



Early Childhood Development Services

Early Childhood Enhancement Grant

Terms and Conditions

2015 – 2016

(Revised May 2015)

Contents

Terms and Conditions	2
Grant Description	3
Grant Eligibility Criteria	4
Grant Allocations/Grand-parented Funding	7
Communication to Facility Staff	8
Communication to Stakeholders/Parents/Guardians	8
Application Process	9
Required Documentation	9
Submission of the Application Package	9
Applications Reviewed for Eligibility and Completeness	9
Notification of Approved Applications	9
Disbursement of Funds Process	10
Recovery of Funds Process	10
Accountability Process	10
Appendix A: Definitions	13

Terms and Conditions

The Early Childhood Enhancement Grant (ECEG) provides funding to Licensees of child care facilities to enhance salaries for child care educators and build a foundation for educator recruitment and retention. A portion of this grant can also be used to support professional growth for educators and general operating expenses of the facility.

These **Terms and Conditions** clarify the responsibilities of the Licensee of the child care facility and the Department of Education and Early Childhood Development with respect to accountability and reporting requirements for this grant.

Please refer to **Appendix A** for definitions of the terms used throughout this document.

Grant Description

Please Note: In 2015/16 ECEG funding is only available to child care facilities that received ECEG funding for 2014/15. The Department of Education and Early Childhood Development is currently in the process of developing funding criteria for new child care centres.

ECEG funding is provided to Licensees to enable them to:

- Enhance salaries and benefits for child care educators who provide direct care to children;
- Fund a portion of professional growth for child care educators; and
- Support general operating expenses of the facility.

ECEG funds cannot be used for capital expenses.

The amount of ECEG funding provided to a Licensee is determined by using the following calculation:

[Required # of Educators x Per Diem] X [Annual Operating Days] X [Centre Type]

To determine the required number of educators:

$$\begin{aligned}
 &[(\text{Average \# Infants Enrolled FT}) + (\text{Average \# Infants Enrolled PT} \times .5)] \div 4 \\
 &\quad + \\
 &[(\text{Average \# Toddlers Enrolled FT}) + (\text{Average \# Toddlers Enrolled PT} \times .5)] \div 6 \\
 &\quad + \\
 &[(\text{Average \# Preschoolers Enrolled FT}) + (\text{Average \# Preschoolers Enrolled PT} \times .5)] \div 8 \\
 &\quad + \\
 &[(\text{Average \# School Age Enrolled FT}) + (\text{Average \# School Age Enrolled PT} \times .5)] \div 15
 \end{aligned}$$

The required number of educators for each age group is rounded up to the next whole number, for example, 2.3 educators would be rounded up to 3.

Child Enrollment by age group (Infant, Toddler, Preschool and School Age) is used to calculate the required number of child care educators:

- **Full Time:** Children enrolled 30 hours or more per week are full time. Multiply by 1.0
- **Part Time:** Children enrolled less than 30 hours per week are part time. Multiply by 0.5

Calculation Notes:

- Required number of educators is based on ratio requirements.
- The Classification Levels of the educators employed at the facility will determine the amount of the ECEG per diem.
- When the Licensee employs more educators than required by ratio, the ECEG calculation will be limited to the required number of educators.

• **Per Diems**

Educator Classification Levels	Per Diem
Level 3	\$42 per day
Level 2	\$40 per day
School Age Training Approval	\$40 per day
Level 1	\$32 per day
Entry Level	\$26 per day
Untrained	\$24 per day

- **Annual Operating Days:** the number of days the facility is open (including statutory holidays) in the year, as identified in the ECEG Application, up to a maximum of 260 days.
- **Program Type:**
 - Full-day: multiply by 1.0
 - Part-day: multiply by .33

Grant Eligibility Criteria

Licensees that received ECEG funding in 2014/15 are eligible to re-apply for funding for 2015/16.

Change of Owner or Shareholders in a Child Care Facility that Receives ECEG Funding

In situations when a child care facility is sold or when the controlling interests in the facility change due to a change in shareholders, it is very important that the Licensee and the potential buyer or key shareholder contact the Department of Education and Early Childhood Development.

To be eligible for the ECEG, Licensees **must**:

- hold a valid license to operate a day care facility;
- sign a Child Care Subsidy Funding Agreement;
- be identified as “ACTIVE” with the Registry of Joint Stocks;
- have a signed Funding Agreement in place; and
- comply with the *Day Care Act and Regulations*, these **Terms and Conditions** and the Funding Agreement.

Licensees are not eligible for the ECEG if, at the time of application they have been petitioned into or have declared bankruptcy or are subject to a garnishment order from the CRA.

Licensees who do not meet the ECEG eligibility criteria will not be considered for ECEG funding.

Incomplete ECEG Applications will be returned to the sender.

As per Section 4.1 of the Funding Agreement, funding allocations may be adjusted at the discretion of the Minister of Education and Early Childhood Development.

Grant Distribution Criteria

Licensees **must** distribute ECEG funding in accordance with the following criteria.

Wages, Statutory and Extended Benefits:

A minimum 80% of ECEG funds **must** be spent on salaries and benefits for child care educators who provide direct care to children.

Facility directors who are full time, onsite and whose responsibilities include working directly with children are eligible to receive ECEG funding based on their classification and the number of hours they work directly with children.

The following requirements for ECEG distribution must be met:

- Grant funding **must be** distributed as part of regular earnings.
- Grant funding **must be** distributed in addition to the base wage of the child care facility.
- The base wage **must be** the provincial minimum wage or higher.
- Grant funding **must be** distributed in direct relation to Classification Level.
- Grant funding **can be** allocated to a maximum of 2080 hours per year

Operating Expenses:

A **maximum of 15%** of the ECEG can be allocated toward day-to-day operating expenses. Supporting documentation may be requested by the Department for such expenditures.

ECEG cannot be used for capital expenditures.
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Professional Growth:

A **minimum of 5%** of ECEG funding must be allocated to professional growth for educators.

A work plan must be submitted to outline the Licensee's commitment to support professional growth for educators. This work plan must be included in the ECEG Application.

Early Childhood Development Consultants (ECDCs) are available to provide advice and consultation to Licensees and educators with respect to proposed professional growth opportunities and work plans.

Professional Growth funding may be used to:

- Build professional relationships and promote continuous professional growth through conferences and workshops
- Focus on ways to address challenges through networking opportunities with other educators and early years professionals
- Access resources, materials and training developed specifically for the needs of child care staff in the provision of quality child care. For example, the facility may purchase resources and materials. including resource books, toolkits, etc.
- Provide educators with opportunities to share their knowledge and experience to coach/mentor colleagues. For example, mentorship programs, development of workshops on best practices, etc.
- Provide support for educators to engage in professional development opportunities through the provision of hourly wages for substitutes
- Encourage province-wide networking through sharing resources, materials and expertise among educators and other early years professionals. For example, development of a resource library, shared professional development opportunities.

Eligible Expenses for Professional Growth funding:

- Workshops and conferences under 20 hours will be considered for ECEG Professional Growth.
- Books and Resources up to a maximum of \$500/year (excluding computers, printers, hand held devices, printer consumables, office supplies)
- Travel expenses **within Nova Scotia** up to a yearly maximum of \$1000.00 per year.
- Salaries for substitutes to enable staff to attend professional growth opportunities. Substitutes may not receive a greater hourly wage than the educators they are replacing.
- Purchases of Resource Materials up to and including a yearly maximum of \$500.00 per year (excluding computers, printers, hand held devices, printer consumables, office supplies)

Expenses that are not eligible under Professional Growth:

- Required courses such as First Aid/ CPR, Food Handler's, Orientation for Staff Working in Licensed Child Care Facilities
- Accommodations and Food are **NOT** eligible costs under the ECEG Professional Growth (Travel)
- Mandatory courses are **NOT** an eligible cost under ECEG Professional Growth
These mandatory courses include: First Aid/ CPR, Food Handlers', Orientation for Staff Working in Licensed Child Care Facilities.

Grant Allocations for Facilities that have a Grand-parented Funding Status

Facilities that are grand-parented under the 2008/2009 Child Care Operating Grant:

- These child care facilities will continue to receive funding at the same levels until a reconciliation period shows significant changes in operations such as:
 - i) a decrease in enrollment or in the required number of child care educators;
 - ii) a change in the number of operating days in excess of 10% or by 5 or more operating days;
 - iii) a decrease in the number of spaces by 4 or more; or
 - iv) the grand-parented facility closes, amalgamates with another child care facility or discontinues operations.
- When enrollment and the number of required educators have decreased, the funding amount will be decreased by the same percentage as the decrease in spaces.
- When funding allocations exceed the grand-parented funding amount, the facility will receive the higher amount but the grandparented funding status will be discontinued.
- Correspondence will be forwarded to the Licensee in the cases where the grand-parented funding status is discontinued.

In accordance with these Terms and Conditions, grand-parented facilities must re-apply for ECEG funding annually, enter into a Funding Agreement and submit an Annual Report.

Grant Timelines

Complete ECEG Application packages must be received by the Department by the date identified on the application form.

Funding will be distributed quarterly. Funding installments will be processed on the first business day of each quarter.

Section 4.00 of the **Funding Agreement** states “In the Minister’s sole discretion, the Minister may adjust funding to the Licensee pursuant to this agreement”.

Accordingly, if the license for a child care facility is suspended, cancelled, not renewed or the facility closes during the grant period (April 1 to March 31), ECEG funding will be recalculated to reflect the actual number of operating days. This may result in an adjustment to the grant amount or suspension/termination of the grant. Licensees will be required to pay back all outstanding ECEG funding in full.

Every 12 months, ECEG funding will be reconciled and the Licensee will be required to submit an Annual Report. The Annual Report must include information on how the grant funding was utilized. Annual Reports will be provided to child care facilities in March and will have a required date for submission.

Failure to provide the Annual Report by the submission date, or to comply with the ECEG Terms and Conditions, will result in cancellation or suspension of ECEG funding.

Communication to Facility Staff

Facilities are required to provide child care staff with:

- Access to a copy of the Early Childhood Enhancement Grant **Terms and Conditions**;
- Details on the amount of funding the facility will be receiving;
- Details on how this funding was calculated;
- Details on how the funding is being distributed within their facility; and
- A cheque insert/notification indicating the portion of their salary/benefits that is provided by this funding.

Communication to Stakeholders/Parents/Guardians

Licensees are required to post the ECEG Notification letter in a highly visible location in the facility.

Application Process

Required Documentation

The application package must include the complete ECEG Application Form, including all appropriate signatures and required documentation.

Licensees may contact their Early Childhood Development Consultant (ECDC) for information or if they have any questions.

The ECEG Application Form and **Terms and Conditions** are available on the Department website at:

<http://www.ednet.ns.ca/earlyyears/providers/EarlyChildhoodEnhancement.shtml>

Submission of the Application Package

Please ensure the application is complete and submitted in full. All documents must be received by the Department by the applicable date. If the ECEG application package is not completed in full and received by the ECDC on or before the applicable date, funding will not be guaranteed for the April 1 installment.

IMPORTANT: Please ensure that you create a photocopy of the application and supporting documentation for your records.

Submitted application packages must be addressed to the attention of the **Early Childhood Enhancement Grant Application** and mailed, or delivered, to your ECDC. A list of ECDCs and their addresses is available at: <http://www.ednet.ns.ca/earlyyears/contact.shtml>

Grant Application Review Process

Applications Reviewed for Eligibility and Completeness

Upon receipt of the application package, it will be reviewed to confirm that basic eligibility requirements are met and the application package is complete. Incomplete applications will be returned to sender.

Notification of Approved Applications

The Department will notify Licensees in writing of the amount of ECEG funding they can expect to receive for their facility.

PLEASE NOTE: Funding amounts may change upon review of the Annual Report.

Disbursement of Funds Process

Once the Licensee has been approved for ECEG funding and the Department confirms that a signed and current copy of the Funding Agreement is on file, funds will be distributed. ECEG funding will commence on April 1 and is processed quarterly on the 1st business day of each quarter (April, July, October and January).

Please Note: The ECEG installment for July 1 is dependent upon submission of Annual Report and Financial Statements for the previous fiscal year (April 1 – March 31).

If these documents are not received by July 1 funding will be suspended.

Further, if these documents are not received by October 1, the facility will no longer be eligible to receive ECEG funding for the remainder of the fiscal year.

The Department reserves the right to adjust the ECEG in circumstances which include, but are not limited to, the following:

- A facility's enrollment has changed.
- A facility's licensed capacity has changed.
- The training levels of staff have changed.
- The number of operating days has changed.
- The Licensee has provided inaccurate or incorrect information.

The payment of ECEG will be suspended or cancelled if at any time the licensee is petitioned into or has declared bankruptcy or the province receives a third party garnishment order from the Canada Revenue Agency.

Recovery of Funds Process

The Annual Report provides information to track how the Licensee has used ECEG funding and must be submitted each year by the established deadline.

If the Annual Report shows that a child care facility has ceased operations at any point during the period in which the Licensee receives grant funding or failed to distribute funds correctly, the Department will review the grant distribution history to recover over-payments that result from closure, change in the number of operating days or other issues.

Accountability Process

ECEG funding must be used in accordance with these **Terms and Conditions** and the conditions outlined in the Funding Agreement.

Annual Reports will be used to assess the child care facility's adherence to the grant distribution criteria outlined in the Terms and Conditions overview section. Facilities must also provide

annual financial statements. ***As outlined in Funding Agreement Section 6:00 Reporting Requirements*.**

Annual Reports will be reviewed and ECEG funding reconciled based on the previous year of funding. If it is determined that funding has not been distributed as required, the Department will establish requirements for further accountabilities to be put in place.

These requirements may include the following:

- i) a revised payment schedule, for example, moving to monthly payments instead of quarterly;
- ii) a reduction in the amount of funding, or suspension or termination of ECEG funding ;
- iii) a requirement to submit additional information;
- iv) a clear plan for how the Licensee will distribute funding according to the criteria. This may include a requirement to provide financial and grant distribution reports on a monthly or quarterly basis until such time as compliance with the distribution criteria has been met.

FUNDING AND PAYMENTS: Section 4.00 of the Funding Agreement

Section 4.00 of the Funding Agreement addresses funding and payments of the ECEG.

The following is an overview of Section 4.00 of the **FUNDING Agreement**.

- 4.01 *Subject to section 5.00 of this Agreement and the following subsections, the Minister agrees to fund the Licensee as provided and described in the Terms and Conditions referred to in Schedule "A", up to the maximum amounts specified in the approved annual budget for each grant.*
- 4.02 *The Minister shall not be held responsible for the cost of services offered or projects undertaken by the Licensee outside the scope of this Agreement.*
- 4.03 *In the Minister's sole discretion, the Minister may adjust funding to the Licensee pursuant to this Agreement.*
- 4.04 *The Licensee understands and agrees that all payments made under this Agreement shall be used by the Licensee in accordance with this Agreement and for the sole purpose of providing day care in accordance with its license.*
- 4.05 *The Licensee understands and agrees that no payment of funding under this Agreement shall be used for capital expenditures.*
- 4.06 *The parties agree that revenues of the Licensee from other sources, unless agreed upon as a component of funding set out in the Schedule(s), will not be treated as a surplus by the Minister.*

Section 52 of the Day Care Regulations provides authority for the Minister to fund child care programs.

The following is an overview of Section 52 of the **Day Care Regulations**.

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- 52 (1)** *The Minister may make payments in respect of day care in any amounts that are appropriated annually for this purpose.*
- (2)** *The Minister may refuse to make payments in respect of a day care program for which a license has expired or has been cancelled, suspended or refused.*
- (3)** *The Minister may recover from a Licensee payments made by the Minister in error or based on false or misleading information supplied in the Licensee's application, or that otherwise ought not to have been paid according to these regulations or any other law, and is entitled to use any legal recourse to recover these payments from a Licensee.*
- (4)** *The Minister may determine the Terms and Conditions for providing, refusing and recovering payments made to a Licensee*

Appendix “A” - Definitions

For purposes of the ECEG, the following definitions apply:

“Annual Operating Days” means the number of days the facility will be open for the calendar year. Statutory holidays, New Year’s Day, Good Friday, Easter Monday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Nova Scotia Heritage Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day. Voluntary closures for non statutory holidays are not considered operating days. Maximum operating days 260.

“Annual Report” means an annual submission of required information from the licensed child care facilities to the Department of Education and Early Childhood Development

“Base Wage” means pay received for a given work period as an hourly or weekly amount, but not including additional pay, for example, overtime.

“Calendar Year” means January 1st to December 31st.

“Capital Expenses or Capital Expenditures” mean spending for basic assets such as land, fixtures, and machinery which are accounted for as capital under generally accepted accounting principles (GAAP)

In licensed child care there are four program types that serve different age groups of children:

- “Infant” means a child who is younger than 18 months old
- “Toddler” means a child who is between the age of 18 months and the age of 35 months inclusive;
- “Preschooler” means a child who is 36 months older or older and is not attending school;
- “School age” means a child who is attending school and is not older than 12 on December 31 of the school year.
- For purposes of the funding model described in these Terms and Conditions the only distinction is between A) Infants, B) Toddlers & Preschoolers and C) School Age children.

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

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

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

“ECDC” means Early Childhood Development Consultant.

“ECE” means Early Childhood Educators.

“Enrollment” means the space has been paid for and filled. A child that is sick / absent / on vacation will still be considered to be enrolled.

“Entry Level” means the Minister may issue an entry-level classification to a facility staff person who has completed the orientation training in accordance with subsection 37 (7) Day Care Regulations <http://www.ednet.ns.ca/earlyyears/pd/ClassificationforStaff.shtml>

“Extended Benefits” means and may include:

- Worker’s Compensation;
- Employer’s contribution to paid maternity leave (in excess of EI);
- Dental coverage;
- Extended health care coverage;
- Paid sick days;
- Life Insurance; and
- Retirement/pension plan.

“Facility” and “child care facility” means a facility which provides full-day or part-day licensed day care.

“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 licensed child care facilities and the Minister of the Department of Community Services.

“Level 1 classification” means a classification issued by the Minister under subsection 37 (2); Day Care Regulations. <http://www.ednet.ns.ca/earlyyears/pd/ClassificationforStaff.shtml>

“Level 2 classification” means a classification issued by the Minister under subsection 37 (3); Day Care Regulations. <http://www.ednet.ns.ca/earlyyears/pd/ClassificationforStaff.shtml>

“Level 3 classification” means a classification issued by the Minister under subsection 37(4); Day Care Regulations <http://www.ednet.ns.ca/earlyyears/pd/ClassificationforStaff.shtml>

“Minimum Wage” as defined by the Nova Scotia Labour Standards Code <https://www.novascotia.ca/lae/employmentrights/docs/labourstandardscodeguide.pdf>
<http://novascotia.ca/lae/employmentrights/>
<http://novascotia.ca/lae/employmentrights/minimumwagefaq.asp>

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

“Operating Expenses” means expenses for maintenance of the assets of the facility or the cost of running the day-to-day operations of the facility. Those expenses incurred in carrying out a child care facility day to day activities, these expenses may included but not limited to: payroll, employee benefits, rent/mortgage, snow removal, utilities etc.

“Reporting Period” means the January 1st to December 31st calendar year.

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

<http://www.ednet.ns.ca/earlyyears/pd/ClassificationforStaff.shtml>

“Statutory Benefits” means the Employer’s cost of the statutory group benefits associated with the increased wages provided as a result of this grant. Statutory group benefits are Employment Insurance (EI) and Canada Pension Plan (CPP);

“Untrained” means a child care staff member who does not hold a classification issued by the Minister.

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

“Working Days” refers to week days (Monday to Friday).

“Work Plan” refers to the documentation which is part of the ECEG Application, submitted to the Department annually that documents the facility’s annual goals, objectives, and accomplishments and informs the development of the facility’s next annual Work Plan.