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2014: EYCC3

MEMORANDUM TO: **Chiefs of First Nations with Child Care Agreements
Child Care Administrators**

FROM: Pam Musson
Director, Early Years Implementation Branch Early Years
Division, Ministry of Education

Marie Li
Director, Financial Analysis & Accountability Branch Financial
Policy and Business Division
Ministry of Education

DATE: **March 27, 2014**

SUBJECT: **2014-15 Child Care and Family Support Program Service
Agreement Package**

We are pleased to provide you with your 2014-15 child care and family support program service agreement package. This package includes your 2014-15 child care and family support program service agreement, and an updated *Ontario Child Care Business Practice, Service and Funding Guideline*. These materials reflect the fact that we are moving forward with the second phase of the transfer of family support programs on April 1, 2014

Child Care

The provincial government announced new investments to support on-reserve First Nations child care as part of the commitment to create a more integrated and seamless early years system. Since 2011-12 the ministry has provided approximately \$17.8M in new funding for First Nations child care (over three fiscal years) bringing the total First

Nations child care funding to \$26.3M in 2014-15. These new investments support Ontario Works Child Care, Special Needs Resourcing, Health and Safety, Child Care Transformation and Capacity Building in First Nation communities.

Please refer to Schedule B of the attached service agreement for details about your First Nation's 2014-15 child care funding allocation from the Ministry.

Family Support Programs

We would like to reassure you that our primary focus throughout the transfer of family support programs is to ensure continuity of services to the children and families in your communities. Throughout this transition period, the Ministry of Education (EDU) and the Ministry of Children and Youth Services (CYS) will continue to work in close partnership to ensure a smooth, modified-status quo transfer of knowledge and responsibilities.

A modified-status quo transfer means funding and program delivery will be consistent with CYS funding levels and guidelines. Modifications have only been made to the contract management and financial reporting processes in order to simplify business practices and align them with existing EDU structures. The *Ontario Child Care Business Practice, Service and Funding Guideline* has been updated to support you through these business practice changes.

Ontario Child Care Business Practices, Funding and Service Guideline (Guideline)

The Ministry would like to bring the following revisions in the guideline to your attention.

Under detail code *A405 Child Care Supervisor Network – Capacity Funding*, a broader range of professional development opportunities may now be funded that build the capacity of supervisors, program staff/caregivers, home visitors and home child care providers. Details are provided on pages 32-34 of the Guideline. The total allocation has increased from \$400,000 in 2013-14 to \$1.2 million in 2014-15.

In addition, some clarification has been provided on eligible expenditures under *A404 Child Care Transformation* for play-based materials and equipment. More examples are provided for the types of expenditures that may be appropriate, consistent with the guiding principles of *Ontario's Early Years Policy Framework*. Please refer to page 29 of the *Guideline*.

The ministry has integrated family support programs into the Guideline by including references to existing CYS guidelines in section five of the Guideline as they continue to apply. The business practice section of the Guideline outlines the timing and frequency of financial reporting which has been streamlined with child care reporting. A new

reporting schedule for family support programs will be added in the Education Finance Information System (EFIS).

Any serious occurrences (SOs) that occur at First Nations Child Care Resource Centres/Family Resource Programs (CCRCs) funded by EDU will now be reported to the Ministry of Education effective April 1, 2014. In addition to the Guideline, please see the attached 2014 EDU Family Support Program Serious Occurrence Form.

Child Care and Family Support Program Service Agreement

The service agreement, which identifies funding levels and service expectations of the Ministry, covers the period of April 1, 2014 to March 31, 2015. The contact information for your First Nation appears on page 10 of the agreement. Please review this contact information for accuracy and advise your Child Care Advisor of any updates.

First Nations will have one consolidated service agreement with the Ministry of Education for both child care and family support programs.

The Ministry requires **two original signed and dated copies** of your agreement by **June 13, 2014**. Please have your designated signing authority or authorities sign and date **page 12** of the agreement and send two copies of the entire agreement to:

Pam Musson,
Director Early Years Implementation Branch
Early Years Division,
Ministry of Education
24th Floor, Mowat Block
900 Bay Street,
Toronto, ON M7A 1L2

Once the agreement is signed by the Ministry, an original copy will be mailed back to your First Nation for your records.

The child care service agreement provided by the Ministry includes the following changes from prior years:

Legal Text

There are modest changes to the legal text of the agreement since 2013-14 to reflect the transfer of family support programs to the Ministry of Education and to refer to the 2014-15 fiscal year.

Schedule A: Service Description Schedule

The Service Description Schedule now includes details regarding the family support programs that are funded by the Ministry. These services will be in accordance with your funding allocation as outlined in Schedule B and are consistent with the services specified in your previous CYS agreement.

Schedule B: Budget Schedule

The budget schedule outlines the funding for your First Nation by detail code. This funding is for the 2014-15 fiscal year, effective April 1, 2014 to March 31, 2015. All funding must be spent by March 31, 2015.

Transition Funding

In 2014-15, Transition funding continues to flow as part of the regular child care service agreement. First Nations that are eligible to receive this funding in 2014-15 will see an allocation on detail code A404-Child Care Transformation under "Transition Funding-FDK." This funding is intended to support First Nations in addressing funding pressures resulting from children attending an off-reserve provincially funded full-day kindergarten (FDK) program.

Allocations for Transition funding are one-time and based on your First Nation's share of the number of children attending FDK under tuition agreements held by your First Nation in the 2013-14 school year (only applicable to First Nations with licensed on-reserve child care).

Transformation Funding

Transformation funding has increased from \$1.6 million in 2013-14 to \$3.4 million in 2014-15. The funding has been distributed based on licensed capacity weighted for the required staff:child ratios in Ontario Regulation 262 under the *Day Nurseries Act*. This means that should allocations be recalculated in future years, no First Nation will receive reduced funding if they have lower licensed capacity as a result of reconfiguring to serve younger children.

Please refer to the attached *Ontario Child Care Business Practices, Service and Funding Guideline* for information on eligible expenditures under A404 - Child Care Transformation.

Ontario Works Child Care

In 2014-15, First Nations Ontario Works Child Care funding allocations have either increased or remained the same as in 2013-14. Some First Nations will receive an

increase in funding if their current share of the Ontario Works caseload exceeds their share of the 1998 Ontario Works sole support caseload. Otherwise funding will remain the same as the 2013-14 allocation.

Please refer to the attached *Ontario Child Care Business Practices, Service and Funding Guideline* for information on eligible expenditures under A402/403 – Ontario Works Child Care.

Family Support Programs

Please note that the Budget Schedule has been pre-populated based on your family support program funding allocation transferred from CYS to the EDU, if applicable. Your allocation for 2014-15 is based on your 2013-14 funding allocation from CYS. For 2014-15, there will be no flexibility to move funds between child care and family support funding.

Schedule C: Reporting Schedule

The reporting schedule outlines the submissions that First Nations and Transfer Payment Agencies are required to provide to the Ministry throughout the 2014 -15 fiscal year and their corresponding due dates. Further details about the financial reporting process are outlined in sections one and two of the enclosed *Ontario Child Care Business Practices, Service and Funding Guideline*.

REVISED: Policy on Late Filing of Ministry Submissions

Effective April 1, 2014, the policy related to situations where submissions are not provided to the Ministry by the due date has been revised. The changes are intended to demonstrate enhanced accountability for the expenditure of public funds. The policy applies to:

- Service agreements
- Financial reporting (Estimates, Revised Estimates, Financial Statements)
- Queries related to financial reporting
- Financial Documentation (audited financial statements, Review Engagement Reports, etc.)

If the required documents have not been provided by the due date, the Ministry will follow up to discuss any challenges with providing the information and offer support to your First Nation.

If the Ministry has been unsuccessful in obtaining outstanding documentation after repeated follow-up, a letter signed jointly by the Directors of the Early Years Implementation Branch and the Financial Analysis and Accountability Branch will be sent to the First Nation indicating that cash flow will be reduced by 50%. If the outstanding documentation is not provided to the Ministry within 90 days of the letter being issued or by the end of the fiscal year (whichever comes first) all cash flow will be suspended until the documentation is provided. Upon submission of the documentation, all cash withheld to that point will be reinstated.

We acknowledge that the vast majority of our First Nations partners do provide updated financial submissions and related information on a timely basis. The intent behind enhancing this late filing process is to ensure the Ministry has the information required to assist First Nations with submitting their required financial documentation, but also demonstrate accountability for public funds.

Reporting Requirements

First Nations that receive more than \$350,000 in child care funding are required to submit three financial reports through EFIS to the Ministry. Please review schedule B and C to determine if the reporting requirements for your First Nation have changed. Additional information about financial reporting is available below.

2014-15 Cash Flow

Beginning in April 2014, monthly cash flow will be based on your original 2013-14 allocation, reflecting any adjustments made in year based on the 2013-14 Revised Estimates, plus any additional ongoing investments you received last year through Special Needs Resourcing, Ontario Works, Supervisor Network-Capacity and Transformation funding. It will also include any 2014-15 family support program funding.

Your 2014-15 child care cash flow will be updated in August 2014 pending receipt of your signed child care service agreement by June 13, 2014 and, if applicable, your 2014-15 Estimates submission in EFIS due June 30, 2014. Your August payment will include a lump sum payment so that cash flow is reflective of your 2014-15 allocation.

2014-15 Estimates Submission

First Nations with an allocation above \$350,000 will be required to submit Estimates to the Ministry through EFIS. The Estimates reporting package will be sent to applicable First Nations to complete in early May and will be due to the Ministry by June 30, 2014.

The Ministry is currently exploring ways to provide First Nations with training opportunities on both the 2013-14 Financial Statements and 2014-15 Estimates

submissions. If your First Nation has specific training needs, please contact your Financial Analyst with this information.

2014-15 Health and Safety Funding

As stated in *ELCC18: 2014-15 Child Care Health and Safety Funding*, the Ministry invited First Nations to apply for 2014-15 Health and Safety funding by February 28, 2014. Applications will continue to be accepted throughout the fiscal year. First Nations are encouraged to submit their applications for Health and Safety funding to the Ministry as soon as possible to allow for activity to occur in the warmer months.

Financial Analysis and Accountability Branch Website

All communications regarding child care from the Ministry, including memorandums, guidelines and financial submissions are available on the Financial Analysis and Accountability Branch's website at <http://faab.edu.gov.on.ca>. These materials may be accessed by clicking the links under Child Care on the right hand side of the page.

Next Steps

Child Care Advisors will be coordinating meetings with First Nations in the coming months to discuss the contents of your 2014-15 child care service agreement package and to address any further questions you may have upon review of your 2014-15 child care service agreement. In the meantime, please contact your Child Care Advisor directly if you have any questions or concerns regarding this memorandum and the enclosed materials. For questions regarding 2014-15 cash flow or financial reporting, please contact your Financial Analyst.

Thank you once again for your ongoing partnership and commitment to serving children and families.

Original signed by:

Pam Musson
Director,
Early Years Implementation Branch
Early Years Division
Ministry of Education

Marie Li
Acting Director,
Financial Analysis and Accountability
Branch
Financial Policy and Business Division
Ministry of Education

Enclosures:

2014-15 Child Care and Family Support Program Service Agreement
Ontario Child Care Business Practice, Service and Funding Guideline
Statement of Attestation and Conformity – Ministry of Education – 2014-15
Health & Safety Funding
EDU Family Support Program Serious Occurrence Form

Cc: Social Services Coordination Unit, Chiefs of Ontario
Jim Grieve, Assistant Deputy Minister, Early Years Division, Ministry of Education
Greg Douglas, Director, Client Services Branch, Service Delivery Division,
Ministry of Children and Youth Services
Rupert Gordon, Director, Early Years Policy & Programs Branch, Ministry of
Education
Cettina Cuffaro, Manager, Child Care Finance Unit, Financial Analysis and
Accountability Branch, Ministry of Education
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