

Extended Day Fee Subsidy Guidelines

Full-Day Kindergarten
Year 3

2012

Ministry of Education
Early Learning Division

Updated: January 2012

Allocation of Extended Day Fee Subsidies among CMSMs/DSSABs

To support the provision of high-quality, affordable before- and after-school programs for children enrolled in full-day kindergarten, additional funding for extended day subsidies has been allocated to CMSMs/DSSABs as outlined below. CMSMs/DSSABs can reinvest Best Start (Early Learning and Child Development) fee subsidy funds (100% provincial) into extended day fee subsidies based on uptake on before- and after-school programs at individual FDK sites and realization of savings as four- and five-year olds move into FDK.

2010-11 Allocation (Year 1 FDK)

The existing Ministry of Children and Youth Services (MCYS) Best Start equity allocation formula was used to distribute extended day fee subsidy funds in the 2010-11. The formula is based on the following:

- 40% of funding distributed based on child population under age 6.
- 60% of funding based on equity factors:
 - Proportional low income population
 - Population with education under grade 9
 - Households with no knowledge of English or French
 - Geographic dispersion
 - Growth

The formula was updated with 2006 census data.

2011 Allocation (Year 2 FDK)

Additional new extended day fee subsidy funding in the 2011 calendar year was distributed using a modified Best Start Equity formula as follows:

- 10% based on proportion of Year 2 full-day kindergarten (FDK) sites.
- 90% based on Best Start Equity Formula:
 - 36% based on child population under age 6
 - 54% based on equity factors:
 - Proportional low income population
 - Population with education under Grade 9
 - Households with no knowledge of English or French
 - Geographic dispersion
 - Growth

2012 Allocation (Year 3 FDK)

Additional new extended day fee subsidy funding in the 2012 calendar year is being distributed using an updated modified Best Start equity formula, which allocates 10% of funding based on FDK enrolment as opposed to proportion of FDK sites. The Ministry of Education (MEDU) has also updated the formula to include 2010 demographic projections. Therefore, for the 2012 calendar year, the Ministry has maintained the 2010-11 and 2011-12 CMSM/DSSAB base amounts and allocated only new year 3 extended day fee subsidy funds on the updated modified formula.

Funding and Cost Sharing Requirements

- **Operating Costs for Fee Subsidy**

Funding for fee subsidies in the FDK before- and after-school program is 100% provincial. Funding for administration of extended day fee subsidies is also 100% provincial. Up to 10% of expenditures associated with implementing extended day fee subsidies may be used for administration. This funding will be year round funding and the amount of funding will be reviewed annually, taking into consideration board-established fees.

Eligible administrative costs to be determined based on the MCYS Child Care Administrative Cost Sharing Guidelines.

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

To make the best use of subsidy dollars it is 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)).

Accountability Process for Extended Day Fee Subsidy Administration

Contractual Agreements

CMSMs/DSSABs and MEDU

For 2012, MEDU will enter into service agreements with CMSMs/DSSABs that include funding for extended day fee subsidies.

CMSMs/DSSABs, School Boards and Third-Party Providers

CMSMs/DSSABs are to establish overall framework agreements with school boards that will cover all FDK 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/DSSABs will continue with existing contractual processes in place (e.g. conclude purchase of service agreements with individual providers).

School boards or third-party providers will submit monthly invoices to CMSMs/DSSABs with financial and related service data.

Flowing Funds

For 2012, MEDU is continuing to combine the detail codes used to flow funding for Early Learning and Child Development fee subsidies (A663) and Extended Day Fee Subsidies (A664).

The amount of funding available in the combined detail code is communicated to CMSMs/DSSABs in the MEDU child care service agreements. MEDU will flow funds to CMSMs/DSSABs as per the signed agreements.

Tracking and Reporting

CMSMs/DSSABs and MEDU

CMSMs/DSSABs will report financial and service data through the web-enabled Education Finance Information System (EFIS) in Estimates, Revised Estimates and Financial Statements.

The following data elements continue to be included:

- Number of families served with extended day fee subsidies (counted only once if family is also receiving child care subsidy).
- Number of children served with before-school only, after-school only, and before- and after-school subsidies.
- Number of children served on non-instructional days.
- Expenditures, including program and administration.

CMSMs/DSSABs and School Boards

School boards will submit monthly invoices to CMSMs/DSSABs with established financial and related service data.

Information Systems

Tracking of the extended day fee subsidies has been built into the current information systems: the Ontario Child Care Management System and Toronto's Children's Services Information System.

Quality Oversight

As board-delivered before- and after-school programs at FDK sites (Extended Day) will be governed under the *Education Act*, no additional standards will be required by CMSMs/DSSABs when entering into agreements with school boards. **Both boards and third party providers must deliver the program content outlined in the Ministry's *Extended Day Program* document.** Third-party child care arrangements may be subject to any regular provisions of purchase of service agreements, including regarding quality oversight.

Wait List Management

CMSMs/DSSABs have existing child care wait list management policies that are locally established and differ from one another. The blended funding allocation for A663/A664 represents the notional amount for extended day fee subsidy, should there be a demand. In the event that the full allotment is not required for extended day fee subsidy, CMSMs/DSSABs may apply existing child care wait list management policies as appropriate for all children eligible for subsidies, including regular child care fee subsidies for children 0 to 12.

Current practices will continue to maintain parental choice as to where a fee subsidy is used. CMSMs/DSSABs are to share with school boards their wait list practices.

Child Care Subsidies and Extended Day Subsidies

Some subsidized families will have a child enrolled in child care and another in the FDK before- and after-school program. The income tested parental contribution will be payable with respect to all the children in the family. In other words, a family receiving both types of fee subsidy will pay the same amount as if all children were in child care only, or all children were in the before- and after-school program only.

APPENDIX

Summary Highlights

Child Care Fee Subsidy Guideline

DETERMINING THE AMOUNT OF FDK EXTENDED DAY PROGRAMMING TO SUBSIDIZE

CMSMs/DSSABs are to determine the amount of subsidized FDK before- and after-school programming for each eligible family in accordance with the child care policy statement “*Improving Access to Subsidized Child Care*”. The parent must have employment or education activities that result in a need for extended day services. Alternatively, parents may have an illness or disability that results in a need for before- and after-school services or the child may have special or social needs.

DETERMINING ELIGIBILITY

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 Support 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.

Income Test

CMSMs/DSSABs must use the child care income test prescribed by O. Reg. 262 under the *Day Nurseries Act* to determine eligibility for extended day fee subsidy and the parental contribution.

Definition of Income

The definition of income is “adjusted income” as defined by the federal government for purposes of the Canada Child Tax Benefit (section 122.6 of the federal *Income Tax Act*). 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

All applicants for extended day fee subsidy (and where applicable the applicant's spouse) are required to provide a copy of either the most recent available *Notice of Assessment* or *Canada Child Tax Benefit (CCTB) Notice* to the CMSM/DSSAB.

All applicants (and where applicable the applicant's spouse) are required to file an income tax return annually in order to be considered for subsidy eligibility.

Calculation of Parental Contribution

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.

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.

No family will pay more than the total cost of extended day programming and child care for all children in the family. If the calculated parental contribution exceeds the cost of extended day programming and child care, the family is not eligible for fee subsidy.

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.

If income in the most recent tax year does not reflect the family's current financial situation where there is a significant decrease in income, the family may apply for a reduced parental contribution. A significant change of income is defined as a decrease of 20% or more.