Region of Peel
working with you

# 2019 Early Years and Child Care Funding Update

# Licensed Home Child Care Agencies

Early Years and Child Care Services Division
November 26, 2018

Revised December 3, 2018

# Agenda

- 2019 EYCC Funding Initiatives
  - January 1 to March 31, 2019

- Policy Changes
  - Enhanced Accountability Measures
  - Municipal Rate Policy
  - Fee Subsidy and Funding Agreement Application

# 2019 EYCC Funding Initiatives

# 2019 GOF - January 1 to March 31

1. Staff Wages and Benefits (no change)
   - Based on 2018 SWB enhancement allocation
   - Distribute SWB allocation according to your approved 2018 distribution plan
   - If an agency increases their staff complement in 2019, they need to contact their Early Years Specialist to revise their distribution approach
     - This means that the portion of GOF staff received in 2018 may change as funds are distributed to more staff in 2019

Note: Increases in staff complement <u>will not</u> result in increased funding

# 2019 GOF - January 1 to March 31

2. Payment to Home Child Care Providers(no change)
   - Based on 2018 allocation
   - Increase payments to home child care providers

3. Operating Expenses (no change)
   - Based on 2018 allocation
   - Offset eligible operating expenses
   - Non-profit agencies have the option to use funding to enhance staff wages/benefits and or increase payments to home child care providers

4. Administration funding
   - Offset incremental audit/admin expenses

# General Operating Fund Overview

| LHCC | 2018 Allocation | Jan-March Q1 2019 Allocation |
|---|---|---|
| **Part 1** | • Staff Wages/Benefits (SWB)<br>  ○ Enhancement<br>• Operating Expenses<br>• Admin Funding<br>• LHCC provider payments | • SWB (no change)<br>  ○ Enhancement<br>• Operating Expenses<br>• Admin Funding<br>• LHCC provider payments |
| **Part 2** | • LHCC Base Funding – child care fee reimbursement for families<br>• One-Time Admin Funding | • Not available – pending 2019 provincial allocation |
| **Part 3** | • Repairs and Maintenance | • Not available - pending 2019 provincial allocation |
| **Part 4** | • Historical Allocation (providers who previously received Wage Subsidy in 2015) | • Historical Allocation (no change) |

# Other 2019 Funding Commitments

Pay Equity (no change)

# On Hold Pending Provincial Direction

GOF Repairs and Maintenance

LHCC Base Funding

Revised

WEG/Home Child Care Enhancement Grant (HCCEG)

# WEG/HCCEG – on hold January 1, 2019

- At this time no information has been received by the provide regarding WEG/HCCEG for 2019
- What does this mean?
  - The Region issue WEG/HCCEG Amendments in December 2018
  - Agencies will not receive WEG/HCCEG effective January 1
  - If the province announces a WEG/HCCEG commitment by early December, the Region will issue funds as early as possible in the New Year

**Update – funds will be issued by the Region January to March 2019**

Note: This is not confirmation that WEG/HCCEG funding will not be available in 2019. The Region will update agencies as soon as information is received from the province.

# Enhanced Accountability Measures

# Policy for Late Filing of Required Documents

- **Between 0 and 30 days after deadline –** agencies will receive formal communication from the Region and additional measures may be taken
- **Between 30 and 60 days after deadline -** Implement progressive penalties:
  - Stop payments related to required documents i.e. late submission of audited financial statement would impact GOF and Fee Subsidy
  - Stop Fee Subsidy placements
- **60+ days after deadline** – Termination of Funding Agreement may result

**Note:** The Region will work with providers to discuss challenges and offer support

# Other Accountability Measures

1. Ongoing Fee Subsidy attendance reviews

2. Implementing audit strategy for:
   - General Operating Fund
   - Home Child Care Enhancement Grant
   - Other funding

3. Monitoring Authentic Participation
   - Fee subsidy
   - Quality enhancement
   - Inclusion of children with special needs

New

# Audited Financial Statements

- A standard template is being developed to be completed by auditors starting in 2019 for providers with a fiscal year-end of December 31, 2018 and onward

- Template will capture information already reflected in providers' financial statements

- Filling out this template will require minimal additional effort and cost

# Early Years and Child Care Policy Changes

# Municipal Rate Policy
## (Effective November 2018)

| Current Approach | New Approach | Rationale |
|---|---|---|
| Requests to be submitted 60 days prior to the rate increase coming into effect | • Same | n/a |
| Rate increases may be submitted throughout the year | • Same | n/a |
| Requests for rate increases can only be made once in a 12 month period | • Same | n/a |

# Municipal Rate Policy (cont.)

| Current Approach | New Approach | Rationale |
|---|---|---|
| Inconsistent approach/growing disparity amongst municipal fees across the system | Amount of increase will be determined based on factors such as:<br>• Inflation rate, staff wages, market and municipal rate comparison, historical rate increases, proportion of fee subsidy children, financial analysis, other funding sources allocated to provider<br>Some agencies may receive little or no increase based on these factors. | • Efficient use of public funds<br>• Manage within budget constraints<br>• Supports greater equity in fees across the system |
| Late submissions/ extensions permitted | • Late submissions/extensions or incomplete packages will not be accepted.<br>• Where there are delays in submitting required documents, the rate increase will not be retroactive. | • Supports efficiencies in processing requests<br>• Supports appropriate planning and budgeting |

# Municipal Rate Policy (cont.)

| Current Approach | New Approach | Rationale |
|---|---|---|
| Approve multiple year rate increases | • No longer approve requests for increases over multiple years. | • Ensures funding distributed equitably<br>• Supports appropriate planning and budgeting |
| No established cap on the amount the Region will pay for fee subsidy | • Working on establishing a Municipal Rate Cap that sets out the maximum amount the Region will pay for municipal rates.<br>• Determining an approach for new and existing providers who are above the cap. | • Manage within budget constraints<br>• Supports ongoing availability of fee subsidy |

# Fee Subsidy and Funding Agreement Application

- An Application is required for:
  - New agency with no existing Agreement
  - Asset sale
  - Amalgamation of two or more agencies

- New Application Form
  - Posted before year-end
  - New criteria for assessing Applications:
    - Agency daily rates compared to the area
    - Staff wages
    - Need for child care and fee subsidy in the area
    - Sound business practices and program viability

# Next Steps

**Contract amendment and payment timelines have been extended**

| December | Action |
|---|---|
| Week of 10th – 14th | Region to issue:<br>• 2019 funding memo<br>• Amended 2019 Agreement<br>• 2019 Interim GOF Guideline (Jan. to March) |
| 21st | Deadline to return signed agreement<br>Payment will be issued in early January |
| By December 31st | Provider required to upload enrollment data (as of Oct. 31, 2018) to EYCC Technology System |

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