

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)

January 2018

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

The QIG and PSF are available to 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 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).

EECD will work with licensees, as required, to transition them to the new funding model. Any licensees experiencing operational challenges should contact the Early Childhood Development Services ecdservices@novascotia.ca.

1. Eligibility

To be eligible, Licensees must:

Have received prior grants

- Only licensees that received the Early Childhood Enhancement Grant (ECEG) and Wage Support Funding (WSF) from April to December 2017, are eligible to apply for the QIG;
- All Licensees that received ECEG & WSF from April to December 2017, are eligible to receive PSF in addition to QIG funding;
- Licensees must apply and be approved for QIG funding to receive PSF.

Have a valid day care license

- All licensees applying for the QIG must have a valid Day Care license.

Have completed reporting requirements

- All licensees must have submitted the 2016-17 Annual Report;

Not be subject to a Canada Revenue Agency (CRA) requirement to pay

- If the Licensee is subject to a requirement to pay from the CRA, they are not eligible to apply until the requirement to pay has been satisfied in full by the Licensee.

Plan to reconcile under-utilized funds

- If all or some part of the ECEG and WSF funding was not used and is to be returned to EECD, Licensees must enter into an agreement to return the unused funding.

2. Terms and Conditions

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

Licensees must:

Pay the wage floor

- 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 ratios.
- Licensees must use QIG and PSF funding to pay trained staff, required for ratio, at least the minimum wage floor established EECD as follows:

Classification	Level 1	Level 2	School Age Approval	Level 3
Wage floor (minimum)	\$15.00/hour	\$17.00/hour	\$17.00/hour	\$19.00/hour

- If any provincial grant funding was paid to trained staff not needed for ratio hired prior to December 31, 2017, those staff **cannot receive a decrease** in their wages during the term of the funding agreement.
- The QIG and PSF must first be used to ensure that trained staff required for the staff-to-children ratios earn at least the wage floor. Once this priority is met, any remaining funding may be used to support wages for:
 - 1) untrained/entry level staff who are required for ratio;
 - 2) any additional trained staff;
 - 3) substitute staff;
 - 4) implement a wage scale to recognize experience.
- Funding must be distributed as part of regular earnings.
- Licensees must implement the wage floor for inexperienced staff required for ratio after three months of regular full-time employment.
- Licensees must pay all staff required for ratio for hours worked during the operating days for which they receive funding.
- Summer students and occasional substitutes are not required to be paid the wage floor.

Participation in Continuous Quality Improvement

- Licensees receiving QIG and PSF funding must participate in the **Quality Matters (QM) Program**: a province-wide assessment program that will be used to ensure a direct link between eligibility for provincial funding and quality. Under this agreement, the QM obligations are as follows:
 - 1) From January 1, 2018 to March 31, 2018, Licensees must review the Quality Matters documents and consult with their Early Childhood Development Consultant (ECDC) on how QM will be implemented in their centres.
 - 2) By January 2019, all Licensees will need to complete a self-assessment related to four key elements of quality:
 - Leadership: Professional, Pedagogical and Governance;
 - Staff Qualifications, Professional Development, Human Resources and Compensation;
 - Inclusive Learning Environments;
 - Relationships: Interactions and Partnerships with Children, Families/Parents, Staff, Other Professionals, and Community.

This process will commence in April 2018.

- It is anticipated that in any new funding agreements after March 2019, participation or compliance with QM will be the basis for eligibility for funding. As part of the eligibility review for the 2019/20 grant application, Licensees will be required to submit a copy of a Quality Improvement Plan (QIP) and will be given a rating for specific outcomes in the areas of compliance and accountability.

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 can only raise their parent fees by up to 3% if current fees are within 10% of the regional average daily parent fee (see chart below). Licensees that charge 10% or more than the regional average must limit annual parent fee increases to 1 percent. Licensees can round their parent fees to the nearest \$0.05.

Average Full Day Fees by Region 2016/17 (rounded)			
Region	Infant	Toddler	Preschool
	Full Day	Full Day	Full Day
Central	\$43.00	\$37.00	\$37.00
Eastern	\$40.00	\$31.00	\$31.00
Northern	\$37.00	\$33.00	\$32.00
Western	\$34.00	\$31.00	\$30.00

- 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 the proposed parent fee increase.
- Licensees may ask EECD for approval for an exceptional parent fee increase that exceeds 3%. A request must include details and rationale for the larger fee Increase.
- Licensees that increase Parent fees beyond the established caps within a 12-month period will have their grant funding suspended. Parent fees will need to be reduced by the next reporting period to within the established limits for funding to continue.

Uncommitted funding

- Once QIG and PSF funds 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 increasing wages for additional staff and paying for professional development opportunities.
- When all of the above increases have been implemented, licensees may use any remaining QIG and PSF funding to assist in the payment of operational costs.

Participate in random audits

- Licensees must participate in the audit process to ensure accountability for the funding and to confirm that Licensees are meeting the terms and conditions of the funding agreement. EECD may adjust funding if the results of the audit indicate that the staffing, attendance information or other required information have not been reported accurately. **Refer to Appendix “B”.**

3. Application Process

The application package must be completed and submitted electronically by the required deadline. The QIG and PSF application must include appropriate sign-off and all required information.

EECD will review complete application packages to confirm that basic eligibility requirements are met and that all required information has been submitted. Incomplete applications will need to be re-submitted by the licensee. Licensees will be advised by their ECDC if their QIG and PSF application needs to be re-submitted.

Late applications may result in delayed payments to the licensee.

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

Please keep a copy of the application and supporting documentation for your centre records.

4. Funding

The QIG will be calculated to provide additional funding to assist Licensees in meeting **full** licensed capacity. EECD will review enrollment twice per year and if enrollment does not meet or exceed 80% after 6 months, the Licensee will be required to submit a plan to EECD demonstrating how they will maximize enrollment by the end of the fiscal year. QIG funding at full capacity may be reviewed after one year and adjusted if Licensees do not maintain an 80% enrollment threshold.

Quality Investment Grant (QIG) funding calculation

The following formula will be used: **(Required # of trained staff + balancing to full capacity) x (per diem amount) x (# operating days) x (License type) = QIG funding amount**

Required number of trained staff

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

Balancing to full capacity

Licensees receive funding based on the approved Licensed Capacity for each age group (as of June 2016). This means, if a Licensees average daily attendance for each age group is less than full Licensed Capacity, and if the Licensee does not have enough staff to meet ratios at capacity, EECD will **add** an additional **Untrained** per diem amount(s) to fund what ratio would be at full capacity for each age group. If the Licensee employs additional staff not required for ratio who are a higher classification than **Untrained**, additional funding will reflect the higher classification.

Per Diem amounts

Classification	Untrained	Entry Level	Level 1	Level 2 & School Age	Level 3
Per Diem Amount	\$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, to a maximum of 260 operating days each fiscal year, including storm days and statutory holidays.

License type

Full Day license: multiply by 1.0;

Part Day license: multiply by .5

QIG calculation notes: Grant calculations will be determined by the QIG quarterly submission. 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.

Adjustments will be made based on the QIG quarterly submission. No other adjustments will be made in the fiscal year

Example A:

*A child care centre at **full** capacity with an average daily attendance 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 attendance 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

If the annualized QIG amount calculated for a centre is **less** than the amount of ECEG and WSF funding the centre would have received from April 2017 to March 2018, the PSF will be the difference of that amount **plus 3%**.

If the QIG amount calculated is **greater** than the amount of ECEG and WSF funding would have received in 2016-17, the PSF will be **3%** of the QIG.

PSF will be calculated **once**, for the term of the funding agreement, at the time of the QIG application and be paid in equal quarterly installments with each QIG installment.

Notification:

EECD will notify licensees by email of the amount of quarterly QIG & PSF funding they are eligible to receive for their Centre.

How funding is provided

Funding will be issued quarterly to eligible licensees via Electronic Funds Transfer (EFT), beginning on the first business day of the quarter commencing in January 2018. Other arrangements can be made for Licensees that do not have EFT.

Licensees that submit their QIG and PSF application after the required deadline are still eligible to receive funding, however, their funding may not be issued on the first business day of the January.

5. **Accountability/Reports**

Licensees **must**:

- Report annually on how **all** QIG and PSF has been used.
- Complete required reporting quarterly using the electronic template provided by EECD. If there are changes in staffing complements between quarters, QIG funding adjustments will be made at the beginning of the next quarter. Note: Retroactive funding will NOT be provided to the licensees when staffing levels change during the quarter.
- Quarterly reports must be submitted by the due date. If a quarterly report is submitted late, for the next funding period, the licensee will only receive funding for **one month** instead of a full quarter. Licensees are at risk of QIG and PSF funding being held, suspended or terminated if the quarterly report is not submitted.
- 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/notification indicating the portion of their wages that is provided by this funding; and
 - Access to a copy of the QIG & PSF Terms & 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, or a licensee 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 not used in accordance with these Terms and Conditions, either from any future entitlements under EECD grant programs or through any other legal processes 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 or suspension of the QIG & PSF.

6. **Changes to QIG funding**

Change of Owner in a Child Care Centre that receives provincial 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 operate the centre.

If, within the term of the agreement the licensee is a limited company or a society and the majority of directors change, the licensee must provide information on the new directors and confirm in writing that all new Directors have been provided with information respecting the funding agreement between EECD and the Licensee. This requirement is also found in Section 12.4 of the Funding Agreement.

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 Attendance**” – means the number of paid spaces that are filled for the day broken down by the age group of children attending.

“**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.

“**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) in the year, up to a maximum of 260 days.

“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.

Appendix “B” Audit Process

Participation

All centres receiving **QIG and PSF** grant funding must participate in the audit process. Centres must be accountable for how they have spent government funding. Throughout the year, centres will be randomly chosen to participate in an audit, however, EECD reserves the right to audit any centre at any time to ensure provincial funding is spent in accordance with the terms and conditions of the Funding Agreement. This includes the right to audit a centre for various reasons including, but not limited to, if a centre requests a funding advance, requests additional funding, has reporting anomalies or inconsistent reporting, or has complaints and/or concerns brought to EECD about the centre. Participation in the audit process is mandatory.

Timing

EECD will carry out audits at the end of each fiscal quarter. Centres will be advised that they have been chosen for an audit and the information they will be required to provide and timelines for submission. Centres involved in an audit will have 15 business days from the date of the notification letter to submit the required information to EECD. EECD will review the information within 15 business days and request any additional information as needed.

Required Documentation

As required in the Funding Agreement, paragraph 7.4: “...*all accounting records, financial documents, and other records relating to the funding or to this Agreement shall be preserved and available at all reasonable times while this Agreement is in effect*”.

For accountability purposes, each centre must:

- keep detailed staffing and attendance records. Information in the centre records must be the same as the information in the *Application Form*; and
- make records available to the EECD for review.

Information that may be required for the audit:

- payroll registers (including name and classification #)
- child attendance records
- Interim financial or income statements
- Wage policies (incl. substitute wage policy, centre salary scale, etc.)
- Centre memos to staff regarding wage enhancement
- Centre memos to parents regarding parent fees
- receipts for professional growth & training and operations (for centres spending surplus grant funds)
- parent fee records (samples for each age group as per License)
- Contact information for staff and/or parents may be requested by EECD for follow-up

Results of the Audit

EECD will prepare a report upon completion of the audit indicating results and possible recommendations or required actions. The results of the audit will be an indicator used to determine success in the Accountability component of Quality Matters. Based on the outcome of the audit, the Minister reserves the right to impose time limits for required actions. If the required actions are not done, the Minister may adjust funding.

Feedback

Surveys will be conducted with the centres who are audited to receive feedback on the process. This feedback will be reviewed and incorporated as appropriate into future audit processes.