

Ministry of Education

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2015: EYCC9a

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: **April 10, 2015**

SUBJECT: **2015- 16 Child Care Service Agreement Package**

We are pleased to provide you with your 2015-16 child care service agreement package.

To support the government's vision for a system of responsive, high-quality, accessible, and increasingly integrated early years programs and services, the province has invested \$269 million over three years to support an increase of \$1 per hour plus up to 17.5 percent benefits in total compensation for Registered Early Childhood Educators (RECEs) and other program staff in the licensed child care sector in 2015 with an additional increase in 2016.

Please refer to Schedule B of the attached service agreement for details about your First Nation's 2015-16 child care funding allocation from the Ministry.

Included in this package you will find:

- 2015-16 Child Care Service Agreement;

- *Ontario Child Care Business Practice, Service and Funding Guideline 2015-16*;
- a summary of changes to the Guideline (Table A);
- Wage Enhancement/Home Child Care Enhancement Grant Application Forms;
- 2015-16 Child Care Wage Enhancement and Home Child Care Enhancement Grant Administration Funding Letter;
- Wage enhancement questions and answers;
- Statement of Attestation and Conformity – Ministry of Education – 2015-16 Health & Safety Funding;
- Ontario Works Overview Document; and
- Ministry Staff Contact List for First Nations and Transfer Payment Agencies.

Child Care Service Agreements

The Ministry has revised its 2015-16 service agreement template to align with the Ontario Public Service's standard agreement template. 2015-16 will be a transition year for the Ministry in using the revised template; however, the agreement reflects the conditions and best practices under which the government funds transfer payment recipients.

Schedule A: Program Description Schedule

The Service Description Schedule has been renamed the "Program Description" Schedule and now includes a description for the wage enhancement/HCCEG. This program will be in accordance with the Guideline and the funding allocation in Schedule B.

Schedule B: Budget Schedule

The Budget Schedule outlines the funding allocations in 2015-16 for each detail code. The schedule includes a notional wage enhancement funding allocation from January 1, 2015 to March 31, 2016.

In 2015-16, one-time transformation funding is converted to ongoing transformation funding as part of annualized base funding. This funding realignment is intended to support First Nations in making long-term investments in child care programs, such as increased fee subsidy or special needs resourcing.

Schedule C: Payment Schedule

Additionally, Schedule "C" is now the "Payment Schedule." The contents of this schedule are included in the Guideline and have not varied from previous years.

Schedule D: Reporting Schedule

The Reporting Schedule outlines the submissions that First Nations and Transfer Payment Agencies are required to provide to the Ministry throughout the 2015-16 fiscal year and their corresponding due dates. Further details about the financial reporting process are outlined in sections two and three of the Guideline.

REVISED - Policy on Late Filing of Ministry Submissions

The policy for late filing has been amended in 2015-16. The Ministry acknowledges that the majority of First Nations provide signed service agreements, updated financial submissions and related information on a timely basis. The intent behind the amendment to 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 First Nation partners with timely financial documentation filing through regional outreach, training and resources. The Ministry will also follow-up with First Nations impacted by the policy to discuss any challenges with providing the information and to offer support prior to imposing any financial penalty.

Effective April 1, 2015, the following late filing policies will be implemented:

1. Where a signed service agreement is not received by the Ministry six months from the effective date of the new service agreement (i.e. October 1, 2015, unless an extension has been granted), the Ministry will stop all payments to the First Nation until the signed agreement is submitted.
2. Where a First Nation files a financial submission¹ 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 First Nation that the submission is overdue.
 - After 31 days, monthly cash flow will be reduced by 50 percent. The Ministry will work with the First Nation to discuss any challenges with providing the information and to offer support.

Upon receipt of the late submission, the Ministry will reinstate the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.

¹ Submission includes the following:

- a) Financial reporting (Interim Report or Financial Statements)
- b) Queries related to financial reporting
- c) Financial documentation (audited Financial Statements and Review Engagement Report)

Should a First Nation have any outstanding submissions the Ministry may exercise its discretion by not providing funding in the subsequent fiscal year until submissions have been received.

Service Agreement Submission

The 2015-16 service agreement must be submitted to the Ministry by June 30, 2015. For your convenience, First Nations now have the choice of submitting their signed service agreement **by email** to: tpa.edu.earlylearning@ontario.ca, or alternatively by regular mail.

Should you choose to submit your signed agreement by regular mail, please send two original signed copies to:

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

The Ministry will email a scanned signed copy or mail a hard copy of the completed agreement to your First Nation for your records.

Wage Enhancement Tools and Resources

As outlined in the EYCC4a memo, *First Nations Child Care Wage Enhancement Implementation*, the province is supporting child care professionals employed in the licensed child care sector, as well as licensed private-home day care providers, with an increase of \$1 per hour in 2015, and an additional investment in 2016.

The wage enhancement initiative has a number of key goals:

- to close the wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector;
- to help stabilize child care operators by supporting their ability to retain RECEs and other child care program staff; and
- to support greater employment and income security.

In order to meet these goals, the wage enhancement initiative is intended to be an ongoing investment. The wage enhancement supports an increase of \$1 per hour in 2015, plus up to 17.5 per cent for benefits. The Home Child Care Enhancement Grant (HCCG) supports an increase of up to \$10 per day in 2015 for home child care providers.

To support First Nations with the implementation of the wage enhancement/HCCEG initiative, the Ministry is providing First Nations with a one-time grant equivalent to ten percent of your projected annual wage enhancement allocation.

As noted in the EYCC4a memo, First Nation communities are not required to apply to Consolidated Municipal Service Managers or District Social Service Administration Boards for wage enhancement/HCCEG funding, rather application forms must be completed and submitted directly to the Ministry of Education. The Ministry is planning training sessions in June 2015 to support First Nations with completing the application forms for wage enhancement.

Attached you will find the wage enhancement/HCCEG tools for First Nations which include:

- The wage enhancement and HCCEG application forms, to be completed and returned to the Ministry by June 30, 2015.
- A one-time administration funding letter to be completed and returned to the Ministry by June 30, 2015 with your signed 2015-16 service agreement.
- Questions and answers.

Wage enhancement/HCCEG allocations are included in your 2015-16 service agreement, in the budget schedule (see attached Schedule B). Wage enhancement funding is retroactive to January 1, 2015. As such, your service agreement includes a notional allocation, based on licensing capacity, to support wage enhancement from January 1, 2015 to March 31, 2016. The Ministry will communicate with you in the fall of 2015 regarding the implementation approach for wage enhancement funding for 2016.

Please Note: Wage enhancement funding will not be flowed to First Nations until application forms with completed 2014 staffing information have been approved by the Ministry.

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

The Ministry would like to bring the following revisions of the Guideline to your attention. Please refer to Table A for a comprehensive overview of changes to the Guideline.

Reporting Cycle

Beginning in 2015, First Nations with an allocation of \$350,000 and above are no longer required to submit an Estimates report in June through the Education Finance Information System (EFIS).

First Nations must now submit two financial reports to the Ministry through EFIS, an Interim Report (previously known as Revised Estimates) and Financial Statements. The

Financial Analysis and Accountability Branch (FAAB) will provide detailed instructions to First Nations for each submission upon release in EFIS.

For First Nations who are moving from an allocation below \$350K to above \$350K, please note that you are now required to report in EFIS two times a year as indicated above. Your Financial Analyst will support you in this transition.

Financial Flexibility

In order to provide increased flexibility to address local needs, in 2015-16 funds may be transferred from ongoing Transformation (A404) to Supervisor Network and Capacity Building (A405). However, funds may not be transferred from Supervisor Network and Capacity Building (A405) to Transformation (A404).

Additionally, for the 2015-16 fiscal year funds may be transferred from Special Needs Resourcing (SNR) (A377) to Supervisor Network and Capacity Building (A405). Prior to the transfer of SNR funding the First Nation community must ensure that all SNR requirements for children in licensed child care are met. Funds may not be transferred from Supervisor Network and Capacity Building (A405) to SNR (A377).

Ontario Works

In light of recurrent events regarding child safety and well-being in the informal child care sector, the Ministry of Education is taking steps to prioritize and promote the use of licensed child care options for Ontario Works (OW) participants.

The Ministry encourages First Nations to promote the use of licensed child care for OW participants and to document where OW participants are either unable to secure licensed child care or licensed child care does not effectively support the participants' activities per the OW Participation Agreement.

For information on eligible expenditures under A402/403 – Ontario Works Child Care, please refer to the Guideline and the attached Ontario Works Child Care Overview document.

2015-16 Cash Flow

Until the 2015-16 service agreement is signed and returned to the Ministry, monthly cash flow will be based on the 2014-15 allocation, including any adjustments made in year based on the 2014-15 Revised Estimates.

2015-16 child care cash flow will be updated in August 2015 pending receipt of the signed child care service agreement by June 30, 2015. The August payment will include a lump sum payment so that cash flow is reflective of your 2015-16 allocation.

Cash flow for wage enhancement also requires a completed wage enhancement application form.

Wage enhancement cash flow will be based on approved application forms.

2015-16 Health and Safety Funding

As stated in *EYCC11: 2015-16 Child Care Health and Safety Funding*, the Ministry invited First Nations to apply for 2015-16 Health and Safety funding by February 27, 2015. 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 projects to occur in the warmer months.

Key Dates

The chart below lists all documents that are required to be submitted to the Ministry during the 2015-16 fiscal year. Documents may be submitted via email (to: tpa.edu.earlylearning@ontario.ca) or regular mail.

Document	Due Date
2015-16 Health and Safety Request Form (where applicable)	February 27, 2015*
2015-16 Service Agreement	June 30, 2015
Wage enhancement one-time administration funding letter	June 30, 2015
2015 Wage Enhancement/HCCEG Application Forms	June 30, 2015
2015-16 Interim Report – EFIS (where applicable)	November 30, 2015
2015-16 Health & Safety Attestation Forms (where applicable)	April 4, 2016
2015-16 Financial Statements (EFIS and Attestation)	July 29, 2016

*applications also accepted throughout the year.

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](#). 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 weeks to discuss the contents of the 2015-16 child care service agreement package, including wage enhancement, and to address any further questions you may have.

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 2015-16 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.

Sincerely,

Original signed by:

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

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

Enclosures:

Table A: Changes to the Service Agreement, Schedules and Guideline 2015-16
Child Care Service Agreement
Ontario Child Care Business Practice, Service and Funding Guideline
Wage Enhancement Application Form
Wage Enhancement Administration Funding letter
Wage Enhancement Questions and Answers Statement of Attestation and
Conformity – Ministry of Education – 2015-16 Health & Safety Funding
Ontario Works Child Care Overview Document
Ministry Staff Contact List for First Nations and Transfer Payment Agencies

cc: Jim Grieve, Assistant Deputy Minister, Early Years Division, Ministry of Education

Shannon Fuller, Director, Early Years Policy & Programs Branch, Ministry of
Education

Child Care Advisors, Early Years Implementation Branch, Ministry of Education
Financial Analyst, Child Care Finance Unit, Ministry of Education

Table A: Changes to the Service Agreement, Schedules and Guideline

2015-16 CHILD CARE SERVICE AGREEMENT

SECTION	CHANGE										
Legal Text Changes	The Ministry has revised its 2015 service agreement template to better align with standard conditions and best-practices under which the government funds transfer payment recipients. Definitions and details of specific clauses for child care and family support programs have been condensed.										
Schedule Changes	<p>Updated names for the service agreement schedules to align with the Ontario Public Service standards and legal text changes as follows:</p> <ul style="list-style-type: none"> Schedule “A” is now renamed “Program Description” schedule from “Service Description” and includes a wage enhancement program description schedule, where applicable. Schedule “C” is now the “Payment Schedule.” The contents of this schedule are included in the guidelines and have not varied from previous years. Information on reporting requirements is now under Schedule “D” <table border="1"> <thead> <tr> <th>FROM</th><th>TO</th></tr> </thead> <tbody> <tr> <td>Schedule “A”: Service Description Schedule</td><td>Schedule “A” - Program Description Schedule</td></tr> <tr> <td>Schedule “B”: Budget Schedule</td><td>Schedule “B” - Budget Schedule</td></tr> <tr> <td>Schedule “C”: Reporting Schedule</td><td>Schedule “C” - Payment Schedule</td></tr> <tr> <td></td><td>Schedule “D” - Reporting Schedule</td></tr> </tbody> </table>	FROM	TO	Schedule “A”: Service Description Schedule	Schedule “A” - Program Description Schedule	Schedule “B”: Budget Schedule	Schedule “B” - Budget Schedule	Schedule “C”: Reporting Schedule	Schedule “C” - Payment Schedule		Schedule “D” - Reporting Schedule
FROM	TO										
Schedule “A”: Service Description Schedule	Schedule “A” - Program Description Schedule										
Schedule “B”: Budget Schedule	Schedule “B” - Budget Schedule										
Schedule “C”: Reporting Schedule	Schedule “C” - Payment Schedule										
	Schedule “D” - Reporting Schedule										

FUNDING GUIDELINE

FROM	TO	PAGE
INTRODUCTION		
N/A	An introduction has been added to highlight a number of Ministry priorities, including: <i>How Does Learning Happen? Ontario's Pedagogy for the Early Years</i> ; wage enhancement; and information on Bill 10.	4
FINANCIAL REPORTING		
First Nations with a funding allocation above \$350K were required to file financial statement submissions three times a year: Estimates, Revised Estimates, Financial Statements	First Nations with an allocation of \$350,000 and above are no longer required to submit an Estimates report in June through the Education Finance Information System (EFIS). First Nations will now submit two financial reports to the Ministry through EFIS; Interim Report (previously known as revised estimates) and Financial Statements.	7
VARIANCE REPORTING		
Variance reporting was required in revised estimates and Financial Statement submissions if service data was 10% or more over or under the projected actuals.	Variance reporting may be required for the interim report submission. Variance reporting requirement has been modified to include a second threshold identifying the variance in service data to be 10 children or more served over or under the projected targets.	8
POLICY FOR LATE FILING		
The policy for late filing was updated in 2014-15 and included a progressive monthly cash flow reduction.	The policy for late filing has been modified in 2015-16 as follows: 3. Where a signed service agreement is not received by the Ministry six months from the effective date of the new service agreement (i.e. October 1, 2015, unless an extension has been granted), the Ministry will stop all payments to the First Nation until the signed agreement is submitted. 4. Where a First Nation files any financial submission after the filing deadline, the Ministry	11, 16

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	<p>will take the following action until the submission has been received:</p> <ul style="list-style-type: none"> • If the submission is not received by the Ministry within 30 days after the filing deadline, the Ministry will inform the First Nation that the submission is overdue. • After 31 days, cash flow will be reduced by 50 percent of their monthly payment until the submission is received. The Ministry will work with the First Nation to discuss any challenges with providing the information and to offer support. <p>Upon receipt of the late submission, the Ministry will reinstate the normal monthly payment process and will include in the monthly payment the total amount withheld up to that point.</p> <p>Should a First Nation have any outstanding submissions the Ministry may exercise its discretion by not providing funding in the subsequent fiscal year until submissions have been received.</p>	
FINANCIAL FLEXIBILITY		
First Nations and TPAs could transfer up to an amount equal to their one-time Child Care Transformation funding allocation from Transformation funding to Supervisor Network and Capacity Building funding.	<p>Financial flexibility has been enhanced in 2015-16 to allow the following:</p> <p>There is no longer a cap on the amount of funding that can be transferred from Transformation (A404) to Supervisor Network and Capacity Building (A405).</p> <p>(NEW) For the 2015-16 fiscal year, funds may be transferred from Special Needs Resourcing (SNR) (A377) to Supervisor Network and Capacity Building (A405). Funds may not be transferred from Supervisor Network and Capacity Building (A405) to SNR (A377).</p> <p>Note: SNR is a priority for the Ministry to ensure the inclusion of children with special needs in regulated child care settings at no additional cost to parents/guardians. This means that prior to the transfer of SNR funding; First Nations must ensure that all SNR requirements for children in licensed child care are met. Funding can only be moved from the original special needs resourcing allocation and</p>	18, 30, 40, 43

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	cannot be combined with other flexibility options.	
AUDIT STRATEGY		
N/A	The Ministry has developed a compliance audit strategy for First Nations that will begin in 2015.	21
REPAIRS AND MAINTENANCE (HEALTH AND SAFETY)		
Once the attestation form has been received, any funds owing are processed in the next pay period.	If the Statement of Conformity and Attestation Form for Repairs and Maintenance (Health and Safety) funding is received after May 2, 2016, any remaining funding will be provided following a review of the 2015-16 Financial Statements or Financial Statements – Attestation.	27
ONTARIO WORKS		
First Nations and Transfer Payment Agencies can access two types of Ontario Works (OW) child care funding- OW Formal and OW Informal	In light of recurrent events regarding child safety and well-being in the informal child care sector the Ministry of Education is encouraging First Nations and TPAs to, where possible, promote the use of licensed child care for OW participants and to document where OW participants are either unable to secure licensed child care or licensed child care does not effectively support the participants' activities as documented in the OW Participation Agreement.	36
TRANSFORMATION		
A limit of up to \$2,000 per child care centre or private-home day care agency applied for child care IT upgrade expenses.	In 2015-16 the dollar threshold for eligible IT upgrade expenses has been removed.	40
WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANT		
N/A	Expense information for the new wage enhancement/home child care enhancement grant is available in section 5 of the guideline (detail code A406).	45
APPENDIX A: CHILD CARE DATA ELEMENTS AND DEFINITIONS		
First Nations and TPAs were required to report on the families receiving fee subsidies.	<p>The following reporting requirements have been removed:</p> <ul style="list-style-type: none"> • Fee Subsidies: The cumulative number of families receiving fee subsidy has been 	58, 72

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	<p>removed.</p> <ul style="list-style-type: none"> • Transformation: The number of families represented among those children receiving transformation fee subsidies has been removed. 	
APPENDIX B: FAMILY SUPPORT PROGRAM DATA ELEMENTS AND DEFINITIONS		
N/A	First Nations and TPAs must now collect the civil addresses of all FSP sites that are supported with Ministry funding as part of the Financial Reporting through EFIS 2.0.	83, 87, 91
APPENDIX D: ADMISSIBLE/INADMISSIBLE EXPENDITURES		
Some admissible expenses required Ministry approval.	Inadmissible/Admissible expenses have been updated to remove the Ministry approval process. All items are now clearly inadmissible or admissible.	97
APPENDIX E		
N/A	The Serious Occurrence Report Form is now located in Appendix E.	98

ADDITIONAL GUIDELINE CHANGES:

- 1) Signed service agreements can now be submitted electronically.
- 2) Section 4 includes a chart that outlines funding flexibility.
- 3) Information in both the Transformation (Play-Based Material and Equipment) and Child Care Supervisor Network- Capacity Funding sections of the guideline have been updated to reflect the philosophy and practice of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*.
- 4) EFIS schedule numbers have been included in data element definitions for First Nations and TPAs who have allocations of \$350K and above.