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Toronto ON M7A 1L2



2012: ELCC10

MEMORANDUM TO: General Managers/Commissioners, CMSMs/DSSABs
Children's Service Managers, CMSMs/DSSABs

FROM: Pam Musson
Director, Early Learning and Child Care Implementation Branch
Early Learning Division
Ministry of Education

DATE: July 11, 2012

SUBJECT: 2012 Child Care Service Agreement Amendment Package

We are pleased to provide you with your 2012 child care service agreement amendment package. As outlined in the 2012: ELCC8 memo you received on July 10, 2012, this package includes the amendment for your new 2012 child care funding:

- Transition Operating (A661);
- Transition Capital (A713);
- Repairs and Maintenance/Health and Safety (A375); and
- Capacity Funding to Support Transformation (A412).

For applicable CMSMs/DSSABs, this amendment also includes Small Water Works (SWW) funding that transferred from the Ministry of Children and Youth Services (MCYS) to the Ministry of Education (EDU) on April 1, 2012.

New Funding and Flexibility:

The Ministry has made flexibility a priority for service system managers for the new 2012 funding investment. Details regarding the new funding and related flexibility are as follows:

- 2012 Transition Operating (A661) – funding has been allocated to Early Learning and Child Development (A661) where existing expenditure and funding flexibility can be applied. Please note that a 10 percent cap on administrative expenditures is required on the new investment. CMSMs/DSSABs may transfer their 2012 Transition Operating (A661) allocation into A663/A664, A713, A375 and A412.
- 2012 Capacity Funding to Support Transformation (A412) – funding has been allocated under a new detail code, A412. This funding is to help support viability and facilitate child

care transformation within communities. Expenditure and eligibility requirements are outlined in Appendix B of the attached Child Care Business Practices Guidelines. CMSMs/DSSABs may transfer funding from the new Capacity Funding to Support Transformation (A412) to A375 and A713.

- 2012 Transition Capital (A713) – funding has been allocated to Child Care Transition Capital (A713) where existing eligibility requirements apply under the 2012 Child Care Transition Funding Guideline. This funding is in addition to your original 2012 allocation and should be prioritized for capital retrofit projects to serve younger age groups. CMSMs/DSSABs may transfer funding from their new and original 2012 Transition Capital (A713) allocation into A375 and A412 should their A713 allocation not be required based on community need.
- 2012 Repairs and Maintenance (A375) – funding has been allocated to A375 to assist child care operators in addressing health and safety requirements. This new investment is in addition to the existing flexibility CMSMs/DSSABs have to move funds into A375 (up to \$1,000 per centre) from A661 and A663/A664. CMSMs/DSSABs may transfer funding from their 2012 Repairs and Maintenance (A375) allocation into A412 and A713.

In response to requests for increased financial flexibility, CMSMs/DSSABs may now transfer funding out of OW child care to other detail codes not identified as exceptions under the financial flexibility policy. This flexibility may only be exercised if child care supports are readily available as required for OW participants to be involved in employment and/or employment assistance activities.

CMSMs/DSSABs will report on their use of financial flexibility for the 2012 investments and OW child care in their Revised Estimates (available July 12, 2012) and Financial Statements submissions in EFIS.

Refer to the attached updated 2012 Child Care Business Practices Guidelines for additional information on the above noted changes:

- Changes to the financial flexibility policy- pages 10 & 11
- Information on Small Water Works- pages 14 & 15
- Capacity Funding to Support Transformation (A412) Guideline- pages 19 & 20

The following minor revisions have also been made to the guidelines since the January 2012 version:

- Additional information regarding the TWOMO claims process- pages 14 & 15
- Additional information regarding Financial Statements submission requirements- page 8

Child Care Service Agreement Amendment

Please complete, sign and date the service agreement amendment on page 2 and ensure that two signed copies of the amendment and schedules are returned to EDU at the address below by August 31, 2012:

Attention: Pam Musson, Director
Early Learning and Child Care Implementation Branch
Ministry of Education
24th Floor, Mowat Block

900 Bay Street, Toronto, ON M7A 1L2

Schedule A: Service Description Schedules

The Service Description Schedule has been revised to include the new detail code and service description for Capacity Funding to Support Transformation (A412).

In addition, CMSMs/DSSABs will find a service description for Small Water Works (A515) in their amendment. This schedule is only pertinent for CMSMs/DSSABs flowing Small Water Works to child care operators that have historically received this funding from MCYS.

Schedule C: Budget Schedule

Your new 2012 allocations are identified in the following detail codes of your Budget Schedule:

- Transition Operating: A661, Operating ELCD
- Health and Safety: A375, Repairs and Maintenance
- Transition Capital: A713, Transition-Capital
- Capacity Funding to Support Transformation: A412, Capacity Funding to Support Transformation (NEW)
- Small Water Works (where applicable): A515, Small Water Works

2012 Investments- Cash Flow

Your new 2012 child care funding allocations will be reflected in your regular monthly child care payment of September (retroactive to April 1) provided your signed amendment is submitted to the Ministry by August 8, 2012. For CMSMs/DSSABs that submit their amendment after this date, their new allocation will be reflected in the next available regular child care payment.

As a reminder, CMSMs/DSSABs can access updated child care guidelines on the FAAB website at: <http://faab.edu.gov.on.ca/CCGuidelines.htm>.

Please contact your Child Care Advisor directly if you have any questions/concerns regarding this memo and the enclosed materials. For questions regarding cash flow calculations and reporting, please contact your Financial Analyst.

Thank you for your cooperation. We look forward to a continued collaborative relationship.

Original signed by

Pam Musson

Copy: Jim Grieve, Assistant Deputy Minister, Early Learning Division, Ministry of Education
Gabriel F. Sékaly, Assistant Deputy Minister, Elementary/Secondary Business and Finance Division, Ministry of Education
Andrew Davis, Director, Financial Analysis and Accountability Branch
Rupert Gordon, Director, Early Learning and Child Care Policy and Program Branch