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Programs and Service Integration  
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**2018: EYCC7**

**MEMORANDUM TO:** Chief Administrative Officers, CMSMs and DSSABs  
General Managers/Commissioners, CMSMs and DSSABs  
Children's Service Managers, CMSMs and DSSABs

**FROM:** Abby Dwosh  
Director (A), Early Years and Child Care Programs and  
Service Integration Branch  
Early Years and Child Care Division  
Ministry of Education

**DATE:** May 8, 2018

**SUBJECT:** **2018 Final Child Care Allocations and Amending  
Service Agreement Package**

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I am pleased to provide the 2018 final child care allocations for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

The government's major Child Care Expansion Plan ("Expansion Plan"), which began in 2017, is creating access to licensed child care for 100,000 more children 0-4 years old over five years. Building on this commitment, the government is making additional investments of \$102.5 million in the current fiscal year to support the existing licensed child care system with \$12.5 million and ongoing expansion with \$90 million. In 2018 a total investment of \$1.69 billion, including wage enhancement, will result in an increase in child care funding of 17% compared to 2017 (please refer to Appendix A for details).

In the second year of the Expansion Plan, an additional investment of \$48 million in 2018 in licensed child care will support approximately 4,200 more children aged 0-4 years old and provide operating funding for capital spaces previously announced. This funding will support new child care fee subsidies, expand access to affordable licensed child care spaces and continue to reduce fee subsidy waitlists to help parents access quality child care.

Licensed home child care plays an important part in Ontario's child care and early years system. Ontario's Renewed Early Years and Child Care Policy Framework committed to making child care more accessible by strengthening the licensed home child care sector through targeted base funding. As such, the government is also investing \$19.5 million in Base Funding for licensed home child care agencies (LHCC base funding) in 2018.

### **Confidentiality and Public Announcements**

Announcements regarding additional children and families served through these investments are communication opportunities for the provincial government and CMSMs and DSSABs. Therefore, CMSMs and DSSABs announcements related to funding received through the provincial child care expansion plan **must** clearly acknowledge that the contributions were made by the Province of Ontario. In addition, any such communication opportunities should remain confidential until they are announced publicly by the Province of Ontario or jointly by the provincial government, CMSMs and DSSABs. The intent is to help promote the role of the Ministry of Education, CMSMs and DSSABs, and community partners in bringing new investments to local communities. For more information on the announcement protocol, please refer to Appendix B.

### **Investments**

#### **A. Child Care Expansion Plan – Second Year Targets**

In the second year of the Expansion Plan, the ministry will invest \$48 million in 2018 to support approximately 4,200 more children aged 0-4 years old and operating funding for capital spaces previously announced. Consistent with the first year of the expansion plan, the ministry will provide each CMSM and DSSAB with an estimated year two expansion target in Schedule H2 of the 2018 amending service agreement.

This funding is in addition to the \$200 million investment, included in the 2018 preliminary child care service agreement, provided for ongoing support of the first year of the Expansion Plan.

Enhanced accountability requirements, such as enveloping, continue to apply to this investment.

#### **B. Base Funding to Support Licensed Home Child Care (LHCC) Agencies**

In support of the commitment in Ontario's Renewed Early Years and Child Care Policy Framework, the government will increase operating funding by \$19.5 million in 2018 to support a base funding model for licensed home child care agencies. The intent of LHCC Base Funding is to provide stable and predictable funding to assist agencies with

forecasting, planning, and actively recruiting more providers. Funds not spent on home child care will be recovered by the ministry.

The ministry's expectation is that service system managers will work with home child care agencies to reduce per diem charges and demonstrate that this reduction benefits both:

- Providers, in the form of increased compensation; and
- Parents, in the form of reduced fees.

Allocations for LHCC Base Funding for each CMSM and DSSAB are calculated based on \$6,900 per active home in licensed home child care agencies (as reported in the ministry's 2017 Licensed Child Care Survey).

### **Reporting Requirements**

I am pleased to announce that in response to feedback received from the sector we have taken immediate steps to reduce and streamline 2018 financial reporting requirements by removing and updating a significant number of data elements. Please refer to Appendix C for the list of data elements that have been removed or updated effective for 2018 reporting.

We thank you for your continued feedback and trust that these changes will be of assistance. The ministry will continue to review reporting requirements and streamline where possible in the future.

### **C. 2018 Estimates**

As noted in the 2018:EYCC4 memo, Estimate Reporting is not required for 2018. CMSMs and DSSABs are required to submit 2018 Revised Estimates by August 31, 2018 in EFIS 2.0. Further information about this submission will be available in the coming months.

### **D. 2017 Financial Statements**

Financial Statements for 2017 allocations are due to the ministry on **June 29, 2018**. As a result of ministry reporting obligations associated with the Canada-Ontario Early Learning and Child Care Agreement, it is critical that CMSMs and DSSABs submit 2017 Financial Statements **on or before the due date**. The ministry requests that CMSMs and DSSABs notify their Early Years Advisor immediately if 2017 Financial Statement submissions will be delayed.

## **Cash Flow in 2018**

Monthly cash flow for operating funding will continue to be based on your preliminary 2018 agreement or 2017 revised estimates until the amended 2018 signed service agreements are received.

<b>Signed Service Agreement Received by:</b>	<b>Payment Date:</b>
May 30, 2018	July 4, 2018
June 27, 2018	August 2, 2018
July 30, 2018	September 5, 2018

## **SERVICE AGREEMENT PACKAGE**

CMSMs and DSSABs are required to submit their signed amending service agreement to the ministry by **June 27, 2018**. Please note this amendment replaces the amendment sent April 3, 2018.

This package includes the following:

1. 2018 Amended Child Care Allocations (Appendix A)
2. Communications Protocol Requirements: Ontario's Child Care Expansion Plan (Appendix B)
3. Removed or Updated Data Elements (Appendix C)
4. Changes to 2018 Ontario Child Care Service Management and Funding Guideline (Appendix D)
5. 2018 Child Care Amending Agreement No.1 (Attached)
6. Updated 2018 Ontario Child Care Service Management and Funding Guideline (Attached)

For convenience, CMSMs and DSSABs have the choice of submitting their signed service agreement by **email** to: [tpa.edu.earlylearning@ontario.ca](mailto: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:

Early Years and Child Care Programs and Service Integration Branch  
Ministry of Education  
24<sup>th</sup> 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 CMSM and DSSAB for your records.

Early Years Advisors and Financial Analysts are the ministry contacts for child care therefore please direct any questions or concerns to them; the contact list is available on the [Financial Analysis and Accountability Branch website](#).

For further information on licensed child care funding please refer to the 2018 Child Care and Child and Family Program Service Management and Funding Guideline and the 2018 Technical Paper. Regional meetings will be scheduled to review updates to the guideline and revised reporting requirements.

Ontario is continuing to take action to make licensed child care more affordable and accessible. We look forward to your ongoing partnership as we work to strengthen the early years and child care system for children and families in Ontario.

Sincerely,

***Original signed by***

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Abby Dwosh  
Director (A), Early Years and Child Care Programs and Service Integration Branch  
Early Years and Child Care Division

Copy: Shannon Fuller, Assistant Deputy Minister, Early Years and Child Care Division  
Maxx-Phillippe Hollott, Director (A), Financial Accountability and Data Analysis Branch  
Early Years Advisors, Programs and Service Integration Branch  
Financial Analysts, Financial Accountability and Data Analysis Branch



## **Appendix B: Communications Protocol Requirements**

All public announcements regarding provincial and federal investments in Ontario's child care and early years system are potential joint communication opportunities for the provincial government, federal government, school boards, the Consolidated Municipal Service Manager/District Social Services Administration Board (CMSM/DSSAB), municipalities and community partners.

### ***Public Communications***

Municipalities, school boards, CMSMs and DSSABs, and community partners should not issue a news release or any other public communication directed at media regarding major child care and early years investments, without:

- I. First contacting the Ministry of Education through [EYCCinvestments@ontario.ca](mailto:EYCCinvestments@ontario.ca) about your plan to publicly communicate these major child care and early years investments; and
- II. Publicly recognizing the Ministry of Education's role in providing funding; and
- III. Inviting the Minister of Education and the Minister Responsible for Early Years and Child Care to attend any events related to your investment announcement.

The Ministry of Education may also choose to issue its own news release and/or hold events about investments in child care and early years projects, in addition to those prepared by municipalities, school boards, CMSMs and DSSABs, and community partners.

The intent of this protocol is to promote the role of both the Ministry of Education and stakeholders in bringing new child care and early years projects to local communities.

### ***Major Announcements and Events***

**Important:** For all major child care investments the Minister of Education and the Minister Responsible for Early Years and Child Care must be invited as early as possible to the event. Invitations can be sent to [EYCCinvestments@ontario.ca](mailto:EYCCinvestments@ontario.ca) with a copy sent to your ministry Early Years Advisor. Municipalities, school boards, CMSMs and DSSABs, and community partners will be notified at least four to six weeks in advance of their opening event as to the Minister's attendance. If the date of your event changes at any time after the Minister has received the invitation, please confirm the change at the email address above.

If the Minister of Education and the Minister Responsible for Early Years and Child Care is unavailable, the invitation may be shared with a government representative who will contact your municipality, school board, CMSM or DSSAB, or community partner to coordinate the details (e.g. joint announcement). Municipalities, school boards, CMSMs and DSSABs, and community partners are not expected to delay their announcements to accommodate the Minister or a Member of Provincial Parliament (MPP); the primary goal is to make sure that the Minister is aware of the announcement opportunity.

### ***Other Events***

For all other media-focused public communications opportunities, such as sod turnings for example, an invitation to your local event must be sent to the Minister of Education and the Minister Responsible for Early Years and Child Care by email ([EYCCinvestments@ontario.ca](mailto:EYCCinvestments@ontario.ca)) with at least three weeks' notice. Again, please send a copy to your ministry Early Years Advisor. Please note that if the date of your event changes at any time after the Minister has received the invitation, please confirm the change at the email address above.

Municipalities, school boards, CMSMs and DSSABs, and community partners are not expected to delay these "other" events to accommodate the Minister. Only an invitation needs to be sent; a response is not mandatory to proceed.

This communications protocol does not replace our stakeholders' existing partnerships with the Ministry of Education. Regional early years advisors and regional child care licensing staff should still be regarded as primary points of contact for events and should be given updates in accordance with existing processes.

### ***Acknowledgement of Support***

The support of the Government of Ontario must be acknowledged in media-focused communications of any kind, written or oral, relating to new investments. Similarly, CMSMs and DSSABs announcements related to funding received through the ELCC must clearly acknowledge that the contributions were made by the Province of Ontario and the Government of Canada. This acknowledgment could include but is not limited to, any report, announcement, speech, advertisement, publicity, promotional material, brochure, audio-visual material, web communications or any other public communications. For minor interactions on social media, or within social media such as Twitter, etc. where there is a limited restriction on content, municipalities, school boards, CMSMs and DSSABs, and community partners are not required to include government acknowledgement. In addition, when engaged in reactive communications (e.g., media calls) municipalities, school boards, CMSMs and DSSABs, and community partners do not have to acknowledge government funding; however, if possible, such an acknowledgement is appreciated.



**Appendix C: Removed or Updated Data Elements**

Financial and service data reporting requirements that have been removed or consolidated effective in 2018:

<b>STATUS</b>	<b>DATA ELEMENTS</b>	<b>DETAILS</b>	<b>PAGE</b>
<b>Financial Data</b>			
1. Updated	Expenditure data by age group will now be reported in three age categories:  1. 0-4 (infant to preschoolers) 2. 4-6 (kindergarten) 3. 6 and up (school aged)	Previously collected in 5 age categories (infant, toddlers, preschoolers, kindergarten, and school aged).	104
2. Removed	Age group expenditure reporting is not required for Small Water Works and Pay Equity.		NA
3. Removed	2018 financial estimates submissions are not required.		NA
4. Removed	Total adjusted gross expenditures is no longer required by priority for the Expansion Plan and ELCC funding.		NA
<b>Service Data</b>			
<b>Fee Subsidy Expense</b>			
5. Updated	Consolidated reporting for general allocation, ELCC, Expansion Plan and the Journey Together fee subsidy data by income level for number of total number of children served and average monthly number of children served, Only to be collected in Financial Statements.	Previously, income level data was collected separately for each initiative and required in each financial submission.	113
6. Removed	Per diem rates paid by CMSM/DSSAB (minimum, maximum and average – full and part-time).		NA

<b>STATUS</b>	<b>DATA ELEMENTS</b>	<b>DETAILS</b>	<b>PAGE</b>
7. Removed	Staffing information for direct delivery of services (i.e. Schedule 2.1 in EFIS).		NA
8. Removed	Fees charged by licensees (centre and/or home-based) that hold purchase of service agreements with the CMSM or DSSAB (minimum, maximum and average – full and part-time).		NA
<b>Child Care Expansion Plan</b>			
9. Removed	Income level reporting on number of children served and average monthly number of children served is consolidated into one aggregate number.	Previously income level data was required by initiative.	NA
10. Removed	Average Percentage Decrease in Child Care Fees.		NA
11. Removed	Number of Children Served – Fee Subsidy by Age Group	Only the total number of children served will be collected.	NA
<b>Canada-Ontario Early Learning and Child Care Agreement</b>			
12. Removed	Income level reporting on number of children served and average monthly number of children served is consolidated into one aggregate number.	Previously income level data was required by initiative.	NA
13. Removed	Average Percentage Decrease in Child Care Fees.		NA
14. Removed	Number of Children Served – Fee Subsidy by Age Group	Only the total number of children served will be collected.	NA
<b>The Journey Together</b>			
15. Removed	Income level reporting on number of	Previously income level data	NA

STATUS	DATA ELEMENTS	DETAILS	PAGE
	children served and average monthly number of children served is consolidated into one aggregate number.	was required by initiative.	
<b>General Operating Expense</b>			
16. Removed	SNR agencies receiving general operating funding.	Expenditures supporting SNR agencies should be reported under Special Needs Resourcing.	NA
17. Removed	Number of Registered Early Childhood Educator (RECE) FTEs		NA
18. Removed	Number of Director-Approved FTEs		NA
19. Removed	Number of FTEs without an RECE		NA
20. Removed	Number of FTE Non-Program Staff		NA
<b>Administration Expense</b>			
21. Removed	Removed from Estimates and Revised Estimates: Number of full-time equivalent staff by position.	Reporting required only in Financial Statements only.	NA
22. Removed	Removed from Estimates and Revised Estimates: Number of staff (head count) by position.	Reporting required in Financial Statements only.	NA
23. Removed	Removed from Estimates and Revised Estimates: Total salaries associated with each position type.	Reporting required in Financial Statements only.	NA
24. Removed	Removed from Estimates and Revised Estimates: Total benefits of staff	Reporting required in Financial Statements only.	NA
<b>Repairs and Maintenance Expense</b>			
25. Removed	Number of licensed spaces supported for repairs and maintenance.		NA

<b>STATUS</b>	<b>DATA ELEMENTS</b>	<b>DETAILS</b>	<b>PAGE</b>
<b>Wage Enhancement/Home Child Care Enhancement Grant</b>			
26. Removed	Number of Ineligible RECEs, Supervisors, and non-RECEs		NA
27. Removed	Number of Ineligible Home Visitors		NA
28. Removed	Number of Ineligible Home Child Care Providers		NA
29. Removed	Number of Centre-Based Child Care Licensees Receiving Wage Enhancement	Information on number of licensees/head offices that have or will receive wage enhancement funding is removed	NA

**Appendix D: Changes to 2018 Ontario Child Care Service Management and Funding Guideline**

<b>FROM</b>	<b>TO</b>	<b>PAGE</b>
<b>Introduction</b>		
1. N/A	<ul style="list-style-type: none"> <li>• <b>(NEW)</b> Information on LHCC base funding added</li> <li>• Information on the Child Care Funding Formula has been removed. Funding Formula details can be found in the Technical Paper (Appendix D).</li> </ul>	8
<b>Ministry Business Practice Requirements</b>		
2. N/A	<ul style="list-style-type: none"> <li>• Updated financial reporting due dates.</li> <li>• Financial flexibility associated with LHCC Base Funding added.</li> <li>• Clarification on accounting basis for capital expenditures.</li> </ul>	9
<b>Child Care Expansion Plan</b>		
3. Information included on the ongoing commitment to support the first year of expansion targets.	<ul style="list-style-type: none"> <li>• Updated to reflect the second year of the expansion plan</li> </ul>	24
4. N/A	<ul style="list-style-type: none"> <li>• Clarification on 2017 carry-forward provisions.</li> </ul>	25
<b>Canada-Ontario Early Learning and Child Care Agreement</b>		
5. N/A	<ul style="list-style-type: none"> <li>• Clarification on 2017 carry-forward provisions.</li> <li>• Clarification under enveloped allocation.</li> <li>• Clarification on municipal contributions.</li> </ul>	30
<b>The Journey Together</b>		
6. N/A	<ul style="list-style-type: none"> <li>• Clarification on expenditure timelines for projects with approved capital funding.</li> <li>• Clarification on reporting requirements for joint Child Care and EarlyON projects.</li> </ul>	39
<b>Fee Stabilization Support</b>		
7. N/A	<ul style="list-style-type: none"> <li>• Updated with information on additional investment announced in EYCC2 memo.</li> </ul>	43

FROM	TO	PAGE
<b>Camps and “Children’s Recreation Programs” (Authorized Recreation) Expense</b>		
8. N/A	<ul style="list-style-type: none"> <li>Updated to align language with the regulatory amendments effective July 1, 2018.</li> </ul>	58
<b>General Operating Expense</b>		
9. N/A	<ul style="list-style-type: none"> <li>Clarification on eligibility of board operated extended day programs. Updated to align language with the regulatory amendments effective July 1, 2018.</li> <li><b>(NEW)</b> Information on LHCC base funding</li> </ul>	62
<b>Wage Enhancement/Home Child Care Enhancement Grant</b>		
10. Wage enhancement/HCCE G entitlements submitted through Estimates reporting.	<ul style="list-style-type: none"> <li>Wage enhancement/HCCEG entitlements submitted through Revised Estimates reporting.</li> </ul>	95