

# Home Child Care Enhancement Grant Guidelines

2018

Children's Services, Region of Waterloo



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# Home Child Care Enhancement Grant - Guidelines

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## General Information

Registered Early Childhood Educators (RECEs) and other child care program staff play a key role during the critical years of a child's development. However, there is a significant wage gap between RECEs working in the publicly funded education system and those in the licensed child care sector. This wage gap creates challenges in retaining qualified pedagogical professionals to deliver affordable, high quality services.

The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. The wage enhancement/HCCEG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement will also help to close the wage gap between registered early childhood educators (RECEs) working in full-day kindergarten (FDK) programs and RECEs/other child care program staff working in licensed child care settings.

The 2018 wage enhancement grant supports an increase of up to \$2 per hour, plus 17.5 percent benefits for licensed program staff and home visitors. In addition, the HCCEG supports an increase of up to \$20 per day for home child care providers contracted with a licensed home child care agency.

This document pertains to the HCCEG. For the wage enhancement, please see *Provincial Wage Enhancement Funding for Child Care Centres and Home Visitors Guidelines*.

## New in 2018

2018 is the fourth year of the HCCEG initiative. There is a change to the initiative for 2018, including:

- An increase in the maximum rate per day from \$266.80 to \$270.70 for full time Home Child Care providers; and an increase in the maximum rate per day for part time providers from \$160.08 to \$162.42.

Additionally, the changes implemented in 2017 will continue:

- Private children are included in the count of provision of services to calculate the full or partial daily rate. A provider's own children are not included in the count;

- The ability to provide HCCEG to new providers contracted with the agency in 2018; however, requirements apply. See “Payment to Providers” on page 7; and
- The requirement to include the HCCEG in each provider payment; previous payment flexibility has been removed. For example, if providers receive payment from the licensed home child care agency on a monthly basis, the HCCEG must be included in each monthly payment.

Please see the relevant section for more information on these changes.

## **Funding**

HCCEG funding will be transferred to licensed home child care agencies to support eligible home child care providers contracted with them. In addition to HCCEG funding, licensed home child care agencies are also eligible for wage enhancement to support home visitors. Please see **Provincial Wage Enhancement Funding for Child Care Centres and Home Visitors Guidelines** for more information on wage enhancement.

Funding for the 2018 HCCEG will be based on the number of days worked with a licensed home child care agency by eligible home child care providers between January 1, 2017 and December 31, 2017 and their average daily service (full time or part time).

## **Eligibility**

All licensed home child care agencies are eligible to apply for the HCCEG, regardless of auspice, participation in municipal quality initiatives, or current purchase of service status. Those agencies without a purchase of service agreement with the Region of Waterloo will be required to enter into an agreement for the purposes of allocating the HCCEG.

## **Funding Allocations**

There are three different types of funding under the HCCEG.

### **HCCEG**

The HCCEG is provided to licensed home child care agencies to support eligible home child care providers contracted with them. Entitlement is determined based on days worked and average daily service in the previous year.

As the intent of the HCCEG is to close the wage gap between RECEs working in publicly funded schools and RECEs, child care program staff and providers in licensed

child care settings, the Ministry of Education has established a maximum daily rate for home child care providers of \$270.70 for full time providers and \$162.42 for part time providers. The cap applies when determining entitlement and for payments to providers.

### **Full HCCEG**

To be eligible to receive the **full** 2018 HCCEG of \$20 a day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees excluding prior year's HCCEG of less than \$250.70 (i.e. \$20 below the cap of \$270.70).

### **Partial HCCEG**

To be eligible to receive the **partial** 2018 HCCEG of \$10 a day, home child care providers must:

- Hold a contract with a licensed home child care agency;
- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees excluding prior year's HCCEG of less than \$152.42 (i.e. \$10 below the cap of \$162.42).

### **Supplemental Grant**

In addition to the \$10 or \$20 a day increase for providers, agencies will receive an additional supplemental grant of \$50 for each eligible home child care provider. The supplemental grant must be used to support providers' daily fees. It provides agencies with the flexibility to cover any funding shortfalls that occur throughout the year. The supplemental grant cannot be used for providers that are not eligible for the HCCEG (i.e., new providers or those that are over the rate cap). Any funding that is not used for these purposes will be recovered.

## HCCEG Administration Grant

In 2018, licensed home child care agencies are eligible for a one-time grant to support the administrative effort associated with implementing the HCCEG. This is in addition to the Administration Grant available to licensed home child care agencies eligible for wage enhancement funding. Please see **Provincial Wage Enhancement Funding for Child Care Centres and Home Visitors Guidelines** for more information on the wage enhancement Administration Grant.

The HCCEG Administration Grant will be calculated as follows:

- \$50 per funded provider (including shared providers).

The Administration Grant must be used towards offsetting the cost of administering the HCCEG. Allowable expenses for the Administration Grant include:

- Staff hours spent implementing the HCCEG (e.g., completing the application, calculating payments, completing reconciliation, etc.);
- Upgrading payment systems;
- Training for staff related to HCCEG; and
- Other expenses, as approved by Children's Services.

The Administration Grant cannot be used to pay out the HCCEG to providers.

Agencies will be required to submit a reconciliation statement reporting how the Administration Grant was spent. Any unspent funds will be recovered by Children's Services.

## Application Process

Licensed home child care agencies must apply to Children's Services, Region of Waterloo for the HCCEG. Please refer to the current **2018 Home Child Care Enhancement Application Package** (available on the [Children's Services Portal](#) or online at the [Children's Services website](#)) for the deadline date.

Any agency who has not submitted an application for the HCCEG by the deadline identified by Children's Services, Region of Waterloo will not be allocated funding in 2018. Agencies who miss the application deadline may apply for HCCEG funding in 2019.

HCCEG entitlement will be recalculated on an annual basis. This means that agencies will be required to submit an application annually. For each eligible provider, agencies are required to report:

- If the provider serves one child or more (including privately placed children; excluding the providers own children);
- Whether the provider is full time (provides 6 hours or more of care per day, on average) or part time (providers less than 6 hours of care per day, on average);
- Number of days worked between January 1, 2017 and December 31, 2017; and
- Total fees received between January 1, 2017 and December 31, 2017 (excluding prior year's HCCEG).

In addition to the information required to generate the HCCEG entitlement, agencies are required to report on other service data including:

- Number of licensed homes; and
- Ineligible providers that exceed the daily fee cap.

## Funding Calculation

The application uses the total number of days worked per eligible provider, between January 1 and December 31 of the previous year, to calculate the total eligible HCCEG grant allocation. This is the total amount that will be transferred to the agency to fund the HCCEG payments for the providers in the current year.

It is important to note that the eligible funding estimated *per individual* provider applies to the **application** only. For more information, please see the *Payment to Providers* section below.

## Shared Providers

A shared provider is one that is **currently** contracted with both a Wee Watch agency and the Region of Waterloo Home Child Care program. In this circumstance, the Region of Waterloo will apply for and administer the HCCEG for the shared provider.

To support the Region of Waterloo to complete the HCCEG application, agencies with a shared provider will submit to the Region of Waterloo the following information:

- If the provider serves one child or more (excluding the providers own children);

- Whether the provider is full time (provides 6 hours or more of care per day, on average) or part time (providers less than 6 hours of care per day, on average); and
- Total fees received between January 1, 2017 and December 31, 2017 (excluding prior year's HCCEG).

To facilitate the calculation of HCCEG payments, agencies with a shared provider will submit to the Region of Waterloo the following information:

- A calendar indicating specific days worked in the specified time period for each shared provider.

The Region may also request other information or data to support the application or allocation process, as needed.

## **Allowable Expenses**

Agencies may only use the HCCEG for intended purposes of:

- Providing a daily increase of up to \$20 for eligible licensed home child care providers based on current hours of service provided; and
- Please note: the daily wage increase cannot exceed \$20.00 and the daily cap of \$270.70.

## **Payment to Providers**

HCCEG funding entitlements are based on 2017 data; however, HCCEG payments should be provided to eligible providers for each day worked in 2018. Agencies have the flexibility to fund current year eligible providers, regardless of whether the provider had a contract with the agency in 2017. Additionally, if a provider works more days in 2018 than in 2017, the agency may experience a shortfall in funding for this provider. If there is a shortfall in an agency's entitlement, the agency can use the supplemental grant to fund the additional days worked. Agencies can also use the eligible funding estimated amount from another provider who is no longer contracted with their agency or from a provider that will work fewer days in 2018 than in 2017 to cover a shortfall.

It is important to note that the funding entitlement will be based on 12 months of data from 2017 and thus there will be no additional funding allocated to providers who work more days in 2018. Priority must be given to providers who were contracted with the agency in 2017.

Since one of the goals of this initiative is to close the wage gap, if an eligible provider exceeds the wage cap in 2018, they are no longer eligible to receive funding through this initiative.

### **Payment Method**

Agencies must clearly indicate on provider payments the portion of funding that is being provided through the HCCEG labeled as follows:

- Provincial Home Child Care Enhancement Grant

Agencies must provide the HCCEG payment to providers on each payment.

### **Program Downsizing**

If a provider contract with an agency is terminated during 2018, the agency is able to retain the eligible funding estimated amount attached to that provider and redistribute the funding to cover any shortfalls for eligible providers, for eligible days worked. Any unused funds will be recovered by Children's Services.

### **Agency Closure**

If a licensed home child care agency closes during 2018, the agency must meet the requirements listed above and support payments to eligible providers for days worked before the closure. Any unused funds will be recovered by Children's Services.

### **Agency Accountability**

A number of accountability mechanisms are in place to ensure the HCCEG funding is used appropriately.

Agencies must clearly indicate on provider payments or by letter/insert the portion of funding that is being provided through the HCCEG, and must be labeled as follows:

- Provincial Home Child Care Enhancement Grant.

Agencies must also complete an attestation statement in the Reconciliation Template, confirming that that 100% of wage enhancement funding was provided directly to eligible providers.

In the event that an agency has failed to meet the funding conditions outlined in their agreement for the provision of HCCEG funding, Children's Services, Region of Waterloo will recover all misused funds. Additionally, non-compliant agencies may be deemed ineligible to receive future HCCEG funding.

## **Reconciliation**

Agencies are required to complete a Reconciliation Template, as provided by Children's Services. Templates will be provided by mid-March of the current year. Agencies will have 45 days to complete the template and return it to Children's Services. The Reconciliation Template must be reviewed and approved by a signing authority at the organization.

## **Support**

For additional information regarding wage enhancement, please contact:

Supervisor, ELCC Business Administration

Children's Services, Region of Waterloo

519-575-4757, ext. 5483