

Full Day Kindergarten Extended Day Fee Subsidy Guideline

2010-2011

Ministry of Education
Early Learning Division

Allocation of Extended Day Fee Subsidies Among CMSMs/DSSABs

The existing Ministry of Children and Youth Services (MCYS) Best Start Equity allocation formula will be used to distribute funds. The formula is based on the following:

- 40% of funding distributed based on 4 and 5 year old population in the CMSM/DSSAB.
- 60% of funding based on equity factors:
 - Proportional low income population
 - Population with education under grade 9
 - Households with no knowledge of English or French
 - Geographic dispersion
 - Growth

The formula has been updated with 2006 census data.

CMSMs/DSSABs will reinvest Best Start (Early Learning and Child Development) fee subsidy funds (100% provincial) into extended day fee subsidies based on uptake on extended day programs and realization of savings as four- and five-year olds move out of child care. Additional funding specifically for extended day subsidies will also be allocated to CMSMs/DSSABs. The maximum to be reinvested by each CMSM/DSSAB in 2010-11 as well as the amount of additional funding will be communicated through MCYS Regional Offices.

Funding and Cost Sharing Requirements

- **Operating Costs for Fee Subsidy**

Funding for fee subsidies in the Full Day Kindergarten (FDK) Extended Day Program is 100% provincial. Funding for administration of extended day fee subsidies (up to 10% as part of the funding allocation) is also 100% provincial. This funding will be year round funding and the amount of funding will be reviewed annually, taking into consideration Board established fees.

Eligible administrative costs are to be determined based on the MCYS Child Care Administrative Cost Sharing Guidelines.

CMSMs/DSSABs are to fund subsidies based on 100% of School-Board established FDK Extended Day rates (per O. Reg. 225/10 (Extended Day Programs)).

To make the best use of subsidy dollars it is recommended that school boards establish a before school rate, an after school rate and a combined rate for the extended day program (per O. Reg. 225/10 (Extended Day Programs)).

Accountability Process for Fee Subsidy Administration

Contractual Agreements

CMSMs/DSSABs and EDU

For Year 1, the current MCYS service contracts with CMSMs/DSSABs will be used. A budget summary page will be added for extended day fee subsidy to the service/budget submission. This process will be reviewed for Year 2 and beyond.

CMSMs/DSSABs and School Boards

CMSMs/DSSABs are to establish overall framework agreements with School Boards, that will cover all FDK school sites, for the provision of fee subsidy for the Extended Day Program. School Boards will submit monthly invoices to CMSMs/DSSABs with financial and related service data.

Flowing Funds

For Year 1, the Province will flow funds to CMSMs/ DSSABs for extended day fee subsidy using the current MCYS service contract with CMSMs/DSSABs. This process will be reviewed for Year 2 and beyond.

Tracking and Reporting

CMSMs/DSSABs and EDU

The current MCYS reporting process with CMSMs/DSSABs will be used. A service data summary will be added for extended day fee subsidies.

The following data elements will be included:

- Number of families served with extended day subsidies (counted only once if family is also receiving child care subsidy).
- Number of children served with full day, morning only, afternoon only subsidies.
- Expenditures, including program and administration.

CMSMs/DSSABs and School Boards

School Boards will submit monthly invoices to CMSMs/DSSABs with established financial and related service data

Information Systems

Tracking of the extended day fee subsidies will be built into the current information systems: the Ontario Child Care Management System and Toronto's Children's Services Information System.

Quality Oversight

As extended day programs will be governed under the *Education Act*, no additional standards will be required by CMSMs/DSSABs when entering into agreements with School Boards.

Wait List Management

CMSMs/DSSABs have existing child care wait list management policies that are locally established and differ from one another. CMSMs/DSSABs may apply existing policies as appropriate to children enrolled in the FDK extended day component where demand exceeds available funding.

Current practices will continue to maintain parental choice as to where a fee subsidy is used. CMSMs/DSSABs are to share with School Boards their wait list practices.

Child Care Subsidies and Extended Day Subsidies

Some subsidized families will have a child enrolled in child care and another in the FDK extended day program. The income tested parental contribution will be payable with respect to all the children in the family. In other words, a family receiving both types of fee subsidy will pay the same amount as if all children were in child care only, or all children were in the extended day program only.

APPENDIX

Summary Highlights

Child Care Fee Subsidy Guideline

DETERMINING THE AMOUNT OF FDK EXTENDED DAY PROGRAMMING TO SUBSIDIZE

CMSMs/DSSABs are to determine the amount of subsidized FDK extended day programming for each eligible family in accordance with the child care policy statement “*Improving Access to Subsidized Child Care*”. The parent must have employment or education activities that result in a need for extended day services. Alternatively, parents may have an illness or disability that results in a need for extended day services or the child may have special or social needs.

DETERMINING ELIGIBILITY

Eligible Families

Social assistance recipients are eligible for full subsidy without being subject to the income test. This includes:

- A person eligible for income support under the *Ontario Disability Program Act, 1997*; and
- A person eligible for income assistance under the *Ontario Works Act, 1997* who is employed or participating in employment assistance activities under the Act or both.

Other parents may be eligible for full or partial subsidy based on the income test formula.

Income Test

CMSMs/DSSABs must use the child care income test prescribed by O. Reg. 262 under the *Day Nurseries Act* to determine eligibility for extended day fee subsidy and the parental contribution.

Definition of Income

The definition of income is “adjusted income” as defined by the federal government for purposes of the Canada Child Tax Benefit (section 122.6 of the federal *Income Tax Act*). This definition includes net income from line 236 on the income tax returns of both spouses excluding payments received from the federal Universal Child Care Benefit (UCCB).

Verification of Income

All applicants for extended day fee subsidy (and where applicable the applicant's spouse) are required to provide a copy of either the most recent available *Notice of Assessment* or *Canada Child Tax Benefit (CCTB) Notice* to the CMSM/DSSAB.

All applicants (and where applicable the applicant's spouse) are required to file an income tax return annually in order to be considered for subsidy eligibility.

Calculation of Parental Contribution

Families with an adjusted annual income of up to \$20,000 are eligible for full fee subsidy and no calculation of a parental contribution is required.

For families with adjusted income above \$20,000, parental contribution is calculated based on 10% of their adjusted income over \$20,000.

When the family's annual adjusted income is above \$40,000, parental contribution is calculated at 10% of the amount over \$20,000 up to \$40,000 *plus* 30% of the amount over \$40,000.

No family will pay more than the total cost of extended day programming and child care for all children in the family. If the calculated parental contribution exceeds the cost of extended day programming and child care, the family is not eligible for fee subsidy.

Significant Changes in Income

The income test is based on the annual adjusted income for the most recent available tax year. In most cases, parents are not expected to report in-year increases in income. Any changes in income will be taken into account at the time of the next subsidy review.

If income in the most recent tax year does not reflect the family's current financial situation where there is a significant decrease in income, the family may apply for a reduced parental contribution. A significant change of income a decrease of 20% or more.