



# A New Funding Model for Nova Scotia's Regulated Child Care Sector

November 2017

# Context: Why a New Model?

- In January 2015 EECD launched a comprehensive review of regulated child care in NS and led to a report with 27 actions released in June 2016 Child Care Action Plan.
- Among the 27 actions resulting from the review, EECD committed to develop a new funding model for regulated child care that ties funding to quality.
- To inform the development of the new model, EECD held targeted consultation in late 2016 and released the results in March 2017.

# What We Heard

The **child care review** and the funding model consultation revealed a number of key issues with the current funding model; top issues identified were as follows:

- Funding is not directly linked to program quality and accountabilities and outcomes are lacking
- Funding is calculated based on the staffing and enrolment once per year at the time of grant application; does not accommodate fluctuations during the year
- Funding under the ECEG is allocated to wages and benefits, operations, and PD; operators prefer it to all be allocated to wages and benefits
- SCCG only available to 60% of centres due to budget constraints

# A New Funding Model for Child Care Centres in NS

## Quality Matters: Inclusive Quality Child Care

CONTINUOUS QUALITY IMPROVEMENT

Coaching / Quality Improvement Plans / Professional Development

Enablers



Quality Investment  
Grant

Program Support  
Fund

Inclusion Support

Outcomes



Compliance

Program Quality

Accountability

# Quality Matters

**Quality Matters (QM)** a program that has been developed to support centres in enhancing quality through a Continuous Quality Improvement (CQI) process.

**Purpose:** to ensure a direct link between eligibility for provincial funding and quality.

**Specific outcomes in the following areas must be met:**

- **Program Quality** focused on four keys elements of quality that are measured through a self assessment and strengthened through a Continuous Quality Improvement (CQI) process and aligned with Nova Scotia's Early Learning Curriculum Framework;
- **Compliance** with provisions of Nova Scotia's Day Care Act, Day Care Regulations, and licensing and monitoring activities; and
- **Accountability** for provincial funding, including compliance with the conditions of the Funding Agreement and the accompanying terms and conditions for each of the grants received; specified in the written agreement as well as financial reporting requirements that are established by Education and Early Childhood Development (EECD).

# Quality Matters: Program Quality Measures

- **Leadership: Professional, Pedagogical and Governance**
- **Staff Qualifications, Professional Development, Human Resources and Compensation**
- **Quality Inclusive Learning Environments**
- **Relationships: Interactions and Partnerships with Children, Families/Parents, Staff, Other Professionals, and Community**

QM includes a self-assessment tool with a focus on each of the key elements for centres to use in developing goals for quality enhancement.

# Continuous Quality Improvement: A Cycle of Reflection and Planning



# Quality Matters: Compliance and Accountability Indicators

## Compliance

- The licensee has not received chronic non-compliance status
- The license has not been cancelled or suspended due to a breach of any provision of the Act or regulations or failure to comply with the terms and conditions attached to their license

## Accountability

- Required documents submitted by established deadlines
- Complies with terms and conditions for all provincial grant funding
- Participates in random and/or routine audits as determined by EECD
- Signs subsidy agreement and accommodates families in receipt of subsidy



# Monitoring for Accountability

- Random and directed audits every quarter
- Participation mandatory for all centres receiving provincial funding
- Information that may be required:
  - Attendance records, parent fee records, centre memos/correspondence;
  - Wage policies, payroll register;
  - Interim financial statements.
- Audit report with recommendations
- Results will be included as component of continuous quality improvement process

# Linking Quality to Funding

- In order to maintain their eligibility for funding centres must:
  - ✓ demonstrate ongoing commitment to the CQI process; and
  - ✓ receive positive ratings for Compliance and Accountability
- 2018/19: Centres will commit to learning about the QM process and completing the self-assessment and QIP by January 2019.
- January 2019: As part of the eligibility review for the 2019/20 grant application, centres will be required to submit a copy of their QIP and will be given a rating for Compliance and Accountability.
- If the centre has achieved all of the indicators for Accountability and Compliance, they will be given a rating of R 2. If the centre is missing indicators in one of the areas, this will result in a rating of R 1. If the centre is missing indicators in each of the areas, this will result in a rating of 0.

# Enablers to Achieving Quality: Quality Investment Grant (QIG)

- Focus: Pay wage floor for trained ECEs required for ratio
- Grant paid based on centre being at full licensed capacity as of June 2016 for 4 years
- Centres required to increase to or maintain enrollment greater than 80% capacity (over 6 month period)
- New per diems for:      Level 1: \$36    /    Level 2: \$44    /    Level 3: \$48
- Funding adjusted quarterly
- Flexibility in using uncommitted funding: does not come back to EECD
- Funding linked to quality through Funding Agreement
- Summer students and occasional substitutes are not required to be paid the wage floor.
- Inexperienced staff required for ratio do not need to be paid wage floor for first 3 months.

# Enablers to Achieving Quality: Program Support Fund (PSF)

- All centres who receive QIG automatically qualify for PSF
- Those whose QIG is less than the ECEG and WSF combined will receive the difference plus a 3% increase
- One-time calculation for the duration of the agreement, paid quarterly
- Flexibility in using uncommitted funding: does not come back to EECD
- Funding linked to quality through Funding Agreement

## Inclusion Support

- Supports for inclusion available to all centres
- More details to come

# Implementation Process (QIG)

- Electronic application. Licensee's submit staffing and enrollment information electronically. Updated by Licensees every quarter.
- Centres will report on current attendance, staffing required for ratio, additional staff (not required for ratio), staff training levels, wait list, and vacancy.
- Requirement for participation in Continuous Quality Improvement (CQI) clearly outlined in Terms and Conditions for all grants.
- Centres will participate in an audit process

# Implementation Timelines

## Phase I: January – March 2018

- Replace Early Childhood Enhancement Grant (ECEG) and Wage Support Funding (WSF) with Quality Investment Grant (QIG) and Program Support Funding (PSF)
- Introduce Quality Matters program and provide information sessions

## Phase II: April 2018

- Introduce funding to all centres related to inclusion
- Continue to provide information sessions on QM with goal of having all centres complete a Quality Improvement Plan by January 2019
- QIG funding amounts reflects updates to staffing

# In Summary...

The new funding model addresses key issues identified:

- ✓ Funding is directly linked to program quality
- ✓ QIG will be re-calculated quarterly versus annually with increased per diems
- ✓ Funding to be directed to wages first
- ✓ Inclusion supports available to all centres

AND:

- ✓ For 4 years, QIG will be based on full licensed capacity as of June 2016 (with 80% threshold)
- ✓ Total amount of funding to the sector will be increased

Thank You!

Questions?

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