



Chapter 4

20 Hours Early Childhood Education

Overview

Introduction 20 Hours Early Childhood Education (ECE) is a higher rate of funding than the ECE Subsidy. It enables ECE services to provide early childhood education to three-year-olds, four-year-olds and five-year-olds for up to a maximum of six hours per day for 20 hours per week per child without charging fees.

Funding cycle 20 Hours ECE is paid at the same time as the ECE Funding Subsidy – on the first working day of March, July and November.

For more information on when and how funding is paid see **Section 2-4**.

In this chapter This chapter contains the following topics:

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4-1 Funding eligibility

Introduction

This section outlines the eligibility conditions for:

- services eligible to provide 20 Hours ECE
- children eligible to receive 20 Hours ECE.

All services offering 20 Hours ECE and all children receiving 20 Hours ECE must meet the eligibility conditions at all times.

Eligible services

Early childhood education services are eligible to offer 20 Hours ECE if they:

- are licensed **and**
 - are open continuously for at least one session of 2.5 hours per week **and**
 - meet all 20 Hours ECE funding rules.
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Services offering 20 Hours ECE

Services offering 20 Hours ECE must offer 20 Hours ECE to all eligible children.

Services **must not** offer 20 Hours ECE only:

- to some eligible children and not to other eligible children
- on particular days of the week
- for particular hours of operation.

Note: The number of hours of 20 Hours ECE that a service can offer each child will depend on the service's hours of operation, the space available at the service and the child's hours of enrolment.

Eligible children

20 Hours ECE funding can only be claimed for children who fill a child-place and are three, four or five years of age.

Funding cannot be claimed for:

- children enrolled in school
 - children on a waiting list who do not attend the service
 - casual bookings made for children who do not attend the service.
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4-1 Funding eligibility, Continued

When to begin claiming

A child's eligibility for 20 Hours ECE begins on their third birthday.

Services may begin claiming 20 Hours ECE funding for a child on their third birthday.

When to stop claiming

A child's eligibility for 20 Hours ECE ends on their sixth birthday.

Childcare Subsidy and 20 Hours ECE

Work and Income's rules state that the Childcare Subsidy **must not** be claimed for 20 Hours ECE hours.

The Childcare Subsidy can be claimed for hours of attendance not covered by 20 Hours ECE. For example, for a child receiving 20 Hours ECE and attending for more than six hours per day or more than 20 hours per week.

The Childcare Subsidy is administered through Work and Income, Ministry of Social Development. Further information on the Childcare Subsidy can be found at www.workingforfamilies.govt.nz or call 0800 774 004.



4-2 Funding conditions

Introduction Funding for 20 Hours ECE is attached to each eligible child's enrolment, rather than to a licensed child-place. Funding is made up of 20 Hours ECE and Plus 10 ECE.

20 Hours ECE 20 Hours ECE hours are the funded child hours that services can claim per eligible child for the provision of 20 Hours ECE.

Services are eligible to claim up to six hours **per child** per day, to a maximum of 20 hours **per child** per week.

Plus 10 ECE Plus 10 ECE is a new term. It describes the remaining 10 hours of funding a service can claim for each child in addition to the 20 Hours ECE hours. It is the difference between 30 hours ECE Subsidy funding and the 20 Hours ECE hours.

For more information on the ECE Subsidy see **Chapter 3** of this Handbook.

Maximum funding Services may claim a maximum of:

- six hours funding per day for 20 Hours ECE and/or Plus 10 per eligible child
- 20 hours per week for 20 Hours ECE per eligible child
- 30 hours per week for 20 Hours ECE and Plus 10 per eligible child.

Out of those 30 hours weekly maximum per child, 20 hours per week may be claimed as 20 Hours ECE. The remaining hours up to 30 may be claimed as Plus 10 ECE funding.

Which hours can be claimed as 20 Hours ECE? Parents will choose which days the 20 Hours ECE hours will be allocated to, but no individual day may exceed six 20 Hours ECE hours.

Example 1: weekly The following table shows the number of 20 Hours ECE hours and Plus 10 ECE hours per week that may be claimed for children with different enrolment agreements:

Name	Hours enrolled	Total hours enrolled per week	20 Hours ECE hours claimed	Plus 10 ECE hours claimed
Erin	8 hours per day	40	20	10
Melanie	4 hours per day	20	20	
Hayden	<ul style="list-style-type: none"> • 8 hours on Monday, Tuesday and Wednesday • 4.5 hours on Thursday and Friday 	33	20	7

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4-2 Funding conditions, Continued

Example 2: daily

The table below shows how parents could choose to allocate the 20 Hours ECE hours daily across a week:

- Erin attends 8 hours per day, Monday to Friday.
- Melanie attends 4 hours per day, Monday to Friday.
- Hayden attends 8 hours on Monday, Tuesday and Wednesday, and 4.5 hours on Thursday and Fridays.

Erin	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	8	8	8	8	40
20 Hours ECE hours	4	4	4	4	4	20
Plus 10 ECE hours	2	2	2	2	2	10
Difference: DO NOT CLAIM	2	2	2	2	2	10
Melanie	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	4	4	4	4	4	20
20 Hours ECE hours	4	4	4	4	4	20
Plus 10 ECE hours						
Hayden	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	8	8	4.5	4.5	33
20 Hours ECE hours	6	6	6	2		20
Plus 10 ECE hours				2.5	4.5	7

2.5 hour sessions

Sessional services that offer 2.5 hour sessions may claim funding for 3 hours for those sessions.

20 Hours ECE hours may be claimed for the first 2.5 hours. Services must claim Plus 10 ECE hours for the remaining half hour.

Claiming for 20 Hours ECE absences

The absence rules in **Chapter 6** apply to 20 Hours ECE funding.

Services must not charge fees for hours that they claim as 20 Hours ECE. If a service claims 20 Hours ECE funding under an absence rule, the service **must not** charge fees for any casual child who directly fills that place. If the service charges a fee, it **must** claim the ECE Funding Subsidy.

This will occur only when the service is filled to its maximum capacity and the casual child is directly replacing an absent child who is claiming 20 Hours ECE.

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4-2 Funding conditions, Continued

20 Hours ECE Attestation An *Attestation* included in the enrolment agreement **must** be signed for each child receiving 20 Hours ECE. **20 Hours ECE funding must not be claimed for a child until the service has received a completed and signed Attestation.**

Parents must confirm the total hours per day of 20 Hours ECE the child will receive at the service and any other service the child is enrolled to attend.

Enrolment details and records **must** be kept up-to-date. Parents must notify services and change the enrolment details if there is a change to the number of hours of 20 Hours ECE their child receives at any service.

Using 20 Hours ECE hours at more than one service

Parents may choose to allocate their 20 Hours ECE hours across more than one service.

A child can receive a maximum of six 20 Hours ECE hours per day and twenty 20 Hours ECE hours per week **as a total across all services.**

The enrolment details will indicate if, and for how many hours, a child is receiving 20 Hours ECE at another service. This will tell each service how many 20 Hours ECE hours can be claimed for each child.

Each service may still claim up to 30 hours of funding per child per week, but funding must not be claimed for the same hours. The remaining hours once the 20 Hours ECE hours are used up may be claimed as Plus 10 ECE hours.

Example

Caleb is enrolled in a home-based service from 7.45am to 3.45pm on Mondays and Fridays, and 7.45am to 1.15pm on Tuesdays, Wednesdays and Thursdays and in kindergarten from 12.45 to 3.15pm on Tuesdays, Wednesdays and Thursdays. His parents choose to allocate 20 Hours ECE hours to both the homebased service and the kindergarten. This might look like:

Homebased	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled	8	5.5	5.5	5.5	8	32.5
20 Hours ECE hours	2	3.5	3.5	3.5		12.5
Plus 10 ECE hours	4	2	2	2	6	16
Kindergarten	Mon	Tue	Wed	Thu	Fri	Total
Hours enrolled		2.5	2.5	2.5		7.5
20 Hours ECE hours		2.5	2.5	2.5		7.5
Plus 10 ECE hours		0.5	0.5	0.5		1.5
Total 20 Hours ECE hours	2	6	6	6		20



4-3 Fees, donations and optional charges

Introduction

This section explains the financial payments services may and may not request from parents for the period children are enrolled for 20 Hours ECE.

There are three types of payments. They are fees, donations, and optional charges.

Definition of a fee

A **fee** is a payment that is required as a condition of enrolment and can be enforced. It includes any compulsory payment regardless of the type: wages, salary or any other payments made by the parents /caregiver to either the educator or the service provider

Enforcement is when a service withholds or withdraws enrolment, or withholds or withdraws parts of their service (for example children not permitted to take part in certain activities), or attempts debt recovery.

Parents must not pay fees for 20 Hours ECE

Parents **must not** be charged fees for hours claimed as 20 Hours ECE.

The service provider must ensure parents do not pay a compulsory fee for hours covered by 20 Hours ECE, either to the service provider or to the educator. Where parents pay home based educators directly, the service provider is responsible for fully reimbursing parents for compulsory fees paid for the hours covered by 20 Hours ECE.

Parents may be charged fees for hours outside the 20 Hours ECE maximum of six hours per day and 20 hours per week per child.

Definition of a donation

A donation is a voluntary payment. There is no obligation to pay and there is no enforcement of payment.

Services may request donations

When requesting donations, services must ensure that donations are not described as fees, or by any other term that implies that they are compulsory.

Definition of optional charges

An optional charge is a request for a payment that parents may choose whether or not to make for a specific purpose. There must be no penalty for parents who choose not to make the payment.

It is useful to provide this information in writing to parents.

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4-3 Fees, donations and optional charges, continued

Services may request optional charges

Optional charges must apply for a specific purpose, which could be one-off or ongoing.

Non-compulsory

Parents must be informed in writing that agreeing to an optional charge is not compulsory and services may not make agreement to pay optional charges a condition of initial or continued enrolment.

Agreement to optional charges

When a parent agrees to pay an optional charge, the specific items covered by the charge, and the agreement to pay the charge must be part of the enrolment process and recorded on the enrolment agreement.

An agreement to pay ongoing optional charges must include information about how long the agreement will last and/or what the rules are about making changes to the agreement.

Once an agreement to pay has been reached then services may enforce payment.

Acceptable Optional Charges

Optional charges for 20 Hours ECE hours may only be requested for:

- aspects of provision that are not required by regulation
- additional staff beyond the minimum regulated adult:child ratios **or**
- items that parents may either provide for their own children or pay for the service to provide.

For example:

- specific teaching resources such as a dance or music teacher
- excursions and entrance fees
- transport
- sunscreen lotion
- clothing items such as sunhats
- food.

From 1 February 2011 a service may request an optional charge for having more than 80% registered teachers if its most recent Ministry of Education payment advice notice advises that the service falls into the 80%+ funding band.

This means that services will be able to request additional payments from parents to help contribute to the cost of having more than 80% registered teachers.

Once a payment advice notice advises that a service has fallen into a lower funding band, ie 50-79%, the service can no longer request an optional charge for having more than 80% registered teachers.

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4-3 Fees, donations and optional charges, continued

Unacceptable optional charges

Optional charges **must not** be requested for the following:

- aspects of provision that are required by regulation
 - general contributions towards the cost of high quality education and care provided by the service or due to the service being well regarded and popular
 - for the employment of registered teachers if funded at under the 80%+ rate.
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Enforcement of payment

Once a parent has agreed to pay an optional charge, the service may enforce the payment as they would enforce a fee.

Changing optional charge agreements

Services must allow reasonable opportunities for parents to review their decisions regarding optional charges. Either party may initiate a change to the agreement, but both parties must agree on the changes.

Any change to agreements on optional charges is a change to the enrolment agreement.

4-4 Record keeping requirements

20 Hours ECE record keeping requirements

Services must keep records of fees, donations and optional charges received from parents. Records must show the type of payment received – fee, donation or optional charge.

Services **must** also continue to meet the requirements for recording enrolment, attendance and absence in **Chapter 6**, and the record keeping requirements in **Chapter 11**.

Enrolment Agreement Form

The sections marked with this symbol **◆**, in the Ministry of Education’s sample Enrolment Agreement Form must be included in the service’s Enrolment Agreement Form. Wording cannot be changed, except to add relevant details for your service.

For more information on enrolment records see **Chapter 6** of this Handbook.

Recording parent contributions

Services must keep the following records of fees, donations and optional charges received from parents:

- records of optional charge agreements must be part of the Enrolment Agreement Form
- records of fees and donations may be kept on Enrolment Agreement Form or invoices
- records should show the type of payment received – fee, donation or optional charge.

Home-based ECE services

When the parent directly pays the home-based educator, services must keep a record of all payments made for 20 Hours ECE that occur between any of the following parties: parent, educator and service provider.

4-5 First advance of 20 Hours ECE Funding

Introduction This section is for services beginning to offer 20 Hours ECE. It explains the funding process for a service beginning to offer 20 Hours ECE.

Funding process The table below shows the funding process for services claiming their first advance of 20 Hours ECE funding.

Stage	Description
1	Service completes and returns an <i>EC20 Form</i> to the Resourcing Division.
2	The Ministry calculates the service's advance payment based on: <ul style="list-style-type: none"> • the number of days the service will be open and • the estimated funded hours for each day over one week for <ul style="list-style-type: none"> ○ Under Twos ○ Two and Overs not receiving 20 Hours ECE ○ 20 Hours ECE ○ Plus 10 ECE hours and • the date the service will begin offering 20 Hours ECE.
3	The Ministry makes an advance payment to the service on the next available major payment date.
4	The advance payment is washed-up against actual funded child hours on the next <i>RS7 Form</i> and 20 Hours ECE funding becomes part of the normal funding cycle.

4-6 The EC20 Form

EC20 Form The *Transitional Advance Form (EC20)* is the form for services beginning to offer 20 Hours ECE.

Existing services can opt into 20 Hours ECE at any time but will only be advance funded for 20 Hours ECE on one of the major funding runs (**1 March, 1 July, and 1 November**).

Services that wish to receive an advance payment for 20 Hours ECE funding **must** complete the *EC20 Form*. An example can be found in Appendix 2.

If a service began offering 20 Hours ECE part way through a funding period and had not previously submitted an EC20 form, it should be sent with the next RS7 form. The next funding payment will include accurate wash-up funding for 20 Hours ECE submitted on the RS7 Form.

Note: playcentres and te kōhanga reo choosing to take up 20 Hours ECE in their services cannot claim initial advance funding for 20 Hours ECE so are not required to complete an EC20 form.

Effective date Effective date for the change is the date that the service begins offering 20 Hours ECE.

Estimating the number of hours For each day of the week, services will estimate the number of funded hours they would claim as:

- Under Two
- Two and Over
- 20 Hours ECE hours
- Plus 10 ECE hours.

Services may claim:

- up to six hours per day, and 30 hours per week for each child eligible for 20 Hours ECE (made up of 20 Hours ECE hours and Plus 10 ECE hours)
- up to six hours ECE Funding Subsidy (Under Twos and Two and Overs) per licensed child-place per day.

Hours should be estimated as carefully as possible as there is no opportunity to revise estimations.

If a service's estimation is **higher** than its actual entitlement, it will receive a reduced wash-up in the next funding payment.

If a service's estimation is **lower** than its actual entitlement, its advance funding may not adequately subsidise the cost of providing 20 Hours ECE. However, the service will receive the remainder of its full entitlement in the wash-up payment.

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4-6 The EC20 Form, Continued

Estimating advance days

Services must count the number of advance days they will claim funding for in the month they begin to offer 20 Hours ECE, for both:

- the number of days they will be open prior to the date that they begin to offer 20 Hours ECE
- the number of days they will be open from the date that they begin to offer 20 Hours ECE.

Services must also count the number of advance days that they will claim in the advance months remaining for the current funding period.

For more information on claiming advance funding see **Section 9-5 Calculating Advance Days**.

Warning: To avoid overpayment of funding

- The Ministry retains the right to reduce any advance funding due to be paid to you where it deems the claimed numbers on the RS3 to be over-estimated.
 - The Ministry retains the right to request proof and evidence to support the numbers claimed on the RS3 form.
 - Any overpayments that occur due to over-claims on this RS3 form are repayable to the Ministry immediately.
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Tip



Look at your service's current enrolments to estimate your advance for 20 Hours ECE:

- Under Twos will remain unchanged
 - count as Two and Over hours all hours you would claim for two year olds and any three-year-old, four-year-old or five-year-olds that will not receive 20 Hours ECE at your service (for example children who are already receiving their 20 hours of 20 Hours ECE at another service)
 - 20 Hours ECE hours are the hours you would claim for three-year-olds, four-year-olds and five-year-olds. The signed attestation part of the enrolment agreement must be completed for each child
 - Plus 10 ECE hours are the hours you would claim for the three-year-olds, four-year-olds and five-year-olds who are claiming 20 Hours ECE and are enrolled for more than 20 hours per week. Up to **10** further hours per week may be claimed in this category, depending on each child's enrolment, bringing the maximum total to 30 hours per week.
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Ceasing 20 Hours ECE

Services that decide to stop offering 20 Hours ECE Funding should contact the Resourcing Contact Centre on (04) 463 8383 to discuss how to adjust their future funding.
