



SCHEDULE "A"

Department of Education and Early Childhood Development

Early Years Branch

Early Childhood Development Services

Terms and Conditions for funding:

- Quality Investment Grant (QIG)
- Program Support Funding (PSF)

April 2019

Quality Investment Grant (QIG) and Program Support Funding (PSF)

The QIG and PSF are available to eligible licensees of child care facilities (“licensees”) to supplement wages for staff, with a focus on those who work directly with children as required for ratio under the *Day Care Act and Regulations*. This funding must be used primarily to ensure that trained staff (Level 1, 2, 3 and School Age Classification) required to meet the staff-to-children ratios, earn at least the wage floor established by the Department of Education and Early Childhood Development (EECD).

1. Eligibility

To be eligible for the Quality Investment Grant (QIG), Licensees must either:

- A. Have received the QIG from April 2018 to March 2019

OR

Have received notification that they have been approved under *Strategic Growth*

and must meet all of the following criteria:

- B. Have a valid day care license
- C. Be identified as “Active” with the Registry of Joint Stocks
- D. Not be subject to a Canada Revenue Agency (CRA) requirement to pay
- E. Be participating in Quality Matters (QM) and have signed a Quality Matters Letter of Agreement.

The following criteria are required for past recipients of grant funding provided by EECD:

- F. All licensee who were issued grant funding by EECD in previous years that was not used in accordance with the grant terms and is due to be returned to EECD, must have returned or have entered into an agreement to return the unused amounts;
- G. All licensees who received QIG funding in 2018-19 must have submitted a Quality Matters Self-assessment summary and Quality Improvement Plan (QIP) in 2018-19.
- H. All licensees who received QIG funding in 2017-18 and/or 2018-19 must have submitted an Annual Report for those years, as applicable.

To be eligible for the Program Support Fund, Licensees must:

- A. Have received PSF from April 2018 to March 2019;

B. Meet the requirements set out in Clauses B-H above (as applicable).

2. Terms and Conditions

These Terms and Conditions set out the responsibilities of licensees with respect to implementation, accountability and reporting requirements for the QIG and PSF.

Licensees must:

► **Pay the wage floor as determined by EECD**

- Licensees must continue to provide the Base Wage for all staff and must use QIG & PSF funding to meet or exceed the wage floor for trained staff required to meet the ratios staff-to-children ratios set out in the *Day Care Regulations*.
- Licensees must use QIG and PSF funding to pay trained staff required for ratio at least the minimum wage floor established by EECD as follows:

| Classification | Level 1 | Level 2 | School Age Approval | Level 3 |
|-------------------|-----------|-----------|---------------------|-----------|
| Wage floor (min.) | \$15/hour | \$17/hour | \$17/hour | \$19/hour |

- The QIG and PSF must first be used to ensure that trained staff required to meet the required ratios earn at least the wage floor. Furthermore, if any provincial grant funding was paid to trained staff hired prior to December 31, 2017 who are *not needed for ratio*, the wages of those staff **cannot be decreased** during the term of the Agreement. Once these priorities are met, any remaining funding must be used to support wages in any of the following areas:
 - 1) Untrained/entry level staff who are required to meet the ratio
 - 2) Any additional trained staff not required to meet the ratio
 - 3) Substitute staff and summer students
 - 4) To implement a wage scale to recognize staff experience
- Funding must be distributed as part of staff's regular earnings

- Licensees must implement the wage floor for trained staff required for ratio within three months of the date of the staff member’s hiring for regular full-time employment.
- Licensees must pay all staff required for ratio for the hours worked by the staff during the operating days for which the facility receives funding.
- Summer students and occasional substitutes are not required to be paid the wage floor but licensees may utilize the funding to pay summer students and occasional substitutes any amount greater than the base wage.

► **Use of uncommitted funding**

- For greater clarity, once QIG funds (and PSF, as applicable) have been allocated to wages for:
 - 1) trained staff required for ratio, and
 - 2) maintenance of wage levels for all staff whose wages were increased through 2016-17 provincial funding,

any uncommitted funds must be used for:

- 1) increasing wages for additional staff, and
 - 2) paying for professional development opportunities
- When all the above requirements have been met, licensees may use remaining QIG and PSF funding to assist in the payment of the operational costs of the facility.

► **Participate in Quality Matters**

- Licensees receiving QIG funding must participate, in accordance with Appendix “A”, in the **Quality Matters (QM) Program**. This province-wide assessment program will be used to ensure a direct link between program quality and a facility’s eligibility for provincial funding.
- Licensees must submit an annual Quality Improvement Plan (QIP) as part of QIG reporting process for each year of the Agreement term.
- The plan must be submitted on the date prescribed by EECD.

Note: New centres approved for Strategic Growth funding will be required to fall within the Quality Matters timelines for reporting and submission of their QIP as per **Appendix “A” attached**.

► **Receive a Rating and show a commitment to continuous quality improvement**

- All centres participating in Quality Matters will be rated annually. The rating reflects performance in the Compliance and Accountability components of Quality Matters.
- The Licensee's ratings will be used in assessing program quality and ongoing grant eligibility for the 2020-21 grant funding.
- All centres also must show a commitment to **Continuous Quality Improvement (CQI)**.

The following indicators will be used to determine a centre's commitment to CQI:

-The licensee supports staff to engage in training and professional development opportunities

-The licensee completes the program quality self-assessment, implements the QIP and demonstrates a commitment to the CQI process

► **Maintain parent fees**

- During the term of this agreement, Licensees may only raise their parent fees once every 12 months on the anniversary date of their last parent fee increase.
- Licensees must not raise their parent fees by more than 3% if their current fees are within 10% of the average daily parent fee for their region based on chart "A" below and as updated by EECD from time to time.
- Licensees that charge 10% or more than the regional average must limit annual parent fee increases to no more than 1%.
- Licensees can round their parent fees to the nearest \$0.05.
- The charts below, setting out the Average Daily Parent Fees by region, may be unilaterally amended by EECD to reflect annually updated information.

Chart "A": Average Daily Parent Fees by Region (rounded)

*Data collected from September 2018

| Region | Infant (Full Day) | Toddler (Full Day) | Preschool (Full Day) |
|----------|----------------------|-----------------------|-------------------------|
| Central | \$44.00 | \$38.00 | \$38.00 |
| Eastern | \$41.00 | \$32.00 | \$32.00 |
| Northern | \$38.00 | \$34.00 | \$33.00 |
| Western | \$34.00 | \$32.00 | \$31.00 |

Chart "B": Part-day and School Age Averages by Region (rounded)

*For informational purposes only

| Region | Part Day Preschool | School Age (1 unit) | School Age (2 units) | School Age (3 Units) | School Age (PD/Storm/Summer /March Break) |
|----------|-----------------------|------------------------|-------------------------|-------------------------|---|
| Central | \$17.00 | \$12.00 | \$21.00 | \$26.00 | \$31.00 |
| Eastern | \$19.00 | \$10.00 | \$17.00 | \$27.00 | \$29.00 |
| Northern | \$12.00 | \$14.00 | \$17.00 | \$27.00 | \$30.00 |
| Western | \$13.00 | \$11.00 | \$21.00 | \$30.00 | \$31.00 |

- School-age and part-day programs can only increase parent fees by a maximum of 3%
- Licensees must give families at least 2 months advance written notice of any proposed parent fee increase.
- Licensees may ask EECD for approval for an exceptional parent fee increase. A request must include details and rationale in the form and manner required by EECD.

- Licensees that increase Parent fees beyond the established caps within a 12-month period without EECD approval for an exceptional parent fee will have their grant funding suspended. The licensee must reduce parent fees within the established limits by the next quarterly reporting period for funding to be reinstated.

▶ **Participate in the Financial Monitoring process**

- Licensees must participate in the Financial Monitor process, described in Appendix “B”. EECD will use the process to ensure accountability for the funding and to confirm that Licensees are meeting the Terms and Conditions of the Agreement.
- EECD may adjust funding or take any other allowable action pursuant to the Agreement if the results of the Financial Monitor indicate that the staffing, enrollment, or other required information are not reported accurately.

3. Reporting Process

▶ **Quarterly Reports**

- The QIG Reporting Form must be completed and submitted electronically by the required deadline each quarter, which will be communicated to Licensees by EECD. This must include appropriate sign-off and all required information.
- EECD will review the QIG Reporting form to confirm that the Licensee continues to meet the basic eligibility requirements and has submitted all required information. Licensees will be advised by their ECDC if their report requires revision and resubmission to correct inaccurate or incomplete information.
- Licensees must keep a copy of the application and supporting documentation for the centre records.

▶ **Consequences for late, incomplete or inaccurate reports**

- Late, incomplete, or inaccurate quarterly reports may result in delayed payments to the licensee or the suspension of payments. Payments will only be processed on the first business day of each month.
- Late, incomplete, or inaccurate quarterly reports and annual reports will impact your rating for the Accountability component of QM as described in more detail in Appendix A.
- If EECD determines that funding to a Licensee must be altered, cancelled or suspended due to unsatisfactory performance in Quality Matters, EECD will provide the licensee with written

notice in accordance with the Agreement. Licensees must advise families and staff of any cancellation of funding.

- Licensees should contact their ECDC for information or if they have any questions.

4. Funding

- The QIG will be calculated to provide Licensees with additional funding to assist them in their ability to operate the centre at full licensed capacity. EECD will review centre enrollment twice per year and if enrollment does not meet or exceed 80% of full licensed capacity the Licensee will be required to submit a plan to EECD demonstrating how they will maximize enrollment.
- QIG funding that is paid on the basis that a centre operating at full capacity may be reviewed annually and adjusted if Licensees do not maintain an 80% enrollment threshold throughout each year.

► Quality Investment Grant (QIG) funding calculation

The following formula will be used:

$$\begin{aligned} & \text{(Required \# of trained staff + balancing to full capacity)} \times \text{(per diem amount)} \\ & \times \text{(projected \# of operating days for funding period)} \times \text{(program type)} \\ & = \text{QIG quarterly funding amount} \end{aligned}$$

Required number of trained staff

The required number of trained employees is determined by reported average daily enrollment and ratios as submitted on the quarterly reporting form. The number of staff with the highest classification, regardless of whether they are required for ratio, will be used for this calculation.

Balancing to full capacity (if applicable)

Licensees receive funding based on the approved Licensed Capacity for each age group at the centre as of June 2016.

If a Licensee's average daily enrollment for each age group is less than its approved full Licensed Capacity, and if the Licensee does not have enough staff to meet the ratios required for full capacity, EECD will add an additional Untrained per diem amount(s) to fund additional staff to meet the required ratio for the centre to operate at full capacity for each age group. If the Licensee

employs additional staff (not required for ratio) who are a higher classification than Untrained, the additional funding will be provided at the level of the higher classification.

Per diem amounts

| Classification | Untrained | Entry Level | Level 1 | Level 2/ School Age | Level 3 |
|----------------|-----------|-------------|---------|---------------------|---------|
| Per diem | \$24.00 | \$26.00 | \$36.00 | \$44.00 | \$48.00 |

Number of annual operating days

QIG funding is provided for the days that a centre is open each fiscal year, including storm days and statutory holidays. Additionally, QIG funding will be provided if a centre, in consultation with their ECDC, has a scheduled professional development opportunity for staff and needs to close to families.

Program type

Full Day license: multiply the number of operating days by 1.0

Part Day license: multiply the number of operating days by 0.5

QIG calculation notes: Grant calculations will be determined by the information included in the QIG quarterly report submission with the exception that the centre's licensed capacity as of June 2016 will be used as the total capacity. Licensees that have increased their licensed capacity since June 2016 will not receive funding for those additional spaces.

Example A:

A child care centre at **full** capacity with an average daily enrollment of **82** children:

Requires:

- **11 staff:** 10 infants: 3 staff; 18 toddlers: 3 staff; 24 Preschoolers: 3 staff; 30 school age: 2 staff

Actually employs:

- **15 staff**, including a trained director and support staff positions (12 have a Classification level, 3 are untrained)

In this example, the licensee will receive the per diem rate for the **11 most highly qualified** staff who are **regular, full-time employees** at the centre regardless of the position they hold.

Example B:

The **same** child care centre above but **not** at full capacity with an average daily enrollment of **66** children:

Requires:

- **8 staff:** 8 infants: 2 staff; 12 toddlers: 2 staff; 16 Preschoolers: 2 staff; 30 school age: 2 staff

Actually employs:

- **15 staff**, including a trained director. (12 have a Classification level, 3 are untrained)

In this example, even though only 8 staff are required for ratio, the licensee will receive the per diem rate for the **11 most highly qualified** staff who are **regular, full-time employees** at the centre regardless of the position they hold. If the licensee did not employ any additional staff in this example, EECD would provide an additional **Untrained** per diem amount for the **three** staff needed if the centre was operating at full capacity

► Program Support Funding (PSF) Calculation

Only Licensees that received PSF in a previous fiscal year are eligible to receive PSF in the next fiscal year. The funding will be assessed annually to determine future eligibility on the following basis:

If the annualized QIG based on the Licensee's first quarter reporting plus the prior year PSF is **less** than the annualized ECEG+WSF+3% calculation from 2017/18 the Licensee is eligible to receive PSF at the same level previously funded.

If the annualized QIG based on Q1 reporting plus the prior year PSF is **more** than the annualized ECEG+WSF+3% calculation from 2017/18 but the difference is not more than the prior year PSF, the Licensee is eligible to receive PSF at their prior year amount less the difference (rounded to 100).

► **Adjustments to calculations**

- If there are changes in staffing complements between quarters, QIG funding adjustments will be made at the beginning of the next quarter.
- Adjustments to funding amounts may be made quarterly with the QIG quarterly report submission only.
- Retroactive funding will NOT be provided to the licensees when staffing levels change during the quarter

► **Notification**

EECD will notify licensees by email of the amount of quarterly QIG & PSF funding (if applicable) they are eligible to receive for that quarter

► **How funding is provided**

Funding will be disbursed quarterly to eligible licensees via Electronic Funds Transfer (EFT), beginning on the first business day of each quarter (January, April, July, October).

Licensees that do not have EFT must make alternate arrangements with their ECDC for an alternate payment method.

5. Accountability/Reports

Licensees must:

- Report annually on how all the QIG and PSF has been used.
- Complete all required quarterly reporting using the electronic Quarterly Report Form template provided by EECD.

- Submit Quarterly Reports by the due date. Licensees are at risk of QIG and PSF funding being held, suspended or terminated if the quarterly report is not submitted on time.
- Post the QIG and PSF Quarterly Funding Notification in a highly visible location in the centre;
- Provide grant funding information to their staff, by way of:
 - A cheque insert, paystub or notification indicating the portion of their wages that is provided by this funding
 - Access to a copy of the QIG & PSF Terms and Conditions

► **Recovery of funds**

If EECD discovers that a licensee has operated for fewer days than reported during the time frame for which QIG and PSF funding was provided, and/or has failed to distribute QIG & PSF funds in accordance with these Terms and Conditions, EECD will review the grant and may take steps to recover an amount equal to the payments that were overpaid or not used in accordance with these Terms and Conditions.

The funds may be recovered either from any future entitlements under EECD grant programs or through any other legal means available to the Minister.

Failure to report on funding as required, or failure to comply with any of the Terms and Conditions of the grant may result in cancellation, adjustment, or suspension of the QIG & PSF.

6. Changes to QIG Funding

► **Change of Owner of a Facility in receipt of funding**

When a child care centre is sold, the licensee and the buyer must contact EECD. Licenses and funding are not transferable and will terminate when the existing licensee ceases to own or operate the centre.

If the licensee is a limited company or a society and the majority of directors change within the term of the Agreement, the licensee must provide EECD with information on all new directors and confirm in writing that all new Directors have been provided with information respecting the Funding Agreement between EECD and the Licensee.

Appendix “A” – Definitions

For purposes of the **QIG and PSF**, the following definitions apply:

“Annual Report” means an annual submission of required information from the licensee to the Department of Education and Early Childhood Development.

“Average Daily Enrollment” – means the number of paid spaces for the day.

“Base wage” means the wage the licensee pays staff prior to entering into the Funding Agreement.

“Centre” and **“child care centre”** means a centre which provides full-day or part-day licensed day care.

“Direct care” means working directly with children in a child care centre.

“Director” means the chief administrative officer, owner, executive director, manager, and/or administrator who work on site, full or part time, at the centre.

“EECD” means the Department of Education and Early Childhood Development (EECD).

“Fiscal year” means the provincial government business year which runs for the twelve months from April 1st of any given year until March 31st of the following year.

“Funding Agreement” means a legal document which outlines responsibilities and accountability of Licensees and the Minister of the Department of Education and Early Childhood Development.

“Funding Period” means the three month period of time or quarter for which the funding is being paid. (eg.: April – June, July – September, October – December, January – March)

“Hours worked” means the annual number of regular hours worked providing direct care by the trained ECE or Director.

“Inexperienced staff” means staff who have worked for an employer for less than three months and have less than three months total experience with the kind of work they have been hired to do.

“Level 1 classification” means a classification issued by the Minister under subsection 37 (2); Day Care Regulations.

“Level 2 classification” means a classification issued by the Minister under subsection 37 (3); Day Care Regulations.

“Level 3 classification” means a classification issued by the Minister under subsection 37(4); Day Care Regulations.

“Minister” means the Minister of Education and Early Childhood Development.

“Licensee” means the individual, partnership, group, company, or Board of Directors in whose name a license to operate a day care centre under the Day Care Act has been issued.

“Operating Days” mean the number of days the centre is open (including statutory holidays and Professional Development day(s) the centre may not be open to families).

“Operating Expense” means expenses related to running the program such as food, supplies, utilities for example. It does not include capital expense.

“Professional Development Opportunities” means training such as courses, workshops, or mentoring. It does not include mandatory training (First Aid, CPR, Orientation, and Food Handlers). It also does not include training covered for individual staff under other grants from the Early Years Branch.

“Program Type” means a part-day or full-day program.

“Quarterly Payments” means payments are processed on the 1st business day of the month (April, July, October and January).

“Ratio Staff” means the number of child care staff required to meet the staff-to-children ratios that are set out in Section 34 of the *Day Care Regulations*.

“Trained Staff” means Early Childhood Educator with Level 1, 2,3 or School Age Classification

“School-age training approval” means the staff training approved by the Minister under subsection 37(5) Day Care Regulations.

“Staffing Levels” means the required number of ECE’s for ratio and their current classification levels at each reporting period.

“Wages” means money paid to an employee for work done, which is usually calculated on an hourly, daily, or annual salary basis.