

Child Care Fee Reduction Initiative – FAQs

February 2018

For Licensed Providers

1. How do I apply?

Licensed Group and Family providers (including In-Home-Multi-Age Care providers), already receiving Child Care Operating Funding (CCOF), providing Infant/Toddler and/or ages 3-5 care, will receive their 2018/19 contract in March 2018, and may “opt in” to participate in the Child Care Fee Reduction Initiative at that time. Once approved by the Ministry to participate, providers will be notified in writing.

New licensed child care providers will be able to “opt-in” to participate in the Child Care Fee Reduction Initiative when they apply to the CCOF program.

2. What happens if I don't apply?

At this time, participation in the Child Care Fee Reduction Initiative is optional, and providers can choose to participate at any time. The Ministry encourages providers to “opt-in”, as the initiative provides funding to help licensed providers reduce their parent fees, which will help to keep their program competitive with other programs in their community, while also supporting the families in their programs by providing them with a break in their monthly child care costs. In addition to the enhanced funding to reduce parent fees, participating providers will receive a 10% increase in their current CCOF base funding.

If an eligible licensed provider chooses not to enroll in this voluntary initiative, they will remain eligible for their base CCOF rates; however, they will not be eligible for the increased funding.

3. What happens if I choose to apply later, (e.g. not during the 2018/19 CCOF contract renewal)?

Licensed providers who choose to enroll in the Child Care Fee Reduction Initiative after they've renewed their 2018/19 CCOF contract may “opt in” and apply for admission at any time during their 2018/19 contract term by contacting the CCOF Program at 1-888-338-6622 (select “Option 2”).

However, the enhanced funding provided through the Child Care Fee Reduction Initiative is not retroactive, and will only commence once a provider has applied and been approved in writing by the Ministry.

4. What are the requirements to apply for the Child Care Fee Reduction Initiative?

Any licensed group or family Infant/Toddler or 3-5 year child care program already in receipt of CCOF is eligible to apply. At this time, unlicensed spaces, preschool and/or school-aged care spaces are not eligible for the Child Care Fee Reduction Initiative.

At the time of application, providers will be asked to confirm their parent fees for each type of care (as of September 1, 2017, January 1, 2018 and April 1, 2018), and confirm any pre-planned parent fee increases for the duration of the contract term.

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The Ministry will assess the provider's historical, current and future (planned) fees in order to ensure the intended benefit for parents is not diluted through fee increases. In the event a provider proposes a fee increase (or increased their fees just prior to enrolment in the Child Care Fee Reduction Initiative) higher than the expected norms (based on each provider's fee history), the provider may be deemed ineligible to participate, as the funding will not be passed on to parents as intended.

5. How much more funding should I expect to receive if I am approved to participate in the Child Care Fee Reduction Initiative?

In 2018/19, licensed facilities that are approved to participate will receive an increase of approximately 10 percent to their CCOF payments. In addition, Government will provide the prescribed parent fee reductions directly to facilities, to be passed on to parents through decreased parent fees.

6. What do I have to agree to if I choose to enroll and am approved?

Upon enrolment in the Child Care Fee Reduction Initiative, in addition to requirements for their regular CCOF contract, a licensed child care facility must:

- Have children in the "Under 36 months" and/or in the "3 years to Kindergarten" CCOF category being continuously enrolled at the Contractor's Facility;
- Decrease parent fees for each child enrolled in the "Under 36 months" and/or the "3 years to Kindergarten" CCOF category by an amount equal to the Parent Fee Reduction Payment that the provider receives for each child in that category; and
- Not increase the parent fees for children enrolled in the "Under 36 months" and/or "the 3 years to Kindergarten" CCOF category beyond what is approved by the Ministry in their 2018/19 fee schedule, subject to any approved extraordinary circumstances (see Question 11 for more information on extraordinary circumstances).

7. How much do I have to reduce my fees by in order to qualify?

Licensed providers enrolled must reduce their fees by the amounts prescribed as follows:

- Group infant/toddler (under 36 months) care by \$350/month;
- Family infant/toddler care by \$200/month;
- Group child care for 3-5 year olds by \$100/month; and
- Family child care for 3-5 year olds by \$60/month.

The above amounts may be adjusted/reduced over the course of a provider's 2018/19 contract term, under the following two circumstances: 1) due to planned, reasonable fee increases as outlined and approved in their 2018/19 fee schedule, or 2) in the event a provider experiences extraordinary circumstances and receives prior written approval from the Ministry to increase their fees beyond those stated in their 2018/19 fee schedule.

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8. What about part-time spaces? How will fees change for these spaces?

Part-time spaces will receive a pro-rated amount based on the full and part-time spaces as reported on the Enrolment Report. Participating providers must agree to reduce the monthly fees for children enrolled on a part-time basis by the pro-rated amount.

9. What about families receiving Child Care Subsidy? Which fee should I report to the Ministry, and when?

Providers are required to report to the CCOF program the total monthly cost charged to the parent for each type of child care space before the parent fee reduction is applied. Providers and parents are required to report to the Child Care Subsidy program the cost of the space to the parent, less any reduction applied through the Child Care Fee Reduction Initiative, if applicable.

10. What happens if I am approved to enrol in the Child Care Fee Reduction Initiative, and fail to reduce monthly fees as per my CCOF 2018/19 contract (e.g. what are the penalties)?

If a provider is enrolled in the Child Care Fee Reduction Initiative and after enrollment fails to reduce parent fees by the prescribed amount(s), the provider will no longer be eligible for the Child Care Fee Reduction Initiative. Any enhanced funding (including the parent fee portion and the 10% operating fund lift) received by the provider through the Child Care Fee Reduction Initiative will be considered an overpayment. The provider will be liable, under the terms of their contract, to pay the Province an amount equal to two times the amount of such overpayment. Additionally, if a provider supplies the Province with information that is false or misleading in order to obtain enhanced funding under the Child Care Fee Reduction Initiative, the provider will be subject to penalties under the *Child Care BC Act*.

11. What happens if I enrol and am accepted into the Child Care Fee Reduction Initiative, and subsequently have to increase my monthly fees beyond what I stated in my 2018/19 fee schedule at the time of application? How do I notify the Ministry, and what happens then?

There may be extraordinary circumstances under which it is reasonable and necessary for the provider to increase parent fees beyond those stated in their 2018/19 fee schedule. If a provider is enrolled in the Child Care Fee Reduction Initiative and encounters a situation where the prohibition on parent fee increases (beyond those stated in their 2018/19 fee schedule) would cause the provider or other relevant party, undue hardship, the Province may, in its discretion, permit the provider to increase parent fees while remaining enrolled in the Child Care Fee Reduction Initiative.

For further clarification, providers are not permitted to increase fees and still receive the opt-in payments without prior written approval by the Province. The Province will consider a provider's request for such increases on a case-by-case basis, taking into consideration the unique circumstances of the provider and the amount of the proposed parent fee increase.

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12. What should I tell the families with children enrolled in my program?

Once a provider is approved to enroll in the Child Care Fee Reduction Initiative, they will be expected to communicate with the families with children in their care regarding their participation, including how much fees are being reduced by, and the effective date of the fee reduction. The Ministry will also be posting a list of participating providers online, so families can check to see if their provider is enrolled in the Child Care Fee Reduction Initiative.

13. Do I have to transfer the full funding over to the families with children in my care through reduced fees, or can I keep a portion to improve my program?

Participating providers will receive the following two types of enhanced funding, on top of their base CCOF payments:

- “Parent Portion” – Government will provide the prescribed parent fee reductions (see Question 7 for exact amounts) directly to facilities, to be passed on to parents through decreased fees.
- “Provider Portion” – an increase of approximately 10 percent of a provider’s CCOF payments.

The entirety (e.g. 100%) of the “Parent Portion” allocated to reduce parent fees must be passed on to families through reduced monthly fees. Providers may retain the “Provider Portion” in recognition of inflationary cost pressures and increased administrative costs associated with decreasing fees for parents.

14. If I choose to not enroll, or I choose to revert back to base CCOF funding mid-year, how will this impact my eligibility for next year?

This will not impact your eligibility for base CCOF next year; however, this may impact eligibility for the Child Care Fee Reduction Initiative in 2019/20, which will be reviewed during CCOF contract renewal early in 2019.

15. My facility also runs a before and after school program. Some of the children in that program are 5 years old. Are the families of these children also eligible for reduced fees through the Child Care Fee Reduction Initiative?

The Child Care Fee Reduction Initiative is intended to reduce fees for children currently reported in the “3 years to Kindergarten” CCOF category (as well as the “under 36 months” CCOF category) as reported in the CCOF Enrollment Report. As such, children who are 5 years of age and enrolled in a before and after school program will be eligible for reduced fees under this initiative.