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Early Years Division
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Ministère de l'Éducation
Early Years Division
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2016: EYCC6a

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

FROM: Julia Danos
Director, Early Years Implementation Branch
Early Years Division
Ministry of Education

Med Ahmadoun
Director, Financial Analysis & Accountability Branch
Financial Policy & Business Division
Ministry of Education

DATE: April 8, 2016

SUBJECT: 2016-17 Child Care Service Agreement Package

We are pleased to provide you with your 2016-17 child care service agreement package. This package includes your 2016-17 child care service agreement and an updated 2016-17 Ontario Child Care Business Practice, Service and Funding Guideline ("guideline"). Also included in this package are:

- A summary of wage enhancement/HCCCEG changes for 2016-17 (Appendix A);
- A summary of changes to the guideline (Appendix B);
- Wage Enhancement Application Form;
- Home Child Care Enhancement Grant Application Form (where applicable);
- Wage Enhancement/HCCCEG Questions and Answers;

- Statement of Attestation and Conformity – Ministry of Education – 2016-17 Health & Safety Funding; and
- Ontario Works Overview Document (where applicable).

Child Care Funding

To support the government's vision of a system of responsive, high quality, accessible and increasingly integrated early years programs and services, in 2016-17 the ministry is investing \$528,900 in additional funding for on-reserve First Nations child care.

This new investment has been provided through child care transformation, which offers First Nations the flexibility to support expenditures related to transformation, fee subsidies, wage subsidies and special needs resourcing and capacity building as stated in the 2016-17 guidelines. The ministry has also updated the Ontario Works (OW) Child Care, Special Needs Resourcing and FDK Transition allocations based on updated licensing and OW caseload data.

In 2016-17, Ontario has also expanded its investments for First Nations communities who have been providing licensed child care services on reserve without provincial government operating funding to support their programs.

These additional investments will bring the ministry's total allocation to First Nation communities to over \$27M in 2016-17.

In addition, as noted in memo EYCC3, the investment of \$269 million to support a wage enhancement for Registered Early Childhood Educators (RECEs) and other program staff in the licensed child care sector will continue in 2016-17.

Please refer to the Budget Schedule of the attached service agreement for details about your First Nation's 2016-17 child care funding allocation from the ministry.

Child Care Service Agreements

The 2016-17 service agreement has been revised to align with the new Ontario Public Service's standard agreement template. The agreement reflects the conditions and best practices under which the government funds transfer payment recipients. The service agreement has been reorganized; however, changes within the content of the agreement are minimal.

The following two new schedules have been added:

Schedule A: General Terms and Conditions

Schedule A of the service agreement now consists of general terms and conditions. Schedule A was formerly the Program Description Schedule. Program-specific details can now be found in subsequent schedules.

Schedule B: Program Specific Information and Additional Provisions

Schedule B is a new schedule and consists of specific information related to the program. Schedule B was formerly the Budget Schedule. The Budget schedule is now Schedule D.

Service Agreement Submission

The 2016-17 service agreement must be submitted to the ministry by **June 27, 2016**. For your convenience, First Nations 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:

Julia Danos, 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 back to your First Nation for your records.

Wage Enhancement and Home Child Care Enhancement Grant (HCCEG) Tools and Resources

The province is continuing to support child care professionals employed in the licensed child care sector with a wage enhancement/Home Child Care Enhancement Grant (HCCEG). Effective January 1, 2016 the wage enhancement will support an increase of up to \$2 per hour, plus 17.5 percent benefits. In addition, the HCCEG will support an increase of up to \$20 per day for home child care providers. Attached you will find the following wage enhancement/HCCEG tools and resources:

- Wage Enhancement Application Form;
- Home Child Care Enhancement Grant Application Form (where applicable); and
- Wage Enhancement Questions and Answers.

Allocation and Cash Flow

A notional allocation for wage enhancement/HCCEG has been included in the Budget Schedule of your 2016-17 child care service agreement.

The 2016-17 wage enhancement entitlement and cash flow will be updated once the ministry has received and approved the application forms and the signed 2016-17 child care service agreement. Wage enhancement entitlement will be retroactive to January 1, 2016.

As noted in the EYCC3 memo, to support the implementation of the wage enhancement/HCCEG initiative, the ministry is providing First Nations with administration funding in 2016-17 as part of the service agreement (please refer to the budget schedule). Wage enhancement/HCCEG administration allocations are equivalent to the amount provided in 2015-16.

Supplemental Grant:

In addition to the increases mentioned above, the ministry will also provide a supplemental grant of \$150 for each eligible centre based FTE or home visitor FTE and \$50 for each eligible home child care provider. The supplemental grant provides operators with flexibility to cover salary shortfalls, and/or additional benefits. The grant can be used to fund additional eligible staff and/or hours in program, vacation days, sick days, PD days and/or other benefits.

Application Process

The 2016-17 application process has been revised based on feedback and advice provided by the sector. The application forms are simplified and will calculate each First Nation's funding entitlement for 2016-17 using actual data from 2015-16.

Please note, the 2016-17 application forms and Q&A's included in this package replaces the versions sent in 2015-16.

All licensed child care centres and home child care agencies that opened before March 31, 2016 with eligible staff and/or providers are eligible to apply for 2016-17 wage enhancement/HCCEG.

If a First Nation applied in 2015, they must apply again in 2016 for all staff/positions or providers that would be eligible for wage enhancement or the HCCEG.

First Nations must submit their completed and signed application forms to the ministry by **June 27, 2016**.

Changes for 2016-17

Throughout the first year of the initiative, the ministry received a great deal of feedback from the sector on improvements to the wage enhancement/HCCEG implementation process, some of which has been reflected in the changes for year two.

Appendix A of this memo outlines the changes in the wage enhancement/HCCEG approach for 2016-17. Additional details are available in the 2016-17 Ontario Child Care Business Practice, Service and Funding Guideline.

If you have any questions related to the 2016-17 child care wage enhancement/HCCEG implementation strategy, please contact your regional Child Care Advisor. If you have questions related to wage enhancement/HCCEG application forms and reporting requirements, please contact your Financial Analyst.

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

Please refer to Appendix B for an overview of updates to the 2016-17 guideline.

Child Care and Early Years Act, 2014

Under the *Child Care Modernization Act, 2014*, the *Day Nurseries Act* was replaced with the *Child Care and Early Years Act, 2014* (CCEYA). The CCEYA came into force on August 31, 2015 and provides a new, modernized legislative framework that would govern the provision of child care and early years programs and services.

The *Child Care Modernization Act, 2014* also made amendments to the *Education Act* that supports access to developmentally responsive before- and after-school programs for 6 to 12 year olds, as well as the *Early Childhood Educators Act, 2007* based on advice the government received last fall as part of the statutory review of the act. With the exception of the amendments to the *Education Act* requiring school boards to ensure the provision of before and after school programs, all other sections of the *Child Care Modernization Act, 2014* were proclaimed on August 31, 2015.

The guideline and service agreements have been updated to align with the CCEYA.

2016-17 Cash Flow

Monthly cash flow in 2016-17 will initially be based on the most recent 2015-16 entitlement.

Once the 2016-17 signed service agreement is received by the ministry, monthly cash flow will be updated to reflect your 2016-17 allocation.

Pending receipt of the signed child care service agreement by June 27, 2016, child care cash flow for 2016-17 allocation will be updated in August 2016. The August payment will include a lump sum payment so that cash flow is reflective of your 2016-17 allocation.

Cash flow for wage enhancement/HCCCEG also requires completed wage enhancement and HCCEG application forms. The ministry will continue to flow based on 2015-16 entitlement until 2016-17 wage enhancement applications have been approved. Please note that the signed service agreement must also be returned to the ministry before the 2016-17 wage enhancement cash flow is updated.

2016-17 Health and Safety Funding

In the EYCC4 Memo: 2016-17 Child Care Health and Safety Funding, the ministry invited First Nations to apply for 2016-17 Health and Safety funding by March 11, 2016. 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 proceed in the warmer months.

2016-17 Key Dates

The chart below lists all documents that are required to be submitted to the ministry during the 2016-17 fiscal year. Documents may be submitted via email (to: tpa.edu.earlylearning@ontario.ca) or regular mail.

Document	Due Date
2016-17 Health and Safety Request Form (where applicable)	Accepted throughout the year
2016-17 Service Agreement	June 27, 2016
2016-17 Wage Enhancement/HCCCEG Application Forms	June 27, 2016
2016-17 Interim Report – EFIS (where applicable)	November 30, 2016
2016-17 Health & Safety Attestation Forms (where applicable)	March 27, 2017
2016-17 Financial Statements (EFIS and Attestation)	July 28, 2017

Communications regarding child care from the ministry, including memorandums, guidelines and financial submissions are available on the Financial Analysis and Accountability Branch’s website.

Child Care Advisors will be coordinating meetings with First Nations in the coming weeks to discuss the contents of the 2016-17 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 2016-17 cash flow or financial reporting, please contact your Financial Analyst. A contact list is available on the [Financial Analysis and Accountability Branch website](#).

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

Sincerely,

Original signed by:

Julia Danos
Director,
Early Years Implementation Branch
Early Years Division Branch
Ministry of Education

Med Ahmadoun
Director,
Financial Analysis and Accountability
Financial Policy and Business Division
Ministry of Education

Enclosures:

2016-17 Child Care Service Agreement
2016-17 Ontario Child Care Business Practice, Service and Funding Guideline
Wage Enhancement Application Form
Home Child Care Enhancement Grant Application Form (where applicable)
Wage Enhancement/HCCEG Questions and Answers
Statement of Attestation and Conformity – Ministry of Education – 2016-17
Health & Safety Funding
Ontario Works Overview Document (where applicable)

cc:

Nancy Matthews, 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 Analysts, Financial Analysis & Accountability Branch, Ministry of Education

APPENDIX A: WAGE ENHANCEMENT/HCCEG CHANGES FOR 2016-17

2015-16	2016-17
Application Timelines	
Wage enhancement/HCCEG applications were due back to the ministry June 30, 2015.	First Nations must submit their completed and signed application forms to the ministry by June 27, 2016
Administration	
<p>Allocation:</p> <p>First Nations received a grant letter for administration which was 10% of their 12 months of initial wage enhancement allocation. If funds were not spent in 2015-16 they could be carried forward.</p>	<p>First Nations will be funded the equivalent of the 2015-16 wage enhancement administration amount through 2016-17 service agreements. Funding not used for the intended purpose in 2016-17 will be recovered by the ministry.</p>
<p>Reporting:</p> <p>First Nations were required to report on the expenditures from the 2015-16 administration grant.</p>	<p>First Nations are required to report on the following:</p> <ul style="list-style-type: none"> • Amount of expenditures from the 2015-16 administration grant (if carried forward from 2015-16) and; • Amount of expenditures from 2016-17 wage enhancement administration funding.
Wage Enhancement	
<p>Amount:</p> <p>Wage enhancement provided an increase of up to \$1/hour plus up to 17.5% benefits for eligible centre based staff and home child care visitors.</p>	<p>Wage enhancement will provide an increase of up to \$2/hour plus 17.5% benefits for eligible centre based staff and home child care visitors.</p>
<p>Distribution of Funds:</p> <p>2015 wage enhancement was provided to eligible RECEs, home child care visitors and other child care program staff that existed in a licensed child care centre or home child care agency between January 1, 2014 and December 31, 2014.</p>	<p>Flexibility to distribute wage enhancement to current eligible staff/positions in licensed child care centres that opened before March 31, 2016.</p> <p>(Please note the funding entitlement will be based on 12 months of data from 2015-16).</p>
<p>Supplemental Grant:</p> <p>N/A</p>	<p>Supplemental grant of \$150 per eligible centre based and home visitor FTE provided to operators to cover shortfalls in wage enhancement salaries (for example additional days worked, sick days and PD days) and benefits.</p>

2015-16	2016-17
<p>Benefits Flexibility:</p> <p>Flexibility to move benefits funding within the 17.5%. Residual benefits funding will be recovered by the ministry</p>	<p>First Nations may use any residual benefits funding for salaries. The flexibility is only one way; therefore, salary funding cannot be used for benefits.</p>
<p>Reporting:</p> <p>N/A</p>	<p>Number of ineligible positions will be collected by the ministry in estimates submissions.</p>
<p>Number of licensed child care programs receiving wage enhancement funding</p>	<p>Number of licensed child care centres or sites receiving wage enhancement.</p>
<p>Home Child Care Enhancement Grant</p>	
<p>HCCEG Amount:</p> <p>HCCEG provided an increase of up to \$10/ days for eligible home child care providers.</p>	<p>HCCEG will provide an increase of up to \$20/ days for eligible home child care providers.</p>
<p>HCCEG Eligibility:</p> <p>Home child care providers were eligible to receive a full HCCEG of \$10 a day if they served the equivalent of 2 or more children a day.</p> <p>If they served the equivalent of less than 2 children a day, the eligible home child care provider would receive \$5 a day.</p>	<p>Home child care providers are eligible to receive a HCCEG if they serve one child or more based on the average hours worked over a year, as follows:</p> <p>Part time (less than 6 hours a day on average) = \$10/day</p> <p>Full time (6 hours or more a day on average) = \$20/day</p>
<p>Distribution of Funds:</p> <p>In order to receive 2015-16 HCCEG, home child care providers must have held a contract with a licensed home child care agency between January 1, 2014 and December 31, 2014.</p>	<p>Flexibility to distribute HCCEG to current eligible home child care providers who hold a contract with the licensed agency that opened before March 31, 2016.</p> <p>(Please note funding entitlement will be based on 12 months of data from 2015-16.)</p>
<p>Supplemental Grant:</p> <p>N/A</p>	<p>Supplemental Grant to operators of \$50 per eligible home child care provider to cover shortfalls or additional days, such as PD days.</p>
<p>Reference to Agency Placed Children:</p> <p>HCCEG eligibility is based on children enrolled in a home child care providers program who have been assigned to them by a licensed home child care agency.</p>	<p>Agencies will attest that each eligible provider has not included one's own child in the application process for HCCEG.</p>

2015-16	2016-17
Reporting: N/A	Number of ineligible home child care providers will be collected by the ministry in estimates submissions.
N/A	Number of home child care agencies receiving HCCEG

Appendix B: Changes to the 2016-17 Service Agreement and Guideline

2016-17 Service Agreement and Schedules

SECTION	DESCRIPTION & CHANGES														
Service Agreement Legal Text Changes	<ul style="list-style-type: none"> The ministry has revised its 2016-17 service agreement template to better align with standard conditions and best-practices under which the government funds transfer payment recipients. 														
Service Agreement Schedule Changes	<ul style="list-style-type: none"> Two new schedules have been added to the service agreements, “General Terms and Conditions”, and “Program Specific Information and Additional Provisions”. As a result of the two new schedules, the titles associated with each schedule have been updated as follows: <table border="1" data-bbox="496 787 1377 1329"> <thead> <tr> <th data-bbox="496 787 914 850">2015-16 Name</th> <th data-bbox="914 787 1377 850">2016-17 Name</th> </tr> </thead> <tbody> <tr> <td data-bbox="496 850 914 947">Schedule “A” - Program Description</td> <td data-bbox="914 850 1377 947">Schedule “A” - General Terms and Conditions</td> </tr> <tr> <td data-bbox="496 947 914 1073">Schedule “B” - Budget</td> <td data-bbox="914 947 1377 1073">Schedule “B”- Program Specific Information and Additional Provisions</td> </tr> <tr> <td data-bbox="496 1073 914 1136">Schedule “C” - Payment</td> <td data-bbox="914 1073 1377 1136">Schedule “C”: Program Description</td> </tr> <tr> <td data-bbox="496 1136 914 1199">Schedule “D” - Reports</td> <td data-bbox="914 1136 1377 1199">Schedule “D”: Budget</td> </tr> <tr> <td data-bbox="496 1199 914 1262"></td> <td data-bbox="914 1199 1377 1262">Schedule “E”: Payment</td> </tr> <tr> <td data-bbox="496 1262 914 1325"></td> <td data-bbox="914 1262 1377 1325">Schedule “F”: Reports</td> </tr> </tbody> </table> A wage enhancement/HCCEG administration program description schedule has been added. 	2015-16 Name	2016-17 Name	Schedule “A” - Program Description	Schedule “A” - General Terms and Conditions	Schedule “B” - Budget	Schedule “B”- Program Specific Information and Additional Provisions	Schedule “C” - Payment	Schedule “C”: Program Description	Schedule “D” - Reports	Schedule “D”: Budget		Schedule “E”: Payment		Schedule “F”: Reports
2015-16 Name	2016-17 Name														
Schedule “A” - Program Description	Schedule “A” - General Terms and Conditions														
Schedule “B” - Budget	Schedule “B”- Program Specific Information and Additional Provisions														
Schedule “C” - Payment	Schedule “C”: Program Description														
Schedule “D” - Reports	Schedule “D”: Budget														
	Schedule “E”: Payment														
	Schedule “F”: Reports														

2016-17 Ontario Child Care Business Practice, Service and Funding Guideline

FROM	TO	Page
General Updates		
Policies are associated with regulations under the <i>Day Nurseries Act</i> (DNA).	All references to the DNA have been replaced with <i>Child Care and Early Years Act, 2014</i> .	N/A
Included terminology and definitions previously used in the <i>Day Nurseries Act</i> .	The guideline has been updated with terminology and definitions used in the <i>Child Care and Early Years Act, 2014</i> . For example: <ul style="list-style-type: none"> “Licensee” replaces “operator” Licensee means a person who holds a license issued under the <i>Child Care and Early Years Act, 2014</i> . <ul style="list-style-type: none"> “Home Child Care Agency” replaces “Private Home Day Care Agency” HCCA means a person that is licensed as a home child care agency under the <i>Child Care and Early Years Act, 2014</i> .	N/A
Introduction (Section 1)		
N/A	Revised to include updated information about: Child Care and Early Years Act, 2014; and How Does Learning Happen? Ontario’s Pedagogy for the Early Years.	4-5
Business Practice Requirements (Sections 2- 4)		
Late Filing Policy: The Late Filing policy included the following information: Should a First Nation or TPA have any outstanding submissions the ministry may exercise its discretion by not providing funding in the subsequent fiscal year until the submissions have been received.	The policy has been updated as follows: The ministry reserves the right to suspend funding (in year or in the subsequent year(s)). Should a First Nation or TPA have any outstanding financial submissions, responses to queries or financial documentation, the ministry may exercise its discretion by not providing funding in the subsequent fiscal year until the financial submissions, responses to queries and financial documentation have been received.	11,18
Variance Reporting: Included information on variances thresholds.	Thresholds for variances have been removed from the guideline. Variances will be discussed as part of the Financial Statement review process.	N/A
Audit: Included information on the ministry’s	The First Nations audit strategy has been put on hold. As such, information on the strategy has been	N/A

FROM	TO	Page
Audit Strategy.	removed from the guideline.	
Child Care Services and Funding Eligibility Requirements (Section 5)		
Some services and financial assistance (e.g. Special Needs Resourcing) may be available for children under 18 years of age with special needs.	The <i>Child Care and Early Years Act, 2014</i> defines “child” as a person who is younger than 13 years old. However, families of children with special needs who are in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance until that child turns 18.	31, 38
Special Needs Resourcing: Special needs resourcing reporting requirement includes “Number of Children Served”.	Special Needs Resourcing includes the following two new reporting requirements: <ul style="list-style-type: none"> • Number of children served, up to age 12 • Number of children served, age 13-18 	33, 72
Wage Enhancement/HCCEG: Year one wage enhancement/HCCEG process	Updated with information on year two wage enhancement/HCCEG implementation process. Please refer to Appendix A.	48-55
Wage Enhancement/HCCEG Administration: N/A	(NEW) Expenditure and reporting requirement details on wage enhancement/ HCCEG administration funding have been added to section 5 of the guideline.	56-57
Appendix A - Data Elements		
Age categories included: <ul style="list-style-type: none"> • Junior Kindergarten • Senior Kindergarten • School Aged 	Updated age categories: <ul style="list-style-type: none"> • “Kindergarten” - Includes both junior and senior kindergarten age categories. • “School age” – Includes both the primary/junior school age (ages 6 to 12). All other age categories have remained the same.	64-88