**

The government has made a historic commitment for a major Child Care Expansion Plan (“Expansion Plan”). This plan will create access to licensed child care for 100,000 more children aged 0-4 years old over the next five years, beginning in 2017.

### **PRIORITIES**

Expansion plan funding must be spent on the following priorities focused on increasing access to affordable child care for children aged 0-4 years old, excluding children eligible to attend junior kindergarten:

1. To support additional fee subsidies; and/or
2. Increased access

If these two priorities cannot be met due to local considerations, service system managers may use this funding to meet their expansion targets by broadly reducing licensed child care fees and increasing affordability for children aged 0-4 years old. The ministry’s expectation is that service system managers demonstrate they have attempted to meet the two priorities before exploring this option.

### **ELIGIBILITY CRITERIA**

Expansion Plan funding can support new full and/or partial fee subsidies and increased access for children aged 0-4 year olds to licensed child care (centre-based and home child care) beyond the base allocation provided for child care outlined in service agreements.

Examples of increased access include, but are not limited to, new child care spaces available as a result of additional staff, increased hours, or other program changes that increase the number of children served by a program.

If the priorities of fee subsidies and access cannot be met due to local considerations, expansion funding may be used to reduce fees and broadly increase affordability. If this option is exercised, the ministry will require additional information on how the expansion targets were met through reduced fees and the number of children that were supported as a result of these reductions.

### **FUNDING METHODOLOGY**

Funding for the Expansion Plan in 2017 will be allocated to CMSMs and DSSABs by modifying the current child care funding formula (CCFF) to weight the calculation to use the 0-3.8 age data measures only. Capping and Utilization components have been

excluded from the calculation of allocations. This methodology maintains the components of the formula which addresses unique costs of providing care (rural/northern, cost of living, language etc.) through an equitable and transparent approach.

Consistent with the current thresholds, a minimum of 4.1% must be spent on SNR and a maximum of 10% of the allocation may be used towards administration expenses. There are no municipal cost sharing requirements associated with this investment. To avoid disruption of services for children and families, the ministry encourages CMSMs and DSSABs to maintain municipal child care investments consistent with previous years.

### **CARRY FORWARD OF FUNDS**

To support the success of the Expansion Plan through service system planning and implementation, the ministry is providing CMSMs and DSSABs with the ability to spend Expansion Plan funding and meet expansion targets by December 31st, 2018. The Expansion Plan funding can be either:

1. Expensed within the calendar year (costs incurred by December 31, 2017 in accordance with the modified accrual basis of accounting); and/or
2. Indicated by the CMSM or DSSAB in the 2017 financial reporting to be carried forward and expensed by December 31, 2018 (costs incurred by December 31, 2018 in accordance with the modified accrual basis of accounting).

### **ENHANCED ACCOUNTABILITY MECHANISMS**

New accountability requirements to support the Expansion Plan build on extensive accountability mechanisms already in place for the sector (e.g. the child care funding formula, compliance audit strategy and CMSM and DSSAB reporting requirements). These enhanced accountability measures include:

1. Enveloping funding on prescribed expenditures;
2. Specific expansion targets to meet the commitments of this plan;
3. For profit auspice threshold; and
4. Ministry reporting requirements including assurance by external auditors.

#### **1. Enveloped Allocation**

New investments supporting the Child Care Expansion Plan are enveloped, which mandates that this funding can only be spent on incremental expenditures (i.e. additional expenditures above the previous year's expenditures) for children aged 0-4 years old. Any funding not spent on the prescribed expenditures and the priorities noted

above will be recovered by the ministry upon the ministry's review of the Financial Statements submission. CMSMs and DSSABs will be required to report expenditure and service data on the incremental use of funding through two financial reporting cycles (Revised Estimates and Financial Statements). Please refer to Reporting Requirement details below.

## **2. Expansion Targets**

New expansion plan targets tied to the Child Care Expansion Plan investments have been added to each CMSM and DSSABs service agreement to support accountability (refer to Schedule H of the service agreement).

In 2017, child care expansion plan investments will allow access to licensed child care an additional 16,000 children aged 0-4 years old. The ministry has provided each CMSM and DSSAB with an estimated number of children that could be supported through the expansion plan allocation in the Child Care Expansion Target (Schedule H). This target includes new fee subsidy spaces and spaces to be supported with general operating funding calculated based on previous financial reporting data specific to each CMSM and DSSAB, as well as fee information from the 2015 Provincial Licensed Child Care Operators Survey.

CMSMs and DSSABs will confirm their projected 2017 expansion targets by providing the number of infant, toddlers, and preschoolers supported in the previous year and indicating the projected increase for each age range including:

1. Number of net new fee subsidies;
2. Number of net new children accessing child care as a result of increased access investments (e.g. increased business hours, increased staff, etc.).

If the two priorities above cannot be met, the number of children supported through increased affordability (e.g. reduced fees) to meet the expansion target must be provided. The ministry's expectation is that service system managers demonstrate they have attempted to meet the two priorities before exploring this option.

The ministry will also gather qualitative information on how increased access and/or affordability will be achieved.

The ministry will work with CMSMs and DSSABs to track progress in meeting or exceeding expansion targets to date, as well as plans to support the reduction of fees and/or greater access through this investment. The ministry will compare the expansion target in CMSMs or DSSABs service agreement with their financial reporting submissions.

Should a CMSM or DSSAB not meet the expansion target total by 10% or more and 10 children or more in the aggregate, the Recipient's expansion plan entitlement will be retroactively reduced by 1%. This one-time funding adjustment will be processed upon review of the 2017 and 2018 Financial Statement submission by the province.

### **3. For Profit Auspice Threshold**

The ministry is taking steps to further prioritize provincial funding to the not-for-profit child care sector. The Budget Schedule of the 2017 service agreements identifies a For Profit Auspice Threshold percentage. The threshold was determined based on past expenditures that each CMSM and DSSAB directed towards for-profit programs in the most recently reviewed financial statements submission. CMSMs and DSSABs are encouraged to ensure that funding directed to For Profit operators does not exceed this threshold. As 2017 is a transitional year, the ministry will work with CMSMs and DSSABs that do not maintain or reduce their thresholds in 2017 and will consider financial penalties for exceeding for-profit thresholds in the future.

### **4. Assurance by External Auditors**

CMSMs and DSSABs are required to provide assurance by external auditors with their Financial Statement submission on the Expansion Plan expenditures. This requirement can be met in the following formats:

- Included as a note to the audited Financial Statements;
- Included as a schedule to the audited Financial Statements; or
- Included as part of a separate audit or review engagement report.

### **ALLOWABLE EXPENSES**

Consistent with current practices, the requirements in Section One – Introduction, and Section Two – Ministry Business Practice Requirements, apply to this new investment. CMSMs and DSSABs may use this allocation for expense categories (listed below) per the eligibility requirements listed in this guideline, with a priority on fee subsidies and general operating. As this is an enveloped allocation, funds cannot be transferred out of the Expansion Plan funding for use on other priorities. Below is a list of eligible expenses related to Child Care Expansion Plan funding. Please refer to sections 4 and 5 of this guideline for further details.

- Fee subsidy (including Ontario Works)
- General operating
- Special needs resourcing
- Capacity building
- Transformation

- Repairs and maintenance
- Play-based material and equipment
- Administration

CMSMs and DSSABs have flexibility to spend the Expansion Plan allocation on any of these expense categories, except in situations where the expense category has limited flexibility to address specific purposes (e.g. capacity building). Additional details on financial flexibility are provided in the Ministry Business Practice Requirements section of this guideline (section 2).

Any funding not spent on the prescribed expenditures or in accordance with the priorities of this funding outlined above will be recovered by the ministry.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs are required to report expansion plan expenditures and service data in their Revised Estimates and Financial Statements by age group in their region indicated below.

- General operating
- Fee subsidy
- Ontario Works
- Special needs resourcing
- Transformation
- Administration
- Repairs and maintenance
- Play-based material and equipment
- Capacity building

New service data required for expansion plan funding:

- Net new fee subsidies provided by age group and income level (e.g. under \$20K, \$20K-\$30K, \$30K-\$40K, \$40K-\$50K, etc.)
- Net new number of children served through increased access
- Number of children served through increased affordability
- Average percentage decrease in child care fees resulting in increased affordability
- Net new average monthly number of children (please avoid double counting)

Where possible please avoid duplication in reporting. Further directions will be provided as part of the EFIS instructions with the 2017 Revised Estimates/Financial Statements report submission.

## **CONFIDENTIALITY AND PUBLIC ANNOUNCEMENTS**

Announcements regarding children and families served through the Expansion Plan are communications opportunities for the provincial government and CMSMs and DSSABs. CMSM and DSSAB announcements related to funding received through the provincial child care expansion plan must clearly acknowledge the contributions made by the Province of Ontario. In addition, any such communications opportunities should remain confidential until they are announced publicly by the Province of Ontario or jointly by the provincial government and CMSMs and DSSABs.

The intent is to help promote the role of the Ministry of Education, CMSMs and DSSABs, and community partners in bringing new investments to local communities. Please refer to communication protocol requirements shared in the 2017 service agreements package.

## **SECTION 4: CORE SERVICE DELIVERY**

### **FEE SUBSIDY EXPENSE**

#### **PURPOSE**

Child care plays a key role in helping to promote healthy child development and helping children to reach their full potential. It is an essential support for many parents, helping them to balance the demands of career and family while participating in the workforce or pursuing education or training.

#### **ELIGIBILITY**

Fee subsidy for eligible families is subject to the availability of subsidy funds within the budget of the CMSM or DSSAB and space availability within a child care program.

#### **Ontario Works Recipients**

Ontario Works participants and other social assistance recipients are deemed automatically eligible for fee subsidy and are not required to be assessed under the income test. To be eligible for subsidy, parents must be participating in approved employment assistance activities unless the child or parent has a special need or the child has a social need.

Per Ontario Works Policy Directives, participants of the Learning, Earning and Parenting (LEAP) program, a targeted strategy of Ontario Works that provides child care assistance and other supports to young parents on social assistance to help them finish high school and develop parenting skills, may receive child care fee subsidies in order to participate in activities.

Individual child care transition plans must be established for social assistance recipients to provide continuity of care for the child. As a social assistance recipient moves to full-time employment and exits social assistance, child care assistance remains available as long as the parent is considered eligible under the income test.

#### **Child Care Fee Subsidy – Parents Who Qualify Based on Income**

Parents who are eligible under the provisions of the income test may be eligible for fee subsidies for children 12 years of age or under. Fee subsidy funds can be used to support full and part-time child care in licensed child care centres and home child care agencies, third party and board-operated before and/or after school programs and non-instructional days.

Please note: under the Day Nurseries Act, parents of children with special needs could be eligible for fee subsidies for children under 18 years of age. While the *Child Care and Early Years Act* defines a child as under the age of 13, the Ontario government is taking steps to support continuity of care for children with special needs. Parents of children with special needs who were in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15). For example, if a person with special needs started to receive financial assistance at age 12 on August 30, 2017, he/she is eligible to continue receiving that financial assistance until he/she turns 18 in the year 2023. This means that these adolescents will not experience a financial assistance disruption based on their age.

Fee subsidies may also be available for children enrolled in camps or authorized recreation programs. Please see the Camps and Authorized Recreation section of this guideline for additional information.

### **Child Care for Ontario Works Participants**

Child care fee subsidies are an important support for Ontario Works participants including LEAP participants and Ontario Disability Support Program (ODSP) recipients in approved employment assistance activities. Funds for Ontario Works participants may be used for licensed or unlicensed (informal) child care to enable parents to participate in approved employment assistance activities.

Considerations regarding child care arrangements may include the number of children, age of the children and hours of care needed. The transition between subsidized part-day and subsidized full-day care as parents' and children's needs change should be seamless and support the substantiated needs of children and families.

The ministry recognizes that the use of unlicensed child care options for Ontario Works participants has declined and licensed options have increased. To support this trend, and align with the ministry's approach to promoting the use of licensed child care options, CMSMs and DSSABs must prioritize the use of licensed child care for Ontario Works participants. This means that Ontario Works participants may only access unlicensed child care when a licensed child care arrangement is not possible due to the client's needs and the availability of service (e.g. need for weekend/overnight care).

Unlicensed child care may be provided by occasional caregivers, neighbours, etc. Paid care provided by relatives outside of the Ontario Works benefit unit<sup>5</sup> is permitted as long as receipts are provided.

Ontario Works participants may receive assistance for the actual cost of licensed child care and up to pre-established ceilings for unlicensed child care. Maximum payment levels for unlicensed child care are specified under O. Reg. 134/98, Subsection 49.1 (2) of the *Ontario Works Act, 1997*.

Ontario Works participants will be required to produce receipts on request for either unlicensed or licensed care purchased directly.

### **Documentation Requirements**

CMSMs and DSSABs are required to establish a formal policy, or include language in their existing policies, on the prioritization of licensed child care options and the use of unlicensed child care options for Ontario Works participants effective January 1, 2016. Policies should have the following components:

- Funding under the *Child Care and Early Years Act, 2014* for unlicensed child care may only be accessed by Ontario Works participants when a licensed child care arrangement is not available due to:
  - a) Limited licensed child care options (e.g. remote location, inaccessibility, etc.);
  - b) Licensed child care options do not meet the needs of Ontario Works clients (e.g. need for weekend, overnight, or intermittent care); and
  - c) Short-term child care need.
- In cases where unlicensed child care arrangements are approved, CMSMs and DSSABs will be required to document the rationale for the provision of funding. CMSMs and DSSABs have the flexibility to determine the appropriate documentation tools and processes for their regions. Documentation should be copied and retained on file for a period of seven years so that the existence of the documents can be verified in future file reviews.

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<sup>5</sup> The benefit unit is defined as “a person and all of his or her dependents on behalf of whom the person applies for or receives basic financial assistance”.

The ministry may request to review Ontario Works policies. CMSMs and DSSABs can contact their Child Care Advisor for support with the documentation requirement.

The ministry also recommends that Ontario Works participants who are approved for unlicensed child care arrangements receive resources on the differences between licensed and unlicensed child care. For resources on child care in Ontario visit the [Ministry of Education website](#).

## **FEE SUBSIDY MANAGEMENT**

CMSMs and DSSABs are encouraged to provide a flexible mix of subsidies for part- and full-day child care, across all age groups, which reflect the range of local service needs. A seamless transition should be provided between subsidized part-day and full-day care, or part-week and full-week care as the needs of parents and children change. While taking into account parental choice, CMSMs and DSSABs are expected to leverage fee subsidy funds as appropriate to support licensees as they convert their programs to serve younger age groups.

### **Determining the Amount of Child Care to Subsidize**

CMSMs and DSSABs are to determine the amount of subsidized child care for each eligible family in accordance with the policy statement “*Access to Subsidized Child Care*” (please see Appendix B). The parent’s employment or education activities that result in a need for child care should be documented. However, where a parent works regular, full-time hours (at least 35 hours a week without rotating shifts), CMSMs and DSSABs are discouraged from documenting actual parental shifts worked as part of the attendance records. Additionally, information pertaining to a parent’s illness or disability where the illness or disability is the reason for needing child care should be documented. This includes documenting necessary information regarding a child’s special or social needs.

### **User Fees**

CMSMs and DSSABs are strongly discouraged from adopting parent fee practices that cause subsidized parents to pay fees that may exceed their ability to pay as determined by the income test.

CMSMs and DSSABs may not charge user fees to social assistance recipients who are not engaged in paid employment.

## **IMPLEMENTATION**

To complement the standard income test, the ministry continues to encourage CMSMs and DSSABs to adopt a standard approach to managing demand for fee subsidies based on local needs (e.g. first come/first served). This approach allows for flexibility at the local level while introducing more consistency across CMSMs and DSSABs in managing access to fee subsidy.

CMSMs and DSSABs have historically undertaken local planning processes to assess the socio- economic factors and to determine the appropriate allocation approach for fee subsidy funds that best meet the needs of their community. CMSMs and DSSABs should continue to use the local policies they already have in place to support the distribution of fee subsidies to children and families; however Ontario Works participants should be prioritized where possible.

Examples of socio-economic factors that could be used to allocate fee subsidies in a CMSM or DSSAB include:

- Income levels of families with children;
- Geographic areas, such as wards, lower tier municipalities, territory without municipal organization;
- High growth areas;
- Social assistance recipients;
- Children's age groups; and
- Cultural and linguistic groups such as Indigenous peoples and Francophones.

CMSMs and DSSABs continue to have the flexibility to provide immediate child care subsidy to families facing exceptional circumstances, such as referrals from children's aid societies or victims of domestic violence.

CMSMs and DSSABs are expected to plan for the transition to employment for social assistance recipients so that continuity of child care support is available.

Wait list policies are to take into account families with children enrolled in before- and after school programs at schools.

## **Before and After School Programs (Extended Day Fee Subsidies)**

CMSMs and DSSABs are to fund subsidies based on 100 per cent of school-board established before- and after-school rates per O. Reg. 221/11 (Extended Day and Third Party Programs made under the Education Act).

To make the best use of subsidy dollars it was recommended that school boards establish a before-school rate, an after-school rate and a combined rate for the before- and after-school program per O. Reg. 221/11 (Extended Day and Third Party Programs).

CMSMs and DSSABs are to establish overall framework agreements with school boards that will cover all school sites where boards are directly operating before- and after- school programs, for the provision of fee subsidies. Where a board has entered into an agreement with a qualified third-party provider, CMSMs and DSSABs will continue with existing contractual processes in place (e.g. continue or enter into purchase of service agreements with individual providers).

As of 2015, the extended day fee subsidy expense and data reporting requirements has been integrated with general fee subsidy. This means that CMSMs and DSSABs are no longer required to report children receiving extended day fee subsidies separately from those receiving regular child care fee subsidies (e.g. all 4 year olds receiving fee subsidy may be tracked as one group). Please note, the Extended-Day FS care codes, Extended Day Fee Subsidy funding source and Board of Education – EDP Building Type will remain in Ontario Child Care Management System to support CMSMs and DSSABs that may still be required to report locally on these numbers.

## **Fee Subsidy Management with Children and Licensees**

CMSMs and DSSABs continue to have discretion regarding local fee subsidy management. Most CMSMs and DSSABs in the province use the best practice under which the “subsidy follows the child” in allocating fee subsidy funding. This benefits children and families by helping support the choices for child care that best meet their needs. In others, funding is committed to specific child care centres, such that parents may only enrol their child if there is a vacancy for a subsidized space in the centre.

While CMSMs and DSSABs have flexibility in setting their community waitlist priorities for local fee subsidy management, applicants for fee subsidy that meet the eligibility criteria (outlined below) cannot be denied eligibility (e.g. post-graduate students or FDK students).

## **DETERMINING ELIGIBILITY**

This portion of the guideline reviews the policies and practices related to determination of eligibility for fee subsidy.

### **Eligible Families**

Social assistance recipients are eligible for full subsidy without being subject to the income test. This includes:

- A person eligible for income support under the *Ontario Disability Program Act, 1997*; and
- A person eligible for income assistance under the *Ontario Works Act, 1997* who is employed or participating in employment assistance activities under the Act or both.

Other parents may be eligible for full or partial subsidy based on the income test formula detailed below.

### **Income Test**

CMSMs and DSSABs must use the income test prescribed by O. Reg. 138/15- Funding, Cost-sharing and Financial Assistance made under the *Child Care and Early Years Act, 2014*, to determine eligibility for fee subsidy and the amount of the parental contribution. CMSMs and DSSABs are responsible for administering the income test and verifying information. CMSM and DSSAB staff specifically designated to process applications for fee subsidy must administer the income test.

Questions and answers about the income test are available on the [Financial Analysis and Accountability Branch website](#) and may be requested from your Child Care Advisor.

### **Definition of Income**

For the purposes of income testing, the definition of income is “adjusted income” as defined under section 122.6 of the *Income Tax Act* (Canada). This definition includes net income from line 236 on the income tax returns of both spouses excluding payments received from the federal Universal Child Care Benefit (UCCB).

## Verification of Income

Amendments to Section 9 of Ontario Regulation 138/15 (Child Care and Early Years Act, 2014) were made to update language, where appropriate and ensure the new consolidated federal child benefit (Canada Child Benefit) is treated in the same manner as its predecessor benefits.

Federal child benefits were referenced in regulation specifically as the Canada Child Tax Benefit Notice. Section 9 of Ontario Regulation 138/15 outlines how parents can apply for fee subsidy to help with the costs of child care. As part of this application they had the option of submitting a Canada Child Tax Benefit Notice to verify income.

The amendment replaced references to the Canada Child Tax Benefit Notice with a generic reference to a notice of payment “under section 122.61 of the *Income Tax Act* (Canada). O. Reg. 226/16, s. 1.” Effective July 1, 2016 this notice of payment is called the Canada Child Benefit Notice.

All applicants for child care fee subsidy (and where applicable the applicant’s spouse), as well as recipients already receiving fee subsidy and being assessed under the income test, are required to provide a copy to the CMSM or DSSAB of either the most recent available Notice of Assessment or Canada Child Tax Benefit (CCTB) Notice or notice of payment under section 122.61 of the *Income Tax Act* (Canada) to the CMSM or DSSAB.

- The *Notice of Assessment* may be used for families not receiving the UCCB – refer to “net income” on line 236.
- The *CCTB Notice* may be used for families receiving the UCCB as adjusted income for the CCTB excludes the UCCB.

This means that all applicants (and where applicable the applicant’s spouse) are required to file an income tax return annually in order to be considered for fee subsidy eligibility.

Applications for fee subsidy may be taken and eligibility reviews may be conducted at any time during the calendar year. Generally speaking, in the latter half of the calendar year, parents will be required to present the *Notice of Assessment* or *CCTB* Notice or Canada Child Benefit Notice for the previous calendar year. In the first half of the calendar year, until documentation is available for the previous tax year, applicants may present the documentation for two years earlier. Older documentation is not acceptable.

There is an exception for recent immigrants defined as people who were not residents of Canada in the previous year and had no Canadian income to report for income tax

purposes. They are not required to have filed an income tax return and their adjusted income should be considered “zero” in the first year.

For more details regarding legislative authority, calculation of the parental contribution and significant changes in income, please refer to the Child Care Fee Subsidies Legislative Authority and Technical Details Guide in Appendix C.

## **BUSINESS PRACTICES**

### **Case File Reviews and Protocols**

CMSMs and DSSABs require a clear policy to determine when an applicant or recipient’s file/application requires review. The policy may include reviewing files based on the child’s age and associated change in programming as well as expected changes in circumstances (e.g. students who are beginning or finishing their studies). In order to maintain up-to-date information on parents’ eligibility, CMSMs and DSSABs will at minimum review individual files at least once a year.

As a best practice, CMSMs and DSSABs should establish and communicate their own internal case file review protocols. The protocols may include such aspects as:

- Ensuring file reviews are completed at regular intervals;
- Communicating that random file reviews may be conducted; and
- Ensuring protocols are in place to report the monitoring results and complete the necessary follow up for non-compliance with program requirements.

CMSM and DSSAB policies and protocols may be requested by the ministry and may be subject to ministry review.

### **Conflict of Interest**

Policies should be established that provide a clear audit trail and reduce the potential for conflict of interest in conducting assessments or reviews. Staff of child care and recreation programs must not be involved in the application process. Applicant source documents should be copied and retained on file as per the file retention section below so that the existence of the documents can be verified in future file reviews.

## **Protection of Privacy**

The collection of documentation related to an application for fee subsidy is subject to the *Municipal Freedom of Information and the Protection of Privacy Act*. CMSMs and DSSABs must protect the confidentiality of an applicant's personal information and related documents.

## **Purchase of Service Contracts – For-Profit and Non-Profit Sectors**

CMSMs and DSSABs may enter into agreements with service providers for the delivery of child care services in a way that can achieve the agreed outcomes, respects the principle of fair treatment to all service providers and supports parental choice. Service system managers may also provide fee subsidy to licensed programs that are directly operated by a municipality or school board.

To be eligible to enter into fee subsidy purchase of service agreements, recreation programs must meet the requirements outlined in the Camps and Authorized Recreation section of this guideline.

## **Before- and After- School Programs Offered Directly By School Boards**

As board-delivered before- and after-school programs are governed under the *Education Act*, no additional standards will be required by CMSMs and DSSABs when entering into agreements with school boards.

Before- and after-school programs offered by third party providers (licensed child care programs) must follow regulations under the *Child Care and Early Years Act, 2014*. This includes delivering programs consistent with the Minister's Policy Statement that sets out *How Does Learning Happen?* as the provincial framework to guide programming. The Minister's Policy Statement applies to all licensed child care settings. School boards that directly deliver extended day programs are also strongly encouraged to adopt the approaches outlined in *How Does Learning Happen?* to support consistency and alignment across the province.

## **Protocols for Child Care Licences**

The ministry's Child Care Licensing System (CCLS) notifies CMSMs and DSSABs whenever a new child care licence has been issued, a licence is renewed, revised, amended, suspended, terminated or closed. CMSMs/DSSABs can search and view licences and other licensing related documents (e.g. licensing letters, inspection reports) in CCLS. They can also generate licensing and serious occurrence data reports about child care centres and home child care agencies in their geographic area.

CMSMs and DSSABs should review this information when contracting with child care service providers.

### **File Retention**

Copies of applicants' documents related to income testing, identification of a child's special or social need or a parent's illness or disability must be verified and retained for a period of seven years. Closed fee subsidy files should be retained for seven years from the date of closure.

### **Complaint Resolution and Appeals**

As a best practice and to provide information on internal review and appeal processes to fee subsidy clients, CMSMs and DSSABs should establish and communicate their own internal policy regarding complaint and appeal processes. These may include:

- How to submit a request for an internal review/appeal;
- Internal appeal timelines;
- Staff training on internal review and appeal processes; and
- How decisions and reasons for decisions will be communicated.

CMSMs and DSSABs should review their internal policies regarding complaints and appeals on a regular basis (e.g. annually).

Complaints and appeals received should also be reviewed at least annually to monitor trends and identify service improvements. The ministry may review a representative sample of complaints/appeals.

### **Overpayments**

Families do not need to report in-year changes in income prior to their annual review. However, a family could still become ineligible for subsidy if they no longer had a valid reason for service and continue to use child care without advising the CMSM or DSSAB. It is also possible that a CMSM or DSSAB could learn that an applicant misrepresented their status, such as a parent applying as a single person if they were in fact married. CMSMs or DSSABs may establish or continue to apply existing policies to collect overpayments in situations where fee subsidies were provided to clients for periods of time when they in fact were not eligible for assistance or were eligible for a lower amount of assistance.

## REPORTING REQUIREMENTS

The cornerstone of the Ontario government's performance management framework for the child care program is accountability for service. Service information strengthens accountability for results, informs the public and decision-makers and other public officials, influences policy, signals areas needing attention and improvement and emphasizes the "differences that have been made" by a program or service.

### Monitoring and Reporting Process

CMSMs and DSSABs report financial and service activity data in EFIS in their Revised Estimates and Financial Statements submissions. CMSMs and DSSABs may refer to the current service agreement and EFIS instructions for required service data elements and definitions.

CMSMs and DSSABs are responsible for reporting the following expenses related to fee subsidy in EFIS:

- Total expenditures for fee subsidy and OW formal by auspice;
- Total expenditure for OW informal fee subsidy;
- Total gross expenditures by category
- Total gross expenditures by age groups<sup>6</sup>

In addition, CMSMs and DSSABs are responsible for reporting on the following data elements for child care fee subsidies and OW:

- Average monthly number of children served by age group for fee subsidy and OW formal;
- Average monthly number of children served OW informal;
- Number of children served (cumulative) for fee subsidy, OW formal and informal;
- Staffing for direct delivery of services;
- Per diem rates paid by CMSM and DSSAB (minimum, maximum and average – full and part- time)<sup>7</sup>, and,

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<sup>6</sup> Age group expenditure reporting will be required to align with the expansion plan priorities.

- Fees charged by licensees, centre and home-based, that hold purchase of service agreements with the CMSM or DSSAB (minimum, maximum and average – full and part- time).

### **Required Documentation**

At a minimum, CMSMs and DSSABs maintain the following documentation on fee subsidy payments:

- Record of payments to child care service providers; and
- Monthly invoices from service providers reporting child attendance.

Other financial practices and reporting requirements for CMSMs and DSSABs are detailed in the Ministry Business Practices section of this guideline. CMSMs and DSSABs retain required documentation for at least seven years. For further assistance (e.g. monitoring and reporting requirements) please contact the ministry.

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<sup>7</sup> Per diem rates paid by CMSM/DSSAB will be collected at the Revised Estimates reporting cycle.

## CAMPS AND AUTHORIZED RECREATION EXPENSE

### PURPOSE

This section details the funding eligibility requirements for camps and authorized recreation programs. All other current ministry protocols for the administration of fee subsidies and Special Needs Resourcing funding apply as well. Please see the Fee Subsidy and Special Needs Resourcing sections of this guideline for further information.

### ELIGIBILITY REQUIREMENTS

Section 1 of O. Reg. 138/15 under the *Child Care and Early Years Act* defines “children’s recreation program” as

- A) A program operated by a children’s recreation service provider listed in a schedule under O. Reg. 797 of the Ministry of Tourism and Recreation Act.,  
or
- B) An authorized recreational and skill building program as defined under the *Child Care and Early Years Act* and its regulations.

#### **Authorized recreational and skill building programs (After-School Care):**

Fee subsidy may be provided to children enrolled in an authorized recreation program who are six years old or older (or turning six in the current calendar year and enrolled in a recreation program provided on or after September 1<sup>st</sup>).

An Eligible Authorized Recreation Program:

- Operates once a day for no more than 3 hours on weekdays
- Promotes recreational, artistic, musical or athletic skills or provide religious, cultural or linguistic instruction
- Is not operated in a person’s home
- Is operated by one of the following:
  - A municipality, school board, First Nation, or the Métis Nation of Ontario;
  - The YMCA or Boys and Girls Clubs of Canada;
  - An Ontario After School Program funded by the Ministry of Tourism, Culture and Sport (MTCS);
  - A member of a provincial sports or multi-sport organization recognized by MTCS;
  - Operated by an [MTCS agency or attraction](#) (e.g. ROM, Ontario Science

- Centre); or
- An organization authorized by the local service system manager or First Nation.

## **Camps**

Fee subsidy may be provided for children attending a camp who are four years old or older (or turning four in the current calendar year and enrolled in a camp provided on or after September 1<sup>st</sup>).

Eligible Camps:

- Operate for no more than 13 weeks in a calendar year,
- Operate on days where instruction is not typically provided for pupils in schools
- Are not operated at a person's home
- Are operated by one of the following:
  - A municipality, school board, First Nation, or the Métis Nation of Ontario
  - A member of the Ontario Camps Association
  - the YMCA or Boys and Girls Clubs of Canada;
  - A provider of an Ontario After School Program funded by MTCS
  - A member of a provincial sports or multi-sport organization recognized by MTCS;
  - An [MTCS agency or attraction](#) (e.g. ROM, Ontario Science Centre);
  - An organization authorized by the local service system manager, municipality, school board, or First Nation

## **Age Eligibility Transition**

Under the Day Nurseries Act, parents of children with special needs could be eligible for fee subsidies for children under 18 years of age. While the *Child Care and Early Years Act* defines a child as under the age of 13, the Ontario government is taking steps to support continuity of care for children with special needs. Parents of children with special needs who were in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15). For example, if a person with special needs started to receive financial assistance at age 12 on August 30, 2017, he/she is eligible to continue receiving that financial assistance until he/she turns 18 in the year 2023. This provision means that

these adolescents will not experience a financial assistance disruption based on their age.

### **Program Requirements:**

Service system managers are required to have program requirements in place that support the health, safety and well-being of children enrolled in camps or authorized recreation programs with whom CMSM and DSSABs are entering into a purchase of service agreement for the provision of fee subsidies and/or SNR. At a minimum these requirements should include standards related to the following health, safety and well-being provisions:

- 1) Liability Insurance
- 2) Safe Arrival and Departure of Children
- 3) Vulnerable Sector Screening
- 4) Adult Supervision
- 5) Programming Quality Assurance (e.g. HIGH FIVE certification or Accredited by the Ontario Camping Association)

Camps and authorized recreation programs must also meet these requirements in order for CMSMs and DSSABs to permit the provision of SNR to children enrolled in these programs, and amend their service agreements with SNR agencies accordingly.

Service system managers may also wish to consider additional program requirements in their purchase of service agreement with operators such as requirements outlined in the ministry's Authorizing Recreational and Skill Building Programs: A Resource for Service System Managers, which will be available in spring 2017.

### **GENERAL ADMINISTRATION**

CMSMs and DSSABs are responsible for assessing and monitoring the eligibility of camps and authorized recreation programs for child care funding based on the above requirements. They may also set additional eligibility criteria. However, when determining whether or not to establish a purchase of service agreement with a camp or authorized recreation program that meets the ministry's funding eligibility requirements, CMSMs and DSSABs should, as much as possible, take into consideration the wishes and needs of the family receiving the subsidy.

CMSMs and DSSABs may not enter into a purchase of service agreement with any camp or authorized recreation program until they are satisfied that the program meets all of the eligibility requirements stated above. However, if a CMSM or DSSAB wishes to

consider a camp or authorized recreation program for a purchase of service agreement that does not meet all of the ministry's minimum requirements for funding eligibility at the time of the initial assessment, the CMSM or DSSAB is encouraged to give the camp or authorized recreation program operator sufficient time to make the changes necessary to meet the requirements.

Camp and authorized recreation fee subsidies were created with the intention of increasing choice and flexibility for families. Service system managers and other organizations that already have funding in place to subsidize the cost of camp and authorized recreation programs for families in financial need (e.g., "welcome policies") must not use child care fee subsidy funding as a replacement for this funding.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs will be required to report on the following data elements at Estimates, Revised Estimates and Financial Statements submissions regarding camps and authorized recreation:

- Total expenditures for non-profit, for-profit and municipally operated programs.
- Total gross expenditures by age groups<sup>8</sup>.
- Average monthly number of kindergarten children served-fee subsidies (applicable to camps only);
- Average monthly number of school-age children served-fee subsidies; and
- Number of kindergarten children served-fee subsidies (applicable to camps only)
- Number of school-age children served-fee subsidies.

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<sup>8</sup> Age group expenditure reporting will be required to align with the expansion plan priorities.

## **GENERAL OPERATING EXPENSE**

### **PURPOSE**

The purpose of the General Operating expense 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 (where funds allow), improve access to high quality affordable early learning and child care services for children and their families.

### **ELIGIBILITY CRITERIA**

Licensees are required to demonstrate to the CMSM or DSSAB that they are able to meet their minimum wage and mandatory benefits requirements without operating funding in order to qualify for funding.

The Ontario government recognizes and values the important role of non-profit licensees in the provision of quality child care services for children and families in Ontario. Providing ongoing support to this sector is a key focus of the general operating expense category. As a result, CMSMs and DSSABs are encouraged to allocate general operating funding to licensed non-profit programs, both centre and home-based. Funds may also be allocated to licensed programs that are directly operated by a municipality or school board.

Consistent with prior wage subsidy/enhancement program criteria, where necessary to meet local community needs, general operating funding may also be provided to licensed for-profit child care programs. However, priority focus should be placed on non-profit licensees.

### **PRIORITIES**

CMSMs and DSSABs will use the following principles to inform operating funding priorities while balancing local needs:

- Stabilizing and transforming the existing child care system to enable higher-quality, consistent services;
- Allocating funds equitably and with transparency;
- Increasing convenience and reliability for parents;
- Supporting licensed home child care agencies (HCCA) and strengthening the licensed home child care system;
- Supporting programs that serve children with special needs, as well as Indigenous and Francophone children;

- Supporting, strengthening, and (where funds allow) expanding the current proportion of child care programs operated by non-profit providers.

Licensed home-based child care programs play an important role in supporting Ontario's children and families, particularly in northern/rural/remote settings and for families with varied working hours and arrangements. The Ontario government intends to support increased access to licensed home-based child care spaces for families, which is why supporting licensed home child care agencies continues to be included as a priority for general operating funding in 2017.

Key considerations that must be supported through CMSM and DSSAB policies regarding general operating allocations include:

- Stabilizing child care fees;
- Retaining qualified stable staffing and supporting quality programming;
- Aligning with FDK implementation and supporting licensees to expand programs for younger age groups by:
  - Mitigating higher operating costs for younger age groups (ages 0-3.8);
  - Supporting the implementation of the Schools-First Child Care Capital Retrofit policy.
- Prioritizing funding based on child care licensing history, financial history and viability of programs.
- Capacity of programs to access funds through other means.

## **ALLOWABLE EXPENSES**

General operating funding may be used for ongoing costs, including: staff wages and benefits, lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies, and maintenance. Ministry funding can only be used to offset salary costs over and above the licensees' regulatory requirements for minimum wage and mandatory benefits.

In 2017 CMSMs and DSSABs must have a policy and approach in place for allocating operating grants in their communities. CMSMs or DSSABs may wish to use their previous funding amounts to inform their general operating allocation approach.

Please note that **wage enhancement funding may not be used to replace general operating funding** provided to licensees to support wages. Wage enhancement

funding is to be provided in addition to existing staff wages, including general operating grants.

### **Inadmissible Expenses**

The following expenses are considered inadmissible:

- Bonuses (including retiring bonuses), gifts and honoraria paid to staff are inadmissible expenses except for in the case that they are provided as a retroactive wage increase that will be maintained the following year;
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans;
- Property taxes (Under Review);
- Non-arm's length transactions not transacted at fair market value.
- Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators are inadmissible expenditures; and,
- Any other expenditure not listed under the allowable expenses section.

### **REPORTING REQUIREMENTS**

CMSMs and DSSABs are required to report on the following data elements regarding general operating, in their EFIS Financial Statement submission:

- Number of licensed child care centres and home child care agencies receiving general operating funding;
- Number of service agreements for licensed child care centres, home child care agencies and SNR agencies receiving general operating funding;
- Number of FTEs supported with general operating funding – (RECEs, Director-approved program staff, program staff without an RECE and non-program staff); and,
- Total licensed capacity of all programs supported (cumulative).
- CMSMs and DSSABs are also required to report on the following expenditures in EFIS:
  - Total operating funding allocated to non-profit, directly operated and for-profit licensees in Revised Estimates and Financial Statements;

- Total operating expenditures on salaries and benefits, lease and utilities, and other by auspice in Financial Statements submission.
- Total gross expenditures by age groups<sup>9</sup>.

## **IMPLEMENTATION**

As service system managers, CMSMs and DSSABs are required to develop a policy for the equitable allocation of general operating funding to licensees in their community, based on the above noted priorities and principles.

CMSMs and DSSABs should build on their existing community consultation processes in developing their general operating policies. To ensure transparency, the policy must be shared with the community and may be requested by the ministry.

The *Child Care and Early Years Act, 2014* supports greater access to licensed home-based care by increasing the incentives for child care providers to join the licensed sector. The ministry's expectation is that CMSMs and DSSABs will develop local strategies and modify operating funding policies to support any such changes to increase access to licensed home-based child care programs.

CMSMs and DSSABs are strongly encouraged to require that licensees use operating funding allocations to support a stable ongoing operating and wage base, rather than allocating as lump sums.

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<sup>9</sup> Age group expenditure reporting will be required to align with the expansion plan priorities.

## **PAY EQUITY MEMORANDUM OF SETTLEMENT**

### **PURPOSE**

To enable the Province to continue to support eligible organizations with the cost of implementing proxy pay equity.

### **ELIGIBILITY**

As a result of the Memorandum of Settlement, the Province announced additional proxy pay equity funding for eligible non-profit service providers. In order to be eligible, child care programs were required to:

- Have a proxy order from the Pay Equity Commission;
- Have posted pay equity plan(s) based on proxy comparisons;
- Have current and/or outstanding proxy obligations; and
- Receive funding through CMSMs and DSSABs to provide child care.

### **EXPENDITURE REQUIREMENTS**

The Province will continue to flow funding as agreed in the Memorandum of Settlement to CMSMs and DSSABs as part of the core services delivery allocation. CMSMs and DSSABs are required to continue to flow the pay equity funding to service providers. Service providers are required to continue to meet their pay equity obligations.

### **REPORTING REQUIREMENTS**

CMSMs and DSSABs will report on pay equity memorandum of settlement expenses in EFIS in their Revised Estimates and Financial Statements submissions. CMSMs and DSSABs will also be required to report on the number of contracts they have with licensed child care programs and non-profit agencies that receive funding under the pay equity memorandum of settlement.

#### **Please Note:**

The integration of the pay equity expense under the core services delivery allocation does not relieve CMSMs and DSSABs or licensees from their obligations to comply with the Pay Equity Memorandum of Settlement.

Wage enhancement/HCCCEG funding may not be used to fund pay equity obligations that are not fully covered by Pay Equity Memorandum of Settlement funding or to cover

any additional pay equity obligations. Wage enhancement/HCCEG funding is an enveloped allocation and can only be used for its intended purpose.

## **SPECIAL NEEDS RESOURCING EXPENSE**

### **INTRODUCTION**

This section of the guideline provides an overview of the ministry's current policies, standards, requirements and expectations with respect to the management of Special Needs Resourcing (SNR) funding and includes: the purpose of SNR, eligibility and expenditure requirements; direction for planning and collaboration; the reporting process and required documentation.

### **PURPOSE**

Special Needs Resourcing funding is to be used to support the inclusion of children with special needs in licensed child care settings, including home child care, camps and authorized recreation programs at no additional cost to parents / guardians. Under the Ontario Regulation 138/15, a "child with special needs" means a child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.

Local special needs services and supports continue to evolve over time to meet the diverse and changing needs of children, their families, and communities. The funding approach for SNR established through the child care funding formula enhances the ability of CMSMs and DSSABs to respond to these needs.

Any planned expansion of SNR-funded services and supports at the local level must comply with this guideline by supporting the inclusion of children with special needs in licensed child care settings, camps and authorized recreation programs. The ministry will continue to support CMSMs and DSSABs who have provided services that fall outside the scope of SNR funding, while they transition these services for children and their families. There is to be no expansion of programs considered out of scope.

The ministry will continue to work with its partners to modernize Ontario's child care system and plan for an increasingly integrated early years system.

### **ELIGIBILITY AND PROVISION OF SERVICES**

Services and supports purchased through SNR funding are for children with special needs 12 years of age or under in licensed child care centres and home child care (licensed) and for children with special needs in camps and authorized recreation programs. (Please refer to the Camps and Authorized Recreation section of the guideline for age eligibility and the definition of "camp" and "authorized recreation program").

**Please note** that the *Child Care and Early Years Act, 2014* defines “child” as a person who is younger than 13 years old. However, families of children with special needs who are in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15). For example, if a person with special needs started to receive financial assistance at age 12 on August 30, 2017, he/she is eligible to continue receiving that financial assistance until he/she turns 18 in the year 2023. This means that these adolescents will not experience a financial assistance disruption based on their age.

All service providers and regulated child care programs involved in the provision of SNR services must comply with legislative and regulatory requirements for provision of services, obtaining parental consent for service and information exchange for any purpose (e.g. referrals).

### **SNR EXPENDITURE REQUIREMENTS AND STAFFING**

CMSMs and DSSABs are required to spend a **minimum of 4.1 per cent** of their total child care allocation (outlined in the budget schedule of the service agreement) on SNR. CMSMs and DSSABs are encouraged to consider local community needs when determining their SNR expenditure and may wish to spend a larger percentage of their total allocation as required. Where a CMSM or DSSAB does not meet the minimum spending requirement of 4.1 per cent of their total child care allocation, the ministry will recover all remaining unspent funds.

SNR funding is made available to CMSMs and DSSABs to:

- Hire or acquire the services of a resource teacher/consultant and/or supplemental staff where necessary (including salary and benefits) to support the inclusion of children with special needs;
- Provide professional development opportunities to support staff in licensed child care settings working with children with special needs and their parents/families to support inclusion; and
- Purchase or lease specialized/adaptive equipment and supplies to support children with special needs.

Please Note: SNR-funded resource teachers/consultants and supplemental staff may not be counted toward the required ratio of employees to children in licensed child care programs.

At a minimum, the ministry recommends that resource teachers/consultants hold a diploma in Early Childhood Education, have additional training/experience/education

related to working with children with special needs, and hold a standard first aid including infant/child CPR certificate Requirements for resource teachers/consultants directly employed by licensed child care operators are outlined in section 55 of O. Reg. 137/15 made under the *Child Care and Early Years Act, 2014*.

Resource teachers/consultants typically provide a wide range of services and supports for children with special needs and their families. They may support several children in multiple locations and can also provide professional learning experiences for individuals working with children with special needs in licensed child care settings, camps and authorized recreation programs. These supports may include providing child care staff with program adaptation strategies and professional development, supporting the development of individualized support plans (per O. Reg. 137/15 – see section 52), conducting developmental screens, providing referrals to community agencies, providing information and resources for parents and obtaining specialized equipment as required.

## **PLANNING AND COLLABORATION**

CMSMs and DSSABs are encouraged to collaborate in the planning and provision of services and supports with SNR service providers, licensees, parents/guardians, schools/school board personnel, and other professionals and community service programs and agencies such as Healthy Babies Healthy Children, Infant Development, Preschool Speech and Language, early years community planning tables, child and family programs, children’s mental health, the Autism Intervention Program and Applied Behavioural Analysis autism initiatives. Cross-disciplinary collaboration will help to improve SNR services, promote seamlessness between services for children and their families, support transitions between support settings and minimize potential barriers to service delivery.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs report actual financial and service activity data to the ministry through EFIS as part of their Revised Estimates and Financial Statements.

Average monthly number of children served with SNR is one of the three contractual service targets that CMSMs and DSSABs are required to submit as part of the service agreement. In addition to the contractual service targets, CMSMs and DSSABs are required to report on total expenditures by auspice of the organization that is funded to provide the service, as well as the data elements outlined in Appendix A of this guideline. Data elements include:

- Number of child care programs supported (centre-based and home-based);
- Number of children served, up to and including age 12;

- Number of children served, age 13-18;
- Number of children served in licensed child care or enrolled in a camp or authorized recreation program;
- Average monthly number of children served up to and including Kindergarten
- Average monthly number of children served – school age;
- Number of full-time equivalent staff.

For more information on financial practices, reporting requirements and definitions please refer to the Ministry Business Practices Requirement section of this guideline.

### **REQUIRED DOCUMENTATION**

At minimum, CMSMs and DSSABs must maintain the following SNR documentation:

- Record of payments to SNR service providers; and,
- Reports from service providers that include actual expenditures and service data that support CMSMs and DSSABs in completing their Revised Estimates and Financial Statements.

CMSMs and DSSABs must retain required documentation for at least seven years.

## **ADMINISTRATION EXPENSE**

### **PURPOSE**

To support CMSMs and DSSABs in their role as service system managers, this expense is intended to support administrative costs associated with all types of child care funding.

### **ELIGIBILITY CRITERIA**

All designated delivery agents under the *Child Care and Early Years Act, 2014* (CMSMs and DSSABs) are eligible to receive administration funding.

### **ALLOWABLE EXPENSES**

Expenditures deemed reasonable and necessary for the provision of services subsidized by the ministry are admissible in the calculation of the funding entitlement. These expenditures must be supported by acceptable documentary evidence that is retained for a period of no less than seven years.

The following list defines the range of administrative expenditures that are cost sharable between the ministry and CMSMs and DSSABs.

As noted in the introduction section of this guideline, the benchmark for administration expenditures is a maximum of 10 per cent of the total CMSM or DSSAB allocation, less funding for Territory without Municipal Organization (TWOMO)) and wage enhancement. This 10 per cent includes both provincial and municipal 50 per cent cost-shared amounts. Administration expenses must represent actual expenses incurred for program administration, and may not be expressed solely in terms of a percentage of program expenditures.

#### **Staffing**

Payment of gross salaries and wages, vacation pay, sick pay, compassionate pay, overtime and statutory holiday pay for staff involved in managing the child care service system and support staff.

#### **Benefits**

Employer contributions for pension, employment insurance, workers' compensation, employee benefit plans, and other legal requirements of the employer.

## **Purchased Professional Services**

Purchased professional services that are not client related, including costs incurred in purchasing professional services for which the CMSM or DSSAB itself does not employ staff (e.g. fees for administrative or corporate legal work, audit or bookkeeping fees).

## **Accommodation**

Reasonable costs to a maximum of fair market value for accommodation required for the management of the child care service system and related administration. Fair market value for purchased accommodation is defined as the probable estimated dollar price of the property if that property were exposed for sale in the open market by a willing seller and allowing a reasonable time for a willing buyer.

A fair market value estimate must be accompanied by an indication of the exposure time linked to the value estimate. Exposure time is the estimated length of time the property would have been for sale on the open market before a hypothetical purchase at market value. Exposure time precedes the effective date of the value estimate and is based upon past market trends as they affect the type of real property under consideration.

The above definition of fair market value must also be applied to rented accommodations, whereby the estimated dollar amount is a rental price, and the willing parties are the owner and the tenant.

In the case of owned buildings, the eligible annual cost will be based on fair market value of rent or imputed rent.

## **Travel**

Reimbursement of staff costs for travel required to carry out the management of the delivery and administration of child care. Travel costs in Ontario that are associated with attendance at meetings relevant to child care service delivery. CMSMs and DSSABs are to refer to the [Ontario Public Service Travel Directive](#) as a guide.

## **Education and Staff Training**

Staff development and educational opportunities which assist in the management and administration of the child care system. Travel, accommodation and costs associated with educational conferences, seminars etc. within Ontario and Quebec.

## **Technology**

The ministry funds 100 per cent of the design, development, basic installation and training costs of the Ontario Child Care Management System (OCCMS).

The ministry will not cost share in any aspect of the development of new technology systems developed independently by CMSMs and DSSABs before or after designation that duplicates the functions of OCCMS. However, the ministry will continue to cost share in expenditures associated with maintaining fee subsidy systems that existed prior to 1998.

To support CMSMs and DSSABs in their role as service system managers, the ministry will allow administration funding to be used for expenditures for IT systems e.g. computer hardware, software, network access charges, operating costs, system enhancements, software updates, computer supplies and maintenance required to support the management of child care delivery and administration that do not duplicate the functionality of OCCMS.

Please note that any interface between OCCMS and other IT systems should be discussed with OCCMS as this could impact the program functionality.

### **General Office Expenses**

Costs associated with the following items may be required to support the management of the child care system:

- Telephone, internet and fax (may include rentals, regular charges, long distance, etc.)
- Postage and courier
- Office supplies (may include stationery, forms, maps, books, periodicals)
- Printing (may include production, translation, printing and other costs)
- Photocopier rental and services
- Insurance payments (fidelity, fire, public liability, theft, other) including bonding and liability insurance for staff
- Office equipment and maintenance
- Building maintenance (may include janitorial, cleaning, minor repairs)
- Bank transaction charges
- Collection and bad debt costs (may include court fees, credit bureau etc.)
- Advertising and marketing (job postings, newsletters)

- Research, consultation and professional services
- Moving and relocation
- Security
- Records Management
- Minor miscellaneous expenses

Note: The shareable cost of administration definitions outlined above are functional in nature.

Management functions of the child care system may be dedicated or prorated for the portion associated with the management of the child care system, if shared with other departments and offices.

In determining employee salaries and wages, include total gross salary and wage payments to all full-time, part-time, temporary, relief and staff on paid leave of absence. Total salaries equals gross pay including overtime, paid vacation, paid sick leave, statutory holidays etc. The employer's share of employee benefits can be included when calculating benefit costs.

### **INADMISSIBLE EXPENDITURES**

All expenditures arising from transactions not conducted at arms-length from the CMSM or DSSAB (e.g. transactions in which both parties to the transaction may not be acting independently of each other due to a previous relationship) are inadmissible unless transacted at fair market value.

Expenses that do not directly support the provision of child care services are inadmissible and include the following:

1. Interest expenses incurred on capital or operating loans
2. Professional organization fees paid on behalf of staff for membership in professional organizations
3. Property tax expenses
4. Fundraising expenses
5. Donations to charitable institutions or organizations
6. Bonuses, gifts and honoraria

7. Capital loans
8. Mortgage financing
9. Reserve Funds

## **RECOVERY**

Should a CMSM or DSSAB choose to exceed the Child Care Administration Maximum Allowable Expenditure (10 per cent of total 2017 allocations less TWOMO and wage enhancement/ HCCEG); any additional expenditure must be funded with 100 per cent municipal contributions. If the additional spending over and above the maximum allowable expenditure is not funded with 100 per cent municipal contributions, the ministry will recover the overspent funds equal to the amount of overspending on administration above the maximum allowable expenditure.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs will report on administrative expenses in EFIS in their Revised Estimates and Financial Statements submissions.

Reporting includes the number of full-time equivalent staff by position and number of staff (head count), along with the total salaries and benefits associated with each position type. Reporting also includes total administration expenditures.

## **SECTION 5: SPECIAL PURPOSE**

### **CAPACITY BUILDING EXPENSE**

#### **PURPOSE**

Capacity building funding is intended to support professional learning and development opportunities that build the capacity of licensees, supervisors, program staff/caregivers, home visitors, home child care providers and non-profit volunteer board members to support the provision of high quality programs for children ages 0 to 12. High quality child care programs recognize that each child is competent, curious, and rich in potential, and emphasize positive relationships and reflective practices as critical to children's learning.

#### **CONTEXT**

The *Child Care and Early Years Act, 2014* legislation and accompanying regulations will help to further support Ontario's vision for the early years. Ontario Regulation 137/15 General under the *Child Care and Early Years Act, 2014* includes program-related requirements for centre-based and home child care programs that align with *How Does Learning Happen?* and help child care settings put the ideas and approaches of this pedagogical framework into practice. The regulation can be found on the [Government of Ontario website](#).

The *Child Care and Early Years Act, 2014* sets out the authority for the Minister of Education to issue policy statements for the purpose of guiding early years programs and services. The Minister has issued a policy statement naming *How Does Learning Happen?* as the provincial framework to guide programming and pedagogy in licensed child care settings across Ontario. The Minister's policy statement is available on the [Ministry of Education's website](#).

#### **ELIGIBILITY CRITERIA**

CMSMs and DSSABs may support professional learning and development opportunities per the allowable expenses below, or CMSMs and DSSABs may provide capacity building funding for the purposes outlined in the allowable expenses section below to:

- Centre-based and home-based licensee, i.e. non-profit, directly operated and for-profit;
- Non-profit agencies that provide early learning professional learning and development (including SNR agencies); and/or

- Post-secondary institutions to develop and deliver early year's professional learning and development (e.g. certificate courses, workshops).

Professional learning and development opportunities may be designed to engage child care supervisors, program staff, resource teachers/consultants, supplemental SNR staff, cooks, home child care providers, home visitors, other staff or boards of directors of licensed non-profit programs. **Capacity building funding is not intended to support or enforce compliance with purchase of service agreements between CMSMs or DSSABs and licensees.**

## PRIORITIES

In addition to funding system-wide professional learning and development priorities, CMSMs and DSSABs should prioritize capacity building funding for licensed child care programs and/or non-profit agencies that:

- Have limited access to professional learning and development opportunities;
- Require support in improving program quality;
- Have limited capacity in business administration; and/or serve Francophone or Indigenous children and families.

## MINISTRY RESOURCES

The following ministry resources have been developed to strengthen quality in early year's settings:

- [How Does Learning Happen? Ontario's Pedagogy for the Early Years](#)
- [Introductory Guides](#) to *How Does Learning Happen? Ontario's Pedagogy for the Early Years*;
- [Think, Feel Act: Lessons from Research about Young Children](#) research briefs and videos; and
- The [Early Learning Framework website](#).
- Putting How Does Learning Happen into Practice: Program Expectations for Licensed Child Care [E-Modules](#).

CMSMs and DSSABs should support the use of these resources by their local licensees through Capacity Building.

## ALLOWABLE EXPENSES

CMSMs and DSSABs have discretion to direct funding to support a range of professional learning opportunities, as follows:

- Professional learning and development opportunities that align with the *Child Care and Early Years Act, 2014* regulations and ministry policy (e.g., workshops, mentoring and coaching, networks that are delivered in-person, virtually, etc.);
- Program-related professional learning opportunities that align with the views and approaches outlined in *How Does Learning Happen? Ontario's Pedagogy for the Early Years*, promote reflective practice and collaborative inquiry, and support the new regulatory requirements under the *Child Care and Early Years Act, 2014* (e.g. post-diploma training programs);
- Establishment of professional learning communities of practice to support early years program staff ;Professional learning and development opportunities related to child care program business administration (e.g., budgeting, leadership, human resource management, policy development, and board governance etc.);
- Professional learning and development opportunities related to the health, safety and well-being of children (e.g., nutrition, first aid, environmental health, communicable diseases, etc.);
- Release time and overtime to support staff in participating in professional learning and development opportunities; and/or
- Travel costs to support attendance at professional learning and development opportunities (municipal policies pertaining to travel and accommodation apply).

Note: see the Administration section of this guideline for related allowable CMSM and DSSAB expenses.

Note: While capacity building funding is intended to support licensed child care programs, partnerships with other community organizations and initiatives such as community colleges and full-day kindergarten and child and family programs are encouraged to promote inter-professional learning opportunities.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs will be required to report total capacity building expenditures by auspice and age groups<sup>10</sup> through EFIS.

The ministry will be exploring mechanisms to collect data related to the use of capacity building funding and will be seeking advice from municipal partners on how best to collect data related to capacity building activities.

## **IMPLEMENTATION**

As service system managers, CMSMs and DSSABs are required to have a policy and plan in place for the use of capacity building funding in their community as well as equitable distribution to licensees as required, based on the above noted priorities. Local policies must be shared with the community to ensure a transparent approach and may be requested by the ministry.

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<sup>10</sup> Age group expenditure reporting will be required to align with the expansion plan priorities.

## TRANSFORMATION EXPENSE

### PURPOSE

Transformation funding supports program viability and facilitates child care transformation. CMSMs and DSSABs are encouraged to work collaboratively with school boards and licensees to align the use of transformation funding with investments under the Schools-First Child Care Capital Retrofit policy and provincial investment for construction of new child care spaces in schools wherever possible.

### ELIGIBILITY CRITERIA

Transformation is intended to cover one-time costs for non-profit licensees, including licensed child care centres and home child care agencies that are involved **in business transformation activities and/or require business transformation supports**.

**Business transformation activities** are defined as, but not limited to: the amalgamation of two or more centres in a school or community setting; the relocation of a child care centre to a school or within the community; or, the retrofitting of an existing child care centre to serve younger age groups.

**Business transformation supports** include the following one-time expenses:

- Legal costs (available only to licensees that are amalgamating);
- Lease termination costs (available only to licensees that are amalgamating and/or relocating);
- Moving costs (available only to licensees that are amalgamating and/or relocating);
- Business planning costs;
- IT upgrades to facilitate internet connectivity for business purposes;
- Play-based material and equipment;
- Operating funding to support the viability of licensees that are transforming their business model; and/or
- Funding to home child care agencies for home visitors to facilitate the potential movement of providers from unlicensed to licensed child care.

## **ELIGIBLE EXPENDITURES**

Eligible expenditures under Transformation are grouped under three categories:

### **Amalgamation of Two or More Licensees**

- Amalgamation to support legal costs for two or more licensees that are amalgamating.

### **Relocation of a Licensee and/or Amalgamation of Two or More Licensees**

- Lease Costs (i.e., to cover the expense of terminating a lease); and/or
- Moving Costs.

### **Business Transformation Supports**

- Support business planning costs;
- Technology upgrade costs that facilitate internet connectivity for business purposes;
- Play-based material and equipment;
- One-time operating funding to support the viability of licensees that are transforming their business model; and/or
- Funding to home child care agencies for home visitors to facilitate the potential movement of providers from unlicensed to licensed child care.

## **REPORTING REQUIREMENTS**

Transformation expenditures will be reported and monitored through the Revised Estimates and Financial Statements submissions.

In addition to the total expenditure on Transformation, CMSMs and DSSABs will be required to report in EFIS, as part of the Financial Statements submissions, on the number of, and associated expenditures for:

- Total number of licensed child care centres and home child care agencies supported; and,
- Total licensed capacity of child care centres and home child care agencies supported (cumulative).

## **SMALL WATER WORKS EXPENSE**

### **PURPOSE**

Small Water Works (SWW) funding supports costs related to small water systems for licensed child care centres. CMSMs and DSSABs with child care centres that have historically received SWW funding will receive an allocation in 2017.

The 2017 allocations for SWW are based on the greater of either the reported expenditures in 2015 Financial Statements or 2016 Revised Estimates. CMSMs and DSSABs will report their SWW expenditures in their financial submissions. The ministry will verify the amount reported in the Financial Statement Submission with the CMSM or DSSAB and may require supporting documentation during the year-end reporting process. Following the review, the ministry will adjust SWW entitlement based on expenditures reported in Financial Statements.

### **LEGISLATIVE AUTHORITY**

Drinking water systems that supply water to a child care centre where the source of the water is not from a municipal water service connection are required to comply with O. Reg. 170/03 under the *Safe Drinking Water Act, 2002*.

### **ELIGIBLE EXPENDITURES**

SWW funding should be used to support regular ongoing water testing and maintenance expenses which are limited to the following expense categories – laboratory testing, chemicals, supplies/filters, courier costs, maintenance of water treatment equipment including replacement UV bulbs and training. Costs related to the purchase and installation of systems and equipment are not eligible.

### **REPORTING REQUIREMENTS**

The CMSM or DSSAB will report their SWW expenditures (including eligible expenditures above the allocated amount in your service agreement) and number of licensed centres supported in their Financial Statements.

### **REQUIRED DOCUMENTATION**

CMSMs and DSSABs are not required to submit receipts for SWW expenditures to the ministry; however, receipts must be kept on file as the ministry may request this information per the service agreement.

## **TERRITORY WITHOUT MUNICIPAL ORGANIZATION**

### **PURPOSE**

Territory without Municipal Organization (TWOMO) funding for child care helps support the costs for child care services provided in territory without municipal organization. The 2017 allocations are based on the higher of either the reported expenditures in 2015 Financial Statements or 2016 Revised Estimates.

### **ELIGIBILITY**

TWOMO funding only applies to DSSABs with territory without municipal organization, which is territory outside the geographical area of any municipality or First Nation.

### **EXPENDITURE AND REPORTING REQUIREMENTS**

Funding for TWOMO under the child care funding formula is a special purpose allocation. The funding is calculated in four stages:

- Stage 1: The municipal levy is calculated based on:
  - The total approved DSSAB Budget
  - Less other sources of revenue (provincial, federal and other funding)
- Stage 2: The TWOMO share of the municipal levy is determined using the municipal attribution or 'share' percentage.
- Stage 3: Non EDU related allocations are subtracted from the municipal levy to find the total EDU child care program allocation.
- Stage 4: The percentage of municipal levy that the child care program allocation represents is used to calculate the MEDU portion of the TWOMO levy.

DSSABs will revise this calculation, as necessary, in their Revised Estimates and Financial Statements submissions to reflect the 2017 approved DSSAB budget and municipal levy.

Additional details on entering TWOMO information in EFIS are available in the EFIS reporting instruction package.

### **REQUIRED DOCUMENTATION**

Along with their Financial Statement submission, DSSABs are requested to submit a copy of the following:

- Approved DSSAB budget; and
- Levy Apportionment details.

The ministry will verify the amount reported in the Financial Statements submission with the DSSAB's supporting documentation sent to the ministry during the year-end reporting process.

## **PLAY-BASED MATERIAL AND EQUIPMENT EXPENSE**

### **PURPOSE**

Play-based material and equipment funding is intended to help licensees create enriching environments both indoors and outdoors with open ended materials that promote children's learning and development through exploration, play and inquiry consistent with the views, four foundations and pedagogical approaches of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*. Please see the [Ministry of Education website](#) for additional information and refer to Section 19 of O. Reg. [137/15 General](#) for provincial requirements of play-based materials, equipment and furnishings.

Play-based material and equipment funding may be used to purchase non-consumable supplies/equipment to support the ongoing regular operation of the child care program (e.g. kitchen supplies, IT etc.).

### **ELIGIBILITY**

All licensed non-profit and for-profit licensees are eligible to receive play-based material and equipment funding. CMSMs and DSSABs are not required to seek prior approval from the ministry on play-based material and equipment expenditures; however funding should be prioritized for licensees who can demonstrate that the funding will be used to support children's active exploration and learning through play.

### **REPORTING REQUIREMENTS**

CMSMs and DSSABs are required to report expenditures in their Revised Estimates and Financial Statements and the number of licensed child care centres and home child care agencies in receipt of play-based material and equipment funding in Financial Statements.

## **REPAIRS AND MAINTENANCE EXPENSE**

### **PURPOSE**

The purpose of repairs and maintenance funding is to support licensed child care centres and home child care agencies that are not in compliance with licensing requirements or may be at risk of not being in compliance with licensing requirements under the *Child Care and Early Years Act, 2014*. Funding is intended to cover one-time repair and maintenance costs.

### **ELIGIBILITY CRITERIA**

All licensed child care centres and home child care agencies are eligible for repairs and maintenance funding. CMSMs and DSSABs are not required to seek prior approval from the ministry on repairs and maintenance expenditures; however, funding should be prioritized for child care service providers that can demonstrate that they are not in compliance or are at risk of not being in compliance with licensing requirements under the *Child Care and Early Years Act, 2014*.

### **EXPENDITURE REQUIREMENTS**

Some common health and safety issues that may be eligible for repairs and maintenance funding include:

#### **Food Preparation**

Repair or replacement of:

- Hand washing sink in the kitchen
- Dishwasher or hot water booster
- Major appliances

#### **Washrooms**

Repair or replacement of:

- Fixtures
- Partitions
- Flooring material
- Change table

## **Major Systems**

Repair or replacement of:

- Leaking roof
- Building foundation
- Heating/cooling system
- Ventilation system
- Sump pump
- Emergency lighting
- Accessibility
- Windows or doors
- Asbestos removal or encapsulation
- Secure entrances
- Wiring upgrades

## **Play Area**

Repair or replacement of:

- Damaged walls/peeling paint that may contain lead
- Windows
- Damaged/worn flooring material or ceiling
- Damaged/worn outdoor safety surfacing
- Fencing
- Drinking water system
- Heating system

## **Code Compliance**

- Ontario Fire Code orders/recommendations
- Ontario Building Code orders/recommendations
- Public Health Code orders/recommendations

CMSMs and DSSABs should prioritize repairs and maintenance expenditures at a system level amongst their child care licensees in alignment with community priorities. The above list is a guide and not an exhaustive list. Repairs and maintenance funding cannot be used for program expansion. Repairs and maintenance funding must be paid to licensees on a claims-basis.

Repairs and maintenance funding must be spent by December 31<sup>st</sup> of each calendar year.

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs are required to report the number of licensed child care centres and home child care agencies in receipt of repairs and maintenance funding and the total licensed capacity of the programs supported.

## **SECTION 6: WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANTS (HCCEG)**

### **PURPOSE**

Registered Early Childhood Educators (RECEs) and other child care program staff play a key role during the critical years of a child's development. However, there is a significant wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector. This wage gap creates challenges in retaining qualified pedagogical professionals to deliver affordable, high quality services.

The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. The wage enhancement/HCCG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help to close the wage gap between registered early childhood educators (RECEs) working in full-day kindergarten (FDK) programs and RECEs/other child care program staff working in licensed child care settings.

The 2017 wage enhancement grant supports an increase of up to \$2 per hour, plus 17.5 percent benefits for licensed program staff and home visitors. In addition, the HCCEG supports an increase of up to \$20 per day for home child care providers contracted with a licensed home child care agency.

### **GOALS**

The goals of the enhancement are to:

- Close the wage gap between RECE wages in the school board and licensed child care sectors;
- Stabilize licensed child care operators by helping them retain RECEs/child care staff; and
- Support greater employment and income security.

These goals support the ministry's priorities to:

- Stabilize and transform the existing child care system to increase program reliability for parents and support consistent, higher quality child care services to support children's learning and development; and
- Support licensed home child care agencies and strengthen the licensed home child care system.

## **ELIGIBILITY**

All licensed child care centres and home child care agencies that opened before January 1, 2017 are eligible to apply for wage enhancement/HCCEG funding, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status with their local CMSM or DSSAB. Licensed centres or agencies that are created in 2017 will only be eligible to apply in 2018.

### **Wage Cap**

As the intent of the wage enhancement is to close the wage gap between RECEs working in publicly funded schools and RECEs, child care program staff and providers in licensed child care settings, the ministry has established an hourly wage maximum of **\$26.68**/hour for wage enhancement and **\$266.80** per day for full HCCEG (**\$160.08** for partial HCCEG).

This wage cap aligns with the top of the existing school board Educator Salary Matrix for RECEs working in FDK. In 2017, the wage cap has increased by approximately 1.5% to align with adjustments to the salary and wages of the school-based ECE grid stated in the current three year central labour agreements.

### **Wage Enhancement - Child Care Centre Program Staff and Home Child Care Visitors**

Note: Eligibility criteria is used to determine entitlement (based on hours worked in 2016) and to determine payments to staff in 2017.

#### **Full Wage Enhancement**

To be eligible to receive the full 2017 wage enhancement of \$2 an hour plus 17.5 per cent in benefits, staff must:

- Be employed in a licensed child care centre or agency;
- Have an associated base wage excluding prior year's wage enhancement of less than \$24.68 per hour (i.e. \$2 below the wage cap of \$26.68); and
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios under the *Child Care Early Years Act*.

Child care program positions that are in place to maintain higher employee-child ratios than required under the *Child Care and Early Years Act*, and meet the eligibility outlined above, are also eligible for wage enhancement.

## **Partial Wage Enhancement**

Where an eligible centre-based or home visitor position has an associated base wage rate excluding prior year's wage enhancement between \$24.69 and \$26.68 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$26.68 per hour without exceeding the cap.

- For example, if an RECE position has a base wage rate, excluding the previous year's wage enhancement, of \$25.50 per hour, the position would be eligible for wage enhancement of \$1.18 per hour.

### **Ineligible Positions (Non-Program Staff):**

- Cook, custodial and other non-program staff positions are not eligible for wage enhancement funding.
- SNR-funded resource teachers/consultants and supplemental staff are not eligible for wage enhancement funding.
- The only exception to the above is if the position spends at least 25 per cent of their time to support ratio requirements; in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (i.e. temp agency) are not eligible for wage enhancement.

## **Home Child Care Enhancement Grant (HCCEG) - Home Child Care Providers**

### **Full Home Child Care Enhancement Grant**

In order to be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees, excluding prior year's HCCEG, of less than \$246.80 (i.e. \$20 below the cap of \$266.80).

## **Partial Home Child Care Enhancement Grant**

In order to be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding providers own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees, excluding prior year's HCCEG of less than \$150.08 (i.e. \$10 below the cap of \$160.08).

Please note: Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

## **Supplemental Grant**

The ministry will provide an additional supplemental grant of \$150 for each eligible centre based FTE or home visitor FTE and \$50 for each eligible home child care provider. The supplemental grant allows licensees some flexibility to provide and implement wage enhancement in a way that aligns with their regular operations.

The supplemental grant must be used to support staff, home visitors' and providers' hourly/daily wage or benefits.

It provides licensees with the flexibility to cover salary shortfalls (due to increased hours in program or new staff/providers) and additional benefits, (e.g. vacation days, sick days, PD days and/or other benefits) once mandatory benefits are covered. Any funding that is not used for these purposes will be recovered.

CMSMs/DSSABs should work with licensees to set priorities on how to use the supplemental grant.

## **APPLICATION PROCESS**

Note: The new 2017 application forms replace previous applications provided in 2016.

If an licensee applied in 2016 for wage enhancement/HCCEG, they will need to apply again in 2017 for all positions or home child care providers that would be eligible.

Information on eligibility will be gathered through the application process administered by CMSMs and DSSABs. 2016 information will be gathered on application forms and used to determine funding entitlement for 2017.

Note: Wage enhancement/HCCEG payments to staff and home child care providers will be made based on 2017 time in program.

Licensees should enter total hours worked in 2016 for each eligible position, including overtime hours. Please note the base hourly wage rate or home child care provider fees entered in the application form should exclude previous wage enhancement/HCCEG amount received.

The ministry has provided sample application forms and related instructions to CMSMs/DSSABs including: an application form for licensed child care centre positions and home child care visitors, and another application form for home child care providers working with licensed home agencies.

While the application process is required, the templates are samples and the CMSM or DSSAB may prefer to use their own forms to determine eligibility and entitlement calculations required by the ministry. Any forms posted online should make reference to the wage enhancement/HCCEG being funded by the Government of Ontario.

In order to support the goals of the wage enhancement/HCCEG, the application process must be easily accessible to the public. To this end, CMSMs and DSSABs are required to:

- Post the application on their public website for a minimum period of 45 calendar days
- Post email/telephone contact information for inquiries related to the wage enhancement.
- Determine application due date to align with financial reporting deadlines.

## **PUBLIC INQUIRIES**

As the service system managers for child care, CMSMs and DSSABs are required to manage public inquiries related to the wage enhancement/HCCEG. In order to manage these inquiries, CMSMs and DSSABs may wish to post information regarding the wage enhancement/HCCEG along with contact information on their website.

## **REPORTING IN REVISED ESTIMATES**

A notional wage enhancement/HCCEG amount will be included in the budget schedule of the 2017 Child Care and Child and Family Program Services Agreement. The

ministry will adjust entitlements and resulting cash flows based on the aggregate of 2017 applications as reported to the ministry through the 2017 Revised Estimates submission.

To ensure timely payments to licensees and staff, CMSMs and DSSABs should provide an accurate Revised Estimates submission to the ministry.

If the entitlement reported through the Revised Estimates submission exceeds the wage enhancement/HCCEG allocation included in the 2017 service agreement, an amended service agreement will be required. Please see the reporting requirements section below for details on the required data.

The ministry will not adjust allocations beyond Revised Estimates submissions.

The ministry will continue to cash flow the 2016 approved wage enhancement/HCCEG entitlement until the 2017 entitlement (provided through 2017 Revised Estimates reporting) is submitted.

## **PAYMENTS TO LICENSEES**

CMSMs and DSSABs may need to enter into new funding agreements/arrangements with licensed child care centres and/or home child care agencies for the provision of wage enhancement/HCCEG funding if there is no current purchase of service agreement. Wage enhancement/HCCEG accountabilities and data collection may be built into existing purchase of service agreements and reporting processes by CMSMs and DSSABs.

Note: CMSMs and DSSABs will continue to have full discretion in determining which licensees they enter into purchase of service agreements with for the provision of other child care services (e.g. fee subsidy, special needs resourcing, general operating, etc.).

If child care staff or home child care providers exceed the cap at any time during the year, excluding wage enhancement or HCCEG, they will no longer be eligible to receive the increase.

If at any point a home child care provider stops serving children, the home child care agency must terminate the transfer of HCCEG funds to the provider.

## **ALLOWABLE EXPENSES**

Wage enhancement/HCCEG funding (including the supplemental grant) is an enveloped allocation. Wage enhancement/HCCEG funding must be directed solely to licensed child care staff and home visitors to increase wages and benefits, and to home child care providers to increase daily income. Wage enhancement/HCCEG funding cannot be used to support child care system expansion, or reduce fees.

CMSMs and DSSABs and licensees may only use the funding for the intended purposes of:

- Increasing wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5 percent benefits based on their current wage rate for all hours worked in program, including overtime hours,

*Please note: the salary increase cannot exceed \$2 per hour in program and the wage cap of \$26.68 per hour. Licensees may exceed 17.5 per cent for benefits if the supplemental grant is used to support additional benefit expenses.*

- Providing a daily increase of up to \$20 for eligible licensed home child care providers based on current hours of service provided.

*Please note: the daily wage increase cannot exceed \$20.00 and the daily cap of \$266.80.*

### **Benefits Funding and Flexibility**

Benefits of 17.5 per cent support licensees in meeting their statutory benefit requirements.

Once all statutory benefits requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Any residual benefits funding can be used to support wage enhancement salaries per the above allowable expenses. Please note this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

**Any funding not used for the intended purpose will be recovered by the ministry.**

### **RECONCILIATION**

CMSMs and DSSABs are required to have a reconciliation process for licensee use of wage enhancement/HCCCEG funding, which can be built into processes already established for child care. The ministry provided sample reconciliation templates in 2015 and 2016. Please note that sample reconciliation templates will no longer be provided by the ministry. CMSM and DSSABs can refer to previous sample templates for reconciliation details.

Please ensure that for the purposes of reporting the reconciliation at year end, salaries and benefits payments are tracked separately by the licensee and CMSMs and DSSABs.

CMSMs and DSSABs will be required to collect FTE data as part of the reconciliation process.

CMSMs and DSSABs may use wage enhancement/HCCEG funding surpluses from one centre/agency to offset deficits in another centre/agency (within the same CMSM or DSSAB).

## **LICENSEE ACCOUNTABILITY**

To help ensure licensee accountability and the appropriate use of ministry funds, CMSMs and DSSABs must inform licensees of:

- The purpose of the wage enhancement/HCCEG funding;
- The eligibility requirements;
- Associated reporting requirements;
- CMSM or DSSAB auditing policies;
- The process for reconciling wage enhancement/HCCEG funding with licensees at year end (e.g. submission of operator financial statements); and,
- The recovery process for funds not utilized in accordance with the eligible expenditures.

Entitlement is based on previous years' information, however licensees have the flexibility to provide wage enhancement/HCCEG to current eligible staff/providers and they also have flexibility in the use of the supplemental grant.

CMSMs/DSSABs should support licensees with setting priorities for the distribution of funds, for example, to staff who were eligible in 2016 and continue to be eligible in 2017. A licensee may then determine feasibility of funding newly created positions or newly joining providers in the year. In the case of expanded staffing, providers, or hours, licensees may run short before the end of the year.

The following accountability mechanisms should be put in place by CMSMs and DSSABs for licensees:

- A statement completed by the participating licensee which attests that 100 per cent of wage enhancement/HCCEG funding was provided directly to eligible child care staff, home child care visitor or home child care provider (this statement can be included in the funding agreement).

- An approach for confirming licensee compliance with service agreements and guidelines (e.g. audit procedures, special purpose reports, request for T4 statements to confirm wage increase, etc.)
- Reporting requirements that reflect service and financial data required by the ministry (please see reporting requirement section for details).
- If a centre or agency closes, CMSM and DSSABs are to work with the licensee to meet the requirements listed above and support payments to eligible staff and/or home child care providers for hours worked before the closure. Any unused funds would be recovered.

In the event that a CMSM or DSSAB determines that a licensee has **failed to meet the funding conditions outlined in their agreement** for the provision of wage enhancement/HCCEG funding, the CMSM or DSSAB must recover all misused funds. Additionally, non-compliant licensees may be deemed ineligible to receive future wage enhancement funding. CMSMs and DSSABs are responsible for establishing a process for confirming licensee compliance.

### **Program Closure**

Where a centre or agency applied for wage enhancement/HCCEG and closes mid-year, CMSM and DSSABs are to work with the licensee to meet the accountability requirements and support payments to eligible staff and/or home child care providers for hours worked before the closure.

In cases of program transfers/amalgamations, CMSM and DSSABs have discretion to:

1. Accept application forms from amalgamated or transferred programs.
2. Transfer wage enhancement funding from the former licensee to the amalgamated or transferred program.

Provided the following applies:

- There are no substantial changes to either the program offered or staff employed under the new arrangement,
- The transformation supports continuity of care and program viability, and
- The CMSM and DSSAB has mechanisms in place to ensure accurate information and accountability for the transfer of funding.

## **PAYMENTS TO STAFF AND PROVIDERS**

Wage enhancement/HCCEG funding entitlements are based on 2016 data; however, wage enhancement payments should be provided to eligible positions for each hour worked in 2017. Licensees have the flexibility to fund their current year's eligible positions, even if the position did not exist in 2016.

Similarly, HCCEG payments should be provided to eligible home child care providers for each day worked in 2017. Agencies have the flexibility to fund current year eligible providers, regardless of whether the provider had a contract with the agency in 2016. The compensation rate (partial or full) will be based on their current year services.

CMSMs and DSSABs may begin flowing funds to licensees for the wage enhancement/HCCEG as soon as they have the information to calculate the wage enhancement entitlement for centres and home child care agencies from application forms.

Licensees must include wage enhancement or HCCEG payments in each paycheque or payment made.

In addition, licensees must notify staff or home child care providers of the amount provided to them through this initiative on staff pay cheques/home child care provider fee transfers, or through a separate letter, labeled as follows:

- Provincial child care wage enhancement; or
- Provincial home child care enhancement grant

## **REPORTING REQUIREMENTS**

CMSMs and DSSABs will be required to report on the following expenses and service data elements in their EFIS Revised Estimates and Financial Statement submissions by auspice:

### **Expenditures:**

All expenditures below should include any funding from the supplemental grant.

- Full and partial wage enhancement funding including salary component and benefits component for:
  - RECEs,
  - Supervisors,
  - Other program staff , and

- Home child care visitors
- Full and partial HCCEG required for home child care providers;
- Actual total wage enhancement salaries and benefits paid out for fully and partially eligible RECE, Supervisors, other program staff and home visitors related to ministry funding only; and
- Actual total HCCEG paid out for fully and partially eligible home child care providers.

**Service Data:**

- Number of fully and partially eligible RECEs, Supervisors, and non-RECE FTEs eligible for wage enhancement;
- Number of fully and partially eligible home visitor FTEs eligible for wage enhancement;
- Number of fully and partially eligible home child care providers receiving HCCEG;
- Number of ineligible RECEs, Supervisors, and non-RECEs (i.e. exceed the cap);
- Number of ineligible home visitors (i.e. exceed the cap);
- Number of ineligible home child care providers (i.e. exceed the cap);
- Number of child care centres or sites receiving wage enhancement;
- Number of centre-based child care licensees receiving wage enhancement; and
- Number of home child care agencies receiving HCCEG

## **WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANTS ADMINISTRATION EXPENSES**

### **PURPOSE**

To support CMSMs and DSSABs with the implementation of the wage enhancement/HCCEG initiative, the ministry is providing child care service system managers with funding for administration to support the implementation at the CMSM and DSSAB and operator levels.

### **FUNDING ALLOCATIONS**

Wage enhancement/HCCEG administration allocations will be the same as the amount provided in 2016. The allocation will be included in the budget schedule of the 2017 child care and child and family program service agreements.

### **ALLOWABLE EXPENSES**

The wage enhancement administration funding allocation is to be used to fund the administrative effort associated with implementing the wage enhancement/HCCEG such as updates to CMSMs/DSSABs wage enhancement/HCCEG applications and posting on websites, creation of wage enhancement/HCCEG processes, outreach to licensees, training and support (including resource costs), etc.

CMSMs and DSSABs are required to provide a minimum of 10 per cent of their 2017 administration funding allocation to licensees to support implementing wage enhancement/HCCEG. To support increased uptake of the HCCEG, CMSM and DSSABs are asked to prioritize Home Child Care Agencies for administration funding in 2017. CMSMs and DSSABs that provided more than 10 per cent of administration funding to licensees in previous years are encouraged to continue to do so in 2017.

If less than 10 per cent of 2017 wage enhancement administration funding is provided to licensees, the difference will be recovered by the ministry.

### **REPORTING REQUIREMENTS**

CMSMs and DSSABs will be required to report on the following expenses and service data elements in their EFIS Revised Estimates and Financial Statement submissions by auspice:

- Total administration funds spent (including funds provided to licensees);
- Total administration funding provided to centres and home child care agencies;  
and

- Total number of centres and home child care agencies who received administration funding.

The wage enhancement/HCCEG administration grant provided in 2015 will continue to be reported on as it was provided as a grant that could be carried forward. Therefore, unused 2015 administration grant funding will not be recovered by the ministry. However, please note that unused administration funding that was provided to CMSM and DSSABs in 2016 and 2017 will be recovered by the ministry.

## SECTION 7: CHILD AND FAMILY PROGRAMS

### INTRODUCTION

On February 19, 2016, the government announced the Ministry's plan for moving forward with the integration and transformation of child and family programs. In 2018, all Ministry-funded child and family programs will be part of an increasingly integrated, cohesive system of services and supports for children ages 0-6 and their families known as Ontario Early Years Child and Family Centres (child and family centres). All child and family centres will be guided by a provincial framework, a common identity and a new funding approach.

Beginning in 2018, CMSMs and DSSABs will be responsible for the implementation and management of child and family centres. This transformation will help us achieve our goal of establishing increasingly integrated early years programs and services in Ontario. In July 2016, the Ministry released new Planning Guidelines for Ontario Early Years Child and Family Centres for Service System Managers. These guidelines are intended to guide CMSMs and DSSABs in the planning, management and delivery of child and family programs and services. For more information about the guidelines and related planning expectations, please view the [Ontario Early Years Child and Family Centres Planning Guidelines for Service System Managers](#) on the Ministry of Education Website.

To inform service system planning and support municipal service system managers, funding for Data Analysis Services (formerly Data Analysis Coordinators) were transferred to CMSMs and DSSABs in January 2017. The timing of this transfer is intended to provide support for initial planning efforts of Ontario Early Years Child and Family Centres in 2018.

The following child and family programs and related initiatives are supported by the ministry:

- Better Beginnings, Better Futures
- Child Care Resource Centres\*
- Ontario Early Years Centres\*
- Parenting and Family Literacy Centres
- Data Analysis Services\*
- Early Child Development – Planning\*

This section of the guideline applies to all CMSMs and DSSABs that currently receive an allocation for the applicable child and family programs and associated resources listed above\*. As with previous years, child and family programs will continue to refer to existing MCYS guidelines for operating direction until December 31, 2017. If your CMSM or DSSAB requires any of the guidelines and/or policy statements listed below, they may be requested from the ministry through the Early Years Implementation Branch by emailing [EYIB@ontario.ca](mailto:EYIB@ontario.ca).

## **CHILD CARE EXEMPTIONS**

The purpose of this section is to clarify the exemptions related to the provision of child care services in child and family programs. Section 4 of the *Child Care and Early Years Act, 2014* sets out what programs and services fall outside the scope of child care and do not require licence. Further exemptions are also set out in the General Regulation (O.Reg. 137.15) under the Act.

There are exemptions under section 3 of the General Regulation that may be particularly relevant to child and family programs that help to maintain the modified status quo to program delivery. These are:

- Preparation for Junior Kindergarten: exempts programs operated by a child and family program which prepare children for entry into JK, only serve children enrolled or eligible to be enrolled in JK in the coming school year, and operate for no more than 72 hours total OR no more than 7.5 hours a week.
- Nutrition Programs: exempts programs with the purpose of providing children with a nutritious meal or snack to ensure children will be well nourished and ready to learn and operated in partnership with a child and family program.

Please refer to the *Child Care and Early Years Act, 2014* and its General Regulation (O. Reg. 137/15) for full details.

## **REPORTING**

Financial reporting for to child and family programs for 2017 will be submitted in EFIS. CMSMs and DSSABs that receive this funding are only required to report service data and expenditures for these programs in the Interim Report and Financial Statement submissions. In the Interim Report, CMSMs and DSSABs will report in-year actuals up to June 30 and provide a projection of expenditures and service data to December 31. In the Financial Statements, CMSMs and DSSABs report on their actual performance for the year. The Financial Statements submission is also a reconciliation of the CMSMs and DSSABs funding allocation against actual expenditures once the year-end results are reported. See page 15 for additional details on these reporting periods.

## **CHILD AND FAMILY PROGRAM WEBSITE**

The ministry's website includes a child and family program landing page with information about the programs funded by the ministry, including: Better Beginnings, Better Futures, Child Care Resource Centres, Ontario Early Years Centres, and Parenting and Family Literacy Centres.

The purpose of the site is to connect the public to relevant local programs. We request that organizations contact the ministry if the information appearing on the website needs to be updated. To access this site, click [here](#). Requests to change the information posted on the website should be emailed to: [EYIB@ontario.ca](mailto:EYIB@ontario.ca) with the subject line "Child and Family Program Website".

## **ADMINISTRATION**

The expenditure benchmark for administration for child and family programs is a maximum ceiling of 10 per cent of the total child and family program allocation, less funding for Territory without Municipal Organization (TWOMO). The 10 per cent maximum applies to all CMSMs and DSSABs administering child and family programs.

The administration expense is intended to support administrative costs associated with child and family program funding. For information on eligible administration expenses, please refer to the administration expense criteria for child care.

## **INTERIM REPORTING**

The Interim Report submission allows CMSMs and DSSABs to monitor in-year performance against financial and service data targets. The Interim Report submission is submitted annually by each CMSM or DSSAB to the ministry. It is for the period ending June 30, with a projection of expenditures and service data to December 31 and are due by August 31, 2017.

## **FINANCIAL STATEMENTS REPORTING**

The Financial Statements reporting submission represents the CMSM or DSSAB's actual performance for the year. It is due five months following the CMSM or DSSAB's year-end date, or May 31 and includes the following five elements:

1. Audited financial statements of the CMSM or DSSAB;
2. A post audit management letter issued by the external auditors. If such a letter is not available, confirmation in writing for the rationale as to why it is not available;
3. A schedule of child and family program revenues and expenses funded by the ministry. This information may be provided through the following formats:

- Included as a note to the audited Financial Statements (part of #1 above);
- Included as a schedule to the audited Financial Statements (part of #1 above);

or

- Included as part of a separate audit or review engagement report.\*

4. An active EFIS submission;

5. Two signed copies of the following two documents printed out from the active EFIS submission of the 2017 Financial Statements:

- Cover Page
- Funding Entitlement Calculation page

\* The review engagement report allows for the independent verification of data reported in EFIS. Sample word and excel templates will be provided at a later date.

## **ONTARIO EARLY YEARS CENTRES – A462**

Ontario Early Years Centres (OEYCs) will continue to refer to existing MCYS guidelines for operating and policy direction. These guidelines include, but are not limited to:

- Planning the Ontario Early Years Centres: Guidelines for Communities;
- The Ontario Early Years Centre Program Orientation and Resource Guide;
- The Ontario Early Years Centres and Child Care Resource Centres Service Data Element dictionary; and
- Policy statements, guidelines or communications provided to agencies related to policies, operations and/or the provision of OEYC services.

OEYCs are not permitted to use funding from the ministry to support unlicensed child care registries. Funding can continue to be used to provide access to information and resources for all providers.

### **Reporting Requirements**

CMSMs and DSSABs are required to report OEYC expenditures in their Interim Report and Financial Statements submissions in EFIS. In addition, CMSMs and DSSABs will be required to report on the following data elements in these submissions:

- Number of visits made by parents/caregivers,
- Number of children served,
- Number of visits made by children,
- Number of parents/caregivers served,
- Number of professionals in workshops/seminars,
- Number of referrals,
- Number of protocols/official linkages,
- Number of parents/caregivers in workshops/seminars; and
- Civic address of all OEYC sites supported with EDU funding.

The ministry will not be requesting service plans from OEYCs in 2017. OEYCs should continue existing planning processes for local service delivery. OEYCs that would like to share their most recent service plan with the ministry may email it to [EYIB@ontario.ca](mailto:EYIB@ontario.ca).

#### **DATA ANALYSIS SERVICES – A466**

Funding for Data Analysis Services (formerly Data Analysis Coordinator) was transferred to CMSMs and DSSABs in January 2017. This funding is intended to support the initial planning efforts for Ontario Early Years Child and Family Centres, as well as enable the broader collection and mobilization of quantitative and qualitative data to inform ongoing early years community planning processes.

CMSMs and DSSABs have the flexibility to determine how to use these funds to achieve the intended outcomes, whether through in-house data and planning services or by entering into a purchase of service agreement with an external organization.

Services to be provided include:

- Identifying all local sources of data and, where appropriate, incorporating into early years planning.
- Ensuring the collection and retention of key local historical data on early years and where appropriate, incorporating data into early years planning.
- Leading local knowledge mobilization and acting as a resource in the community related to early years research and data including the Early Development Instrument (EDI) and related community measures.

- Supporting local planning groups in disseminating results of local data collection, evaluation and planning activities.
- Building capacity, awareness and understanding of early years research among community partners, and promoting the use of research and evaluation findings in evidence-informed decision-making.
- Establishing research and other appropriate community linkages to support the early years.

Program goals and service objectives include:

- Ensuring early years service system planning decisions are responsive to regularly reviewed community needs and priorities;
- Ensuring that local early years programs and services are reflective of relevant, current research and evidence; and
- Actively supporting knowledge mobilization and exchange within the early years sector to support service enhancements.

### **Reporting Requirements**

CMSMs and DSSABs are required to report Data Analysis Service expenditures in their Interim Report and Financial Statements submissions in EFIS. In addition, CMSMs and DSSABs will be required to report on the number of full-time equivalent (FTE) staff supported through this funding in these submissions.

Note: The data elements for Data Analysis Services are under review given the transition to Ontario Early Years Child and Family Centres; as a result the Ministry is only collecting the number of FTE staff for 2017.

### **EARLY CHILD DEVELOPMENT – PLANNING (including Indigenous Planning) – A525**

CMSMs and DSSABs receiving funding for Early Child Development - Planning will continue to refer to existing MCYS guidelines for operating and policy direction until December 31, 2017. These include, but are not limited to:

- Implementation Planning Guidelines for Best Start Networks;
- Early Child Development - Indigenous Planning Template;
- Child Care Service Planning Requirements; and
- Policy statements, guidelines or communications provided to agencies related to Early Child Development Best Start planning.

## **Indigenous Planning**

A portion of the Early Child Development - Planning (A525) allocation is dedicated to engage and strengthen relationships with Indigenous partners and/or deliver more integrated services for Indigenous children and families. The allocation to support Indigenous planning is outlined in the budget schedule of your service agreement.

The ministry will collect the Indigenous Planning Templates from CMSMs and DSSABs for 2017. Community planning tables should build upon existing community planning processes for this funding. The ministry will be reviewing plans once they are submitted, but community networks are encouraged to begin implementing their plan immediately so that work can take place throughout the year. Please complete the attached template (see Appendix D) and send it to the ministry at [EYIB@ontario.ca](mailto:EYIB@ontario.ca) by June 30, 2017.

## **Reporting Requirements**

CMSMs and DSSABs are required to report Early Child Development - Planning (including Indigenous Planning) expenditures in their Interim Report and Financial Statements submissions in EFIS.

## **CHILD CARE RESOURCE CENTRES – A386**

During the transition period, Child Care Resource Centres (CCRCs) will continue to refer to existing MCYS guidelines for operating, funding, and policy direction. These guidelines include, but are not limited to:

- Child Care Resource Centre Guideline (included in Child Care Service Management Guidelines, 2000);
- Child Care Service Planning Requirements;
- Ministry of Community and Social Services Child Care Resource Centre policy; and
- Policy statements, guidelines or communications provided to agencies related to policies, operations and/or the provision of CCRC services.

CCRCs are not permitted to use funding from the ministry to support unlicensed child care registries. Funding can continue to be used to provide access to information and resources for all providers.

## **Reporting Requirements**

CMSMs and DSSABs are required to report CCRC expenditures in their Interim Report and Financial Statements submissions in EFIS. In addition, CMSMs and DSSABs will be required to report on the following data elements in these submissions:

- Number of visits made by parents/caregivers;
- Number of children served;
- Number of visits made by children;
- Number of parents/caregivers served;
- Number of professionals in workshop/seminars;
- Number of referrals;
- Number of protocols/official linkages;
- Number of parents/caregivers in workshop/seminars; and
- Civic address of all CCRC sites supported with EDU funding.

## **SERIOUS OCCURRENCE PROTOCOL**

CMSMs and DSSABs that are funded for Child Care Resource Centres (CCRCs) and/or Ontario Early Years Centres (OEYCs) are required to report serious occurrences (SOs) to the ministry. CMSMs and DSSABs are required to submit to the ministry reports for serious occurrences (SORs) that take place in CCRCs and OEYCs if it falls into any of the categories below. CMSMs and DSSABs must submit SORs to the ministry within 24 hours of a serious occurrence.

1. Death of a child
2. Serious injury to a child that requires treatment by a regulated health professional (doctor, nurse, dentist, etc.) and/or a serious injury that involves the police, fire or ambulance/EMS/paramedics
3. Allegation of abuse and/or neglect of a child
4. Child is missing (if the child is still missing when the SOR is submitted)
5. High potential for public criticism of the ministry and/or if the situation may lead to questions being asked by the media

Note: In the case where a CMSM or DSSAB funds but does not directly deliver the CCRC or OEYC, the agency operating the program may submit their SOR directly to the ministry, with a copy to the CMSM or DSSAB.

Please submit SORs by email to [EYIBSOR@ontario.ca](mailto:EYIBSOR@ontario.ca) or by fax to 647-724-0943 or by toll free fax to 888-996-3889. The ministry will acknowledge receipt of your SOR, review all information, and contact you if any follow-up is required. CMSMs and DSSABs and/or the delivering agency should use the ministry’s Child and Family Program Serious Occurrence Report Form to report a serious occurrence. Serious Occurrence forms can be found in Appendix D.

The summary below outlines the ministry’s protocol that CMSMs and DSSABs or the delivering agency are to follow for child and family programs (i.e. CCRC and OEYC) they administer when a serious occurrence has taken place:

### Child and Family Program Serious Occurrence Protocol

Timeframe	Responsibility
<b>Immediately</b>	<p><b>CCRCs/OEYCs will:</b></p> <ul style="list-style-type: none"> <li>• Address health &amp; safety of client(s).</li> <li>• Notify Children’s Aid Society, as appropriate.</li> <li>• Notify all other applicable parties, as required.</li> </ul>
<p><b>Serious Occurrence Report</b> (Within 24 hours)</p>	<p><b>CMSMs/DSSABs or the delivering agency will:</b></p> <ul style="list-style-type: none"> <li>• Determine if the incident is a serious occurrence to be reported to the ministry, with a copy to the CMSM/DSSAB (if applicable).</li> <li>• Complete and submit Part 1 of the SOR to the Ministry of Education by email to <a href="mailto:EYIBSOR@ontario.ca">EYIBSOR@ontario.ca</a> or fax to 647-724-0943 or toll free fax to 888-996-3889.</li> </ul>
<p><b>Within 7 business days</b> if follow up action was requested and/or taken</p>	<p><b>CMSMs/DSSABs or the delivering agency will:</b></p> <ul style="list-style-type: none"> <li>• Complete and submit Part 2 of the SOR to the Ministry of Education by email to <a href="mailto:EYIBSOR@ontario.ca">EYIBSOR@ontario.ca</a> or by fax to 647-724-0943 or by toll free fax to 888-996-3889.</li> </ul>
<p><b>Upon Receipt of SOR</b></p>	<p><b>Ministry of Education will:</b></p> <ul style="list-style-type: none"> <li>• Acknowledge receipt of SOR.</li> <li>• Review all information and action taken by the CCRC/OEYC.</li> <li>• Determine if further ministry follow-up is required (if so, the ministry will work with the CMSM, DSSAB or the delivering agency).</li> </ul>

## APPENDIX A: DATA ELEMENTS AND DEFINITIONS

### CHILD CARE

#### FINANCIAL DATA (APPLICABLE TO ALL DETAIL CODES) <sup>11</sup>

**Name:** Adjusted Gross Expenditures

**Definition:**

The Adjusted Gross Expenditures are expenditures approved for ministry subsidies. This is the amount upon which the ministry subsidy formula is applied.

The total Adjusted Gross Expenditure amount in Schedule 2.3 is the sum of expenditures under each expense category shown in the “gross expenditure” columns, less Required Parental Contribution, Parental Fee (for directly operated) and Other Offsetting Revenues. It is referred to as “adjusted” because columns Required Parental Contribution, Parental Fee (for directly operated) and Other Offsetting Revenues of Schedule 2.3 are deducted from the “gross expenditure” column.

**EFIS Schedule:** Schedule 2.3 Adjusted Gross Expenditures

**Frequency:** Revised Estimates; Financial Statements

**Name:** Gross Expenditures

**Definition:**

Schedule 2.3, titled “Schedule of Adjusted Gross Expenditures”, identifies the sum of the total costs for the delivery of a service under each expense category and separated by auspice (non-profit, for profit, directly operated and other). This data may be useful in analyzing the costs of a unit of service. Although the ministry may only fund a portion of this total cost, it is important to know the gross expenditures under each expense category and not only the portion the ministry subsidizes.

**EFIS Schedule:** Schedule 2.3 Adjusted Gross Expenditures

**Frequency:** Revised Estimates; Financial Statements

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<sup>11</sup> Age group expenditure reporting will be required to align with the expansion plan priorities.

## CHILD CARE PURCHASE OF SERVICE AGREEMENTS

**Name:** Purchase of Service Agreements – Child Care

**Definition:**

Purchase of service agreements held between a CMSM or DSSAB and a child care licensee or agency for the provision of child care and social services.

### DATA ELEMENTS:

**Name:** Number of Licensed Centre-Based Sites for which the CMSM or DSSABs has Purchase of Service Agreements

**Definition:**

The total number of licensed centre-based sites covered by purchase of service agreements held between a CMSM or DSSAB and child care licensee for the provision of child care services.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Licensed Home Child Care Agencies for which the CMSM or DSSABs has Purchase of Service Agreements

**Definition:**

The total number of licensed home child care agencies with purchase of service agreements with a CMSM or DSSAB for the provision of child care services.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of School Board Operated Programs for which the CMSM or DSSABs has Purchase of Service Agreements

**Definition:**

The total number of sites operated by a school boards with purchase of service agreements with a CMSM or DSSAB for the provision of child care services.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Licensed Child Care Spaces (centre and home based, excluding board operated programs) Supported Through a Purchase of Service Agreement

**Definition:**

The total number of licensed (centre and home based, excluding board operated programs) child care spaces that receive support as a result of provincial child care

funding (i.e. total licensed capacity of child care centres that hold purchase of service agreements with a CMSM or DSSAB).

**EFIS Schedule: Schedule 1.2** Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Child Care Spaces Supported Through a Purchase of Service Agreement with a School Board.

**Definition:**

The total number of child care spaces located in a board operated program that receive support as a result of provincial child care funding (i.e. total licensed capacity of a board operated child care program that hold purchase of service agreements with a CMSM or DSSAB).

**EFIS Schedule: Schedule 1.2** Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

## CHILD CARE EXPANSION PLAN

**Name:** Number of Net New Children Served – Fee Subsidy

**Definition:**

The number of net new children aged 0-4 years old receiving fee subsidies. Each child is counted only once. Information will be entered by family income level. .

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Number of Net New Children Served – Increased Access

**Definition:**

The number of net new children that received services due to increased access.

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Number of Children Served – Increased Affordability

**Definition:**

The number of children served through increased affordability.

**Frequency:** Revised Estimates; Financial Statements

**Name:** Net New Average Monthly Number of Children Served – Fee Subsidy

**Definition:**

The number of children receiving fee subsidy. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children receiving fee subsidy in each month.

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Average Percentage Decrease in Child Care Fees

**Definition:**

The average decrease in child care fees based on prior year fees on a percentage basis throughout the region. The number reported will be the average of the decrease in fees for each operator serviced by the CMSM/DSSAB.

**Frequency:** Revised Estimates; Financial Statements

## CORE SERVICES

### CHILD CARE FEE SUBSIDIES

**Expense Type:**

Child Care Fee Subsidy

**Expense Definition:**

Child Care subsidies used to purchase spaces from non-profit and for-profit child care centres and home child care agencies through contracts with delivery agents. Children enrolled in school board-operated before-and after-school programs camps and authorized recreation programs may also be subsidized.

**DATA ELEMENTS:****Name:** Average Monthly Number of Infants Served**Definition:**

The number of infants receiving fee subsidy. Each infant is counted once every month. The number reported is the year-to-date average (mean) of the number of infants receiving fee subsidy in each month. For infants, younger than 18 months of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule:** Schedule 1.1 Contractual Service Targets**Frequency:** Revised Estimates; Financial Statements.**Name:** Average Monthly Number of Toddlers Served**Definition:**

The number of toddlers receiving fee subsidy. Each toddler is counted once every month. The number reported is the year-to-date average (mean) of the number of toddlers receiving fee subsidy in each month. For toddlers, 18 months of age or older but younger than 30 months of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule:** Schedule 1.1 Contractual Service Targets**Frequency:** Revised Estimates; Financial Statements.**Name:** Average Monthly Number of Preschoolers Served**Definition:**

The number of preschoolers receiving fee subsidy. Each preschooler is counted once every month. The number reported is the year-to-date average (mean) of the number of preschoolers receiving fee subsidy in each month. For preschoolers, 30 months of age

or older but younger than 4 years of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Average Monthly Number of Kindergarten Children Served

**Definition:**

The number of Kindergarten children receiving fee subsidy (includes JK and SK). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of Kindergarten children receiving fee subsidy in each month. For Kindergarten children who are 44 months of age or older, as of August 31 of each year, up to and including 6 years of age. Please include fee subsidies for kindergarten children enrolled in camps.

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of School-Age Children Served

**Definition:**

The number of school-aged children receiving fee subsidy (includes Junior school age). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children receiving fee subsidy. For school-aged children who are 68 months or older as of August 31 of each year, but younger than 13 years of age (under 18 for children with special needs). Please include fee subsidies for school-aged children enrolled in camps and authorized recreation programs.

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Children Served – 0-12

**Definition:**

The number of children aged 0-12 receiving fee subsidies (and 0-18 where children with special needs are eligible). Each child is counted only once in the budget year. Please include fee subsidies for school-aged children enrolled in camps, authorized recreation programs and school board operated before and after school programs.

**EFIS Schedule: Schedule 1.2** Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Per diem rates paid by CMSM/DSSAB (minimum, maximum and average – full and part-time)

**Definition:**

The full and part-time minimum, maximum and average per diem rates paid by CMSM/DSSAB by age group.

**Data Type:** Schedule 4.2 Per Diem Rates

**Frequency:** Revised Estimates

**Name:** Fees charged by licensees (centre and/or home-based) that hold purchase of service agreements with the CMSM or DSSAB (minimum, maximum and average – full and part-time)

**Definition:**

The full and part-time minimum, maximum and average fees charged by licensees (centre and/or home-based) that hold purchase of service agreements with the CMSM or DSSAB by age group.

**Data Type:** Schedule 4.2 Per Diem Rates

**Frequency:** Revised Estimates

**ONTARIO WORKS CHILD CARE****Expense Type:**

Ontario Works Child Care

**Expense Definition:**

Covers costs of formal and informal child care arrangements of Ontario Works (OW) participants.

**DATA ELEMENTS:**

**Name:** Number of children served - OW Formal

**Definition:**

The number of children of Ontario Works participants provided with child care in licensed child care settings. Also includes children enrolled in school and board-operated before-and-after school programs. Each child is counted only once in the budget year.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of Infants Served – OW Formal

**Definition:**

The average monthly number of infants of Ontario Works participants provided with child care in licensed child care settings. Each infant is counted once every month. The number reported is the year-to-date average (mean) of the number of infants of Ontario Works participants provided with child care in licensed child care settings. For infants, younger than 18 months of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule: Schedule 1.1 Contractual Service Targets**

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of Toddlers Served – OW Formal

**Definition:**

The average monthly number of toddlers of Ontario Works participants provided with child care in licensed child care settings. The number reported is the year-to-date average (mean) of the number of toddlers of Ontario Works participants provided with child care in licensed child care settings. For toddlers, 18 months of age or older but younger than 30 months of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule: Schedule 1.1 Contractual Service Targets**

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of Preschoolers Served - OW Formal

**Definition:**

The average monthly number of preschoolers of Ontario Works participants provided with child care in licensed child care settings. The number reported is the year-to-date average (mean) of the number of preschoolers of Ontario Works participants provided with child care in licensed child care settings. For preschoolers, 30 months of age or older but younger than 4 years of age. Each child will move up to the next age group according to their birth date.

**EFIS Schedule: Schedule 1.1 Contractual Service Targets**

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of Kindergarten Children Served - OW Formal

**Definition:**

The average monthly number of Kindergarten children of Ontario Works participants provided with child care in licensed child care settings (includes JK and SK). Also includes children enrolled in school board-operated before-and-after school programs. The number reported is the year-to-date average (mean) of the number of Kindergarten children of Ontario Works participants provided with child care in licensed child care settings. For Kindergarten children who are 44 months of age or older, as of August 31

of each year, but younger than 68 months of age.

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of School-Age Children Served - OW Formal

**Definition:**

The average monthly number of school-aged children of Ontario Works participants provided with child care in licensed child care settings (includes Junior school age). Also includes children enrolled in school and board-operated before-and-after school programs. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children of Ontario Works participants provided with child care in licensed child care settings. For school-aged children who are 68 months of age or older, as of August 31 of each year, but younger than 13 years of age (under 18 for children with special needs).

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of Children Served – OW Informal

**Definition:**

The average monthly number of children receiving Ontario Works Informal child care. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children receiving Ontario Works Informal child care in each month.

**EFIS Schedule: Schedule 1.1** Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Children Served - OW Informal

**Definition:**

The number of children of Ontario Works participants provided with child care in unlicensed child care settings. Each child is counted only once in the budget year.

**EFIS Schedule: Schedule 1.2** Other Service Target

**Frequency:** Revised Estimates; Financial Statements

## CAMPS AND AUTHORIZED RECREATION

**Expense Type:**

Camps and Authorized Recreation Recreation

**Expense Definition:**

Child Care subsidies used to purchase spaces from camps and authorized recreation programs (as defined in Section 1 of O. Reg. 138/15 under the Child Care and Early Years Act) through agreements with delivery agents.

**DATA ELEMENTS:**

**Name:** Average Monthly Number of Kindergarten Children Served – Fee Subsidies Camps

**Definition:**

The number of kindergarten children enrolled in camps receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps in each month. For Kindergarten children who are 44 months of age or older but younger than 68 months of age.

**EFIS Schedule:** Schedule 1.1 Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Average Monthly Number of School-Age Children Served – Fee Subsidies Camps and Authorized Recreation

**Definition:**

The number of school-age children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps or recreation programs in each month.

**EFIS Schedule:** Schedule 1.1 Contractual Service Targets

**Frequency:** Revised Estimates; Financial Statements.

**Name:** Number of Kindergarten Children Served – Fee Subsidies Camps

**Definition:**

The number of kindergarten children enrolled in camps receiving fee subsidies. Each child is counted only once in the budget year.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of School-Age Children Served – Fee Subsidies Camps and Authorized Recreation

**Definition:**

The number of school-age children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted only once in the budget year.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Revised Estimates; Financial Statements

## CHILD CARE GENERAL OPERATING

**Expense Type:**

Child Care Operating

**Expense Definition:**

MEDU funding paid through the Delivery Agent to child care licensees to support ongoing costs, including: staff wages (above minimum wage only) and benefits, lease and occupancy costs, utilities, administration, resources, transportation, nutrition, supplies, and maintenance.

### DATA ELEMENTS:

**Name:** Number of Licensed Child Care Programs Receiving Operating Funding

**Definition:**

The number of licensed child care programs that receive operating funding to support ongoing child care costs including: staff wages (above minimum wage only) and benefits, lease and occupancy costs, utilities, administration, resources, transportation, nutrition, supplies, and maintenance.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Financial Statements

**Name:** Number of Contracts

**Definition:**

The number of child care centres and home child care agencies, receiving general operating funding.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Financial Statements

<p><b>Name:</b> Number of Licensed Spaces Supported</p> <p><b>Definition:</b> The total licensed capacity of all child care centres supported through general operating funding.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Financial Statements</p>
<p><b>Name:</b> Number of Registered Early Childhood Educator (RECE) FTEs</p> <p><b>Definition:</b> The number of full-time equivalent staff who hold an RECE, in child care centres, home child care agencies, and Special Needs Resourcing agencies, including home child care providers who receive general operating funding. Full-time equivalent is based on a minimum of 35 hours per week.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Financial Statements</p>
<p><b>Name:</b> Number of Director-Approved FTEs</p> <p><b>Definition:</b> The number of full-time equivalent staff who are not RECEs, but who have been otherwise approved by a EDU Director to provide child care in child care centres, home child care agencies, and Special Needs Resourcing agencies, including home child care providers who receive general operating funding. Full-time equivalent is based on a minimum of 35 hours per week.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Financial Statements</p>
<p><b>Name:</b> Number of FTEs without an RECE</p> <p><b>Definition:</b> The number of full-time equivalent staff who are considered untrained (do not hold an RECE), in child care centres and home child care agencies, including home child care providers who receive general operating funding. Full-time equivalent is based on a minimum of 35 hours per week.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Financial Statements</p>
<p><b>Name:</b> Number of FTE Non-Program Staff</p> <p><b>Definition:</b> The number of full-time equivalent non-program staff (including cooks, bus drivers, housekeeping, janitorial, clerical staff, financial personnel and chief administrators) in</p>

child care centres, home child care agencies, and SNR agencies, including home child care providers who receive general operating funding. Full-time equivalent is based on a minimum of 35 hours per week.

**EFIS Schedule: Schedule 1.2 Other Service Targets**

**Frequency:** Financial Statements

## **PAY EQUITY MEMORANDUM OF SETTLEMENT**

**Expense Type:**

Pay Equity Union Settlement

**Expense Definition:**

Funding provided to child care programs (centre and/or home child care) as a result of the April 23, 2003 Memorandum of Settlement between the government and five unions.

### **DATA ELEMENT:**

**Name:** Number of Contracts with Licensed Child Care Licensees and non-profit Agencies

**Definition:**

The number of contracts with licensed child care licensees/head offices (centre and/or home child care) and non-profit agencies (e.g. SNR, OEYCs, etc.) that receive funding under the pay equity union settlement.

**EFIS Schedule: Schedule 1.2 Other Service Targets**

**Frequency:** Revised Estimates; Financial Statements

## **SPECIAL NEEDS RESOURCING**

**Expense Type:**

Special Needs Resourcing

**Expense Definition:**

Funding to Delivery Agents to purchase staff (resource teachers/consultants or supplemental staff), equipment, supplies or services for children with special needs.

**DATA ELEMENTS:**

<p><b>Name:</b> Number of Licensed Child Care Programs Supported – Special Needs Resourcing</p> <p><b>Definition:</b></p> <p>The number of licensed child care sites (i.e. a licence issued based on specific physical location) and home child care agencies that receive support for SNR through direct funding or service from a resource teacher/ consultant or supplemental staff.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Number of Children Served, 0 to 12 years - Special Needs Resourcing</p> <p><b>Definition:</b></p> <p>The number of children aged 0 to 12 with special needs receiving SNR. Each child is counted only once in the budget year. Include SNR supporting children enrolled in camps and authorized recreation programs in separate table.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Number of Children Served, age 13-18 - Special Needs Resourcing</p> <p><b>Definition:</b></p> <p>The number of children age 13-18 with special needs receiving SNR. Each child is counted only once in the budget year. Include SNR supporting school-aged children enrolled in camps and authorized recreation programs in separate table.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Number of Children Served - Special Needs Resourcing Recreations</p> <p><b>Definition:</b></p> <p>The number of children with special needs enrolled in a camp and/or authorized recreation program receiving SNR support. Each child is counted only once in the budget year.</p> <p><b>EFIS Schedule:</b> Schedule 1.2 Other Service Targets</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Average Monthly Number of Children Served up to and including Kindergarten - Special Needs Resourcing</p> <p><b>Definition:</b></p> <p>The average monthly number of children with special needs up to and including</p>

Kindergarten receiving SNR. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children served each month.

**EFIS Schedule: Schedule 1.1 Contractual Service Targets**

**Frequency:** Revised Estimates; Financial Statements

**Name:** Average Monthly Number of School-Age Children Served – Special Needs Resourcing

**Definition:**

The average monthly number of school-aged children receiving SNR (includes Junior school age). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children receiving SNR. For school-aged children who are 68 months of age or older but younger than 13 years of age. Include SNR supporting school-aged children enrolled in camps and authorized recreation programs.

**EFIS Schedule: Schedule 1.1 Contractual Service Targets**

**Frequency:** Revised Estimates; Financial Statements

**Name:** Number of Full Time Equivalent (FTE) Staff -Special Needs Resourcing

**Definition:**

The number of resource teachers/consultants or supplemental staff responsible for the delivery of the service. Full-time equivalent is based on a minimum of 35 hours per week.

**EFIS Schedule: Schedule 1.2 Other Service Targets**

**Frequency:** Revised Estimates; Financial Statements

## CHILD CARE ADMINISTRATION

**Expense Type:**

Child Care Administration

**Expense Definition:**

Amount paid to child care delivery agents for administrative costs as defined in the Child Care Administrative Cost Sharing Guideline. The expenditure benchmark for administration will be a maximum ceiling of ten per cent of the total CMSMs/DSSABs allocation, less funding for Territory without Municipal Organization (TWOMO) and wage enhancement.

**DATA ELEMENTS:**

<p><b>Name:</b> Number of full-time equivalent staff by position</p> <p><b>Definition:</b> The total number of full-time equivalent staff by position supported through administration funding. Full-time equivalent is based on a minimum of 35 hours per week.</p> <p><b>EFIS Schedule:</b> Schedule 2.2 - Staffing (Child Care Administration)</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Number of staff (head count) by position</p> <p><b>Definition:</b> The total number of staff (head count) by position supported through administration funding.</p> <p><b>EFIS Schedule:</b> Schedule 2.2 - Staffing (Child Care Administration)</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Total salaries associated with each position type</p> <p><b>Definition:</b> The total salaries associated with each position type. In determining employee salaries and wages include total gross salary and wage payments to all full-time, part-time, temporary, relief and staff on paid leave of absence. Total salaries equals gross pay including overtime, paid vacation, paid sick leave, statutory holidays etc.</p> <p><b>EFIS Schedule:</b> Schedule 2.2 - Staffing (Child Care Administration)</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>
<p><b>Name:</b> Total benefits of staff</p> <p><b>Definition:</b> The total benefits of staff supported through administration funding.</p> <p><b>EFIS Schedule:</b> Schedule 2.2 - Staffing (Child Care Administration)</p> <p><b>Frequency:</b> Revised Estimates; Financial Statements</p>

## SPECIAL PURPOSE

### TRANSFORMATION

**Expense Type:**

Transformation

**Expense Definition**

Funding to support viability and facilitate child care transformation within communities. This funding is available for eligible non-profit child care licensees that are involved in business transformation activities and/or require business transformation supports.

**DATA ELEMENT:****Name:** Number of Licensed Child Care Programs Supported**Definition:**

The number of non-profit licensed child care centres and home child care agencies that receive transformation funding for costs related to business transformation activities and/or supports.

**EFIS Schedule:** Schedule 1.2 Other Service Targets**Frequency:** Financial Statements**Name:** Number of Licensed Spaces Supported**Definition:**

The total licensed capacity of all non-profit licensed child care centres supported through transformation funding for costs related to business transformation activities and/or supports.

**EFIS Schedule:** Schedule 1.2 Other Service Targets**Frequency:** Financial Statements

### SMALL WATER WORKS

**Expense Type:**

Small Water Works Child Care

**Expense Definition:**

Operating expenditures related to small water works regulation that came into effect on

December 19, 2001. (Chemical and Biological testing, engineer's reports).  
Legislation: *Safe Drinking Water Act*

**DATA ELEMENT:**

**Name:** Number of Licensed Programs Supported

**Definition:**

The number of licensed child care centres located on small water systems receiving funding to support the costs related to regular ongoing water testing and maintenance expenses.

**EFIS Schedule:** **Schedule 1.2** Other Service Targets

**Frequency:** Financial Statements

**PLAY-BASED MATERIAL AND EQUIPMENT**

**Expense Type:**

Play-Based Material and Equipment

**Expense Definition:**

Funding for child care licensees to purchase play-based material and equipment to help create enriching environments with materials that promote children's learning and development through exploration, play and inquiry consistent with the views, foundations and approaches of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*. Play-based material and equipment funding may also be used to purchase equipment that supports the ongoing operation of the child care program.

**DATA ELEMENT:**

**Name:** Number of Licensed Programs Supported

**Definition:**

The number of licensed child care centres and home child care agencies that received funding to purchase play-based material and equipment to help create enriching environments. Funding may also be used to purchase equipment that supports the ongoing operation of the child care program.

**EFIS Schedule:** **Schedule 1.2** Other Service Targets

**Frequency:** Financial Statements

## REPAIRS AND MAINTENANCE

**Expense Type:**

Repairs and Maintenance

**Expense Definition:**

Funding to delivery agents to address repair and maintenance needs of agencies providing licensed child care programs.

**DATA ELEMENTS:**

**Name:** Number of licensed programs supported for repairs and maintenance

**Definition:**

The number of licensed programs, child care centres or home child care agencies that received funding to address health and safety concerns.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Financial Statements

**Name:** Number of licensed spaces supported for repairs and maintenance

**Definition:**

The total licensed capacity of all child care centres supported through repairs and maintenance funding.

**EFIS Schedule:** Schedule 1.2 Other Service Targets

**Frequency:** Financial Statements

## WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANT

**Expense Type:**

Wage Enhancement/HCCEG

**Expense Definition:**

MEDU funding paid through the CMSMs/DSSABs to licensed child care centres and home child care agencies to support a wage enhancement of up to \$2 per hour, plus benefits for eligible child care staff or an increase of up to \$20 per day for home child care providers.

**DATA ELEMENTS:**

**Name:** Number of Fully and Partially Eligible RECEs, Supervisors, non-RECE FTEs eligible for Wage Enhancement

**Definition:**

The number of full-time equivalent staff working in licensed child care centres who have or will receive a full (\$2/hour) or partial (< \$2/hour) wage enhancement in 2017.

One FTE = 1,754.5 hours for the entire year (approximate number of working days in the year less 2 weeks' vacation x 7.25 hrs/day).

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

**Name:** Number of Fully and Partially Eligible home visitor FTEs eligible for Wage Enhancement

**Definition:**

The number of full-time equivalent home visitors working for a licensed home child care agency who have or will receive a full (\$2/hour) or partial (< \$2/hour) wage enhancement in 2017.

One FTE = 1,754.5 hours for the entire year (approximate number of working days in the year less 2 weeks' vacation x 7.25 hrs/day).

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

**Name:** Number of Fully Eligible Home Child Care Providers Receiving HCCEG

**Definition:**

The number of home child care providers who have or will receive a full (\$20.00/day) Home Child Care Enhancement Grant in 2017.

<p><b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>
<p><b>Name:</b> Number of Partially Eligible Home Child Care Providers Receiving HCCEG  <b>Definition:</b>  The number of home child care providers who have or will receive a partial (\$10.00/day) Home Child Care Enhancement Grant in 2017.  <b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>
<p><b>Name:</b> Number of Ineligible RECEs, Supervisors, and non-RECEs  <b>Definition:</b>  The number of ineligible RECEs, Supervisors, and non-RECEs whose hourly rate exceeds \$26.68.  <b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>
<p><b>Name:</b> Number of Ineligible Home Visitors  <b>Definition:</b>  The number of ineligible home visitors whose hourly rate exceeds \$26.68.  <b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>
<p><b>Name:</b> Number of Ineligible Home Child Care Providers  <b>Definition:</b>  The number of ineligible home child care providers whose average daily pay is greater than \$246.80 for full time home providers or \$150.08 for part time providers.  <b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>
<p><b>Name:</b> Number of Child Care Centres or Sites Receiving Wage Enhancement  <b>Definition:</b>  The number of licensed child care centres or sites that have or will receive wage enhancement in 2017. This data element is for centre-based only.  <b>EFIS Schedule: Schedule 4.3</b> Wage Enhancement Schedule  <b>Frequency:</b> Revised Estimates and Financial Statements</p>

**Name:** Number of Centre-Based Child Care Licensees Receiving Wage Enhancement

**Definition:**

The number of licensees/head offices that have or will receive wage enhancement funding in 2017. Licensees/head offices can have multiple centres. This data element is for centre based only.

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

**Name:** Number of Home Child Care Agencies Receiving HCCEG

**Definition:**

The number of home child care agencies who have or will receive HCCEG in 2017. Home child care agencies can have multiple home child care providers.

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

**WAGE ENHANCEMENT/ HOME CHILD CARE ENHANCEMENT GRANT ADMINISTRATION**

**Expense Type:**

Wage Enhancement/ Home Child Care Enhancement Grant Administration

**Expense Definition:**

Amount paid to child care delivery agents to manage the additional administrative costs, as defined in the guideline, associated with implementing the Wage Enhancement/Home Child Care Enhancement Grant.

**DATA ELEMENTS:**

**Name:** Number of Child Care Centres that received Wage Enhancement Administration Funding

**Definition:**

The number of licensed child care centres that have or will receive wage enhancement administration funding from CMSMs/DSSABs to support administrative effort associated with implementing the wage enhancement/HCCEG. This data element is for centre based only

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

**Name:** Number of Home Child Care Agencies that received Wage Enhancement Administration Funding

**Definition:**

The number of home child care agencies that have or will receive wage enhancement administration funding from CMSMs/DSSABs to support administrative effort associated with implementing the wage enhancement/HCCEG.

**EFIS Schedule:** Schedule 4.3 Wage Enhancement Schedule

**Frequency:** Revised Estimates and Financial Statements

## CHILD AND FAMILY PROGRAMS

### FINANCIAL DATA (APPLICABLE TO ALL DETAIL CODES)

**Name:** Adjusted Gross Expenditures

**Definition:**

The Adjusted Gross Expenditures are expenditures approved for ministry funding. This is the amount upon which the ministry subsidy formula is applied. The Adjusted Gross Expenditure amount is the gross expenditures amount minus any offsetting revenue amounts.

**EFIS Schedule: Expenditures**

**Frequency:** Interim Report; Financial Statements

**Name:** (Legislated) Revenue

**Definition:**

This is the amount the CMSM/DSSAB is obligated, through legislation or regulation, to fund for their share of the service costs.

**Note:** Legislated Revenue is applicable to all detail codes funded at less than 100%, which include A386.

**EFIS Schedule: Expenditures**

**Frequency:** Interim Report; Financial Statements

**Name:** Gross Expenditures

**Definition:**

This line is the sum of Salaries/Benefits and Other Service Costs. It reflects the total costs for the delivery of a service and may also be useful in analyzing the costs of a unit of service. Although the ministry may only fund a portion of this total cost, it is important to know the total costs of the service and not just what the ministry subsidizes.

**EFIS Schedule: Expenditures**

**Frequency:** Interim Report; Financial Statements

## ONTARIO EARLY YEARS CENTRES

**Detail Code:**

**A462 - Ontario Early Years Centres**

**Funding Legislation: MCSSA**

**Funding Formula: 100%**

**Detail Code Definition:**

Ontario Early Years Centres provide funds for services and programs for parents/caregivers of children aged 0-6 years, education and training including early learning activities, information and linkages to community programs and services for the early years.

**DATA ELEMENTS:****Name:** Number of Visits Made by Parents/Caregivers**Definition:**

The total number of visits that parents/caregivers made to the Ontario Early Years Centre or Child Care Resource Centre.

**EFIS Schedule:** Data Elements**Frequency:** Interim Report; Financial Statements**Name:** Number of Children Served**Definition:**

The number of children, age 0 – 6, that received services at some point during the fiscal year. A child is reported in the EFIS report in which he/she received services and counted once during the fiscal year. This data element is only used when a child participates in an early learning activity.

For example, in the first half of the year if 15 children received service this would be reported at the Revised Estimates. If 5 additional new children received service during the second half of the year a total of 20 children would be reported at year-end financial statements.

**EFIS Schedule:** Data Elements**Frequency:** Interim Report; Financial Statements**Name:** Number of Visits Made By Children**Definition:**

The total number of visits that children, age 0 – 6, made to the Ontario Early Years Centre or Child Care Resource Centre.

**EFIS Schedule:** Data Elements**Frequency:** Interim Report; Financial Statements**Name:** Number of Parents/Caregivers Served**Definition:**

The number of parents/caregivers who actively participated in a program, either with their children or separately. A parent/ caregiver is reported in the EFIS report in which

he/she received services and counted only once during the fiscal year.

For example, in the first half of the year if 15 parents/caregivers received service, this would be reported at the Revised Estimates. If 5 additional new parents/ caregivers received service during the second half of the year, a total of 20 parents/caregivers would be reported at year-end financial statements.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Professionals in Workshops/Seminars

**Definition:**

The total number of adults participating in workshops/seminars provided through this service to assist them in their professional capacity. Participants are counted each time they attend a program within the reporting period. If a program, workshop, or seminar lasts more than one day, a person is counted once, whether or not the person attended the full workshop or seminar.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Referrals

**Definition:**

The total number of referrals made to support other early learning and family-centred services. Each referral is to be counted only once in the budget year. A referral is the outcome of a process. The process begins either with a parent/ caregiver bringing a question about the child/family to centre staff member or with a staff member bringing an observation about the child's development to a parent/ caregiver. A referral is made when discussion results in the parent being given contact information (in-person, over the phone, or by e-mail) for a particular program or service that could be of assistance, other than those being offered at the centre.

**EFIS Schedule:** Data Elements

**Frequency:** Interim report; Financial Statements

**Name:** Number of Protocols/Official Linkages

**Definition:**

The total number of protocols and/or official linkages that have been established with external agencies providing early years services. Each protocol/linkage is to be counted only once in the budget year.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Parents/Caregivers in Workshops/Seminars

**Definition:**

The total number of parents/caregivers participating in workshops/seminars to assist them in their parenting/caregiver role. Participants are counted each time they attend a program within the fiscal year. If a program, workshop or seminar lasts more than one day, a person is counted once, whether or not the person attended the full workshop or seminar.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Site Locations

**Definition:**

The civic address (street number, street name, unit/floor number, city and postal code) of all OEYC and CCRC sites supported with EDU funding.

**EFIS Schedule:** Program Locations

**Frequency:** Financial Statements

## DATA ANALYSIS SERVICES

**Detail Code:**

**A466 - Program Effectiveness – Data Analysis Services**

**Funding Legislation:** MCSSA

**Funding Formula:** 100%

**Detail Code Definition:**

Data analysis services support the broader collection and mobilization of quantitative and qualitative data to inform ongoing early years community planning processes.

## DATA ELEMENTS:

**Name:** Number of Full Time Equivalent Staff

**Definition:**

The total number of full-time equivalent staff to deliver data analysis services. A full time equivalent is based on a minimum of 35 hours per week.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

## EARLY CHILD DEVELOPMENT PLANNING

**Detail Code:**

**A525 – Early Child Development - Planning**

**Funding Legislation: MCSSA**

**Funding Formula: 100%**

**Detail Code Definition:**

Amount paid to CMSMs/DSSABs for costs associated with early years community planning processes.

**DATA ELEMENTS:**

**N/A – CMSM/DSSAB to report on expenditures only for this detail code**

## CHILD CARE RESOURCE CENTRES

**Detail Code:**

**A386 - Delivery Agent - Resource Centres**

**Funding Legislation: CCEYA**

**Funding Formula: 80%**

**Detail Code Definition:**

Funding to Delivery Agents to purchase community-based non-profit centres that serve caregivers, parents and children through the provision of information, public education, consultation and support.

**DATA ELEMENTS:**

**Name:** Number of Visits Made by Parents/Caregivers

**Definition:**

The total number of visits that parents/caregivers made to the Ontario Early Years Centre or Child Care Resource Centre.

**EFIS Schedule: Data Elements**

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Children Served

**Definition:**

The number of children, age 0 – 6, that received services at some point during the fiscal year. A child is reported in the initial reporting period in which he/she received services and counted once during the calendar year. This data element is only used when a child participates in an early learning activity. For example, in the first quarter, if 15 children received service this would be reported at Interim Report. If 5 additional new children received service during the second half of the year a total of 20 children would be reported at financial statements.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Visits Made By Children

**Definition:**

The total number of visits that children, age 0 – 6, made to the Ontario Early Years Centre or Child Care Resource Centre.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Parents/Caregivers Served

**Definition:**

The number of parents/caregivers who actively participated in a program, either with their children or separately. A parent/caregiver is reported in the initial quarter in which he/she received services and counted only once during the calendar year. For example, in the first reporting period if 15 parents/caregivers received service, this would be reported at interim report. If 5 additional new parents/ caregivers received service during the second reporting period, a total of 20 parents/caregivers would be reported at financial statements.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Professionals in Workshop/Seminars

**Definition:**

The total number of adults participating in workshops/seminars provided though this service to assist them in their professional capacity. Participants are counted each time they attend a program within the reporting period. If a program, (a workshop, or seminar) lasts more than one day, a person is counted once, whether or not the person attended the full workshop or seminar.

**EFIS Schedule:** Data Elements

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Referrals

**Definition:**

The total number of referrals to other early learning services. Each referral is to be counted only once in the budget year. A referral is the outcome of a process. The process begins either with a parent/ caregiver bringing a question about the child to centre staff member or with a staff member bringing an observation about the child's development to a parent/ caregiver. A referral is made when discussion results in the parent being given contact information (in-person, over the phone, or by e-mail) for a particular program or service that could be of assistance, other than those being offered at the centre.

**EFIS Schedule: Data Elements**

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Protocols/Official Linkages

**Definition:**

The total number of protocols and/or official linkages that have been established with external agencies providing early years services. Each protocol/linkage is to be counted only once in the budget year.

**EFIS Schedule: Data Elements**

**Frequency:** Interim Report; Financial Statements

**Name:** Number of Parents/Caregivers in Workshops/Seminars

**Definition:**

The total number of parents/caregivers participating in workshops/seminars to assist them in their parenting/caregiver role. Participants are counted each time they attend a program within the calendar year. If a program, (workshop or seminar) lasts more than one day, a person is counted once, whether or not the person attended the full workshop or seminar.

**EFIS Schedule: Data Elements**

**Frequency:** Interim Report; Financial Statements

**Name:** Site Locations

**Definition:**

The civic address (street number, street name, unit/floor number, city and postal code) of all CCRC sites supported with EDU funding.

**EFIS Schedule: Program Locations**

**Frequency:** Interim Report; Financial Statements

# **APPENDIX B: POLICY STATEMENT: ACCESS TO SUBSIDIZED CHILD CARE**

**January 1, 2017**

## **Glossary of Terms**

### **Child care fee subsidy:**

- Funding to offset the cost to parents for licensed child care or approved school-age recreation programs (as described in paragraphs 5, 6 and 8 of section 6 of the Regulation).
- Eligibility for child care fee subsidies: Parents who are eligible for assistance, as identified in section 8 of the Ontario Regulation 138/15, and parents of children in social need (defined on p. 133 of this policy statement), may be eligible for fee subsidies for children under 13 years of age. Parents of children with special needs may be eligible for fee subsidies for children under 18 years of age if they were in receipt of a service or received financial assistance before August 31, 2017. They will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15). Parents eligible for fee subsidies include Ontario Works participants, recipients of income support under the Ontario Disability Support Program (ODSP), as well as other parents who are in financial need. The latter category captures ODSP employment supports clients who are in financial need but who are not in receipt of income support under ODSP.

### **Service System Manager:**

- Municipality or district social services administration board designated as a service system manager by the Regulation. In this policy statement, service system managers are referred to as Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

### **Full-day child care:**

- Child care that is provided for 6 or more hours in a day.

### **Child with special needs:**

- A child who has special needs means a child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.

**Ministry:**

- The Ministry of Education.

**Ontario Works child care:**

- The provision of funding to participants in employment assistance activities under the Ontario Works Act, 1997 for the temporary care for and supervision of a child where the care and supervision is provided to enable the participants to so participate.
- Ontario Works participants (including participants in Learning, Earning and Parenting (LEAP), as well as ODSP income support recipients participating in Ontario Works) may receive assistance up to the actual cost of licensed care, and up to pre-established ceilings for unlicensed care.

**Parent:**

- Includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family (as per subsection 2. (1) of the *Child Care and Early Years Act, 2014*).

**Part-day child care:**

- Child care that is provided for less than 6 hours in a day.

**Recognized needs:**

- Reasons for needing child care that are laid out within the scope of this policy statement, and that are to be considered by CMSMs and DSSABs when determining the amount of subsidized child care to provide. The term may include needs associated with the child, needs associated with the parent, or both.

**The Regulation:**

- Ontario Regulation 138/15 (Funding, Cost Sharing and Financial Assistance) made under the *Child Care and Early Years Act, 2014*.

## **Introduction**

High quality child care plays a key role in promoting healthy child development and helping children arrive at school ready to learn. It is also an essential support for many parents, helping them to balance the demands of career and family while participating in the workforce, or pursuing education or training.

That is why it is important to fund child care fee subsidies in a way that takes into consideration both the needs of parents and the best interests of children.

## **Purpose**

This policy statement articulates provincial expectations regarding the provision of child care fee subsidies, specifically clarifying the flexibility available to CMSMs and DSSABs in determining the appropriate amount of child care for which a fee subsidy may be provided. The policy statement recognizes the decision-making authority of CMSMs and DSSABs at the local level, and provides them with a framework within which they may exercise discretion in balancing the needs of children and parents.

## **Role of Consolidated Municipal Service Managers and District Social Services Administration Boards**

In their role as child care service system managers, CMSMs and DSSABs cost-share, plan and manage prescribed child care services, including fee subsidies and Ontario Works child care, within the parameters of legislation, regulations, standards and policies established by the ministry.

CMSMs and DSSABs are responsible for maintaining a flexible mix of subsidies for part- and full-day child care, across all age groups that reflects the range of local service needs. They are also responsible for implementing practices that provide for a seamless transition between subsidized part-day and subsidized full-day care as parents' and children's needs change.

CMSMs and DSSABs are to determine the amount of subsidized child care for each eligible family in accordance with the framework outlined in this document.

## **Statement of Policy**

CMSMs and DSSABs may provide child care fee subsidies to parents who are financially eligible, and to parents of children with special or social needs (see p. 133 for definition of social need). In the case of Ontario Works participants, CMSMs and DSSABs may provide child care fee subsidies or Ontario Works child care. To be eligible for Ontario Works child care, parents must be participating in recognized activities (outlined on p. 135). When providing fee subsidies or Ontario Works child

care, CMSMs and DSSABs should take into account a family's reasons for needing child care in order to determine the amount of child care to subsidize.

Consideration should be given to both the recognized needs of the parent and the recognized needs of the child when determining whether funding for full-day or part-day child care is appropriate. As a general rule, funding for full-day child care should only be provided where the family's collective needs require it.

If the child has a special or social need, the amount of subsidized child care provided should be based primarily on what is in the child's best interests. In all other cases, the amount of subsidized child care should be based on the parent's recognized needs, although even then, the best interests of the child should always be considered in order to help support the child's early learning and avoid undue disruption for the child.

This policy statement recognizes certain needs as appropriate for the provision of child care fee subsidies and Ontario Works child care. These are outlined below, by funding type.

### **Determining the Amount of Child Care to Subsidize**

It is important for CMSMs and DSSABs to exercise discretion in determining the amount of child care to subsidize for any particular family. Consideration should be given to the schedules and staffing of child care programs in which subsidized children are enrolled, and allowance should be made for extenuating circumstances (e.g. a parent's fluctuating work hours), so that as much as possible, unreasonable disruptions to a child's care or a parent's ability to pursue and maintain employment are avoided.

### **Recognized Needs for Provision of Child Care Fee Subsidies**

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide a fee subsidy.

- **Children's recognized needs**
  - A child with special needs: means a child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.
  - Social need: The child may require child care to address a social need due to issues with the home/family environment, and is referred to the CMSM and DSSAB for child care by a Children's Aid Society, Public Health Unit, family physician, or another early intervention/prevention

agency/professional recognized by the CMSM or DSSAB. Social need includes situations where the need is directly related to the child, as well as situations where the child's need is the result of a greater family need.

Child care fee subsidies may be provided where children have special or social needs, even if their parents do not have recognized needs themselves. CMSMs or DSSABs have discretion to determine the appropriate amount of subsidized child care for children with special or social needs. The child's best interests should play a primary role in these decisions, but if the parent also has recognized needs, the parent's circumstances should also be taken into consideration.

- **Parents' recognized needs**

- No parent in a household is able to care for his/her children due to participation in one or more of the following activities:
  - Employment;
  - Attendance at an educational program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
  - Attendance at a training program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
  - Study/preparation associated with education and/or training; and
  - Travel associated with the above activities.
  - Other circumstances, such as (but not limited to) the following:
    - In the opinion of a medical or other relevant professional, a parent is unable to care for his/her child because of an illness or disability (if there is another parent, he/she is engaged in activities as noted above);
    - No parent in a household is able to care for the child in between participation in activities as noted above (e.g., while sleeping during the day after working the night shift, etc.); and
    - A parent who already has a child care fee subsidy becomes temporarily unemployed.

CMSMs and DSSABs are responsible for setting local policies regarding how much study/preparation time to permit per parent. Policies should take into account the workload associated with the educational/training programs in which parents are involved.

In circumstances where a parent is not participating in any of the activities listed above but still requires child care, or needs child care in between periods of participation, determining the appropriate amount of child care to subsidize may be more complex. CMSMs and DSSABs have discretion to determine the appropriate amount of subsidized child care based on a consideration of the parent's needs and what would be in the best interests of the child.

It is not possible for this policy statement to capture every specific situation in which it may be appropriate to provide subsidized child care. There may be situations where parents are facing exceptional circumstances, and CMSMs and DSSABs will need to address those situations on a case-by-case basis.

### **Recognized Needs for Provision of Ontario Works Child Care**

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide Ontario Works child care funding.

- Parents' recognized needs
  - No parent in a household is able to care for his/her children due to participation in:
    - Employment assistance activities under the OWA; and
    - Travel associated with the above activities.

It should be noted that Ontario Works child care funding is not the only mechanism through which Ontario Works participants may receive assistance with their child care costs. They may also have access to child care fee subsidies. If an Ontario Works participant wishes to access a child care fee subsidy, his/her needs should be considered in accordance with the recognized needs set out in the fee subsidy section of this document.

## APPENDIX C: FEE SUBSIDY LEGISLATIVE AUTHORITY AND TECHNICAL DETAILS

### LEGISLATIVE AUTHORITY

The following information identifies the specific sections of the legislation and regulations that relate to financial eligibility for fee subsidies. It outlines how provincial funds are allocated to CMSMs and DSSABs for the provision of prescribed child care services.

#### Family Composition

Family composition is a key component in determining eligibility for fee subsidy. Criteria used in the application process include the definition of the family unit and the determination of adjusted income to be used in calculating the parental contribution toward the cost of child care. This includes applicants who identify themselves as a parent.

Section 1 of the *Child Care and Early Years Act, 2014* defines a “parent” as:

“Parent” includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family.

The determination of adjusted income also includes applicants who identify themselves as:

- Couples in a relationship with some permanence and/or
- Couples cohabiting for a period not less than three years.

Section 29 of the *Family Law Act (FLA)* states:

“Spouse” means a spouse as defined in subsection 1 (1), and in addition includes either of two persons who are not married to each other and have cohabited,

- a. Continuously for a period of not less than three years, or
- b. In a relationship of some permanence, if they are the natural or adoptive parents of a child.

In cases where the applicants (couples) have cohabited for a period less than three years and have a child together, the parents have an obligation to support the child. Subsection 31 (1) of the *Family Law Act (FLA)* states:

“Every parent has an obligation to provide support for his or her unmarried child who is a minor or is enrolled in a program of education, to the extent that the parent is capable of doing so.”

## **Income Test**

Section 1 of O. Reg. 138/15 includes the following definition:

“Adjusted income” means adjusted income as defined in section 122.6 of the *Income Tax Act* (Canada).

Section 8 of O. Reg. 138/15 defines categories of persons who are eligible for fee subsidy:

- (1) The following persons are eligible, as parents, for assistance with the cost of a service listed in paragraph 1, 2, 5, 6, 7 or 8 of subsection 6 (1):
  1. Persons eligible for income support under the *Ontario Disability Support Program Act, 1997*.
  2. Persons eligible for income assistance under the *Ontario Works Act, 1997* who are employed or participating in employment assistance activities under that Act or both.
  3. Persons who are eligible for assistance on the basis of their adjusted income.
- (2) A parent described in paragraph 1 or 2 of subsection (1) who is the recipient of a subsidy,
  - (a) Shall, subject to clause (b), be fully subsidized for the cost of the service; or
  - (b) Shall be provided with the amount of funding for the service described in paragraph 7 of subsection 6 (1), if applicable.
- (3) A parent described in paragraph 3 of subsection (1) who is the recipient of a subsidy shall be provided with an amount of funding for the service determined under section 10.
- (4) The document entitled “Policy Statement: Access to Subsidized Child Care,” as amended from time to time, which is available on a Government of Ontario website, shall be referred to for the purposes of determining a person’s eligibility for financial assistance under this section and sections 9 to 12.

Section 9 of O. Reg. 138/15 defines the documentation necessary for the verification of income:

- (1) Every year parents may apply to a service system manager for assistance with the cost of a service referred to in subsection 8 (1).
- (2) Subject to subsection (3), parents applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income shall file with the service system manager,
  - a. A copy of their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year; or
  - b. If their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year is not available, a copy of their most recent available Notice of Assessment or Canada Child Tax Benefit Notice.
- (3) Parents who are applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income that were non-residents in Canada in the previous year are not required to file the documents referred to in subsection (2) and their adjusted income is deemed to be \$0 for the purpose of their application for assistance.
- (4) The adjusted income of a person for the purpose of this Regulation shall be determined by an administrator appointed under the *Ontario Works Act, 1997*, a director or such person as the director approves.

Section 10 provides the formula for calculating the amount that parents receiving subsidy are expected to pay toward the cost of child care:

10.(1) The amount of the subsidy for a service referred to in subsection 8 (1) for which a parent is eligible on the basis of their adjusted income is calculated as follows:

1. Determine the amount the parent would pay for the service if the parent did not receive any subsidy.
  2. Determine the amount the parent shall pay as calculated under subsection (2), (3) or (4).
  3. Subtract the number determined under paragraph 2 from the number determined under paragraph 1.
- (2) A parent shall not pay any of the cost of the service for their children if the parent,

- a. has a total adjusted income of \$20,000 or less; or
  - b. the amount the parent would contribute on the basis of their adjusted income for each month of child care, as calculated under subsection (3), is less than \$10.
- (3) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a full-time basis, the service system manager shall calculate a monthly amount that the parent shall pay, as follows:

$$[(A \times 0.10) + (B \times 0.30)] \div 12$$

where,

A is the amount by which their adjusted income exceeds \$20,000 but is not more than \$40,000, and

B is the amount by which their adjusted income exceeds \$40,000.

- (4) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a part-time basis, the service system manager shall calculate a daily amount that the parent shall pay as follows:

$$A \div (B \times 4.35)$$

where,

A is the monthly amount paid by the parent for the service determined under subsection (3), and

B is the number of days per week the child is in receipt of the service.

Section 11 of O. Reg 138/15 describes the provisions for a family that includes a parent with a disability or child with special needs:

11. (1) Despite the definition of “adjusted income” in subsection 1 (1), if a parent of a child has a disability or the child is a child with special needs, the service system manager shall reduce the adjusted income of the parent by the amount of any expenses related to the parent’s disability or to the child’s special needs for which the parent is not reimbursed and for which there are no deductions under the *Income Tax Act* (Canada) and the reduced adjusted income shall be treated as the parent’s adjusted income for the purposes of section 10.

- (2) For the purposes of this section, a parent has a disability if,

- a. The person has a substantial physical or mental impairment that is continuous or recurrent and that is expected to last one year or more; and
  - b. The direct and cumulative effect of the impairment on the person's ability to attend to his or her personal care, function in the community and function in a workplace results in a substantial restriction in one or more of these activities of daily living.
- (3) For the purposes of this section, a determination regarding whether a person has a disability or a child is a child with special needs may only be made by a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

Section 66.6 deals with in-year decreases in income:

12. (1) A parent may apply to the service system manager during the year for a reduction in the amount he or she pays for the cost of a service referred to in subsection 8 (1) if the parent has a reduction in their adjusted income of 20 per cent or more during the year compared to their adjusted income,
- a. In the previous year; or
  - b. In the year before the previous year, if proof of their adjusted income is not available for the previous year.
- (2) In applying for a reduction under subsection (1), the parent shall provide satisfactory evidence of the amount of the reduction in income to the service system manager.
- (3) If a service system manager is satisfied that there has been a reduction of 20 per cent or more in adjusted income, the service system manager shall recalculate the amount that the parent pays for the service using the reduced adjusted income as the basis of the calculation under section 10.

## Services

Under O. Reg. 138/15, Subsection 6(1) , the provision of child care by a child care centre, home child care in a premises overseen by a home child care agency, in-home services, children's recreation programs and funding for participants in employment assistance activities under the *Ontario Works Act, 1997* are services for which parents may receive financial assistance.

## Persons with Disabilities or Special Needs

Families in which a parent has a disability or a child has special needs are able to have disability-related expenses deducted from adjusted income. This reduced income will then be used to determine eligibility for fee subsidy and to calculate the parental contribution for child care.

For a child, he or she must meet the definition of a “child with special needs” in O. Reg. 138/15:

- A child whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child.

For a parent, the definition of a person with a disability is consistent with the definition used for purposes of the Ontario Disability Support Program, i.e.:

- A person has a substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more; and
- the direct and cumulative effect of the impairment on the person’s ability to attend to his or her personal care, function in the community and function in a workplace, results in a substantial restriction in one or more of these activities of daily living.

To determine whether a parent qualifies based on this definition, the CMSM/DSSAB will need to request a note from a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

If the parent is eligible to claim the disability amount, line 316 on the personal income tax form, a qualified person, usually a medical doctor, must have certified that the parent is eligible to claim the amount. This certification may also be used to establish that the parent qualifies to have disability-related expenses deducted for purposes of the fee subsidy income test.

Eligible expenses that may be subtracted from adjusted income are those that are not deductible and for which a credit cannot be claimed through the income tax system. Eligible expenses must not be reimbursable, for example through insurance or a government program.

Applicants for child care subsidy will need to bring documentation for disability-related expenses that they wish to have deducted from adjusted income, including:

- Receipts for the disability-related expenses which must have been incurred in the same calendar year as the adjusted income;
- A copy of the completed income tax return for the most recent tax year to show the expenses that may have been deducted or claimed as credits; in particular, the disability supports deduction (line 215) and the medical expenses (claimed on lines 330 and 331) should be reviewed.
- A note signed by an eligible professional if the parent has a disability or evidence that the parent is eligible to claim the disability amount, line 316 on the personal income tax form. In the latter case, the parent should provide a copy of the certified Form T2201, *Disability Tax Credit Certificate*.

### **Calculation of Parental Contribution**

Fee subsidies are available across a broad range of income levels. Families with an adjusted annual income of up to \$20,000 are eligible for full fee subsidy and no calculation of a parental contribution is required.

For families with adjusted income above \$20,000, parental contribution is calculated based on 10% of their adjusted income over \$20,000.

#### Example:

1. A family with adjusted income of \$25,000 annually would have a parental contribution of 10% of \$5,000 annually or \$500.

When the family's annual adjusted income is above \$40,000, parental contribution is calculated at 10% of the amount over \$20,000 up to \$40,000 *plus* 30% of the amount over \$40,000.

#### Example:

2. A family with an annual adjusted income of \$45,000 would have a parental contribution of 10% of \$20,000 (\$2,000) plus 30% of \$5,000 (\$1,500). Total annual parental contribution would be \$3,500.

No family will pay more than the total cost of child care for all children in the family. If the calculated parental contribution exceeds the cost of child care, the family is not eligible for fee subsidy.

### **Monthly and Daily Contribution Calculations**

The monthly parental contribution is calculated by dividing the annual parental contribution amount by 12.

Examples:

3. A family with an annual adjusted income of \$25,000 has an annual parental contribution amount of \$500. Their monthly contribution amount would be \$41.67.
4. A family with an annual adjusted income of \$45,000 has an annual parental contribution amount of \$3,500. Their monthly contribution amount would be \$291.67.

The income test is designed such that parents pay the monthly parental contribution as calculated above in each month that their child(ren) need child care regardless of the number of days of child care per week. The daily contribution amount is calculated using the following formula:

$$\frac{\text{Monthly parental contribution}}{\text{Days of care per week} \times 4.35}$$

Examples:

1. A family with an annual adjusted income of \$25,000 has a monthly parental contribution amount of \$41.67. The family requires five days of care per week. To calculate their daily contribution amount:

$$\frac{41.67}{5 \times 4.35} = \$1.92/\text{day}$$

2. A family with an annual adjusted income of \$45,000 has a monthly contribution amount of \$291.67. The family requires 5 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{5 \times 4.35} = \$13.41/\text{day}$$

3. A family with an annual adjusted income of \$45,000 has a monthly contribution amount of \$291.67. The family requires 3 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{3 \times 4.35} = \$22.40/\text{day}$$

**Minimal Subsidy or Parental Contribution**

When the parental contribution is calculated to be less than \$10/month the CMSM/DSSAB is to provide a full subsidy to the family. Similarly, the CMSM or DSSAB

is not expected to provide a subsidy to the family if the subsidy amount is less than \$10/month.

### **Change in Family Composition**

There are situations where the family composition changes from a one-parent family to a two-parent family. This may occur as the result of a marriage or a couple cohabiting for a period not less than three years. In this case, a parent already receiving subsidy is expected to report the change in circumstances to the CMSM or DSSAB at the earliest opportunity. The most recent available *Notice of Assessment* must be provided for the new parent. The combined adjusted income for both parents will then be used to confirm eligibility for fee subsidy and the parental contribution recalculated.

### **Significant Changes in Income**

The income test is based on the annual adjusted income for the most recent available tax year. In most cases, parents are not expected to report in-year increases in income. Any changes in income will be taken into account at the time of the next subsidy review.

Income in the most recent tax year may not reflect the family's current financial situation in cases where families experience a significant decrease in income (e.g. family break-up). In this case, families may apply for a reduced parental contribution. For purposes of the income test, a significant change of income is defined as a decrease of 20% or more compared to adjusted income for the most recent available tax year. Appropriate documentation must be provided by parents to enable the CMSM or DSSAB to verify the change in income, such as pay slips, pension benefit statements or RRSP receipts.

In such cases, the following calculation determines if a significant change in income has occurred. This calculation estimates adjusted income for the current calendar year and compares it to the adjusted income for the most recent available tax year.

#### **STEP 1:**

Calculate the sum of the following types of income:

- Gross employment income, before any deductions including income tax, Canada Pension Plan, Employment Insurance, employer pension plan, union dues
- Old Age Security pension
- Canada Pension Plan benefits
- Interest and other investment income

**STEP 2:**

Calculate the sum of the following deductions from income; all deductions are limited to those that may be claimed for income tax purposes:

- Registered pension plan contributions
- RRSP contributions
- Annual union, professional and like dues

**STEP 3:**

Subtract the sum of the deductions from the sum of all types of income to determine the estimated adjusted income for the current calendar year.

**STEP 4:**

Determine the family's "adjusted income" as defined by the federal government for purposes of the Canada Child Tax Credit for the most recent available tax year.

**STEP 5:**

Subtract the estimated adjusted income for the current year (Step 3) from the adjusted income for the most recent available tax year (Step 4). Calculate the difference as a percentage of the adjusted income for the most recent available tax year. If the percentage is 20% or more, the estimated adjusted income for the current year may be used for purposes of the income test.

Example:

Gross earnings were \$1,000/week for 12 weeks and estimated at \$600/week for 40 weeks

Step 1: Estimated income for the current calendar year: Gross earnings = $\$1,000 \times 12 + \$600 \times 40$ $= \$12,000 + \$24,000 = \$36,000$	A	\$36,000
Step 2: Deductions from income Registered Pension Plan - \$50/week for 12 weeks	B	\$600

Step 3: Estimated adjusted income for current calendar year	$C = A - B$	\$35,400
Step 4: Adjusted income for most recent available tax year	D	\$50,000
Step 5: Decrease in income: subtract current year from most recent available tax year	$E = D - C$	\$14,600
Percentage decrease	$F = E/D \times 100\%$	29%

Since the decrease is more than 20%, the estimated adjusted income of \$35,400 for the current year may be used to calculate the parental contribution for child care.

**APPENDIX D: FORMS AND TEMPLATES**

**Part 1: (TO BE SUBMITTED WITHIN 24 HOURS OF SERIOUS OCCURRENCE)**

<p><b>REGION (select one):</b></p> <p><input type="checkbox"/> TORONTO <input type="checkbox"/> LONDON <input type="checkbox"/> BARRIE <input type="checkbox"/> OTTAWA</p> <p><input type="checkbox"/> NORTH BAY / SUDBURY <input type="checkbox"/> THUNDER BAY</p> <p><input type="checkbox"/> OTHER</p>	<p>MEDU Contact Person:</p>
<p><b>Name of Service Provider (and Program):</b></p> <p>_____</p> <p><b>Site address (full address):</b></p> <p>_____</p>	<p><b>Executive Director:</b></p> <p>_____</p> <p><b>Board President/Owner*:</b></p> <p>_____</p> <p>* if applicable</p> <p><b>Phone number:</b></p> <p>_____</p> <p><b>Email address:</b></p> <p>_____</p>
<p><b>DATE OF INCIDENT (MM/DD/YYYY):</b></p> <p>_____</p> <p><b>TIME OF INCIDENT (IF KNOWN):</b> _____</p> <p><input type="checkbox"/> AM <input type="checkbox"/> PM</p>	<p><b>DATE &amp; TIME WHEN INCIDENT IS DEEMED TO BE A SERIOUS OCCURRENCE*</b></p> <p><b>(MM/DD/YYYY):</b> _____ <b>TIME:</b> _____</p> <p><input type="checkbox"/> AM <input type="checkbox"/> PM</p>
<p><b>* PLEASE EXPLAIN IF MORE THAN 24 HOURS HAVE PASSED SINCE DATE &amp; TIME OF INCIDENT/OCCURRENCE:</b></p>	
<p><b>REPORTED BY:</b> _____ <b>POSITION:</b> _____</p> <p><b>PHONE #:</b> _____</p>	

**SECTION A: CLIENT DATA**

Client date of birth (MM/DD/YYYY):	Age(s)
1.	1.
2.	2.

**SECTION B: TYPE OF SERIOUS OCCURRENCE (report only one from the following)**

<input type="checkbox"/>	1. Death of a child	<input type="checkbox"/>	4. Child is Missing (if the child is still missing when the SOR is submitted)  (Note: Ministry must be notified of final outcome)
<input type="checkbox"/>	2. Serious injury to a child that requires treatment by a regulated health professional (doctor, nurse, dentist, etc.) and/or a serious injury that involves the police, fire or ambulance/EMS/paramedics	<input type="checkbox"/>	5. High potential for public criticism of the Ministry of Education and/or if the situation may lead to questions being asked by the media
<input type="checkbox"/>	3. Allegation of abuse and/or neglect of a child		

**SECTION C: DETAILS OF SERIOUS OCCURRENCE**

**SUMMARY OF OCCURRENCE** –  *tick if other pages are attached*

*What, where and when it happened, actions taken by the service provider*

<p><b>WHO HAS BEEN NOTIFIED?</b></p> <p><input type="checkbox"/> Police <input type="checkbox"/> Parent/Guardian/Emergency Contact</p> <p><input type="checkbox"/> CAS PLEASE SPECIFY: _____</p> <p><input type="checkbox"/> Other PLEASE SPECIFY: _____</p> <p>PLEASE SPECIFY: _____</p>	<p><b>FURTHER ACTION PROPOSED BY SERVICE PROVIDER</b></p> <p><input type="checkbox"/> <i>tick if other pages are attached</i></p>
<p><b>DIRECTION, IF ANY, PROVIDED BY MINISTRY - <input type="checkbox"/> <i>tick if other pages are attached</i></b></p>	

**Part 2: (TO BE SUBMITTED WITHIN 7 DAYS OF SOR REPORT IF FURTHER ACTION TAKEN/REQUESTED)**

<p><b>CURRENT STATUS/CONDITION:</b></p>	<p><b>CLIENT'S ALLEGATION/CLIENT'S VIEW (IF APPLICABLE):</b></p>
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<b>FURTHER ACTION PROPOSED BY SERVICE PROVIDER</b>	<b>IS THIS EXPECTED TO BE THE ONLY/LAST REPORT SUBMITTED FOR THIS SERIOUS OCCURRENCE?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No  If no, explain:
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**SECTION D: SERIOUS OCCURRENCE REPORT SIGN OFF**

<b>SUBMITTED BY (NAME &amp; POSITION)</b>	<b>PHONE NUMBER</b>	<b>COMPLETION DATE &amp; TIME:</b>  (MM/DD/YYYY): _____  TIME: _____ <input type="checkbox"/> AM <input type="checkbox"/> PM
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**ADDITIONAL DETAILS (IF REQUIRED):**

**PLEASE IDENTIFY THE SECTION OF THE REPORT THAT IS BEING EXPANDED UPON**

<b>2017 Early Child Development – Indigenous Planning Template</b>	<b>Region:</b>	
	<b>Network:</b>	
	<b>2017 Allocation:</b>	\$

Please complete the following template to describe how your early years community planning processes intend to engage and strengthen relationships with Indigenous partners and/or deliver more integrated services for Indigenous children and families in 2017. Communities will be asked to report on the expenditures related to their activities in the financial statements submission. Please complete this template and send it to the ministry at [EYIB@ontario.ca](mailto:EYIB@ontario.ca) by June 30, 2017.

#	Category <sup>1</sup>	Description	Partners	Intended Outcome(s)	Planned Expenditure
					\$

\* Add additional rows as required

<sup>1</sup> The **activity category** can be 'event' (e.g. cultural celebration, community forum), 'system planning' (e.g. consultant to facilitate joint strategic planning session, enabling Indigenous focused community planning subcommittee), 'professional development' (e.g. cultural awareness workshop, job shadowing/job exchange opportunities) or 'other'.

## 2017 Early Child Development –Indigenous Planning Template

Please answer the following questions about the level of engagement and collaboration of Indigenous partners, ‘mainstream’ partners and the early years community planning processes. Questions should be answered by an Indigenous partner representative(s) or with the input of Indigenous partners, if possible.

Questions completed by: \_\_\_\_\_

Please circle the best response.

Our community has a dedicated Indigenous advisory group or planning subcommittee that is the lead for Indigenous early years community planning.	YES	NO
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Indigenous community partners (or representatives) are active members of the early years community planning process.	YES	NO
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Our early years community planning process partners with:	OFF-RESERVE Indigenous community providers	YES, regularly	SOMETIMES	NO	NOT APPLICABLE
	ON-RESERVE First Nations providers	YES, regularly	SOMETIMES	NO	NOT APPLICABLE

‘Mainstream’ frontline staff have received training, mentoring and/or support to help them deliver culturally responsive programs and services for Indigenous children and families.	YES, all or most staff have received training	SOME, staff have received training	NO, staff have not received training in this area	NOT YET, staff training is planned for this year
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