Early Learning and Child Care Increase to Base Operating Grant Rates for Funded Facilities

Frequently Asked Questions (FAQs) Circular # ELCC-2023-11

1) Who will receive the two per cent base operating grant funding increase?

All centres, nursery schools and family/group child care homes that receive operating grant funding will receive the two per cent increase for the facility's funded spaces.

2) What is the effective date for the two per cent base operating grant funding increase?

The two per cent increase to the base operating grant rates will be retroactive to April 1, 2023.

3) How was the two per cent increase to the base operating grant calculated?

It is a two per cent increase to the base operating grant rates that were in effect prior to the implementation of the two Wage Grid Supplement increases on July 1, 2022 and July 1, 2023.

4) What is the purpose of the two per cent base operating grant funding increase?

The two per cent increase to the base operating grant amounts will help support facilities to address cost pressures they have been experiencing, such as increasing operational expenses for utilities, rent, programming, food and supplies.

This increase will also help support the board of directors of non-profit centres and nursery schools in their efforts to balance their facility's budget.

5) How does this operating grant increase relate to the previous Wage Grid Supplement increases that were effective on July 1, 2022 and July 1, 2023?

The increase to the base operating grant amount is targeted for use towards operational expenses, administrative costs and programming support.

The Wage Grid Supplement increases were applied to the operating grant, but these funds were targeted to increase wages in facilities that employ staff and to increase the provider's income in child care homes that do not employ staff.

In July 2022, the Wage Grid Supplement provided nearly \$37 million to funded licensed child care facilities to support the increase in staff wages. See circulars:

- ELCC-2022-12-Circular-Operating Grant Increase and Implementation of Wage Grid-CENTRES
- ELCC-2022-13-Circular-Operating Grant Increase and Implementation of Wage Grid-HOMES

 <u>ELCC-2022-12-FAQ-Operating Grant Increase and Implementation of Wage</u> Grid

In July 2023, the Wage Grid Supplement provided \$56.1 million to funded licensed child care facilities to support another increase in staff wages. See circulars:

- <u>ELCC-2023-04-Circular-Wage Grid Supplement to Operating Grant and 2023-24</u> <u>Wage Grid-CENTRES</u>
- <u>ELCC-2023-05-Circular-Wage Grid Supplement to Operating Grant and 2023-24</u> Wage Grid -HOMES
- <u>ELCC-2023-04-FAQ-Wage Grid Supplement to Operating Grant and 2023-24</u> <u>Wage Grid</u>

6) What are the new operating grant rates?

The operating grant rates for each type of approved funded space are outlined in the chart below.

The operating grant rates are different for April 1 to June 30, 2023 and beginning July 1, 2023, because the operating grant rates also include the 2023/24 Wage Grid Supplement, which was effective on July 1, 2023.

	Maximum Annual Operating Grant Rates Annual Amount per Approved Funded Space *	
Space Type	Effective April 1 to June 30 2023 (Includes 2 per cent base operating grant increase and 2022/23 Wage Grid Supplement)	Effective July 1, 2023 (Includes 2 per cent base operating grant increase and 2023/24 Wage Grid Supplement)
CENTRE		
Infant	\$13,931	\$15,267
Preschool	\$5,424	\$6,090
School Age	\$2,314	\$2,669
NURSERY SCHOOL		
1 to 5 sessions per week	\$1,518	\$1,778
For each additional session up to 10 per week	\$304	\$356
HOMES		
Infant	\$3,769	\$4,356
Preschool	\$2,930	\$3,402
School Age	\$1,419	\$1,718

* Amounts based on 12 months of operation

7) Will the increase to the base operating grant affect the amount of the Reduced Parent Fee Revenue Grant?

No. The Reduced Parent Fee Revenue Grant continues to be the difference between the previous parent fee rates and the new reduced parent fee rates that were effective on April 2, 2023.

For more information, see <u>New Regulated Parent Fees and Reduced Parent Fee</u> Funding Frequently Asked Questions for Facilities.

8) When will my facility receive the base operating grant increase?

Centres and nursery schools

Current operating budget submissions will be reassessed in Child Care Online to adjust the April to June 2023 and July to September 2023 quarterly payments and issue adjustment payments based on the new operating grant rates.

Family/group child care homes

Current Family/Group Child Care Home Operating Grant Applications for 2023/24 will be reassessed in Child Care Online to adjust the April to June 2023 and July to September 2023 quarterly payments and issue adjustment payments based on the new operating grant rates.

The new operating grant rates will be used to calculate grant funding for centre operating budgets and family/group child care home operating grant applications assessed after the mass re-assessment of grants has been implemented.

9) Do centres or nursery schools need to submit a Supplemental Budget Schedule form that outlines changes to revenue and expenditures that differs from our current Annual Operating Budget submission?

No. Centres and nursery schools do not need to submit a Supplemental Budget Schedule form. Information related to increased revenue received due to the operating grant funding increase should be reflected in your facility's annual financial statements and then future annual budget submissions.

10) Who can I contact for more information?

If you have any further questions regarding this information, please email Child Care Information Services at <u>cdcinfo@gov.mb.ca</u> with the subject line "Base Operating Grant Increase" or call 204-945-0776 (toll free: 1-888-213-4754).