

2010: EL9

**MEMORANDUM TO:** Consolidated Municipal Service Managers and District Social Services Administration Boards

**FROM:** Jim Grieve  
Assistant Deputy Minister

**DATE:** June 22, 2010

**SUBJECT:** Administration of Fee Subsidies for the Extended Day Component of Full Day Kindergarten

**ATTACHMENT:** *Extended Day Fee Subsidy Guideline*

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The *Full Day Early Learning Statute Law Amendment Act, 2010* (Bill 242), received Royal Assent on May 18, 2010. Under the authority of Bill 242 and other legal instruments, municipalities or other parties may administer fee subsidies related to the extended day program. The phased transfer of child care from the Ministry of Children and Youth Services will allow the Ministry of Education to assume responsibility for funding and contract management beginning this fall. The Ministry of Education and school boards can now enter into partnerships with the Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) for the administration of fee subsidies for the extended day program.

The purpose of this memo is to provide a brief overview regarding the management of these fee subsidies. More detailed information on the management of fee subsidies is available in the attached *Extended Day Fee Subsidy Guideline*.

The extended day program will be available before and after school (for example, 7:00 to 9:00 am and 3:30 to 6:00 pm). Students' participation in this program is the choice of parents/guardians. A child may be enrolled in one or both parts of the extended day program (before and/or after school). The extended day will be funded through parent fees set on a full cost-recovery basis by school boards. A limited amount of subsidies are available for eligible families.

For additional information regarding the regulations and guidelines for Full Day Kindergarten (FDK) and the extended day program, please refer to the EL7 memo sent on June 8, 2010. The memo provided a copy of the regulations and an overview of the following items:

- Duty to operate full day JK/K;
- Threshold for a teacher-only JK or K class;
- Duty to operate extended day programs;
- Viability of extended day programs;
- Third party delivery of extended day programs; and
- Extended day fees.

### **Extended Day Fee Subsidy Funding**

In 2010-11, up to \$11.97 million is available across the province for extended day fee subsidies. Extended day fee subsidies are 100% provincially funded, with no municipal cost sharing requirement. Eligible administrative costs will continue to be determined by the MCYS Child Care Administrative Cost Sharing Guidelines.

There are two sources of funding:

1. Up to \$10.32 million may be reallocated internally by CMSMs/DSSABs as children move out of child care and into extended day programs. A maximum amount may be reallocated by each CMSM/DSSAB. Maximums were calculated using the Ministry of Children and Youth Services Best Start equity formula. The amount that will actually be reallocated will depend on the uptake of the extended day program in each CMSM/DSSAB. Existing child care funding not re-allocated into extended-day subsidies will remain in regular child care subsidies.
2. \$1.65 million in new funding has been allocated, using the MCYS Best Start equity formula. The amount for your CMSM/DSSAB will be provided by your MCYS regional office.

As an operating principle, any child already receiving a child care subsidy should retain it when they move to the extended day program.

Annually, school boards will set extended day fees. This means the CMSMs/DSSABs will be required to review extended day fee subsidies on an annual basis. In accordance with fee subsidy business practices, file reviews will also be required on an annual basis, at minimum.

## **Allocation of Funding to CMSMs/DSSABs**

The existing Ministry of Children and Youth Services Best Start equity allocation formula is being used to distribute funds. It has been updated with 2006 census data. The formula is based on the following:

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

## **Determining the Amount of Extended Day Programming to Subsidize**

CMSMs/DSSABs are to determine the amount of subsidized extended day programming for each eligible family in accordance with the child care policy statement “Improving Access to Subsidized Child Care” (see *Extended Day Fee Subsidy Guideline*). The parent’s employment or education activities that result in a need for extended day services should be documented. Similarly, information pertaining to a parent’s illness or disability, where the illness or disability is the reason for needing extended day services, should be documented. This includes documenting necessary information regarding children’s special or social needs.

## **Establishing Subsidy Rates**

CMSMs/DSSABs are to fund subsidies based on extended day fees, as established by school boards (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 regulations). CMSMs/DSSABs will fund the full rate set by the boards under the regulation.

## **Wait List Management**

CMSMs/DSSABs may apply existing child care wait list management policies as appropriate to children enrolled in the extended day program 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 advise school boards of their wait list management policies and practices.

## **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, depending on broader systems review.

### ***CMSMs/DSSABs and School Boards***

CMSMs/DSSABs are to establish overall framework agreements with school boards, covering multiple school sites, for the provision of extended day subsidies. School boards will submit monthly invoices to CMSMs/DSSABs with financial and related service data.

## **Determining Eligibility**

The *Extended Day Fee Subsidy Guideline* reviews the policies and practices related to determination of eligibility for extended day fee subsidy. This includes information on:

- Eligible families;
- Income test, specifically:
  - Families receiving both child care and extended day fee subsidies;
  - Definition and verification of income;
- Calculation of parental contribution; and
- Significant changes in income.

## **Business Practices**

Extended day fee subsidies will be part of regular MCYS contracts, which will be transferred to EDU in the fall of 2010.

## **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 morning-only, afternoon-only and combined morning/afternoon subsidies; and
- 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 as required by CMSMs/DSSABs.

### **Questions and Comments**

If you have any questions or concerns regarding this memo please contact your MCYS regional office who will continue to manage the contractual relationship with CMSMs/DSSABs until this function is transferred to EDU in the fall of 2010.

I recognize the vital leadership role CMSMs/DSSABs play in service system management. Thank you for your strong support of FDK and your hard work during this transition period. I look forward to our ongoing partnership as we launch FDK and continue to make child care system improvements to support Ontario's children and families.

Sincerely,



Jim Grieve  
Assistant Deputy Minister

Copy: Ministry of Education, Executive Team

Darryl Sturtevant, Assistant Deputy Minister, Strategic Policy and Planning, Ministry of Children and Youth Services

Nancy Matthews, Assistant Deputy Minister, Service Delivery, Ministry of Children and Youth Services

Directors of Education, District School Boards

