COUNCIL DIRECTION:

Not applicable.

INFORMATION:

Background:

The Day Nurseries Act was amended in 1998 to allow Consolidated Municipal Services Managers (CMSMs) to become Child Care System Managers and delivery agents for services that had previously been managed by the Ministry of Community and Social Services (MCSS). The City of Hamilton (formerly the Regional Municipality of Hamilton-Wentworth) assumed these responsibilities in July 1999.

The MCSS is mandated to complete reviews of all social assistance programs that are offered by CMSMs. The City of Hamilton’s Child Care Wage and Fee Subsidy Programs were selected by Ministry staff to be reviewed in late 2006/early 2007. This is the first review of the Child Care Wage Subsidy Program. The last Child Care Fee Subsidy Program review was completed in 2002.

The purpose of the review was to measure the level of compliance with Fee Subsidy Management and Wage Subsidy Guidelines as determined from an analysis of the findings.

The review was conducted in two sections in accordance with two Ministry tools; specifically, the ‘Site Overview Tool’ and the ‘Fee Subsidy File Review Tool’. The period covered by the review was the month of November 2005. In accordance with
Ministry guidelines, 5% (or 100 files) of the 2,002 active Fee Subsidy caseload that month were reviewed and year-to-date reports and budgets for wage subsidy were examined for nine child care centres.

It should be noted that the review was conducted for a period when child care Fee Subsidy was determined in accordance with the provincial 'needs test' that took into account applicants’ assets, income, and monthly allowable expenses. The needs test resulted in the determination of an available daily income that applicants were assessed as having to apply to their child care costs, and the amount of subsidy the applicant would be eligible to receive from the municipality. Since January of 2007, however, fee subsidy is determined through the application of the Provincial income test only. As a result, the Ministry Program Review Officer completing the review indicated that a number of the findings and recommendations resulting from the review have “become purely academic”.

Ministry staff conducted an exit interview with departmental staff on April 4, 2007, and a draft report was presented to departmental staff on June 15, 2007. Staff have reviewed the draft report in detail and have developed an action plan (site response) in response to Ministry recommendations.

The final report including the staff action plan is attached as Appendix A to Report ECS07063.

Key Findings of the Review Report:

Positive Review Findings/Observations:
- All 100 client files met file format standards set out by the CMSM;
- All cases were on the Ontario Child Care Management System (OCCMS) data base;
- All initial forms were signed by the applicant(s)/parent(s);
- Files contained the necessary documentation to support eligibility;
- All files eligible for subsidy with a child with special needs contained verification and documentation to support eligibility;
- Child care hours were documented on the technology and met ‘eligible hours of care’ policy;
- Local Policy and Procedure manual is detailed-oriented;
- Agreements with all Service Providers were in place; and,
- No issues were noted with the review of year-to-date reports and budgets for wage subsidy for the nine child care centre files that were reviewed.

Areas of Concern from Review Findings/Observations:
(Refer to Appendix A attached to Report ECS07063)
- Assets, income and monthly expenses were verified in most cases, however, in two cases a letter of employment was accepted as verification of income without follow-up (now applies only to grandfathered cases; no longer relevant for new clients under new income test).
SUBJECT: City of Hamilton Child Care Wage and Fee Subsidy Review (City Wide) - Page 3 of 3

- Not all files were up-to-date; in three cases, when a client was not able to attend appointments, subsidy continued for several months without further review.
- Declarations were completed when support was not being paid; pursuit of support was not followed up in four cases. In one case, a ‘liberal’ definition of separation was used when determining eligibility (now applies only to grandfathered cases, no longer relevant under new income test).
- Ontario Student Assistant Program (OSAP) income was calculated incorrectly in four cases (no longer relevant under new income test).
- Ontario Works Case Workers need to provide more details in their Service Delivery Model Technology notes including the number of child care hours needed and approved for clients.
- Applicant needs to receive a letter confirming eligibility or ineligibility for subsidy. The letter should also identify the applicant’s responsibilities, if the subsidy is approved and outline the appeal process.
- Referral for special needs cases needs to be documented in the Ontario Child Care Management System (OCCMS) database.

Other Findings:
- The review highlighted an observation outside the scope of the review; namely, what appears to be year-end surplus funds related to special needs program funding (not wage subsidy) for the Hamilton and District Council of Co-operative Pre-schools Corporation. Staff are working closely with Community Living Hamilton, the agency responsible for the distribution of the special needs program funding and with the Co-operative Council to ensure these dollars were spent or reconciled properly.

Conclusion:

Staff have carefully reviewed the Ministry report and have developed an action plan in response to issues identified in the review. The outcome of the review was generally very positive and highlighted a number of good business practices and positive key findings. Action is being taken to address/rectify any issues of concern identified in the review if they are still relevant given recent changes to the Provincial Fee Subsidy Guidelines.

_____________________
Joe-Anne Priel
General Manager,
Community Services Department
EXECUTIVE SUMMARY

Introduction

The Day Nurseries Act (DNA) was amended in 1998 to allow Consolidated Municipal Services Managers (CMSM's) and District Social Services Administration Boards (DSSAB's) to become delivery agents for child care services that had previously been managed by the Ministry of Community and Social Services. The City of Hamilton (formerly the Regional Municipality of Hamilton-Wentworth) assumed these responsibilities and became the delivery agent for child care services in July of 1999.

The child care services that are provided include fee subsidies for families in need and wage subsidies to service providers. The eligibility determination process for fee subsidy is made by a needs test through completion of Determination of Available Income – Form 1. Wage subsidy is provided through the budget submission process.

Program Review Officers (PRO) are mandated to complete reviews for social assistance programs that are delivered by CMSM's. The Child Care Wage and Fee Subsidy program is one of these programs.

This is the first Child Care Wage Subsidy Management review completed at the City of Hamilton by this unit. The last Child Care Fee Subsidy review was completed in 2002.
Purpose

The purpose of this review is to measure the level of compliance with Fee Subsidy Management and Wage Subsidy Guidelines as determined from an analysis of the findings. The findings and recommendations, as well as, good business practices are contained in this report.

Methodology

The review was conducted in two sections with a Ministry designed tool for each section. The two tools used were Site Overview (CC1) and Fee Subsidy File Review Tool (CC2).

The CMSM completed the Site Overview (CC1). Amendments were made by the review team as new information was provided and policies reviewed.

The PRO’s completed a CC2 for each file that was reviewed with regards to Fee Subsidy.

The month of November 2005 and Year 2005 in general was selected for review.

The Manager of child care fee subsidy provided the PRO with a list of all active clients receiving fee subsidy as of November 2005. This list totaled 2002 cases.

As per the Child Care Service Management Guidelines the minimum selection for file review is to be 5%. Therefore, 100 files were selected for review, 5% of the total.

Every twentieth case was selected for review starting with the fourth case from the list of cases supplied.

References used to complete the review were the following:

- Day Nurseries Act
- Ontario Child Care Service Management Guidelines
- CMSM Children’s Service Management Guidelines for Child Care Fee Subsidy (Local Policies and Procedures)
- Ontario Works Policy Directives
- Wage subsidy funding guidelines (2005)
- Client Files
KEY FINDINGS

1. Most files contained the necessary documentation to support eligibility.

2. Files contained the appropriate referral letter for special needs clients.

3. Calculation of available daily income was computed by the technology.

4. Assets, income and monthly expenses were verified in most cases. In some cases a letter of employment was accepted as verification of income without follow-up. (2 cases)

5. Not all files were up-to-date. In some cases, when client was not able to attend appointments, subsidy continued for several months without further review. (3 cases)

6. Declarations were completed when support was not in pay. Pursuit of support was not followed up. (4 cases)

7. When a couple receiving subsidy, failed to notify worker that spouse was no longer in school; no overpayment was set up.

8. OSAP income was calculated incorrectly in some cases. (4 cases)

9. Liberal definition of separation used when determining eligibility for subsidy. In one case spouse was employed abroad – accepted as reason for separation. No support or available income pursued.

10. Inconsistency in application of written local policies. In one case, when a client reached $60,000 income criteria a 10% “leeway” was applied and subsidy continued. Also the stated maximum gross earnings of $60,000 a year did not take effect until the first $60,000 had been earned, thus negating the ceiling.

RECOMMENDATIONS

1. All available income, especially OSAP and earnings to be verified and calculated correctly.

2. Efforts made to pursue support to be documented at each update.

3. Information relevant to ongoing eligibility or circumstances which resulted in changes to amount of subsidy to be noted in Ontario Child Care Management System (OCCMS) note section.
4. Child care department needs to develop protocols with OW to facilitate communication in cases where Participation agreement (PA) does not provide adequate information to assess child care requirements.

5. Provide applicant with letter confirming eligibility/ineligibility for subsidy, applicant’s responsibilities if subsidy is approved and the appeal process. Copy of letter to be placed on file.

6. Utilize a Bring Forward system to review cases where need for subsidy is likely to change prior to yearly update (i.e. Ontario Student Assistance Program (OSAP) form shows client attends school for 8 months).

7. Referral for Special Needs cases to be documented in OCCMS.

GOOD BUSINESS PRACTICES

- Files are well organized with documentation and verification for year of application/update filed together.

- Local Policy and Procedure manual is detail oriented and will be updated once the Business Process Review is completed.

SITE OVERVIEW – CC 1

SECTION A - GENERAL INFORMATION

CMSM / DSSAB: Hamilton

CMSM / DSSAB Child Care Manager/ Contact: Diana K Lodt (Fee Subsidy) Brenda Bax (Wage Subsidy)

MCSS Program Supervisor or Contact: Karen Calligan

Reviewed by: Pallo Sahota

2006 Child Care Wage and Fee Subsidy review

Hamilton
SECTION B - AGENCY DESCRIPTION

1. Describe the CMSM s DSSAB s’ application process for a fee subsidy:
   a- Regular DNA Fee Subsidy

   The Provincial Form 1 - Financial Needs test is completed comparing net monthly income vs. net expenses, local policies determine established reasons for service and set limits on allowable expenses including gross annual income. Policy and Procedure Manual provides specific details.

   b- Ontario Works

   OW Fee Subsidy Abbreviated Form 1 is completed for Ontario Works recipients engaged in approved Ontario Works activities. The Ontario Works Participation Agreement provides specific details on activities.

   Ontario Works - STEP Not applicable,
   Ontario Works Informal assistance. Application process is same as OW Fee Subsidy however recipients sign a Parent Agreement and submit receipts reflecting costs for child care on a monthly basis. Funding is issued using the OW SDMT technology.

2. Does the CMSM / DSSAB directly operate:
   ➢ Child Care Centres Yes # ___1______ / No
   ➢ Private Home Day Care Yes # _________ / ✓ No

3. How many Child Care operators does the CMSM / DSSAB purchase service from:

   ➢ Child Care Centres # _176
   ➢ Private Home Day Care # _4_

4. How many recreation service providers does the CMSM/DSSAB purchase service from? # none_

5. How many licensed Child Care spaces are available in the CMSM / DSSAB? # 6690_

6. Number of Fee Subsidy by age categories:
OCCMS does not provide the detailed information requested below therefore totals for all age groups shown on line one of chart.

<table>
<thead>
<tr>
<th></th>
<th>INFANT</th>
<th>TODDLER</th>
<th>PRE-SCHOOL</th>
<th>SCHOOL-AGE</th>
</tr>
</thead>
<tbody>
<tr>
<td># in Child Care Centres</td>
<td>142</td>
<td>368</td>
<td>1,284</td>
<td>614</td>
</tr>
<tr>
<td># in Private Home Day Care</td>
<td>Included in above</td>
<td>Included in above</td>
<td>Included in above</td>
<td>Included in above</td>
</tr>
<tr>
<td># in Approved Recreation Programs</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>% Full Day Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% Part Day Care</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

7. Complete the following information for the number of Fee Subsidy Files under the month of review:

   Month of Review (month/year) **November 2005** – OCCMS Custom reports do not enable us to gather information requested below. Standard OCCMS report used to gather the statistics detailed.

<table>
<thead>
<tr>
<th>Case Status</th>
<th># Files</th>
</tr>
</thead>
<tbody>
<tr>
<td># Active Fee DNA Subsidy Cases</td>
<td>1589</td>
</tr>
<tr>
<td># Ineligible DNA Fee Subsidy Cases</td>
<td></td>
</tr>
<tr>
<td># Closed DNA Fee Subsidy Cases</td>
<td>78</td>
</tr>
<tr>
<td># Ontario Works recipient receiving Regular DNA Child Care (not OW financial assistance)</td>
<td></td>
</tr>
<tr>
<td><strong>Total # of Needs Tested Files</strong></td>
<td></td>
</tr>
</tbody>
</table>

8. Who performs the needs testing (i.e. Position)? **Child Care Subsidy Eligibility Intake**

9. Who approves the fee subsidy (i.e. Position)? **Child Care Subsidy Eligibility Case Management**

10. Are Parent Contributions charged (i.e. determined through Form 1 needs test)?

   ✓ Yes / No

11. Are Parent Fees / User Fees charged (i.e. fee amount in addition to the Form 1’s parent contribution)? ✓ Yes / No
12. Has the Ontario ChildCare Management System – Service Management Module (SMM) been implemented?

i. If yes, identify what system features are used:

<table>
<thead>
<tr>
<th>Systems Features:</th>
<th>Yes</th>
<th>No</th>
<th>If no, intended Target Date for Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Administration Tables</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Add head office, provider sites, applicants &amp; children data</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Form 1 – complete and functioning</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) Placement complete</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e) Attendance Records</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f) Live Billings</td>
<td>✓</td>
<td></td>
<td>Assuming this means web based record of attendance.</td>
</tr>
<tr>
<td>g) Wage subsidy, resource centre &amp; special needs data</td>
<td>✓</td>
<td></td>
<td>TBD – examining possibility for implementation January 1, 2008</td>
</tr>
<tr>
<td>h) Budget Calculations</td>
<td>✓</td>
<td></td>
<td>TBD – examining possibility for implementation January 1, 2008</td>
</tr>
</tbody>
</table>

ii. If no, identify target date for implementation (above), and describe plans for full implementation:

**OCCMS budget calculations and wage subsidy information conflicts with Ministry guidelines that determine eligibility for operators therefore Hamilton has developed alternate methods for determining and issuing these funds. Example includes calculations for staff**
working with infants and cooperative preschool programs that operate 10 mths of the year.

13. If the CMSM / DSSAB has not implemented SMM, briefly describe how the child care system is managed (i.e.: manually or by another software system)?

SECTION C - FEE SUBSIDY MANAGEMENT POLICIES

1. Identify if the CMSM/DSSAB developed policies in the following areas? If yes, briefly describe the policy/ process, if under development identify target date:

   a) Internal review of policies and Admin Tables
      Yes / No / ✓Under Development – date 2007

      With the introduction of ELCC and Best Start and the anticipated Income Test, local policies will be reviewed when Province introduces new policy directions.

   b) Transition rules for change in policy
      Yes / No / ✓Under Development – date ________

      See above, local policies require Council approval. Anticipate bringing recommendations to Council sometime in Q3 2007.

   c) Complaints and Appeal Policies
      ✓ Yes / No / Under Development – date ________

      All applicants submit appeal form detailing situation to Manager, Fee Subsidy for review and an appropriate action plan developed.

   d) Regular review of case files
      ✓Yes / No / Under Development – date ________

      All Form1 are updated annually. All applicants must report changes to situation within 48 hours where it is determined if an updated Form1 needs to be completed. Examples include increase/decrease in earnings, moved etc.

2006 Child Care Wage and Fee Subsidy review Hamilton
e) Overpayment policy for recovery of moneys
✓Yes / No / Under Development – date ________

When an overpayment has been determined, negotiations regarding repayment occur and a referral detailing the information is submitted to the Eligibility Review Unit where collection is made.

f) Documentation, verification, and retention of file information
✓Yes / No / Under Development – date ________

All terminated files are kept on site for two years then retained off site for an additional five years.

g) Eligible hours of care
✓Yes / No / Under Development – date ________

All applicants must be engaged in approved activities for a minimum of 20 hours p/wk. Appropriate levels and days of care are determined based on individual need and circumstance. Examples include, applicants who work part time shifts and week ends would be referred to a PHDC arrangement where child care needs are met, travel time is taken into consideration for applicants who may work or attend school outside of City.

h) Policies for Form 1- discretionary items and amounts
✓Yes / No / Under Development – date ________

See question 2. Examples include costs for laundry, diapers, other child care costs not approved through subsidy, expenses to support special devices where not covered by other sources, lawyer costs etc. Each unique situation is discussed with Manager and decisions are made referencing Provincial Fee Subsidy Guidelines and where not applicable, consideration is made for individual circumstance and need and allowed if substantiated.

i) Co-residency policy (less than 3 year rule)
✓Yes / No / Under Development – date ________
**Use Provincial Fee Subsidy Guidelines**

j) Exemption to Net Earnings – up to 25% (line 28)
✓Yes / No / Under Development – date __________

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - $901 = 25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$901 – 1001 = 15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1001 – 1101 = 10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$1101 – 1201 = 5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

k) Abbreviated Form 1 procedure
✓Yes / No / Under Development – date __________

Mandatory fields of OCCMS are completed.

2. Has the CMSM/DSSAB set a maximum allowable amount for the following? If, so identify amount:

<table>
<thead>
<tr>
<th>Budgetary Item:</th>
<th>Yes</th>
<th>$ Amount</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Rent</td>
<td>✓</td>
<td>Follow Provincial Maximum</td>
<td></td>
</tr>
<tr>
<td>b) Mortgage and Property taxes</td>
<td>✓</td>
<td>Follow Provincial Maximum</td>
<td></td>
</tr>
<tr>
<td>c) Debt Repayment</td>
<td>✓</td>
<td>100.00 p/mth increased to 200.00 p/mth for vehicle</td>
<td></td>
</tr>
<tr>
<td>d) Travel &amp; Transportation</td>
<td>✓</td>
<td>100.00 for vehicle otherwise cost for monthly</td>
<td></td>
</tr>
<tr>
<td>Category</td>
<td>Condition</td>
<td>Description</td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------</td>
<td>------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>e) Prescription drugs</td>
<td>✓</td>
<td>Actual annual costs not covered by medical plan, with receipts divided by 12 mths.</td>
<td></td>
</tr>
<tr>
<td>f) Dental services</td>
<td>✓</td>
<td>Actual annual costs not covered by medical plan, with receipts divided by 12 mths.</td>
<td></td>
</tr>
<tr>
<td>g) Optical services</td>
<td>✓</td>
<td>Actual annual costs not covered by medical plan, with receipts divided by 12 mths.</td>
<td></td>
</tr>
<tr>
<td>h) Health services</td>
<td>✓</td>
<td>Actual annual costs not covered by medical plan, with receipts divided by 12 mths.</td>
<td></td>
</tr>
<tr>
<td>i) Discretionary Items, (Other)</td>
<td>✓</td>
<td>Actual annual costs with receipts divided by 12 mths.</td>
<td></td>
</tr>
</tbody>
</table>

3. Are the maximum allowable amounts consistent throughout the CMSM / DSSAB?

✓Yes / No / N/A

If no, what are the differences and why?
SECTION D - FEE SUBSIDY FUNDING CYCLE

1. Does the CMSM / DSSAB fund the operators based on
   a) Annual contract reconciled at yearend
   b) Actual costs
   c) ✓Negotiated per diem

2. What payment method is used by the CMSM / DSSAB to pay fee subsidies to the operators:
   a) Monthly, flow 1/12 of the operating budget;
   b) ✓Purchase of Service, based on attendance billing by the operator.

3. Do the operators submit monthly attendance records to the CMSM / DSSAB?
   ✓Yes / No

4. Does the CMSM / DSSAB have a process in place to audit / verify operator’s attendance records? ✓Yes / No

SECTION E - WAGE SUBSIDY MANAGEMENT POLICIES / PROCESSES

1. Monitor CMSM/DSSAB compliance to policies and procedures for wage subsidy that require:
   - Service Providers to complete special purpose reports that outline the utilization and assignment of wage subsidies – (based on number of FTEs and expansion of services – this reconciles actuals against allocations to ensure that wage subsidies have been used for the purposes intended and included as part of the audit)
     ✓Yes
   - Proof of a review, at least once a year, to verify the calculations are in accordance with policies
     ✓Yes
   - 3rd party audit when service providers’ wage subsidies exceed $20,000
     Yes – audited statements seen for all sites with subsidies in excess of $20,000.
• Review of wage subsidies when a service provider reports significant reductions in service levels and/or staffing

  According to agreement any monies not expended in accordance with the approved budget is to be refunded in the event of termination.

• Recoveries must be identified as unused funds and recovered by service providers within 2 years,

  CMSM makes adjustments and recoups overpayments from subsequent payments prior to year end.

• CMSM/DSSABs in receipt of wage subsidies greater than $75,000 are required to complete a reconciliation report - Annual Program Expenditure Reconciliation (APER)

  Yes

• Policy and procedure in place for redistribution of wage subsidies

  Yes

References:

City of Hamilton YTD user guide (2005)
Funding request submission guidelines (2005)

Agreements with service providers were in place.
Year to date reports and budgets for wage subsidy were examined for the following nine Child Care centres:

Ancaster Small Fry Preschool Inc.
St. Bernadette's Children's Centre of Dundas Inc.
Hamilton Wentworth Catholic child care centres Inc.
Congregation Of Sisters Of St. John The Baptist (Ontario)
Hamilton & District Council Of Co-Operative Preschools Inc.
La Garderie Française De Hamilton Incorporée
McMaster Children’s Centre Inc.
Stoney Creek Co-Op Preschool Inc.
Westdale Co-Operative Preschool Inc.

No issues noted.

Other Findings

Year end 2005 financial statement for Hamilton and District council of co-operative preschools corp. shows special needs fund has excess revenue over expenditure of $16,884. Fund balance from previous year is $6,902. Total surplus is $23,786. Note from audited statement indicates that the surplus was
not repaid to the Ministry and the “disposition of the balance of the accumulated surplus has yet to be determined.”

CMSM response to this finding: “The review highlighted an observation outside the scope of the review; namely what appears to be year end surplus funds related to special needs program funding (not wages subsidy) for the Hamilton and District Council of Co-operative Pre-schools Corporation. Staff are working closely with Community Living Hamilton, the agency responsible for distribution of the special needs program funding and with the Co-operative Council to ensure these dollars were spent or reconciled properly.”

Findings

Fee Subsidy File Review CC 2

Fee Subsidy Clients

A total of 100 client files were selected randomly from the report provided by CMSM Child Care Fee Subsidy Manager.

General Documentation

- For all 100 clients a file had been created.
- All 100 files met the file format standards set out by the CMSM
- All cases were also on OCCMS.
- All initial forms were signed by the parent(s)/applicant(s).

Financial Data

- OSAP income not calculated correctly in some cases.
- Some earnings were verified by letter of employment which is not adequate as it does not detail deductions.

Monthly Budgetary Needs

- Monthly Budgetary Needs were documented and verified in most cases.
• Available daily income was computed by the technology.

• Clients with drug, dental, optical or health costs were documented and verified in most cases.

• Costs such as utilities, car insurance, home insurance and vehicle insurance were documented and verification was located on file in most cases.

• A portion of verified debts was allowed as expenditure according to local policy.

• All files eligible for subsidy with a child with special needs contained verification and documentation to support eligibility.

Calculation of Fee Subsidy

• Child care hours were documented on the technology and met the “Eligible Hours of Care” policy.

• Fee Subsidy calculated correctly for most cases according to verified hours of required service.

• Parent Contribution, where required, was noted on file and calculated correctly.

• User fee, where required as per local policy, was noted on file and calculated correctly.

Fee Subsidy File/Administration

• Parents were not advised in writing of the decision of eligibility/ineligibility. An approval letter should outline eligible child care hours and parent’s responsibility to report changes.

OW cases with Fee Subsidy

A total of 35 OW clients receiving subsidy were reviewed. Some were OW LEAP and the remainder were involved in activities outlined in the Participation Agreement.
These clients are not subject to needs testing as they have already been needs tested in order to be eligible for Ontario Works.

Verification of hours is required on file to support the issuance of child care payment. Some OW Participation Agreements contained limited or inadequate information to allow child care needs to be assessed.

NEXT STEPS

1. Exit interview conducted on April 4, 2007 and draft report presented June 15, 2007 at the City of Hamilton Child Care office.

2. An Action Sheet was attached for follow up.

3. Site response, to recommendations outlined on the Action Sheet, were received and incorporated into this report.

4. CMSM will monitor the implementation of the recommendations and forward a copy of the Action Plan to the Program Review Officer and Program Supervisor upon completion.

5. The final report is being distributed to all stakeholders.

CONCLUSION

Recommendations made in this report are there to support the CMSM’s administration of child care services in Hamilton.

With the new provincially established criteria for eligibility for child care fee subsidy, some of the findings and recommendations of this review become purely academic. However, recommendation referring to monitoring remains important. Fee subsidy cases require monitoring on an ongoing basis. Although full updates are required at a minimum only once per year, a Bring Forward system should be utilized for cases where subsidy is approved for a period less than a year.

Ontario Works (OW) subsidized cases should be dealt with in a similar manner. The Ontario Works casemanager establishes the activity and hours required via the Participation Agreement (PA). The child care worker approves subsidy for the period of time specified in the PA. As PA’s are updated regularly, it would be appropriate for the child care department to liaise with Ontario Works to establish continued child care needs.
Decisions in writing need to be provided to applicants. Applicants approved for fee subsidy should be provided with a letter clearly outlining their responsibility to report changes; confirming eligibility for subsidy, detailing eligible hours of care and date when subsidy ends. For applicants that do not qualify for fee subsidy the letter should contain information on the appeal process.

The CMSM’s attention to detail in organizing the financial data contained in the wage subsidy files is commendable.

The Program Review Officers would like to take this opportunity to thank the staff at Hamilton Child Care Office for the assistance and co-operation provided during this review.
## 2006 Child Care Fee and Wage Subsidy Review

### RECOMMENDATIONS

### ACTION PLAN

<table>
<thead>
<tr>
<th>RECOMMENDATION Fee Subsidy</th>
<th>SITE RESPONSE</th>
<th>TIMEFRAME FOR COMPLETION</th>
<th>STATUS UPDATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. All available income, especially OSAP and earnings to be verified and calculated correctly.</td>
<td>Four instances of incorrect calculations of Ontario Student Assistance Plan (OSAP) income were made by one staff. These errors were brought to the individual's attention for discussion on March 12, 2007. Effective January 1, 2007 however, with the change to income testing, OSAP income is no longer calculated. Income is now determined solely by line 236 of the Revenue Canada Notice of Assessment.</td>
<td>Completed March 12, 2007</td>
<td>N/A</td>
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<td>2. Efforts made to pursue support to be documented at each update.</td>
<td>This is no longer an expectation under the new fee subsidy guidelines. For the purpose of fee subsidy, income is now determined solely by line 236 of the Revenue Canada Notice of Assessment.</td>
<td>N/A</td>
<td>N/A</td>
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<td>3. Information relevant to ongoing eligibility or circumstances which resulted in changes to amount of subsidy issued to be noted in OCCMS note section.</td>
<td>Staff have been advised in writing that information relevant to ongoing eligibility or circumstances which result in changes to subsidy must be noted in the Ontario Child Care Management System (OCCMS) data base note section.</td>
<td>Complete July 4, 2007</td>
<td>N/A</td>
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<td>4. Child care department needs to develop protocols with OW to facilitate communication in cases where</td>
<td>Staff leads from Ontario Works and from the Child Care Fee Subsidy Unit have been identified. These two individuals will act as a liaison between</td>
<td>Initiated July 19, 2007</td>
<td>N/A</td>
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<td>Participation agreement (PA) does not provide adequate information to assess child care requirements.</td>
<td>the Child Care Fee Subsidy Unit, and Ontario Works and facilitate communication and inquiries as required.</td>
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<td><strong>5.</strong> Provide applicant with letter confirming eligibility/ineligibility for subsidy, applicant’s responsibilities if subsidy is approved and the appeal process. Copy of letter to be placed on file.</td>
<td>Current practice is to have eligible applicants sign a parent agreement outlining their responsibilities; as well as providing them with a copy of their authorization for service (a copy is also forwarded to their service provider). The original documents are retained in the client file. Currently ineligible clients do not receive a letter advising them of their ineligibility; rather they are advised verbally at the time of their application interview. Applicants are currently advised verbally about how they can appeal a Fee Subsidy Program decision. A Business Process Review (BPR) of the Child Care Fee Subsidy Program is currently underway. As part of the BPR all business forms (and processes) are being reviewed. The appropriate forms will be amended to reflect this recommendation.</td>
<td>December 31, 2007</td>
<td>Status up-date to be provided to the Ministry January 2008</td>
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<td><strong>6.</strong> Utilize a Bring Forward system to review cases where need for subsidy is likely to change prior to yearly update (i.e. OSAP form shows client attends school for 8 months).</td>
<td>The Ontario Child Care Management System (OCCMS) includes reminders and bring forward functions. A training/refresher session has been scheduled for all Fee Subsidy Program Staff.</td>
<td>Training Session Scheduled for September 21, 2007</td>
<td>N/A</td>
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<td>7. Referral for Special Needs cases to be documented in OCCMS.</td>
<td>For the period of the review, in 2005 the Ontario Child Care Management System (OCCMS) did not have the functionality to allow for this information to be captured. Since that time an upgrade to the system has been implemented, and all Special Needs information has been documented in the system and is being used effective the first quarter of 2007.</td>
<td>Completed March 31, 2007</td>
<td>N/A</td>
</tr>
</tbody>
</table>