

PROVINCE OF BRITISH COLUMBIA

CHILDCARE BC UNIVERSAL \$10-A-DAY PROTOTYPE SITES - 2021 INTAKE

POLICY AND PROCEDURES MANUAL – V1

FALL 2021 – V.1



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INTRODUCTION

The Ministry of Children and Family Development (MCFD) is pleased to provide information regarding the Childcare BC Universal \$10-a-day Prototype Site 2021 Intake and Funding Agreement for fiscal 2021/22 and fiscal 22/23. These provincially funded new \$10-a-day Prototype Sites will build on the federally-funded \$10-a-day Prototype Sites (established in 2018) and continue to test and evaluate funding and operational models that will help move BC toward an inclusive, universal child care system.

Since November 2018, the Province has benefitted from the qualitative and quantitative information provided through selected \$10-a-day Prototype Sites. The learnings and adjustments made over the last three years have helped create a picture of the needs required by all types of licensed child care providers and the families they serve, across diverse landscapes and populations in British Columbia. Over the coming term, we look forward to learning more from selected/approved Sites through further data collection and consultation, which will help inform Government's next steps as we continue to build the path to universal child care in our province.

Thank you for your interest in participating in this exciting opportunity and we look forward to engaging with potential new Sites in the months ahead.

Sincerely,

The Universal Child Care \$10-a-day Prototype Team
The Ministry of Children and Family Development

Fall 2021

KEY CONTACT

For questions about the transition process or operating as a Universal Child Care \$10-a-day Prototype Site, please contact the **Ministry Liaison** at MCF.Prototype@gov.bc.ca or 1-888-338-6622, Option 7.

KEY DATES

- December 2021 - March 2022 – Funding Agreements finalized and signed.
- The first of every month – Operational funding payment for the month is issued.
- 20th of every month – Monthly \$10-a-day Prototype Site Report for the previous month is due to the Ministry.
- March 31, 2023 – Conclusion of current term of Funding Agreement.¹
- September 30, 2023–Financial Statements due to the Ministry.

OPERATING A 2021 INTAKE UNIVERSAL CHILD CARE \$10-A-DAY PROTOTYPE SITE

THE \$10-A-DAY PROTOTYPE SITE COMMUNITY

There are currently over 50 federally-funded Universal Child Care \$10-a-day Prototype Sites across the province. Under Budget 2021, the Province of BC committed to more than doubling the number of \$10-a-day Prototype Site and spaces available to families. In July 2021, additional federal funding was also announced to expand the total number of \$10-a-day Prototype spaces to roughly 12,500 by December 2022. \$10-a-day Prototype Sites are encouraged to communicate with each other, share learnings and support peer-to-peer collaboration.

To support this, the Ministry will establish a SharePoint forum for Sites selected through the 2021 intake process to communicate with each other (a link will be shared with approved Sites). In addition, all Sites are encouraged to contact the Ministry directly with any questions or concerns, at MCF.Prototype@gov.bc.ca.

¹ If applicable, Sites will be notified with options for renewal or extension as per the terms of the Funding Agreement

WHAT ARE THE OBLIGATIONS OF A \$10-A-DAY PROTOTYPE SITE?

For the term of the \$10-a-day Prototype Site Funding Agreement, the operator of the \$10-a-day Prototype Site must continue to meet all requirements to maintain a child care facility license in good standing under the Child Care Licensing Regulation, and:

- **Abide by the terms and conditions** of the Funding Agreement;
- **Reduce parent fees** to a maximum of \$200 per month, per child for full-time monthly enrolment for regular hours, exclusive of fees charged for extended hours and/or additional program/extracurricular activities;
- Complete the **Monthly \$10-a-day Prototype Site Report** by the 20th of the following month (e.g., May 2022's report must be submitted by June 20, 2022);
- Submit **financial statements**, as described in the Funding Agreement, within six months of the end of the term of the Funding Agreement² (within 6 months of March 31, 2023);
- Be willing to provide **services to families who are eligible to receive the Affordable Child Care Benefit** and to children with support needs;
- Complete the annual **Child Care Provider Profile Survey** each year as requested by the Ministry;
- **Participate in the evaluation process** as requested by the Ministry, which may include in-person visits, staff and voluntary parent surveys, focus group sessions and other opportunities to provide feedback;
- As per section 17 of your Funding Agreement, **not make any public announcements to the media** without prior written approval from the Ministry;
- **Communicate to families of children** in their care regarding their participation in Government's *Childcare BC* plan as a Universal Child Care \$10-a-day Prototype Site, (e.g., explain the benefits for the families and share information regarding the Affordable Child Care Benefit to further reduce their monthly child care fee, if eligible);
- **Share approved information** with families including inviting families to participate in the evaluation process (note – family participation in the evaluation process will be voluntary); and
- **At the end of the Funding Agreement term**, repay the Ministry all Surplus Funding³, as follows:
 - Not-for-Profit, Public, Indigenous-led or Home-based organizations – Surplus Funding exceeding 5% of the total value of the Funding Agreement (excluding any payments received for Early Childhood Educator Wage Enhancement [ECE-WE] which will be reconciled through a separate process); OR

² Government's fiscal year ends March 31.

³ Surplus Funding will be calculated by the Ministry, at the end of the Funding Agreement term, as follows (so long as all services have been delivered): Revenue received under the Funding Agreement (except ECE-WE) – Eligible Expenses = Surplus/Deficit

- All other organizations - repay the Ministry all Surplus Funding exceeding 3% of the total value of the Funding Agreement (excluding any payments received for ECE-WE).

MONTHLY REPORTING

The \$10-a-day Prototype Site Monthly Report (Monthly Report) is due on the 20th of each month – covering the month prior. \$10-a-day Prototype Sites must complete their monthly reporting by entering data into the online reporting platform. The link to the monthly reporting platform will be provided via the \$10-a-day Prototype Sites SharePoint Site.

For each Monthly Report Sites will need to provide the following to the Ministry, based on the previous month:

- Capacity and enrolment numbers for all types of care;
- Number of full time and part time staff and any staff vacancies;
- Early Childhood Educator Wage Enhancement (ECE-WE) hours;
- All operational expenses and revenues; and
- Additional information as requested.

OPERATIONAL FUNDING

2021 INTAKE \$10-A-DAY PROTOTYPE OPERATIONAL FUNDING

MCFD will issue regularly scheduled, individualized operating funding payments to each \$10-a-day Prototype Site for the term of the Site's Funding Agreement, comprised of:

- Funding to cover approved eligible expenses (see Appendix A for a full listing) including an approved inflationary adjustment up to 4.7%, minus a parent fee of \$10 per day for each operational full-time operational space;
- A 5% Contingency Funding Allowance to assist Sites with fluctuating and/or unexpected approved eligible expense costs.
- Funding for the ECE Wage Enhancement at the same rate the provider would be entitled to as a non-\$10-a-day Prototype Site

Sites may have additional sources of funding beyond the operational funding provided by the Ministry, e.g., fund-raising, grants, donations, etc. Using other sources of funding to pay for approved eligible expenses may result in a Site's funding from the Ministry being re-couped as part of the financial review process (which will occur at the end of the Funding Agreement term) if this results in Surplus Funding.

\$10-a-day Prototype Sites will be eligible for the ECE-WE and other initiatives as approved by the Ministry. \$10-a-day Prototype Sites may still access other Ministry New Spaces Fund⁴ and/or Maintenance funding programs, based on the eligibility requirements of these programs.

FUNDING NOT-FOR-PROFIT PROVIDERS

In BC, not-for-profit organizations, also known as societies, are independent, democratic organizations that are required to comply with the *Societies Act* and their own constitution and bylaws. A society must be overseen by a Board of Directors which is legally responsible for the governance of the organization. In order to ensure that Societies are well-established and maintain strong connections to their local community, not-for-profit Sites will be expected to maintain for the duration of the Funding Agreement:

- an open membership;
- a Board of Directors comprised of majority elected, unpaid board members;
- board members selected from the entire membership;
- the majority of the elected board members be full time BC residents; and
- registration as a not-for-profit under the *Societies Act*.

Funding for Not-For-Profit Sites will be provided based on approved eligible expenses (see Appendix A, Column A). Surplus Funding for these Sites will be calculated by the Ministry at the end of each Site's Funding Agreement term, up to a maximum of 5% of the total value of the Funding Agreement (excluding any payments received for ECE-WE which will be reconciled through a separate process). See 'Surplus Funding' section for more details.

FUNDING HOME-BASED PROVIDERS

Funding for Home-based Sites will be calculated by the Ministry based on approved eligible expenses (see Appendix A, Column B). The Ministry will calculate eligible home and business-related expenses for Home-based Sites based on business use only (i.e., home space and time, vehicle business use only).

Example: A home-based provider uses 50% of their 3,500 square foot personal residence exclusively for the provision of child care, Monday to Friday, 12 hours per day. The provider's monthly mortgage payment (principle plus interest) is \$3,000.

Proportional Use Calculation:

Full Payment x space used % x time used % = business related expense amount; E.g.

\$3,000 x 50% of the space x 35% of the time = \$525 monthly approved eligible expense

⁴ Sites that choose to add net/new operational spaces (above the levels outlined in their Funding Agreement) will not receive additional funding under their Funding Agreement to deliver the new spaces at \$10/day.

The Proportional Use Calculation will be applied by the Ministry to all other home related expense, such as BC Hydro, when determining a Home-based Site's monthly funding level. A template will be provided to Home-based Sites to assist them in providing the necessary information to the Ministry to determine their funding.

Surplus Funding for these Sites will be calculated by the Ministry at the end of the Site's Funding Agreement term up to a maximum of 5% of the total value of the Funding Agreement (excluding any payments received for ECE-WE which will be reconciled through a separate process). See 'Surplus Funding' section for more details.

NOTE: Home-Based providers are required to declare a wage/salary in their monthly and financial reporting comparable to the wage of an Early Childhood Educator or Child Care Manager.

FUNDING CORPORATIONS, PARTNERSHIPS AND SOLE PROPRIETORS (NOT HOME-BASED)

Funding for Corporations, Partnerships and Sole Proprietors (excluding Home-based Sites) will be calculated by the Ministry based on approved eligible expenses (see Appendix A, Column C). Surplus Funding for these Sites will be calculated by the Ministry at the end of each Site's Funding Agreement term up to a maximum of 3% of the total value of the Funding Agreement (excluding any payments received for ECE-WE which will be reconciled through a separate process). See 'Surplus Funding' section for more details.

NOTE: Corporations, Partnerships and Sole Proprietors (excluding Home-based) are not eligible to receive funding to cover mortgage payments for privately held assets. See Appendix A for further details.

DIRECT DEPOSIT

Be sure to set up an electronic funds transfer (EFT). This will allow for faster payments and shorter timelines to help avoid disruptions in case mail service is impacted. Each month the Sites receives payment, an email will also be received with an Electronic Statement of Payment.

- Providers who already receive direct deposit payments for the Affordable Child Care Benefit and Child Care Operating Funding Program do not need to re-apply.
- Complete a [direct deposit application](#), attach a personal void cheque or EFT form from the Site's financial institution or have the Site's financial institution complete Part 2 of the application.

Send the completed application with supporting documentation to the Ministry Liaison at MCF.Prototype@gov.bc.ca. The Site will continue to receive payments by cheque until the application is processed which can take 4-6 weeks to process.

UNEXPECTED CIRCUMSTANCES

The Ministry may grant, at its sole discretion, an increase to a Site's funding level in the event of extraordinary/unforeseen circumstances over the course of the Funding Agreement term which is deemed outside of the Site/operator's control.

To receive additional funding, Sites will be required to demonstrate to the Ministry they have exhausted all other provincial funding programs and are facing unexpected operational expenses, including those resulting from, but not limited to:

- Unexpected, unplanned, and significantly expensive maintenance, repairs, or replacement of equipment due to damage or health and safety concerns (provided the facility has exhausted funding provided under the [Childcare BC Maintenance Fund](#));
- A sudden and unexpected rent/lease or mortgage increase;
- A sudden and unexpected increase in operational expenses; and/or
- A sudden or unexpected increase/pressure outside of the control of the provider that impacts the facility's ability to remain operational.

\$10-a-day Prototype Sites wishing to be considered for additional funding under the above criteria will be required to present evidence to the Ministry that these unexpected expenses are authentic, are at arm's length from the Site's staff/operator and that operators have sought funding from other sources, if available. Any increase in funding associated will be proportional to that expenditure. Situations that will not be considered under this policy include, but are not limited to:

- Any cost increases arising from a landlord or staff member not at arm's length from the Site's staff/operator (e.g., a family member of a Home-based Site raises the rent beyond a reasonable amount);
- Retroactive funding requests for costs incurred prior to receiving confirmation from the Ministry that the expense(s) will be covered;
- Repairs that may be covered by [Childcare BC Maintenance Fund](#) and/or other funding source(s); and
- Capacity increase that may be covered through the Childcare BC New Spaces Fund and/or other funding sources.

Please contact the Ministry Liaison at MCF.Prototype@gov.bc.ca if you are experiencing an unanticipated increase in expenses that require additional operating revenue to remain viable.

CLOSURE POLICY

Closure periods are any days in which a facility is not open and providing licensed child care, but do not include Provincial Statutory Holidays⁵.

⁵ New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, B.C. Day, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.

Planned/Scheduled Closures: Childcare BC Universal \$10-a-day Prototype Sites may temporarily close during Statutory Holidays, as well as for two consecutive weeks per month, to a maximum of four weeks per fiscal year (the Maximum Scheduled Closure Period⁶) and continue to receive full funding for the period of closure.

Additional Closures

If a Site plans to temporarily close for a period of time which exceeds the Maximum Scheduled Closure Period, the Site must obtain written approval from the Ministry, prior to the closure. Further, the Site must not charge parent fees for the Additional Closure period, without prior written approval from the Ministry.

Closures Due to Unforeseen Circumstances (e.g., inclement weather)

If a Site must close due to unforeseen circumstances, the Site must contact the Ministry Liaison at MCF.Prototype@gov.bc.ca as soon as possible, and ideally before the temporary closure.

Closures Due to COVID-19

In the event a \$10-a-day Prototype Site temporarily closes by Health Authority Order or voluntarily due to exposure to COVID-19, the Site must immediately contact the Ministry Liaison at MCF.Prototype@gov.bc.ca and the following policies apply:

- **Operational Funding and the ECE-WE**
 - \$10-a-day Prototype Sites will continue to receive their regular operational funding, as per the Funding Agreement in place at the time of exposure, including during a period of temporary closure due to exposure to COVID-19 at the facility.
 - The Ministry may (in its discretion, and on a case-by-case basis) reduce the operational funding to cover fixed costs only (E.g., rent/lease) if the period of temporary closure extends beyond 14 calendar days. Sites in this circumstance should contact the Ministry to discuss options.
 - ECE-WE will not be provided during any periods of temporary closure.
- **Parent Fees and the Affordable Child Care Benefit (ACCB)**
 - A \$10-a-day Prototype Site that temporarily closes due to COVID-19 may not charge parent fees for the period of closure and is required to refund or credit parent fees that were collected in advance of the closure period.
 - Under the Child Care Subsidy Regulation, the ACCB is not available when a parent fee is not charged.
 - Any ACCB received in advance by the \$10-a-day Prototype Site for the period of temporary closure must be returned to the Ministry. The \$10-a-day Prototype Site should contact ACCB program through the Service Provider Portal or their usual contact preference to self-report the overpayment for assessment.

⁶ For clarity, the Maximum Scheduled Closure Period is defined as two consecutive weeks per month, to a maximum of four weeks per fiscal year, but does NOT include temporary closures for Provincial Statutory Holidays.

OVERPAYMENTS AND UNEARNED REVENUE

Overpayments are addressed in section 13.1 of the Funding Agreement, which provides:

“If funding is paid to you in an amount to which you were not eligible or entitled to receive under the terms of this Agreement, or you have reported expenditures using funding provided to you through this Agreement on expenses outside of those listed in the Eligible Operating Expenses table in Schedule B, then unless otherwise agreed by us, you will repay the full amount of any such overpayment as a debt due to us and we may, after consultation with you and, at our option, do any or all of the following:

1. recover the amount owed as a debt due to us in accordance with the *Financial Administration Act*; or
2. avail ourselves of any of the options set out in section 12.2 a. to d.

For clarity, funding paid to you in an amount you were not eligible or entitled to receive includes any overpayments made as the result of clerical or administrative error or miscalculation on our part or as a result of incorrect information supplied by you to us.”

Clerical or Administrative Error

Funding for child care spaces is provided in error because of misinformation provided to or by the Ministry, administrative error or miscalculation. For example:

- part-time spaces being incorrectly funded as full-time spaces;
- funding calculations based on incorrect information about the Site’s operational expenses; and/or
- funding calculations based on incorrect information about a Site’s maximum capacity.

Overpayments can also be a result of funds being pre-paid to a Site for contracted services that were not delivered (“unearned revenue”).

Unearned Revenue

Unearned Revenue can occur when the Site fails to use the funding as required under the Funding Agreement or for expenses deemed ineligible. For example:

- Ceasing to provide child care at the Site as required under the Funding Agreement; or
- Failing to provide a wage increase to Early Childhood Educators (ECEs) in the manner required when funding was received specifically for this purpose.

Unearned Revenue may also occur when service has not been deemed delivered, such as when funding is provided for enrolment based on maximum capacity, but enrolment is less than maximum capacity for a period of three consecutive months or more.

- Under section 3.3 of the Funding Agreement, if enrollment at a \$10-a-day Prototype Site falls below maximum capacity for a period of three consecutive months or more, the Ministry may adjust funding to reflect actual enrolment numbers. The funding amount that a \$10-a-day

Prototype Site receives over and above the actual enrolment numbers would be considered an 'overpayment' under the Funding Agreement.

SURPLUS FUNDING

Surplus Funding will be calculated by the Ministry at the end of the Funding Agreement term, based on the following formula:

Total revenue received under the Funding Agreement (except ECE-WE) – Eligible / Approved Expenses = Surplus/Deficit.

At the end of the Funding Agreement term, all Sites will be required to repay the Ministry all Surplus Funding, as follows:

- Not-for-Profit, Public, Indigenous-led or Home-based organizations – Surplus Funding exceeding 5% of the total value of the Funding Agreement (excluding any payments received for ECE-WE which will be reconciled through a separate process); OR
- All other organizations - Surplus Funding exceeding 3% of the total value of the Funding Agreement (excluding any payments received for ECE-WE).

REPORTING AND FINANCIAL REVIEWS

Monthly Reporting

The Ministry monitors and reviews \$10-a-day Prototype Site capacity, costs and expenditures through the Monthly Reports submitted by \$10-a-day Prototype Sites on the 20th of each month relating to the previous month. It is essential that these reports are completed on time to allow for communication with individual Sites as necessary to clarify or gather additional information before month end. Monthly Reports indicating a Site's funding is not at an appropriate level or is being used for ineligible expenses will result in further action by the Ministry.

Adjustments Based on Reported Enrolments

If a \$10-a-day Prototype Site is operating under capacity (un-enrolled child care spaces) for a period of three consecutive months⁷ or if the Ministry determines that a Site was funded for a larger capacity than it is able to provide or at a higher level than is warranted under the terms of the Funding Agreement, the Ministry will contact the \$10-a-day Prototype Site regarding the discrepancy and may adjust future funding amounts to

⁷ Funding agreements will be adjusted when a site falls below 80% enrolment for three consecutive months

better reflect actual enrollment/capacity as described in Schedule A of the Funding Agreement⁸. As per Ministry Financial Policy, under enrolment for more than 3 consecutive months will result in unearned revenue that must be recovered in full, including any Contingency Funding Allowance paid based on full enrolment.

Financial Review

Financial Statements as outlined in Schedule D of the Funding Agreement are required by September 30, 2023 (6 months after the end of the term). During its review of these Financial Statements, the Ministry will determine if the Site will be required to repay any Surplus Funding. See Surplus Funding section for more information.

PARENT FEES

Sites must continue to collect parent fees at prescribed levels, as follows:

Enrollment	Maximum Fee
Full days (4 hours or more), full time (M-F)*	\$200/month
Full days, part time (e.g., full day, 3x per week)	\$10/day to a maximum of \$200/month
Half days (four hours or less), full time (M-F)	\$140/month
Half days, part time (e.g., half day, 3x per week)	\$7/day to a maximum of \$140/month

*Full time as per existing hours of service; does not include extended hours (before 6 am, after 7 pm, or overnight service).

Parent fees listed above do not include fees charged for extended hours and/or additional program/extracurricular activities. Note: The Ministry will require evidence of collection efforts by the Site prior to deeming unpaid fees an eligible expense.

AFFORDABLE CHILD CARE BENEFIT (ACCB)

All \$10-a-day Prototype Sites must accept families eligible to receive the ACCB. Please note, reimbursement of prepaid parent fees once ACCB is received is not considered an approved eligible expense. Parents and operators can find more information on the ACCB here: www.gov.bc.ca/affordablechildcarebenefit

ECE WAGE ENHANCEMENT (ECE-WE)

\$10-a-day Prototype Site do not have to apply to receive the ECE WE. The Funding Agreement will include the Wage-Top-Up Funding Payments for each month, paid on the 1st day of the month on the day the Funding

⁸ Please note, funding discrepancies involving Young Parent Program (YPP) facilities and/or spaces will be considered on the basis of factors specific to the Site's status as a YPP

Agreement begins. The amount will be pre-determined as per the Site's application and ECE-WE eligibility. The pre-determined amount can be subject to adjustments during the Funding Agreement and will be reviewed by the Ministry for reconciliation 6 months after the end of the Funding Agreement. This reconciliation will result in one of three possible outcomes:

- A. Reconciliation results in no payment from the Site being required;
- B. Reconciliation results in additional payment from the Ministry to the Site; or
- C. Reconciliation results in repayment to the Ministry from the Site, which will be invoiced with payment due within 30 days.

In order to receive the ECE-WE for eligible ECE Staff, Sites must:

- Pay Wage-Top-Up Funding to eligible ECE staff in accordance the [ECE-WE Funding Guidelines](#);
- Within 30 days of receipt, issue the ECE-WE to eligible ECE staff, including staff who have earned the ECE-WE but are no longer employed at the \$10-a-day Prototype Site; and
- Pay the ECE-WE to eligible staff in advance of receiving reimbursement from the Ministry.

For additional information regarding the ECE-WE, please refer to the ECE-WE Funding Guidelines.

APPENDIX A

ELIGIBLE EXPENSES UNIVERSAL CHILD CARE \$10-A-DAY PROTOTYPE 2021 INTAKE

Column A - Not-for-Profit, Public, or Indigenous-led Sites

Column B - Home-Based organizations Sites

Column C – Corporations, Partnerships or Sole Proprietors (Not Home-Based)

Expense Type	A	B	C	Comments
FACILITY				
Mortgage (Principal plus interest)	Eligible	Partial	Ineligible	Partial for Home-Based Providers based on Proportional Use Calculation
Rent/Lease	Eligible	Partial	Eligible	
Strata Fees	Eligible	Partial	Eligible	
Property Taxes	Eligible	Partial	Eligible	
Utilities (electricity, gas, water, phone, internet, insurance)	Eligible	Partial	Eligible	
Upkeep (garbage removal, recycling charges, cleaning supplies)	Eligible	Partial	Eligible	
Facility maintenance and improvements (repairs, appliance/furniture replacement, snow removal)	Eligible	Partial	Eligible	
Insurance	Eligible	Partial	Eligible	
Janitorial services (by arm's length third party)	Eligible	Eligible	Eligible	
Vehicle(s) ⁹ – capital or lease costs	Eligible	Ineligible	Eligible	Must be used only for child care services
HUMAN RESOURCES				
Wages and benefits for child care staff (ECEs, ECE assistants, Responsible Adults, substitutes)	Eligible	Eligible	Eligible	Home-Based providers are required to declare a wage/salary, comparable to the wage of an ECE or Child Care Manager
Professional development and education	Partial	Partial	Partial	Up to a maximum allowance
Professional dues (membership fees)	Eligible	Eligible	Eligible	

⁹ Only vehicles used by the program to transport enrolled children and when an additional fee is not charged for this service. If parents pay extra for this service, vehicle-related costs will not be considered an eligible expense. Personal use vehicles (with or without) advertising on the side are not considered an eligible expense.

ADMINISTRATION ¹⁰				
Wages and benefits for non-child care staff (management / administrators, maintenance)	Eligible	Ineligible	Eligible	Not applicable for Home-Based Providers
Audit/Reviews	Eligible	Eligible	Eligible	Only covered where a provider's total funding agreement > \$100K
Business License	Eligible	Eligible	Eligible	
Accounting/Legal	Eligible	Eligible	Eligible	
Meals/Entertainment (business related)	Ineligible	Ineligible	Ineligible	
Office supplies and equipment	Eligible	Eligible	Eligible	
Amortization/Depreciation of Capital Assets	Ineligible	Ineligible	Ineligible	
Bank Charges	Eligible	Eligible	Eligible	
Fundraising Costs	Ineligible	Ineligible	Ineligible	
Recruitment and Retention (ECEs, ECE assistants, Responsible Adults, substitutes)	Eligible	Ineligible	Eligible	To be negotiated
Loans Repayment	Partial	Partial	Partial	To be negotiated
Taxes and CRA	Ineligible	Ineligible	Ineligible	
PROGRAM COSTS				
Food (meal programs for enrolled children)	Eligible	Eligible	Eligible	
Non-standard hours (extended hours, flexible care, overnight care)	Eligible	Eligible	Eligible	
Program supplies and equipment (books/toys, diapers, bedding, art materials, strollers, clothing ¹¹ , other program equipment)	Eligible	Eligible	Eligible	
Non-Monetary Staff Bonuses/Gifts	Ineligible	Ineligible	Ineligible	
Health and Safety Supplies	Eligible	Eligible	Eligible	
Advertising and promotion	Ineligible	Ineligible	Ineligible	
Field trips	Partial	Partial	Partial	Up to a maximum allowance
Rental (equipment/off-site room)	Eligible	Eligible	Eligible	
Travel/Mileage/Vehicle Maintenance	Eligible	Partial	Eligible	Pro-rated for Home-Based Providers based on km used for business

¹⁰ Administration costs are not to exceed 10% of the total Funding Agreement value

¹¹ Sites will be permitted a small clothing allowance for emergency clothing for children (e.g., dry socks, clean underwear, etc.). Funding for uniforms will not be considered an eligible expense.

OTHER				
Bad debts ¹²	Ineligible	Ineligible	Ineligible	
Specialized instruction (yoga, dance)	Ineligible	Ineligible	Ineligible	Parents can be charged additional fees for such services on a cost-recovery basis only
Staff appreciation/events/meetings	Partial	Partial	Partial	Up to a maximum allowance
Vehicle rental	Ineligible	Ineligible	Ineligible	
Parent events (food, child-minding)	Partial	Partial	Partial	Up to a maximum allowance
Consulting	Ineligible	Ineligible	Ineligible	
Equipment purchases (capital assets, not including vehicles)	Ineligible	Ineligible	Ineligible	
Home improvement (owned property)	Ineligible	Ineligible	Ineligible	
ACCB Parent Fee rebate	Ineligible	Ineligible	Ineligible	
"Decorating" non child care areas	Ineligible	Ineligible	Ineligible	

¹² "Bad debts" refers to debt incurred when families do not pay their parent fees.

Helpful Links

Universal Child Care Prototype Sites

www.gov.bc.ca/childcareprototypesites

Childcare BC

<https://www2.gov.bc.ca/gov/content/family-social-supports/caring-for-young-children>

ECE Recruitment and Retention Strategy

<https://www2.gov.bc.ca/gov/content/family-social-supports/caring-for-young-children/recruitment-retention-strategy>

The Affordable Child Care Benefit

www.gov.bc.ca/affordablechildcarebenefit

Child Care Resource and Referral

<http://www.ccr.bc.ca/>

ECE-WE Funding Guidelines

https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/child-care-operating-funding/2021-22_ece-we_funding_guidelines.pdf

Childcare BC Maintenance Fund

<https://www2.gov.bc.ca/gov/content/family-social-supports/caring-for-young-children/running-daycare-preschool/childcare-bc-maintenance-fund>

Universal Child Care Prototype Sites 2021 Intake: Applicant Guide

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Key Dates

Application Period	July 19, 2021-August 31, 2021
Notification of Decision	October 2021
Agreement Confirmation with Successful Prototype Sites	October/November 2021
Public Announcement of Successful Prototype Sites	November 2021
Commencement of Prototype Sites	December 2021

Opportunity Overview

Childcare BC is the Province's long-term plan to introduce an inclusive, universal child care system that will provide families with access to affordable, quality child care whenever and wherever they need it. In order to inform the development of a universal funding model and improve affordability for families through a \$10-a-day approach to child care, the Province, under the Ministry of Children and Family Development (the Ministry) and in alignment with the terms of the Canada-British Columbia Early Learning and Child Care (ELCC) Agreement, is funding an additional almost 4,000 licensed child care spaces at Universal Child Care Prototype Sites starting in 2021/22. Building on the existing 2,500 Prototype spaces, these new sites are government's opportunity to engage with existing, experienced child care providers and work together to create an inclusive, universal child care system.

New Prototype Sites will open in Fall 2021 and receive an initial funding agreement that runs until March 31, 2023. Licensed child care providers who meet the eligibility criteria set out in this Guide are invited to apply to become a Prototype Site. Successful applicants will receive individualized operational funding based on declared, verifiable, and eligible operating expenses outlined in the site's application, less \$10-a-day parent fees to be collected by the site from the families of children in their care. Eligible expenses do not include payments for mortgages or loans to support assets held by corporations, partnerships or sole proprietors. Exceptions will be made for a portion of mortgage payments held by home-based providers, in keeping with the percentage of the residence used for child care. A 5% administrative allowance will also be included in the funding allocation to assist with the cost of increased recordkeeping and funding for the ECE Wage Enhancement at the same rate the site would be entitled to as a non-Prototype Site upon receipt of the monthly ECE-WE Statement.

Successful applicants will be required to participate in the ongoing evaluation of the Prototype Site funding model that will collect information on the impacts of the impacts of the funding on child care provider operations, service levels, program quality, and the needs of families. This information will be used to inform decisions regarding future funding models as BC continues to transition to a universal child care system. Successful applicants will be required to participate in training to meet reporting requirements and other responsibilities.

For the latest expansion of the Universal Child Care Prototype Initiative, applications that meet program requirements and priority selection criteria but are not selected for participation at this time will be held by the Ministry until March 31, 2022 in the event more sites can be added, subject to funding availability.

Becoming a Prototype Site is an opportunity for child care providers to contribute their knowledge and expertise to the development of a universal, high-quality and affordable child care system in B.C.

Who is Eligible?

Licensed child care providers must meet all 13 criteria in Section 1 of the Application. During the application process if one of the following criteria is not met, you will be advised that your facility is not eligible to participate in the Universal Child Care Prototype Initiative at this time. The requirements include the following:

- ☐ Be in good standing with the Ministry of Children and Family Development
- ☐ Be in good standing with your facility's Health Authority (a copy of your facility's Health Authority Compliance Report from July 2019-present is required)
- ☐ All Early Childhood Educators have valid certificates with the Early Childhood Educator Registry (if applicable)
- ☐ Be in receipt of Child Care Operating Funding for a minimum of two consecutive years at the time of this application
- ☐ Current owner/operator must have a minimum of two years' experience operating a licensed child care facility
- ☐ Be approved by the Ministry to participate in the Child Care Fee Reduction Initiative for the 2021/22 year (if eligible to do so) at the time of this application
- ☐ Be approved by the Ministry to participate in the Early Childhood Educator Wage Enhancement Initiative for the 2021/22 year, if applicable at the time of this application
- ☐ Have enrolled or be willing to enroll families eligible for the Affordable Child Care Benefit
- ☐ Be able to provide at the time of submission independently verified financial statements and records that confirm your child care facility's operational funding and expenses declared in this form
- ☐ Be able to operate a separate business bank account to be exclusively used for revenue and allowable expenses under the Universal Child Care Prototype funding agreement (a copy of a void cheque or bank statement will be required)
- ☐ Be willing and able to accommodate and assist with an economic analysis on the cost of child care in various business models through provision of your current business financials at the Ministry's request (this information is sought for research purposes only);
- ☐ Be willing to participate in and complete Ministry delivered training modules on topics such as program and financial reporting requirements;
- ☐ Have Liability Insurance coverage for \$2,000,000. Verification is required.

The criteria in Section 1 of the Application, are to ensure that selected Prototype Sites are in good standing, have experience delivering licensed child care, are prepared to share detailed financial and program information with the Ministry, and are able to meet the reporting requirements of the initiative. The application process will require sites to attach supporting documentation to complete their application.

Facilities ineligible for this initiative include:

- Unlicensed child care facilities;
- Facilities with on-going or unresolved health and safety infractions confirmed by the Ministry of Health or local health authority, or facilities that owe significant debt to the Ministry;
- Facilities not in receipt of Child Care Operating Funding for two consecutive years and/or not in receipt of the Child Care Fee Reduction Initiative and/or the ECE-Wage Enhancement who are eligible to apply;
- Facilities unable or unwilling to enroll families receiving the Affordable Child Care Benefit;
- Owners/Operators without two years of experience operating a licensed child care facility;

- Facilities unable to provide independently verified financial statements and records;
- Facilities who do not have a separate business bank account;
- Facilities unwilling to accommodate or assist with an economic analysis of the cost of child care;
- Facilities unwilling to participate in and complete Ministry delivered training modules;
- Facilities who do not have liability coverage for \$2,000,000.

Please Note: occasional care/drop-in child care spaces will not be funded under this initiative.

Priority Areas

To ensure that British Columbia's economic, cultural and geographic diversity is represented and well balanced, the Ministry may prioritize selection of sites from:

- Across urban and rural communities; and
- Across all care types, including licensed Group, Family Child Care, Multi-Age and In-Home Multi-Age Child Care

Priority will be given to facilities operating in an area currently not served by a Prototype Site. For a list of existing Prototype Sites please visit our [website](#).

Preference will also be given during the selection process to licensed child care providers who can demonstrate that they are:

- A facility operated by an Indigenous, First Nation, or Metis Community;
- A facility that is operated by a public institution (e.g. School District, University or College);
- A facility operated by a not-for-profit society that meets all of the following criteria:
 - Be registered in BC for a minimum of 4 years (if less than 4 years, the society must submit a letter of community support)
 - Maintain an open membership;
 - Majority elected, unpaid board members;
 - Board members selected from the entire membership, and;
 - the majority of elected board members are full time BC residents.
- A facility located in a municipal community center;
- A facility located on K-12 school grounds or is Board of Education affiliated;
- A facility licensed to operate in a personal residence.

Additional assessment criteria will include:

- Location stability (i.e. the term length of any existing lease or rental agreement)
- Facilities that provide Indigenous programming
- Facilities that provide diversity programming
- Facilities that provide inclusive programming
- Facilities that provide programming for young families (i.e. parents under the age of 25);
- Facilities that are implementing the Early Learning Framework
- Facilities that use a quality or assessment tool

- Facilities that provide professional development for their staff or for sole proprietors, participation in professional development activities
- Facilities that provide staff benefits
- Community connections (i.e. how do you participate in and involve your local community)

Additionally, there will be an assessment of key financial criteria including;

- Existing parent fees, which need to be at or under the 70th percentile for the facility's region (per CCFRI policy)
- The ratio of total revenue to staff expenses
- A facility's sustainability (i.e. currently not operating in a deficit)
- Early Childhood Educators (ECE) hourly wages
- Total cost per space

The application must contain all mandatory documentation in order to be fully assessed. If there is missing documentation, the application will be considered incomplete and will not be scored. If there is documentation provided, but it does not support the eligibility criteria the allotted points will not be granted.

In the final selection of sites, the Ministry will consider proximity to a currently funded Universal Child Care Prototype Sites to ensure equal representation and distribution across all parts of B.C.

Application Checklist

- ✓ Submitted online Application form
- ✓ A copy of your Facility's Health Authority Compliance Report (from July 2019 to the current date)
- ✓ A copy of Liability Insurance Certificate for coverage of a minimum of \$2,000,000
- ✓ If you rent or lease, a copy of your Rental Agreement or Lease
- ✓ A copy of your facility's Policies and Procedures
- ✓ If a not-for-profit society in existence for less than 4 years, a letter of community support
- ✓ Evidence to support that your facility provides the following;
 - Indigenous programming
 - Diversity programming
 - Inclusive programming
 - Programming for young families (parents under the age of 25)
 - Implementing the Early Learning Framework
 - Use of a quality or assessment tool
 - Examples of evidence would be copies of pages from your Policies and Procedures Manual or screenshots from your website
- ✓ Financial Statements and Records that verify the revenue and expenses for your facility's last fiscal year reviewed as per the table below:

TOTAL REVENUE	REQUIREMENTS
\$0 through \$199,999	Organizations are required to submit annual financial statements signed by an authorized representative (no requirement for external audit or review of the statements).
\$200,000 through \$999,999	Organizations are required to submit annual financial statements reviewed in accordance with the Canadian Standard on Review Engagements as described in the Chartered Professional Accountants of Canada Handbook (CPA Canada Handbook).
\$1,000,000 and Above	Organizations are required to submit annual financial statements audited in accordance with Canadian Auditing Standards as described in the Chartered Professional Accountants Handbook (CPA Canada Handbook).

Application Scoring Matrix

Each application will be evaluated as follows:

Application Section	% of Total
1. Eligibility & Required Documentation	Pass/Fail
2. Facility Profile/Priority Areas	80
3. Additional Assessment Criteria	8
4. Financial Information	12
Total Maximum Score	100%

Guiding Principles & Expectations

The following principles and expectations will be adhered to by both the Ministry and participating sites and will inform all aspects of the Universal Child Care Prototype Site Initiative:

- The care provided at Universal Child Care Prototype Sites is accessible and responsive to diverse needs.
- Monthly reporting - it is vital that monthly reports are accurate and submitted on time.
- Government is accountable for providing funding to Prototype Sites in timely, regular payments so that sites may achieve the fee reduction intended for families.
- Prototype Sites are accountable for using government funding to offset operational costs and achieve the prescribed fee reduction.

Commitments

For the term of the Prototype Site Funding Agreement, the Ministry will provide:

- Individualized monthly operational funding to cover:
 - The child care provider's current eligible expenses (minus a parent fee of \$10 per day per child for each operational full-time space based on an expectation of 80% enrolment). Eligible expenses do not include payments for mortgages or loans for private assets held by corporations, partnerships or sole proprietors. Exceptions will be made for a portion of mortgage payments held by home-based providers, in keeping with the percentage of the residence used for child care.
 - A 5% administrative allowance to assist with the cost of increased recordkeeping.
- Funding for ECE Wage Enhancement at the same rate the provider would be entitled to as a non-Prototype Site upon receipt of the monthly ECE-WE Statement.
- Training to Prototype Sites to meet reporting requirements and other responsibilities through a dedicated liaison and Ministry delivered training modules.

For the term of the Prototype Site Funding Agreement (which will expire on March 31, 2023), the operator of the Prototype Site will:

- **Abide by the terms and conditions of the funding agreement;**
- **Reduce parent fees to a maximum of \$200 per month for full-time monthly enrolment for regular hours, exclusive of fees charged to parents for extended hours or voluntary activities such as field trips;**
- **Complete the Monthly Prototype Site Report by the 20th of the following month (e.g. November 2021's report must be submitted by December 20, 2021);**
- **Submit annual financial statements, as described in your Funding Agreement Extension, within six months of the end of the first full fiscal year (March 31, 2023);**
- **Be willing to provide services to families who are eligible to receive the Affordable Child Care Benefit and to children with support needs;**
- **Complete the annual Child Care Provider Profile Survey as requested by the Ministry;**
- **Participate in the evaluation process as requested by the Ministry, which may include in-person visits, staff and voluntary parent surveys, focus group sessions and other opportunities to provide feedback;**
- **As per section 17 of your Funding Agreement, do not make any public announcements to the media without written approval from the Ministry;**
- **Communicate to families of children in their care that they are participating in Government's *Childcare BC* plan as a Universal Child Care Prototype Site, explain the benefits for the families (i.e. a maximum parent fee of \$200 per child/month) and share information that they may apply for the Affordable Child Care Benefit to further reduce their monthly child care fee (if eligible).;**
- **Share approved information with families including inviting families to participate in the evaluation process (note – family participation in the evaluation process will be voluntary); and**

- **Reimburse the Ministry for any excess funding exceeding 5% where the organization is a not-for-profit society, Public, Indigenous-led or Home-based entity. All other organizations will reimburse the Ministry for any funding excess exceeding 3% (Excess Funding will be calculated as Revenue minus Allowable Expenses = Funding Excess or Deficit).**

Universal Child Care Prototype Sites Funding: How the funding works

Provincially funded Prototype Sites will receive operational funding sufficient to cover their current eligible expenses, less prescribed parent fees (up to a maximum of \$10-a-day or \$200/month per full-time space) collected by the provider based on an 80% enrolment rate. Eligible expenses do not include payments for mortgages or loans for private assets held by corporations, partnerships or sole proprietors. Exceptions will be made for a portion of mortgage payments held by home-based providers, in keeping with the percentage of the residence used for child care. Funding will cover eligible expenses only and any excess funding exceeding 3-5% will be recouped by the Ministry at its discretion.

Overpayments will be addressed in the Funding Agreement, which states that:

“If funding is paid under this Agreement in an amount to which you were not eligible under the terms of this Agreement, including but not limited to any overpayments made as the result of clerical or administrative error or miscalculation on the part of the Province, or incorrect information supplied by you to the Province, then you will repay the full amount of any such overpayment to the Province.”

The following are some examples of overpayments under the Funding Agreement:

- Funding is provided on the assumption of full enrollment. If your enrollment drops below your maximum capacity for a period of three months or more, an overpayment has likely occurred.
 - If actual enrollment at a Prototype Site is less than maximum capacity for a period of three consecutive months or more, the Ministry may adjust funding amounts. In this scenario, the extra funding amount that a Prototype Site receives over and above the actual enrolment numbers would be considered an ‘overpayment’.
- Funding for child care spaces is provided in error because of incorrect information provided to or by the Ministry, administrative error or miscalculation. For example:
 - part-time spaces incorrectly funded as full-time spaces;
 - funding calculations based on incorrect information about the site’s operational expenses;
 - funding calculations based on incorrect information about a site’s maximum capacity.
- Failure to use the funding as required under the Funding Agreement. For example:
 - ceasing to provide child care at the site as required under the Funding Agreement; or
 - failing to provide a wage increase to Early Childhood Educators (ECEs) in the manner required when funding was received for this purpose.
- funding in excess of 3 or 5% of the total Funding Agreement depending on the auspice of the facility.

Additional Funding Policies

The Ministry monitors and reviews Prototype Site capacity, costs and expenditures through the Monthly Reports submitted by Prototype Sites, through communication with individual sites to clarify or gather additional information, and through the Annual Financial Statements required by September 30, 2023.

- Provided the Prototype Site is complying with the terms of the Funding Agreement to the Ministry's satisfaction (e.g. operating at full capacity and otherwise providing the child care services and expending the funding as required), repayment of funding excess up to 5%¹ of the total Funding Agreement will not be sought under the terms of the Agreement. However, in the event that, based on an assessment of monthly reporting and other information, it appears that a Prototype Site is receiving a greater amount of funding than a Prototype Site is entitled (i.e. excess funding greater than 5%), including without limitation, receipt of greater funding amounts resulting from clerical or administrative error or miscalculation on the part of the Ministry or incorrect information supplied to the Ministry, the Ministry may, at its discretion, modify the amount of funding under the Funding Agreement and/or recoup the excess funding at the end of the Funding Agreement period.²
- If a Prototype Site is operating under capacity (with unenrolled child care spaces) for a period of three consecutive months or more; or if the Ministry determines that a site was funded for a greater capacity than it is able to provide or at a higher level than is warranted under the terms of the Agreement, the Ministry will contact the Prototype Site regarding the discrepancy and may adjust future funding amounts to better reflect actual enrollment/capacity.
 - Please Note: funding discrepancies involving Young Parent Program (YPP) facilities and/or spaces will be considered on the basis of factors specific to the Site's status as a YPP.
- Upon conclusion of the Funding Agreement, excess funding exceeding 3-5% of the total Funding Agreement value will be recouped by the Ministry. Public, not-for-profit, Indigenous-led and home-based sites will be permitted to retain excess funding of up to 5% of the total value of the Funding Agreement; other Sites will be permitted to retain excess funding up to 3% of the total value of the Funding Agreement.
- Funding for mortgages at home-based Sites, consistent with the percentage of the home used for child care, will align with Canadian Revenue Agency processes and calculations for determining business expenses.
- Home-based providers are required to claim a wage/salary.
- Arms-length lease/rent payments to corporations, partnerships, or sole proprietors will remain as an eligible expense.

¹ 3% for corporations, partnerships or sole proprietors Sites, except Home-based Sites.

² As Audited Financial Statements are not due until September each year, recouping of excess funding will not occur until after the financial review process.

Parent Fees

Parent fees at all Prototype Sites will be capped as follows for all care types and for all families:

Enrollment	Maximum Fee
Full days (4 hours or more), full time (M-F)*	\$200/month
Full days, part time (e.g. full day, 3x per week)	\$10/day to a maximum of \$200/month
Half days (four hours or less), full time (M-F)	\$140/month
Half days, part time (e.g. half day, 3x per week)	\$7/day to a maximum of \$140/month

*Full time as per existing hours of service; does not include extended hours (before 6 am, after 7 pm, or overnight service).

It is the responsibility of the child care operator to continue collecting parent fees.

The Affordable Child Care Benefit

All Prototype Sites must accept families eligible to receive the Affordable Child Care Benefit (ACCB).

Under the ACCB, households earning up to \$111,000 annually in pre-tax income (or higher depending on factors like family size, age of child and type of child care) could be eligible.

Families earning \$45,000 (pre-tax) in family income or less per year may be eligible to receive a benefit up to \$10-a-day (which will result in their receiving free child care), and families earning \$45,000 to \$111,000 in pre-tax annual income (or more depending on individual circumstance) may be eligible to receive a pro-rated benefit, resulting in them paying less than \$10-a-day.

Parents and operators can find more information on the Affordable Child Care Benefit here:

www.gov.bc.ca/affordablechildcarebenefit.

How to Apply

1. Review [Application: A Step by Step Video Guide](#)
2. Complete the [online application](#) providing all required supporting documentation no later than **11:59pm August 31, 2021**
3. Save a copy of your application for your records.

Submission of an application does not guarantee funding, and applicants should not make business decisions on the basis of this program until they receive written notification from the Ministry of the decision regarding their application.

Applicants will be notified of the Ministry's decision regarding their application in Fall 2021. For successful applicants, Funding Agreements will be drafted and confirmed in October or November 2021.

The Ministry intends to publicly announce the successful Prototype Sites in the late fall of 2021. Under the terms of the Funding Agreement, approved sites will be required to coordinate any public announcements regarding this program in advance with the Ministry.

For more information please visit the [website](#) or contact the Program at MCF.Prototype@gov.bc.ca

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PROVINCIAL CHILD CARE COUNCIL
Affordability Working Group
Meeting Notes
Tuesday, August 3, 2021
4:00 – 6:00 PM
Via: Zoom Teleconference

Working Group: Kim Adamson (Chair), Kevin Campbell, Tyler Summers

Council: Sandra Menzer, Rena Laberge, MaryLynne Rimer

MCFD: Teresa Butler, Kate Cotie, Julie Adams, Susan Karim, Michelle Kirby, Tam Scott

EDUC: Angie Calleberg

Regrets: Kelly Sidhu, Debra Bryant, Sarah Kozlowski

Agenda Topics:

s.12

Discussion Notes:

s.12

Meeting adjourned 5:58 PM.

Questionnaire – Quebec Childcare Model

Thank you for your time in assisting us in our work to inform the design of a universal childcare model (UCM) in BC. We are undertaking this work on behalf of the BC Ministry of Children and Family Development (MCFD). We greatly appreciate all honest feedback, lessons learned and any information/materials you can share with us to help us inform the development of a UCM in BC.

We have conducted a preliminary jurisdictional scan and are in the process of engaging key stakeholders here in BC. However, a number of gaps remain in the information we require to support the Ministry in building out a UCM. Specifically, our work has revealed that there is only a limited amount of publicly available information related to public sector universal funding models (UFM), particularly as they relate to childcare.

Quebec has been a true innovator in this space. Specifically, we understand that Quebec has a mature universal childcare model, and we are hoping that we can learn from this experience and available resources to support the development of a similar model here in BC. We would therefore be grateful if you would consider answering the questions below as best as you can. Please indicate if you are not clear on how best to respond to a particular question and we can provide clarification.

We understand that this is a significant effort for you and so if you have available materials / documentation (e.g., presentation materials, procedures manuals, policy documents, guides) that cover a range of the questions below, we would be grateful to receive these. We can then revise our questions, based on a review of these materials. Please note that we will treat these materials with strict confidentiality as we have signed individual NDAs with MCFD.

At a high level, the four questions we are trying to answer are:

1. What is the design of Quebec's Universal Childcare System?
2. How is Quebec's Universal Childcare System funded?
3. What is the governance / assurance (quality, financial, operations) model for Quebec's Universal Childcare System?
4. How was Quebec's Universal Childcare System implemented?

Please provide written feedback directly into this Word document to the following questions:

I. Scope of Eligibility

- a. Who is eligible to access UCM childcare in Quebec?
- b. What ages does your UCM support?
- c. What parents/families (e.g., Quebec resident, citizenship, income)?
- d. What factors do you take into account when calculating the specific Parent Fee paid by a family?
 - i. Family income e.g., flat fee cap or an income sliding scale? Who administers the income-test? How did you establish the fee cap / sliding-scale? Do you adjust based on CPI?
 - ii. Special Needs?
 - iii. Are there differences for 2nd, 3rd child etc.?
 - iv. Other factors?
- e. Which types of childcare operators are eligible to participate in UCM and receive direct funding (licensed/unlicensed, non-profit, government-run, private centre-based, private home-based sites, schools)?

II. Scope of Services included in the UCM

- a. Which childcare services can be offered by childcare operators and are funded by the Ministry and which services are explicitly excluded?
 - i. Part-time / full-time childcare
 - ii. Pre / post school care
 - iii. Extended hours
 - iv. Weekends
 - v. Evenings
 - vi. Overnight
- b. What additional services can be offered by childcare operators and are funded by the Ministry? What were the key considerations in making the decision to include or exclude these additional services? What have been the benefits or consequences of these decisions (if known)?
 - i. Snacks & meals
 - ii. Extra-curricular activities (e.g., music, yoga)
 - iii. Educational programming (e.g., reading/writing, math)
 - iv. Inclusion programming
 - v. Transportation
 - vi. Others
- c. What discretion do operators have within the UCM to charge *additional* parent fees (e.g., mandatory fees like registration/enrollment fees, diapers, uniforms/clothing)?
- d. What discretion do operators have within the UCM to charge *optional* parent fees (e.g., choice to pay extra for piano lessons, yoga)?

- e. How does the UCM support access and quality for disadvantaged and diverse families
e.g., special needs, indigenous populations, other?

III. Funding Model (FM) Design

- a. How is funding provided to participating childcare operators? Based on a formula, cost-pass through, funding caps, hybrid, other?
- b. How do you account for the range of factors that affect the childcare operator's actual costs?
 - i. Size of facility e.g., # of licensed spaces. Is the funding based on number of spaces, per child per day, other?
 - ii. Enrollment rates, attendance rates? How do you account for under-utilization?
 - iii. Child's age e.g., infant/toddler? Childcare staff certifications / experience? Specialist? (special needs, indigenous training/ certificates)
 - iv. Urban vs rural vs. remote sites? Are other geographic factors (e.g., climate) around relative costs considered?
 - v. Ownership types? (licensed/unlicensed, non-profit, government, private, in-home sites)
- c. What other factors do you consider in establishing the funding for a childcare operator?
- d. How are facility costs accounted for in the funding model? How do you distinguish between non-profit vs private operators, tenant vs. property owners?
 - i. Rent vs. mortgage (principal and interest)
 - ii. Utilities, property insurance & property taxes
 - iii. Vehicles & buses (owned vs. leased)
 - iv. Regular maintenance (annual/monthly) – landscaping
 - v. Emergency facility repairs – burst water tank, roof leak
 - vi. Facility upgrades – accessibility, environmental

- vii. Medium-term maintenance (every 5-10 years) – repainting, appliance replacement
 - viii. Long-term maintenance (every 15+ years) – windows, roof replacements
- e. What types of funding are provided for (or accounted for) professional development / training of childcare staff?
- f. How do you account for non-childcare human resources costs e.g., facility management, accounting/bookkeeping, HR, cleaning/janitorial, nutritionist/chef?
- g. How do you fund childcare for non-standard hours like extended hours, flexible care (last minute drop-in care) and overnight care?
- h. What discretion has the Ministry built into the funding model? Are there more common exceptions from the funding model?
- i. Did you (or are you) consider/trial other funding models? What was your experience?

IV. Funding Processes

- a. What is the flow of funds between the Ministry, parent/family and childcare operator?

At what frequency are funds transacted e.g., monthly, quarterly, other? Can you describe the funding administrative processes e.g., to establish funding for the next period?

- b. What assurance activities does the Ministry conduct, e.g., reports (financial, utilization/enrollment, wait list, quality, other?), audits?
- c. Is funding contingent on childcare operator performance (e.g., quality scores or metrics), licensing compliance audit, reporting/transparency expectations, or other criteria? Please explain what criteria/methodologies you apply.
- d. What is the Ministry's position related to operating surplus or profit while being funded by your UFM?
- e. What are some of the key strengths and weaknesses (if any) with these processes?

V. Licensed Caregiver Workforce

- a. How have you built workforce capacity (attraction/recruitment, retention) to support the growth of UCM?
- b. Do you have a 'wage-grid' for licensed caregivers? Can you share?
- c. How is the wage-grid incorporated into the funding model?
- d. What experiences with the workforce could you share to help BC's successful transition and growth of a UCM?

VI. Transition to UCM

- a. What was the transition strategy for UCM in Quebec? Was there some phasing of one or more (or other) ages of children, childcare provider type, geographic, other?
- b. Over what time period did the transition occur?
- c. During the implementation / transition how did you manage the gap between demand and available capacity? What processes / criteria do you use to allocate childcare spaces to families (e.g., prioritization based on birthdate, income-status, other priority groups, geography, sibling)?
- d. What strategies did you use to incent licensed childcare providers (public, private) to opt-in to the UCM?
- e. What barriers did you observe that may prevent childcare operators from opting into the UCC/UFM in the near term and over the long term?
- f. What strategies did you use to incent unlicensed childcare providers to become licensed and opt-in (e.g., grants)?
- g. What transitional policies were incorporated? What milestones led to removing these transitional policies?
 - i. Modified funding policies to smooth transition e.g., leases
 - ii. Wage-grid adoption
 - iii. Staffing certifications, staff to child ratios
 - iv. Absenteeism / 'hoarding' of spaces
 - v. Intervening in managing wait lists / access
 - vi. Others?

VII. Expansion of UCM

- a. How did the UCM childcare capacity grow over time (# of spaces over time by childcare operator type)? What was happening to explain this growth / shift?
- b. Does the current UCM capacity meet Quebec's objectives for childcare access? If not, what are Quebec's strategies to build additional capacity?
- c. How does the Ministry monitor / manage the capacity to meet evolving demands for childcare (e.g., wait list management, prioritized access)?
- d. How do you make use of a public operator registry? How does it work?
- e. Do you make use of a child/parent registry? How does it work?

VIII. Trends

- a. Given the maturity of Quebec's UCM, do you have a perspective on some longer-term trends in childcare delivery and implications for your own system? (demographic questions affecting demand, unintended consequences of policy or subsidy etc.). Is there anything you would do differently?
- b. Are we missing any important considerations or implications that might not have been covered earlier? Are there any other thoughts, concerns, or information you would like to share with us to help us avoid mistakes or issues down the road in our funding model designs?

Questionnaire – Jurisdictional Scan of Childcare Models

Thank you for your time in assisting us in our work to inform the design of a universal or low-fee childcare model (UCM) in BC. We are undertaking this work on behalf of the BC Ministry of Children and Family Development (MCFD). We greatly appreciate all honest feedback, lessons learned and any information/materials you can share with us to help us inform the development of a UCM in BC.

We have conducted a preliminary jurisdictional scan and are in the process of engaging key stakeholders here in BC. However, a number of gaps remain in the information we require to support the Ministry in building out a UCM. Specifically, our work has revealed that there is only a limited amount of publicly available information related to public sector universal funding models (UFM), particularly as they relate to childcare.

We understand that your jurisdiction has a universal childcare model, and we are hoping that we can learn from this experience and available resources to support the development of a similar model here in BC. We would therefore be grateful if you would consider answering the questions below as best as you can. Please indicate if you are not clear on how best to respond to a particular question and we can provide clarification.

We understand that this is a significant effort for you and so, if you have available materials / documentation (e.g., presentation materials, procedures manuals, policy documents, guides) that cover a range of the questions below, we would be grateful to receive these. We can then revise our questions, based on a review of these materials. Please note that we will treat these materials with strict confidentiality as we have signed individual NDAs with MCFD.

At a high level, the four questions we are trying to answer are:

1. What is the design of your jurisdiction's Universal Childcare System?
2. How is your jurisdiction's Universal Childcare System funded?
3. What is the governance / assurance (quality, financial, operations) model for your jurisdiction's Universal Childcare System?
4. How was your jurisdiction's Universal Childcare System implemented?

Please provide written feedback directly into this Word document to the following questions:

I. Scope of Eligibility

- a. Who is eligible to access UCM childcare in your jurisdiction?
- b. What ages does your UCM support?
- c. What parents/families (e.g., resident, citizenship, income)?
- d. What factors do you take into account when calculating the specific Parent Fee paid by a family?
 - i. Family income e.g., flat fee cap or an income sliding scale? Who administers the income-test? How did you establish the fee cap / sliding-scale? Do you adjust based on CPI?
 - ii. Special Needs?
 - iii. Are there differences for 2nd, 3rd child etc.?
 - iv. Other factors?
- e. Which types of childcare operators are eligible to participate in UCM and receive direct funding (licensed/unlicensed, non-profit, government-run, private centre-based, private home-based sites, schools)?

II. Scope of Services included in the UCM

- a. Which childcare services can be offered by childcare operators and are funded by the Ministry and which services are explicitly excluded?
 - i. Part-time / full-time childcare
 - ii. Pre / post school care
 - iii. Extended hours
 - iv. Weekends
 - v. Evenings
 - vi. Overnight
- b. What additional services can be offered by childcare operators and are funded by the Ministry? What were the key considerations in making the decision to include or exclude these additional services? What have been the benefits or consequences of these decisions (if known)?
 - i. Snacks & meals
 - ii. Extra-curricular activities (e.g., music, yoga)
 - iii. Educational programming (e.g., reading/writing, math)
 - iv. Inclusion programming
 - v. Transportation
 - vi. Clothing / uniforms
 - vii. Others
- c. What discretion do operators have within the UCM to charge *additional* mandatory parent fees (e.g., fees like registration/enrollment fees, diapers, uniforms/clothing, additional classes, field trips)?

- d. What discretion do operators have within the UCM to charge *optional* parent fees
(e.g., choice to pay extra for meals, transport)?
- e. How does the UCM support access and quality for disadvantaged and diverse families
(e.g., special needs, indigenous populations, other)?

III. Funding Model (FM) Design

- a. How is funding provided to participating childcare operators? Based on a formula, cost-pass through, funding caps, hybrid, other?
- b. How do you account for the range of factors that affect the childcare operator's actual costs?
 - i. Size of facility e.g., # of licensed spaces. Is the funding based on number of spaces, per child per day, other?
 - ii. Enrollment rates, attendance rates? How do you account for under-utilization?
 - iii. Child's age e.g., infant/toddler? Childcare staff certifications / experience? Specialist? (special needs, indigenous training/ certificates)
 - iv. Urban vs rural vs. remote sites? Are other geographic factors (e.g., climate) around relative costs considered?
 - v. Ownership types? (licensed/unlicensed, non-profit, government, private, in-home sites)
- c. What other factors do you consider in establishing the funding for a childcare operator?
- d. How are facility costs accounted for in the funding model? How do you distinguish between non-profit vs private operators, tenant vs. property owners?
 - i. Rent vs. mortgage (principal and interest)
 - ii. Utilities, property insurance & property taxes
 - iii. Vehicles & buses (owned vs. leased)
 - iv. Regular maintenance (annual/monthly) – landscaping
 - v. Emergency facility repairs – burst water tank, roof leak
 - vi. Facility upgrades – accessibility, environmental

- vii. Medium-term maintenance (every 5-10 years) – repainting, appliance replacement
 - viii. Long-term maintenance (every 15+ years) – windows, roof replacements
- e. What types of funding are provided for (or accounted for) professional development / training of childcare staff?
- f. How do you account for non-childcare human resources costs e.g., facility management, accounting/bookkeeping, HR, cleaning/janitorial, nutritionist/chef?
- g. How do you fund childcare for non-standard hours like extended hours, flexible care (last minute drop-in care) and overnight care?
- h. What discretion has the Ministry built into the funding model? Are there more common exceptions from the funding model?
- i. Did you (or are you) consider/trial other funding models? What was your experience?

IV. Funding Processes

- a. What is the flow of funds between the Ministry, parent/family and childcare operator?

At what frequency are funds transacted e.g., monthly, quarterly, other? Can you describe the funding administrative processes e.g., to establish funding for the next period?

- b. What assurance activities does the Ministry conduct, e.g., reports (financial, utilization/enrollment, wait list, quality, other?), audits?
- c. Is funding contingent on childcare operator performance (e.g., quality scores or metrics), licensing compliance audit, reporting/transparency expectations, or other criteria? Please explain what criteria/methodologies you apply.
- d. What is the Ministry's position related to operating surplus or profit while being funded by your UFM?
- e. What are some of the key strengths and weaknesses (if any) with these processes?

V. Licensed Caregiver Workforce

- a. How have you built workforce capacity (attraction/recruitment, retention) to support the growth of UCM?
- b. Do you have a 'wage-grid' for licensed caregivers? Can you share?
- c. How is the wage-grid incorporated into the funding model?
- d. What experiences with the workforce could you share to help BC's successful transition and growth of a UCM?

VI. Transition to UCM

- a. What was the transition strategy for UCM in your jurisdiction? Was there some phasing of one or more (or other) ages of children, childcare provider type, geographic, other?
- b. Over what time period did the transition occur?
- c. During the implementation / transition how did you manage the gap between demand and available capacity? What processes / criteria do you use to allocate childcare spaces to families (e.g., prioritization based on birthdate, income-status, other priority groups, geography, sibling)?
- d. What strategies did you use to incent licensed childcare providers (public, private, home-based) to opt-in to the UCM?
- e. What barriers did you observe that may prevent childcare operators from opting into the UCM/UFM in the near term and over the long term?
- f. What strategies did you use to incent unlicensed childcare providers to become licensed and opt-in (e.g., grants)?
- g. What transitional policies were incorporated? What milestones led to removing these transitional policies?
 - i. Modified funding policies to smooth transition e.g., leases
 - ii. Wage-grid adoption
 - iii. Staffing certifications, staff to child ratios
 - iv. Absenteeism / 'hoarding' of spaces
 - v. Intervening in managing wait lists / access
 - vi. Others?

VII. Expansion of UCM

- a. How did the UCM childcare capacity grow over time (# of spaces over time by childcare operator type)? What was happening to explain this growth / shift?
- b. Does the current UCM capacity meet your jurisdiction's objectives for childcare access? If not, what are your jurisdiction's strategies to build additional capacity?
- c. How does the Ministry monitor / manage the capacity to meet evolving demands for childcare (e.g., wait list management, prioritized access)?
- d. How do you make use of a public operator registry? How does it work?
- e. Do you make use of a child/parent registry? How does it work?

VIII. Trends

- a. Given the maturity of your jurisdiction's UCM, do you have a perspective on some longer-term trends in childcare delivery and implications for your own system (demographic questions affecting demand, unintended consequences of policy or subsidy etc.)? Is there anything you would do differently?
- b. Are we missing any important considerations or implications that might not have been covered earlier? Are there any other thoughts, concerns, or information you would like to share with us to help us avoid mistakes or issues down the road in our funding model designs?

(Inclusive Universal Child Care /Financial Modelling)

Issue Date:	July 28, 2021
Required Response Date:	On or before <u>August 12, 2021 12:00 pm PST</u>
Submission Method:	Please submit your complete response by email only to Mathew.Klus@gov.bc.ca , <u>Cc:</u> Hiwot.Nigussie@gov.bc.ca

This Request for Proposals (RFP) Invitation is being sent by the Ministry of Children and Family Development to those Qualified Suppliers who had previously qualified under the **Financial Analysis and Economic Modelling** following RFQ SPO-3885, issued by the Strategic Partnerships Office (SPO) of the Ministry of Citizens' Services.

Submissions will be reviewed by assessing a proponent's relevant work experience against the requirements described below. The selected proponent may be required to complete the attached Privacy and Information Sharing: Awareness Training for Contractors and Service Providers course.

GOVERNMENT CONTACT PERSON

All enquiries related to this Request for Proposals (RFP) Invitation, including any requests for information and clarification, are to be directed, in writing, to **Mathew Klus** at Mathew.Klus@gov.bc.ca, and cc: Hiwot Nigussie at Hiwot.Nigussie@gov.bc.ca. Questions and responses that have relevance for the submission will be shared with all parties.

CONFIDENTIALITY NOTICE

All information provided in this document as well as all associated documents are strictly confidential and not for distribution. Proponents are reminded of their responsibility under section 10.1 of the Framework Agreement. If you have any questions or concerns, please contact the Ministries in writing through the email address above.

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(Future State of Childcare BC Operational Funding /Financial and Data Modelling)

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1.0 BACKGROUND

In British Columbia, child care is delivered through a variety of independent service providers including public, private (for-profit), home-based and not-for-profit providers. Service providers (caring for more than two children or a single sibling group) must be licensed under the *Community Care and Assisted Living Act* and Child Care Licensing Regulations, which outlines specific facility, educator and health/safety requirements for various categories of licensed care.

The Ministry of Children and Family Development (MCFD) is the lead provincial Ministry responsible for implementation of the provincial Childcare BC Plan (2018), which articulates government's commitment to transition from a fragmented system of care to a universal system that will provide affordable, quality and inclusive child care to every family that wants or needs it over a ten-year period (e.g. by 2028). The Plan focuses on three primary "pillars" or priorities of:

1. improving (parent) affordability for all families, with particular priority on low-income families,
2. accessibility (e.g. increasing the number of available licensed inclusive child care spaces over time), and
3. quality (e.g. a well-supported and professional workforce).

In addition, the Plan includes an emphasis on supporting and advancing inclusive child care that is available to all children, including children from diverse backgrounds and children with support needs, as well as supporting the delivery of Indigenous-led child care for Indigenous children. The Plan is provincially funded; however, it is also complemented by federal investments made by the Government of Canada under a bilateral agreement on early care and learning (ELCC Agreement).

Since the release of the Childcare BC plan in 2018, government has restated its commitment in the 2020 Minister mandate letters. These letters included a commitment to move the delivery of child care from MCFD to the Ministry of Education (EDUC) and integrate child care into the broader learning environment by 2023. Additionally, on July 8, 2021, the Government of Canada and the Province of BC announced a new bilateral agreement (in addition to the ELCC Agreement) which will provide BC with \$3.2 billion over a five-year period (and ongoing thereafter), to implement a universal, accessible and high-quality child care system for all families that want or need it. Specifically, in the ELCC Agreement commits to reducing average parent fees regulated and licensed child care for children aged 0-5 by 50 percent by December 2022.

The first three years of the Childcare BC Plan (2018/19 – 2020/21) included a comprehensive set of actions to address the three pillars of improving the affordability, accessibility, and quality of child care. These actions reflected government's initial steps towards a cohesive, publicly managed universal child care system. Specifically, the affordability measures expanded existing benefit

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programs for families, and created new programs aimed at moving towards a combination of income-tested and universal benefits as well as reducing costs for families at all income levels for licensed inclusive child care, as reflected in Table 1.

Table 1. Supports for Parents and Providers under Childcare BC¹

Target	Program/Initiative	Detail
Providers	Child Care Operating Funding	Operational funding for licensed facilities – covers roughly 9-12% of an average facility's monthly operating expenses
	ECE Wage Enhancement	Operational funding for licensed facilities to provide \$2/hour wage enhancement to front-line ECEs ²
	Maintenance Fund	Operational funding for licensed child care providers to conduct emergency repairs/upgrades and/or relocation costs
	New Spaces Fund / Start-up Grants	Grant funding to eligible organizations to support the creation of new licensed child care spaces
Parents	Affordable Child Care Benefit	Income-tested monthly benefits to eligible low- and middle-income families to reduce out of pocket costs of child care (supports children 0-12 years, or higher in some circumstances)
	Child Care Fee Reduction Initiative	Monthly benefit(s) to families (regardless of household income) accessing care at participating facilities to reduce the cost of child care (supports children 0-5 years)
	Supported Child Development (SCD) / Aboriginal SCD	Contractual funding to eligible organizations to enable children with support needs to participate in child care

In addition to the supports outlined in Table 1, the province concurrently supports the delivery of low/no-cost child care through two federally-funded initiatives – the Universal Child Care Prototype Sites which currently support approximately 2,500 licensed child care spaces at over 50 child care facilities located across the province, and an expansion of the Aboriginal Head Start program, currently supporting roughly 650 spaces to provide culturally responsive child care at no cost to Indigenous families. The Province recently announced a provincially-funded expansion of the \$10/day sites under Budget 2021, which will increase these spaces to roughly 6,500 spaces and then with the additional announcement of the Canada Wide Early Learning and Child Care announcement, additional funding will increase the total \$10/day spaces to 12,500 \$10/day spaces

¹ Some of these supports (i.e. CCOF) existed prior to the Childcare BC plan, and were enhanced as part of the plan. Additional supports not reflected in Table 1 include Child Care Resource and Referral programs, the ECE Registry, professional development supports/training for ECE's, facility licensing/monitoring, early learning supports, Young Parent Programs, etc.

² Increasing to up to \$4/hr in September 2021.

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by December 2022, as well as an additional 800 Aboriginal Head Start spaces funded by March 2023.

An arms-length evaluation was conducted on both the Prototype Site and Aboriginal Head Start initiatives between 2018-2020 to help inform next steps towards implementing an inclusive universal child care system and Indigenous-led child care. The [evaluation report](#) identified four potential approaches to funding child care providers to deliver low-cost child care. The results of the evaluation will serve as a source of information to inform the detailed model development.

In order to implement a universal inclusive child care system in BC, a re-envisioned funding model is required to replace some or all the existing array of operating funding streams outlined in Table 1 to support the provision of low-cost inclusive child care, with consideration for additional supports for low-income families and inclusive settings as well as any considerations specific to home-based and culturally safe child care that supports Indigenous families within the universal system.

The intent of the funding model is to support equity of access for any family that wants or needs licensed child care and ensure families pay a consistent low-cost fee within eligible licensed child care categories and provider types. For the child care sector, the funding model must be transparent, equitable and should clarify and streamline the funding structure for different types of child care operations. The funding model will meet provincial commitments under the Canada BC ELCC Agreement.

2.0 SCOPE OF WORK

MCFD is seeking the assistance from **one team** of private sector consultants to engage with the child care sector to develop the core components of a funding model and provide financial modelling options to streamline the child care operational funding. The project will provide information to understand the cost and service delivery implications of a future operational funding model or models for licensed child care providers that deliver government funding that enables child care operators to deliver affordable child care to families for a consistent low-cost fee. This future operational funding model will shift from the current system of separate and distinct operating funding programs to an all-inclusive funding approach

The development of funding model(s) to support an inclusive universal child care system is a multi-phase project.

- Building on the policy work to date, through a review of the Provided Materials, as per section 7.0 and a jurisdictional scan, the first phase of the project includes engagement with the child care sector to evaluate and confirm known core components of child care service delivery and identify and evaluate other potential components to be included in the funding model(s). This phase will define the eligible expenses and tiers of service to be covered by provincial funding.

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- The second phase will be the technical development of proposed funding model(s) and detailed costing forecast of each model implementation. This phase will include a second engagement session with child care sector stakeholders to verify inputs and inform model finalization.
 - The third and final phase will be the development of the report and recommendations to the Ministry and presentation of findings.

In Scope

- Conducting sector engagement to develop core components of funding model
- International and national jurisdictional scan
- Development of funding model options, which will include a detailed technical analysis
- Consideration of all types of licensed child care service such as centre-based, home-based, or care on school grounds, and consideration of the funding model used by the Ministry of Education
- Conducting sector engagement for input verification
- Report development and presentation of findings

Out of Scope

- Organizing and inviting participants for the phase one sector engagement. engagement .
- Organizing and inviting participants for the phase two sector engagement. .
- A funding model for Indigenous-led child care. A funding approach for Indigenous led child care will be established through a parallel process with Indigenous rightsholders.

3.0 PROJECT OBJECTIVES

- Analyse current cost of licensed child care operations in British Columbia, with cost driver information as provided by the Ministry in Provided Materials and from sector consultations.
- Model different variations of service inclusion and funding models for all types of licensed inclusive child care, identifying implications for each scenario.
- Provide cost projections of each proposed funding model considering macro-economic and population-based projections, providing an overall costing of the future state of inclusive universal child care when fully implemented, including both the provincial government's estimated funding contribution and estimated total sector operational costs.
- Model the cost implications of various transition rates from the current funding streams to each proposed funding model and the estimated supply of licensed child care spaces at relevant transition points.
- Provide consideration of the model(s)' implementation and effectiveness with child care delivered under the governance of the Ministry of Education and through the evolving service delivery model.

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- Identify ways in which the non-profit/public/for-profit/home-based child care and public education sectors will respond to and perform in the proposed funding models over the short, medium and long term.

4.0 SCHEDULE

- Work is to begin by August 23, 2021
- Engagement on core components is to take place from August 25 to September 15, 2021
- A high level overview of key learnings from phase one work by September 20, 2020
- The delivery date for the report on core components of service is September 24, 2021
- The delivery date for the draft project report final report is February 15, 2022
- The delivery date of the final project report is May 2, 2022

5.0 ACTIVITIES

The following actions and activities will be required to deliver on the project objectives:

Model Development

1. Conduct a jurisdictional scan of operational funding models used in other provincial and international jurisdictions with universal child care systems, including the model used by the Ministry of Education.
2. Conduct sector engagement to seek input on core components of child care service for inclusion in the universal funding model.
3. Analysis of detailed cost drivers of the potential and/or presumed components of the child care funding model in BC.
4. Development of multiple models (variations) for all licensed child care types in B.C. that can be operationalized to deliver affordable care to families for a consistent low cost and working towards \$10/day care, with consideration for all the following:
 - a) Auspice (for profit group, non-profit group, public, and home-based providers)
 - b) Care type (infant, toddler, 3 to 5 years, pre-school, school-age care, multi-age)
 - c) Geographical region (including regional; and urban vs rural vs remote considerations)
 - d) Location (on/off school grounds, centre-based versus home-based)
 - e) Operational costs, based on developed core components
 - f) Support for inclusive child care settings
 - g) Support for culturally safe child care for Indigenous families within the universal system
 - h) Other relevant inputs

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5. Conduct sector engagement with stakeholders to verify inputs and inform model finalization.
6. Cost comparison of the current state of Childcare BC program funding and the future state under each developed funding model option. Analysis will include:
 - a) Estimation of overall cost to the province in shifting from current state to future state of program funding and the estimated total sector operational costs
 - b) Analysis of cost implications in shifting from current state to future state
 - c) Estimated costs of future state over a short, medium and long-term period, inclusive of recommendation on timing of introduction, transitional costs, the pace of system revision (gradual, moderate, rapid), the estimated supply of licenced child care spaces and the rate of parental uptake
 - d) Financial and service delivery impacts for current child care providers in shifting to future state model(s)
7. An assessment of transitional consideration for government as it moves to the Ministry of Education and in consideration of the K-12 system of funding including systems, procedures and processes.

Feedback and Presentation

8. A re-engagement with representatives from the child care sector, as invited by government, to present assumptions and inputs into universal funding model development.

Project Finalization

9. Final presentation and discussion of models and system implications to ministry representatives.
10. Training sessions with ministry staff on the use of the model, including assumptions and making changes to the model over time.
11. Training session(s) with ministry staff on the approach to implementation and operationalization of the proposed funding models.

6.0 DELIVERABLES

The Contractor will:

- Attend an initial kick off meeting to discuss project parameters, expectations, and processes.
- Develop a plain language engagement approach and materials that supports indigenous cultural safety in collaboration with Ministry staff
- Meet with the project team every 2 weeks, or on a cadence as determined by the Ministry, to discuss project insights and learnings. The Contractor is expected to provide a written summary, presentation materials, and other working documents to the Ministry of topics covered no later than 72 hours following the meeting.

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- A core component report submitted no later than the date specified in section 4.0 documenting the recommended core components of inclusive child care service and rationale for inclusion in the universal funding model. The contractor will consider and/or incorporate feedback provided by the Province to finalize the core component report.
 - A draft project report submitted no later than the date specified in section 4.0 including at a minimum and considering and/or incorporating feedback provided by the Province.
 - a. analysis of the cost drivers for the core components of the funding model;
 - b. a summary of the jurisdictional scan on funding models used in other international locations with universal child care systems.
 - c. One or more funding model(s) to support the delivery of a flat fee to families developed with consideration to all elements included in section 5.0 (4) a-h
 - d. A current and future state comparative analysis of the proposed funding model(s) and the existing funding approach to Childcare BC delivery, including but not limited to, all elements included in section 5.0 (6) a-d.
 - e. A discussion on transitional considerations for both the government and the child care and education sectors.
 - f. A summary of the feedback and presentation provided to sector stakeholders as per section 5.0 (5)
 - g. Key findings, assumptions and recommendations
 - h. A discussion on limitations to the project's findings
 - Provide a presentation summarizing the engagement process, findings, key themes, and options and/or recommendations, to provincial executive as scheduled by the ministry project team.
 - Submit a final report no later than the date specified in section 4.0 considering and/or incorporating feedback provided by the Province.

7.0 PROVIDED MATERIALS

The Ministry will provide of materials outlining current knowledge and policy work related to the cost of operating a child care site in BC. Included materials are listed below. Additional materials may be provided upon contract finalization.

- Evaluation and Analysis of Childcare BC Universal Prototype Sites
- Administrative data from MCFD administered child care programs including:
 - Child Care Operating Funding Program (CCOF)
 - Annual survey results of CCOF/Universal Child Care PT sites providers
 - Child Care Fee Reduction Initiative (CCFRI)
 - Affordable Child Care Benefit (ACCB)

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- Early Childhood Educator Wage Enhancement (ECE WE)
- Canada- British Columbia Canada-wide Early Learning and Child Care Agreement
- Information on the current provincial funding model for K-12 education
 - Current Model [Overview of the 2021/22 Operating Grant Allocation Formula](#)
 - Current operating grant [Manual Operating Grants Manual 2021-22](#)
- Proposed K-12 Public Education model and background materials:
 - [Guiding Principles for the Review: Principles Funding Model](#)
 - Interjurisdictional PDFs attached (Phase 1)
 - A discussion paper used to lead introduce work on the Independent Review: [Independent Review Panel Funding Model What We Heard](#)
 - [‘Improving Equity and Accountability: Report of the Funding Model Review Panel’](#)
[Independent Review Panel - Final Report](#)
-

8.0 EVALUATION

The Province will use the following evaluation criteria in identifying the successful proponent:

MANDATORY REQUIREMENT	
<p>1. The Response must be in English and received by email on or before August 12, 2021 12:00 pm PST to Mathew.Klus@gov.bc.ca with attention to Mathew Klus.</p> <p>2. For this opportunity, the selected proponent(s) MUST be available to travel to Victoria for meetings identified by the project team when requested, at their own expense.</p> <p>3. As part of the submission, Qualified Suppliers should state whether the Qualified Supplier or its proposed consultant or sub-contractor are in a real or potential conflict of interest in delivery of these services. <u>The Province will not enter into a Contract with a Qualified Supplier if, in the sole opinion of the Province, an actual or perceived conflict of interest exists with the Qualified Supplier or proposed consultant or sub-contractor.</u></p>	PASS/FAIL
DESIRABLE CRITERIA	
<p>Demonstrated Service Area Experience: Each requirement (1-7) will be scored against the individual's relevant experience provided in each submission. Proponents must clearly demonstrate how the proposed project team meet the desirable criteria.</p> <p>1. A diverse scope of professional designations and expertise such as economist, CPA, or CFA as team members</p>	<p>Points Available</p> <p>70%</p>

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<ol style="list-style-type: none"> 2. Minimum 5+ years experience with financial and statistical analysis in a complex environment is required. 3. Minimum 5+ years of completing jurisdictional scans within the social sector. 4. Minimum of 5+ years of advanced financial modelling and forecasting experience. 5. Minimum 5+ years experience with publicly funded social programming, with preference for experience in the child care and/or education sectors. 6. Experience with preparing reporting including visual representations of data and financial analysis. 7. Minimum of 5+ years experience facilitating discussions with a range of stakeholders with varied perspectives, preferably in the child care sector and/or ECL sectors (This requirement may be met through a sub-contract arrangement) <p>Submission Requirements: Submissions are to be a maximum of ten pages. <u>In the case that a submission is longer than ten pages</u>, only the first ten pages of the submission will be considered by the evaluation panel. Please note that this ten-page limitation does not include title pages, cover letters, or limited important appendices.</p> <p>Multiple Submissions: If a Qualified Supplier would like to propose more than one individual for any given opportunity, each proposed individual must have their own separate submission.</p>	
<p>Price (Time and Materials): Any fee rates quoted are to be:</p> <ol style="list-style-type: none"> a) In Canadian dollars; b) Inclusive of duty, where applicable; c) Exclusive of all applicable taxes; d) Will not include any costs for management and overhead; and e) Qualified Suppliers are responsible for travel, accommodation and meal expenses for travel to Victoria, BC. All other travel requires prior expense authority approval by the Province of BC before expenses are incurred. <p>Team of Consultants</p> <p>Qualified Suppliers are required to provide a Team Hourly Rate and include the <u>hourly rate and anticipated time commitment</u> for each member of its proposed team. The combined anticipated time commitment for all team members must total 100%.</p> <p>The proposed Team Hourly Rate should be calculated by multiplying each proposed team member's hourly rate by their expected time commitment (to a combined total of 100%), and combining these outputs across all team members as illustrated below:</p>	<p>30%</p>

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Team Members	Anticipated Time Commitment (A)	Hourly Rate (B)	Pro-Rated Hourly Rate (A x B) = (C)
"Consultant A"	70%	\$75	\$52.50
"Consultant B"	20%	\$100	\$20
"Consultant C"	10%	\$150	\$15
Total Time Commitment	100%	Combined Team Hourly Rate	\$87.50

Team Hourly Rates will be scored proportionally, based on the lowest proposed Team Hourly Rate included in any submissions to this RFP Invitation. The proponent who has the lowest proposed Team Hourly Rate will receive full marks (**30%**) towards their total score. Using the lowest proposed Team Hourly Rate as a baseline, the proposed Team Hourly Rate for every other proponent is scored proportionally less, based on how much higher their proposed Team Hourly Rate is from the baseline.

Note: If a proponent's response doesn't explicitly provide an overall **Team Hourly Rate**, the proponent will receive **0 marks** for "Price (Time and Materials)".

Availability:

The anticipated project term will be from August 23, 2021 to May 31, 2022, with an anticipated time commitment requirement of **75%**.

This is an estimate only and is not a guarantee of billable hours against the contract.

There may also be an option to extend the contract by up to 6 months.

Consultants should describe their availability throughout the term of the engagement, including any known periods of unavailability. Proponents should provide a description of the strategies they will use to manage around this as well as any other constraints that could limit their availability to the client.

Pass/Fail

REQUEST FOR PROPOSAL

(Future State of Childcare BC Operational Funding /Financial and Data Modelling)

9.0 INSURANCE REQUIREMENTS

Any Contract resulting from this Request for Proposals will require that the Selected Proponent, without limiting its obligations or liabilities and at its own expense, provide and maintain throughout the Contract term, the appropriate insurances with insurers licensed in British Columbia in forms acceptable to the Province. All required insurance will be endorsed to provide the Province with 30 days' advance written notice of cancellation or material change. The Contractor will provide the Province with evidence of the required insurance, in the form of a completed Province of British Columbia Certificate of Insurance, immediately following execution and delivery of the Contract.

10.0 MODIFICATION OF THIS REQUEST FOR PROPOSALS

The Province reserves the right to modify the terms of this Request for Proposals at any time in its sole discretion. This includes the right to cancel this Request for Proposals at any time prior to entering into a contract with the selected Qualified Supplier.

11.0 ACCEPTANCE OF PROPOSALS

This Request for Proposals should not be construed as an agreement to purchase goods or services.

- a) The Province is not bound to enter into a Contract with the proponent who submits the lowest priced proposal or with any proponent. Proposals will be assessed in light of the evaluation criteria. The Province will be under no obligation to receive further information, whether written or oral, from any proponent.
- b) Neither acceptance of a proposal nor execution of a Contract will constitute approval of any activity or development contemplated in any proposal that requires any approval, permit or license pursuant to any federal, provincial, regional district or municipal statute, regulation or by-law.

12.0 DEFINITION OF CONTRACT

Notice in writing to a proponent that it has been identified as the successful Proponent and the subsequent full execution of a written Contract will constitute a Contract for the goods or services, and no proponent will acquire any legal or equitable rights or privileges relative to the goods or services until the occurrence of both such events.

REQUEST FOR PROPOSAL

(Future State of Childcare BC Operational Funding /Financial and Data Modelling)

13.0 LIABILITY FOR ERRORS

While the Province has used considerable efforts to ensure information in this Request for Proposals is accurate, the information contained in this Request for Proposals is supplied solely as a guideline for proponents. The information is not guaranteed or warranted to be accurate by the Province, nor is it necessarily comprehensive or exhaustive. Nothing in this Request for Proposals is intended to relieve proponents from forming their own opinions and conclusions with respect to the matters addressed in this Request for Proposals.

14.0 NO LOBBYING

Proponents must not attempt to communicate directly or indirectly with any employee, contractor or representative of the Province, including the evaluation committee and any elected officials of the Province, or with members of the public or the media, about the project described in this Request for Proposals or otherwise in respect of the Request for Proposals, other than as expressly directed or permitted by the Province.

UFM – PCCC meeting November 22nd

Find a participant		
M	Mike (Me)	
CB	Childcare BC Engagement Team (Host)	
SM	Sandra Menzer (Co-host)	
S	SRENAULT (Co-host)	
	Kevin	
MR	Marylynne Rimer	
A	Andrea.Duncan@bcgeu.ca	
AM	Angie Maitland	
BY	Rev Young	
C	Charlene	
JT	James Teng	
J	Julie	
KC	Kate Cotie, MCFD	
KM	Kristy Maier	
RC	Rita Chudnovsky	
S	samir	
TW	Taya Whitehead (she/her) Selkirk	
TB	Teresa Butler, she/her	
TS	Tyler Summers	
VL	Vera Lefranc	

s.12; s.13

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s.12 ; s.13

UFM Cross-jurisdictional work and Funding Components Consideration

I. Current Approach to Operational Funding

MCFD currently has an array of funding programs to support and/or offset operating costs, reduce fees for parents, and provide targeted funding to specific groups.

Purpose/Goal	Program/Initiative	Detail
Support/ offset operating costs	Child Care Operating Funding	Operational funding for licensed facilities – covers roughly 9-12% of an average facility's monthly operating expenses
	ECE Wage Enhancement	Operational funding for licensed facilities to provide \$2/hour wage enhancement to front-line ECEs
	Maintenance Fund	Operational funding for licensed child care providers to conduct emergency repairs/upgrades and/or relocation costs
Reduce parent fees	Affordable Child Care Benefit	Income-tested monthly benefits to eligible low- and middle-income families to reduce out of pocket costs of child care (supports children 0-12 years, or higher in some circumstances)
	Child Care Fee Reduction Initiative	Monthly amounts to providers and passed on to families (regardless of household income) accessing care at participating facilities to reduce the cost of child care (supports children 0-5 years)
Targeted support	Supported Child Development (SCD) / Aboriginal SCD	Contractual funding to eligible organizations to enable children with support needs to participate in child care
	Aboriginal Head Start program	Provides culturally responsive child care at no cost to Indigenous families

s.12

UFM Cross-jurisdictional work and Funding Components Consideration

III. Approaches Taken in Other P/Ts (not comprehensive; example info provided):

- a) Four jurisdictions in Canada (QC, MB, PEI, NL) currently have funding models based on maximum parent fees that can be charged in licensed centre-based child care that are in receipt of government operating funding:

	Quebec	Manitoba	Prince Edward Island	Newfoundland and Labrador
Funding by auspice	Non-profit and subsidized (publicly funded) for-profit facilities eligible; however, formula for non profits is higher than for for-profits.	Provides operating (and capital) funding only to non-profit organizations and cooperatives	Provides operating funding only to designated Early Years Centres (EYCs), which may be non-profit or for-profit.	All types of services are eligible for all types of funding
Maximum parent fee	Yes (\$8.50/day)	Yes -- \$30/day 0-3, \$20.80 for 3-5. with higher amounts for >10 hrs/day of care, lower rates for family child care homes (\$18.20 and \$22.20, respectively), and all rates pro-rated for part-days. School-age fees \$6.15-\$10.30/day based on the amount care being accessed.	Yes – fees in 0-5 EYCs range from \$27-\$34/day. Commitment in Budget 2021 to lower parent fee to \$25/day Jan 2022.	Yes -- Participating regulated child care services required to lower their rates to \$25 per day for infants, toddlers, preschoolers and full-day school-age children (pro-rated for part-time), and \$16 per day for before and after school care
ECE- Wage component	Wage grid set by provincial government	Wage grid (guideline for market competitive ECE wages developed by the Manitoba Child Care Association)	Wage grid set by provincial government	Wage enhancement funding
Non-fee requirements in exchange for operational funding (not comprehensive)		Funded facilities must: <ul style="list-style-type: none"> • accept subsidized families; • enroll children with additional needs if requested; • and meet financial reporting requirements outlined by the ELCC program 	Required to meet a set of criteria: <ul style="list-style-type: none"> • A minimum number of children. • Commitments to inclusion. • High levels of quality measurements, such as additional educational requirements for staff; a uniform wage grid that includes benefits; parental advisory committees 	Full funding amount is based on facilities providing 2 snacks and 1 meal per day, and maintaining a minimum of 70% enrollment. Facilities will receive reduced funding for not meeting this criteria, and facilities may apply for additional funding if providing

UFM Cross-jurisdictional work and Funding Components Consideration

	Quebec	Manitoba	Prince Edward Island	Newfoundland and Labrador
				additional meals/snacks (e.g. before and after school care)
Additional Funding components	Additional Inclusion grants for children with special needs	Enhanced Operating Subsidy for Rural and Northern centres Additional Grants for extended operating hours	Extensive list of inclusion grants which are distributed as operational funding (18% of all operating funding allocated as special needs and autism support funding) Additional Quality Enhancement Grants	Portion of Operational funding allocated to Child Care Inclusion Program Additional funding available for child care in rural, remote, and underserved communities—on as-needed basis for start up and developmental costs, in addition to operating funding
Income-tested subsidy	yes	yes	yes	yes

b) Two P/Ts have fee increase caps with more comprehensive funding packages: YK and NS.

Yukon	Nova Scotia
<p>No maximum parent fee, but funding includes:</p> <ul style="list-style-type: none"> fee reduction component (\$700 across the board, pro-rated for part time), plus administrative funding per-child operating funding for: <ul style="list-style-type: none"> Quality Program Enhancement (\$97-\$238 per child, based on age and inclusion of meal program; more for rural) Wage Enhancement (varies by region and worker level) Operational Expenses (\$0.37-\$0.43 for every \$1.00 that the program spends monthly on building expenses, including rent/mortgage, utilities, maintenance, etc.) fee increase cap (3% for those charging within 10% of Yukon average, and 1% for those charging 10% or more than the Yukon average; new operators can charge no more than 3% above of the Yukon avg fee) special needs supplement <p>Income-tested subsidy available</p>	<p>No maximum parent fee, but operating funding criteria requires:</p> <ul style="list-style-type: none"> child care centres to cap annual parent fee increases at 3% in the first year for centres charging within 10% of the provincial average fee, and at 1% for centres charging 10% or more above the provincial average payment of wages according to provincially set wage floor (funded through quarterly Quality Investment Grant, calculated on a per-staff basis) A minimum of 75% of the funds allocated to the child care centre must be spent on salary and benefits for staff; A maximum of 25% of funds can be spent on operating expenses A minimum of 60% of the centre's total revenue must be spent on salary and benefits <p>Funding includes:</p> <ul style="list-style-type: none"> significant inclusion component program enhancement supplement

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s.12