

Child Care Transition Funding Guidelines

Year 3 Full-Day Kindergarten

January 2012

Questions & Answers

General Child Care Transition

Q. Will Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) be required to submit a transition plan to the Ministry?

A. No. CMSMs/DSSABs will not be required to submit a plan for transition minor capital or transition operating funding. However, CMSMs/DSSABs will be required to report back to the ministry on their transition minor capital and transition operating funding expenditures.

Q. How were the allocations of the transition funds determined for each CMSM/DSSAB?

A. Additional new funding in 2012 is being distributed using an updated modified Best Start equity formula, which allocates 10% of funding based on full-day kindergarten (FDK) enrolment, as follows:

- 10% based on proportion of cumulative FDK enrolment; and
- 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
 - Population growth

Q. Are CMSMs/DSSABs able to use Year 3 transition funding to support child care centres affected by Year 4 implementation of FDK?

A. CMSMs/DSSABs may use a portion of their child care transition minor capital in 2012 to support child care centres impacted by Year 4 implementation of FDK.

Important Timelines

Q. When are CMSMs/DSSABs required to have fully expended their 2012 transition operating and transition minor capital allocation?

A. All transition funding must be fully expended by December 31, 2012.

Q. Will any unexpended transition funds be recovered by the Ministry?

A. Yes. The Ministry will recover unexpended transition funds through the year-end reconciliation process.

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Transition Minor Capital Funding

Q. Can transition minor capital funding be used to support all operators?

A. Transition minor capital funding can be provided to non-profit operators only under Ministry policy. This funding is intended to help offset the costs of minor renovations of existing child care centres to serve younger aged children as four and five year olds enter FDK.

Child care operators seeking transition minor capital funding must also demonstrate to the CMSM/DSSAB that they:

- Are directly impacted by the FDK implementation;
- Are financially viable and able to sustain the program in the future through a sound business plan i.e. are operationally sound; and
- Are incorporated as a non-profit corporation.

Q. How will CMSMs/DSSABs receive their transition minor capital funding?

A. Transition minor capital funding is included as part of the **child care** service agreement through Child Care Transition **Minor** Capital (A713). Cash flow will be based on the level of expenditure reported in EFIS to the extent that it is lower than the allocation.

Q. What information will CMSMs/DSSABs be required to report for transition minor capital funding?

A. CMSMs/DSSABs are required to report the name, address, number and licensed capacity of licensed child care centres in receipt of transition minor capital funding. They are also required to report the purpose of this funding (i.e. interior retro-fit, playground retro-fit, or other retro-fit).

Q. How will CMSMs/DSSABs report their use of transition minor capital funding?

A. CMSMs/DSSABs are required to report transition minor capital funding expenditure as well as the purpose of the expenditure through the **Estimates**, Revised Estimates and Financial Statements on line A713. Cash flow will be based on the level of expenditure reported in EFIS.

Q. Can transition minor capital funding be used to purchase toys and equipment?

A. No. Transition minor capital funding cannot be used to purchase toys and equipment as these expenditures are considered an operating expense.

Transition Operating Funding

Q. Can transition operating funding be used to support all operators?

A. Transition operating funding can be used to support both non-profit and for-profit operators. Child care operators seeking transition operating funding must also demonstrate to the CMSM/DSSAB that they:

- Are directly impacted by FDK implementation; and,
- Are financially viable and able to sustain the program in the future through a sound business plan (i.e. are operationally sound).

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Q. Can transition operating funds be used for wages?

A. No. CMSMs/DSSABs are not permitted to use transition operating funding for wage subsidy or wage improvement. CMSMs/DSSABs may only direct transition operating funding to child care fee subsidies, special needs resourcing and one time start-up grants.

Q. Do CMSMs/DSSABs have to make a case to the Ministry for approval to use transition operating funding (A665) for special needs resourcing?

A. No. CMSMs/DSSABs, in their role as service system managers, have the flexibility to direct transition operating funding to special needs resourcing as needed.

Q. Do CMSMs/DSSABs have to complete a template to report service targets for special needs resourcing through transition operating (A665)?

A. No. CMSMs/DSSABs can report their service targets on schedule 1.2 of their Estimates, Revised Estimates and Financial Statements.

Q. Do CMSMs/DSSABs have flexibility to use transition operating funding for child care subsidies, special needs resourcing and one time start-up grants even if they have a waitlist for fee subsidies?

A. Yes. CMSMs/DSSABs can now direct these funds to the following areas as needed even if they have a wait list for fee subsidies:

- Child care fee subsidies;
- Special needs resourcing; and,
- One-time start-up grants- FDK

Q. Where will I report my transition operating funding?

A. EXPENDITURE: CMSMs/DSSABs are required to report transition operating fee subsidy and special needs resourcing expenditures through the Estimates, Revised Estimates and Financial Statements on line A665.

One time start up grant expenditures are transferred from transition operating (A665) to one-time start-up grants (A411) through financial flexibility and reported through the **Estimates**, Revised Estimates and Financial Statements.

DATA ELEMENTS: CMSMs/DSSABs are required to report fee subsidy and special needs resourcing targets through the Estimates, Revised Estimates and Financial Statements on line A665. The number of licensed centres in receipt of start-up grants is reported through the **Estimates**, Revised Estimates and Financial Statements on line A411.

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Transferring Funds

Q. Can funds be transferred between transition operating funding (A665) and child care transition minor capital (A713)?

A. No. Funds cannot be transferred between transition operating funding (A665) and transition minor capital (A713). There is no financial flexibility between these two lines.

Q. Can funds be moved in or out of transition minor capital funding (A713) through financial flexibility?

A. No. There is no financial flexibility associated with transition minor capital funding (A713).

General Funding

Q. Is Health and Safety different from the start-up funds that may be realigned to A411 from Transition Operating (A665)?

A. Yes. The start-up funds that may be realigned to A411 from transition operating (A665) are for one time start up costs only related to the impact of the implementation of FDK.

Q. Is transition minor capital funding different than Health and Safety funding?

A. Yes. Transition minor capital is funded through detail code A713 and provided to non-profit operators only. There is no flexibility associated with A713. Health and Safety refers to funds that are realigned through financial flexibility from ELCD Operating (A661) and/or ELCD 100% Fee Subsidy (A663/A664) to A375. These funds must not exceed the maximum amount identified by the Ministry. In 2012, this amount is \$1,000 multiplied by the number of licensed child care programs (centre-based) in the CSM or DSSAB geographic area on January 1, 2012.

Q. Are there administrative dollars included in the investment?

A. No. Transition funding represents 100% provincial funding and no transition funding may be allocated for administration.