

Canada-Wide Early Learning and Child Care (CWELCC) Funding Guideline

January 1 to December 31, 2023

Licensed Home Child Care Agencies Participating in Peel's CWELCC Program

Early Years and Child Care Services

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SECTION 1: OVERVIEW

On March 28, 2022, the federal and provincial governments signed the [Canada-Wide Early Learning and Child Care Agreement \(CWELCC\)](#) which will reduce parent fees to make child care more affordable and improve staff compensation to ensure families have access to high-quality licensed child care.

This guideline contains information for Licensed Home Child Care (LHCC) Agencies with a head office in Peel Region who are approved by the Region of Peel (“Region”) to participate in the CWELCC program. Funding available to agencies includes these main components:

1. **Fee Reduction Funding:** to reduce your approved base fees by 52.75% to a minimum daily rate of \$12. Fee reduction is effective on January 1, 2023.
2. **Workforce Compensation Funding (WCF):** to meet the provincial annual wage increase and wage floor requirements and to offset the wage increases associated with Ontario’s increased minimum wage for non-RECE staff.
3. **Transition Operating Grant (TOG):** to support you with the cost of inflation and cost to implement CWELCC.

Note: You will receive an allocation for each of these CWELCC funding programs. You cannot use your funding interchangeably between these three CWELCC programs.

Please review this Guideline and your CWELCC Agreement to understand the funding requirements and your obligations for 2023. We will post additional resources on our [website](#).

KEY DATES	
December 8, 2022	<ul style="list-style-type: none"> We released the 2023 CWELCC Funding Agreement and GovGrants announcement to participating agencies.
December 12, 2022	<ul style="list-style-type: none"> Deadline to sign your 2023 CWELCC Funding Agreement to receive a CWELCC payment in January 2023.
January 1, 2023	<ul style="list-style-type: none"> You must reduce your approved base fees by 52.75% to minimum of \$12/day. Effective date for the RECE wage increases and 2023 wage floor.
April 1, 2023 or the first payroll payment period after this date	<ul style="list-style-type: none"> Issue eligible RECE staff their wage increase and/or 2023 wage floor payment retroactive to January 1, 2023. Going forward, you must include staff payments on each pay cheque. Share in writing information about the 2023 RECE Wage Increase and RECE Wage Floor with eligible staff. (See Appendix 4 for optional language)
First Week of March 2023	<ul style="list-style-type: none"> You will receive monthly payments for the WCF and the TOG. Your March deposit will include the payments for January to March.
Update: February 29, 2024	<ul style="list-style-type: none"> Deadline to submit your 2023 CWELCC Funding Reconciliation Template. We will share this template in fall 2023.
4 Months After Agency Fiscal Year End	<ul style="list-style-type: none"> Deadline to submit your Audited Financial Statements (AFS)

See **Appendix 1** for Key Terms.

SECTION 2: LHCC AGENCY ELIGIBILITY

To be eligible for the 2023 CWELCC Funding you must:

1. Be approved by the Region to participate and opted-in to the program.
2. Have a signed 2023 CWELCC Funding Agreement.
3. Be a licensed home child care agency with a head office located in Peel Region; be in good standing in Peel; and comply with all legislative and regulatory requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).

To qualify for the Workforce Compensation Funding under CWELCC you must also:

1. Have a signed 2023 Wage Enhancement Grant (WEG) agreement.
2. Have at least one staff who meets the eligibility criteria for any of the WCF components.

Note: You do not need to apply for the CWELCC program annually. The terms of the Agreement and opting-in will automatically be rolled over into the next year unless the Region or the LHCC Agency provide a notice of termination. Annual agreements will be executed in GovGrants.

There will be an opportunity for providers to opt in to CWELCC in 2023. We will share more information on the [website](#).

SECTION 3: FUNDING CONDITIONS

You must use your 2023 CWELCC Funding as per this Guideline:

1. Effective January 1, 2023:
 - a) Reduce your approved base fee by 52.75%.
 - Market fees (base fees and non-base fees) are capped at the amount charged on March 27, 2022 for eligible children (unless a fee increase was previously communicated to families on or before March 27, 2022).
 - If you were licensed after March 27, 2022, the cap on the base fee would be based on the [regional maximums set out in the CCEYA](#) for eligible children. We will work with you to establish an appropriate base fee.
 - Note:** As in the CWELCC Guideline, you are required to inform your home providers of their obligation to cap fees for privately placed children as per the regulations and have collected fee information.
 - b) Reduce your registration fee by 52.75%.
 - Registration fees are capped at the amount charged on March 27, 2022 for eligible children.
 - c) Meet the CWELCC wage requirements as per [O. Reg. 137/15](#) to:
 - Increase the wages of eligible [RECE](#) home child care visitors who earn less than \$25/hour by up to \$1/hour, plus benefits.
 - Pay eligible [RECE](#) home visitors at least \$21/hour in 2023 (2023 RECE [wage floor](#)).
2. Use your CWELCC funding to support child care operations licensed under the [Child Care and Early Years Act \(CCEYA\)](#) associated with your agency head office in Peel.
3. You must maintain your existing fee (pre-CWELCC provincial agreement on March 27, 2022) as

per [O. Reg. 137/15 under the CCEYA](#) for eligible children ages 0-5 until you notify the Region and your families that you are not participating in the CWELCC.

4. Comply with all CWELCC programs/policies, financial, contract, and/or system planning data reporting requirements as per the [Service Provider Handbook](#) and this Guideline on or before the assigned timeline. Failure to comply with [service provider requirements](#), and/or [reporting requirements](#), including the Region's [Deadline Compliance Policy](#) may result in the recovery of CWELCC funding or your agency being ineligible for this funding.
5. Complete the Ministry of Education's *Annual Licensed Child Care Operations Survey*. LHCC Agencies who do not complete this survey will have their CWELCC funding put on hold.
6. Provide Audited Financial Statements. See the section on "Reporting and Reconciliation Requirements" for more details.
7. Complete/participate in any evaluations, surveys and other information requested by the Region. This may include in-person visits, staff and voluntary parent surveys, focus group sessions and other opportunities to provide feedback on the CWELCC program.
8. If you choose to end your existing CWELCC Agreement or not renew your CWELCC Agreement, you must:
 - Provide the Region and Ministry with notice as per your CWELCC Agreement; and
 - Communicate this decision to your families and staff at least 30 calendar days before your effective termination date. This requirement will also apply if the Region terminates your CWELCC Agreement.

SECTION 4: 2023 CWELCC FEE REDUCTION PROGRAM

Your CWELCC fee reduction funding is to support reducing your agency's fees for families. You must use your 2023 CWELCC funding to reduce your fees as set out in the funding conditions above. Participating in the program should not result in a loss of your agency's revenue. See **Appendix 2** on how your fee reduction funding allocations was calculated.

Eligible Children – Agency Placed and Privately Placed

All children under 6 years old and enrolled in a participating licensed child care program (full-day or part-day) are eligible for the fee reduction. This includes agency placed and privately placed children.

- If the child turns 6 years old between January 1 and June 30, they are eligible until June 30 of that year. Example: if a child turns 6 on April 15, the child would be eligible to receive the refund until June 30. Starting July 1, the child would not be eligible.
- If the child turns 6 years old between July 1 and December 31, they are eligible until the end of the month they turn 6 years old. Example: if a child turns 6 on October 5, the child would be eligible to receive the fee reduction until October 31. Starting November 1, the child would not be eligible.

Reduce and Maintain your Base Fees – Agency Placed Children

- Beginning January 1, 2023, reduce your approved base fees by 52.75% (but not less than a fee of \$12 per day) for eligible agency placed children. Your approved base fee is your market rate, less any non-base items, outlined in the letter the Region issued to you, as part of the Region's EOI.

- You may have a variety of fees to meet the needs of families such as part day, full day, part time, full time, before, after, before and after, etc. The fee reduction must be applied to all base fees for eligible children but not be less than fee of \$12/day.
- See **Appendix 3** for a list of examples of base fees and non-base fees.
- Registration fees and fee deposits collected in 2023 must also be reduced by 52.75%.
- Maintain your reduced base fees until December 31, 2023, until you must reduce it again in 2024.
- Revise and update your fee schedule for your base fees and non-base fees. Your fee schedule must include what is included in the services and the portion of the fees covered by the Region.
- Make your fee schedule publicly available in your Parent Handbook and inform families through your regular communication channel (email, letter). It is also recommended you post your fee schedule on your program's website.

Any home that is contracted with the participating LHCC Agency and that is providing care for at least one child (agency placed or privately placed) is able to receive the CWELCC funding to reduce fees for eligible children receiving care in the home.

Reduce and Maintain Base Fees - Privately Placed Children

- Beginning January 1, 2023, you must work with home child care providers to reduce fees by 52.75% (but not less than a fee of \$12 per day) for eligible privately placed children.
- If your agency contracts with home providers who accept privately placed children, you will be responsible for establishing a process for issuing the CWELCC funding to the home child care provider to support 52.75% of child care fees for privately placed children, once fees are reduced.
- CWELCC funding issued to the home provider to cover 52.75% of child care fees must be issued at least monthly based on actual enrolment and fees charged to privately placed children.

If a home child care provider is contracted with two or more agencies and serve privately placed children, you are required to work together to determine how the CWELCC refund and fee reduction will be implemented for privately placed children. We recommend the agency with the earlier licence date reduce fees to privately placed children.

As a reminder, registration fees and fee deposits collected in 2023 must also be reduced by 52.75%.

Fee Reductions for Eligible Families in Receipt of Subsidy

Families in receipt of subsidy with children enrolled in participating programs will receive a 50% fee reduction on their parent contribution paid for eligible children, even if their contribution is less than \$12/day.

The Region will determine the reduced parent contribution for each eligible child and will share this information with participating agencies in a consolidated report in December 2022. Families in receipt of subsidy with children enrolled in participating programs will receive a 52.75% reduction on registration fees paid for eligible children from January 1 to December 31, 2023.

Families with Eligible Children in Before and After School Programs

Participating agencies must reduce their approved base fees by 52.75% but to a fee of no lower than

\$12/day for eligible children in participating programs that offer before/after school programs.

Programs that offer parents different options (before school only, after school only, before and after school, and full day) would have different fees to reduce and need to apply the rules to each fee:

Service	Approved Base Fee	Reduced Fee - After Enrolling in CWELCC
Before School Care Only	\$12	\$12 (stays the same)
After School Care Only	\$14	\$12 (as 52.75% is less than \$12)
Before + After School Care	\$24	\$12 (52.75% is less than \$12)
Full Day	\$50	\$23.63 (52.75% reduction applied)

SECTION 5: CWELCC WORKFORCE COMPENSATION FUNDING

In 2023, the Workforce Compensation Funding (WCF) includes supports for the:

1. RECE Wage Increase
2. RECE Wage Floor
3. [Minimum Wage Offset](#)

This section outlines the requirements for these components. We will also share a Planning Tool to help you determine how much WCF you need and if staff qualify and how much they qualify for.

Note: Refer to **Appendix 2** for information on how your WCF was calculated.

Wage Increase and Wage Floor (RECE):

RECE Wage Increase and Wage Floor Requirements

To calculate the wage increase and wage floor, follow this order of operations:

1. January 1, 2023 base wage (employer paid)
2. Wage Enhancement Grant (WEG)
3. \$1/hr. Wage Increase (if total from steps 1 and 2 is less than \$25/hour)
4. Wage Floor (if total from steps 1-4 is less than \$21/hour for [RECE](#) home child care visitor)

Important:

- Do not include Base Funding wage enhancements in the calculation.
- The provincial wage cap for the annual wage increase is \$25/ hour (including steps 1-3).
- Refer to [how to determine if staff qualifies](#) for more details.

You must:

1. Use your WCF to support the following eligible expenses:

Eligible Expense	Wage Increase Use your WCF to:	Wage Floor Use your WCF to:
a) Wages	Increase the hourly wage of eligible RECE staff by up to \$1/hour, to a cap of \$25/hour (including WEG).	Cover the incremental amount needed to bring eligible RECE staff wages (including staff's base wage, WEG, and RECE Wage Increase) to the 2023 wage floor \$21/hour for RECE home visitors).
b) Benefits	Support the incremental benefit costs that result from the wage increase and the 2023 wage floor implementation. Refer to page 11 for details on how to use WCF funding to support benefits.	

2. Communicate to staff April 1, 2023, and as new staff are hired.

- You must share written information about the RECE wage increase and wage floor with eligible staff. You may use the sample template provided in [Appendix 4](#). We may ask for proof of communication at any time.

3. Issue wage increase and wage floor payments to [eligible staff](#).

- You must ensure that eligible staff receive the right workforce compensation funding payments, which are to be made on time as per this Guideline.
 - Follow steps under [How to determine if staff qualifies](#) section to determine staff eligibility.
- By April 1, 2023* you must issue the wage increase and the wage floor to eligible staff:
 - Going forward:** in each staff pay cheque or payment made. You must include a “CWELCC” notation with the associated amounts payable on each paystub.
 - Retroactive to January 1, 2023:** issue a lump-sum payment from January 1, 2023 until payments are implemented.
- To align with your payment schedule, you may implement the payments on April 1, 2023 or on the first staff payment date after April 1, 2023.
- One-time, year-end, cash and/or gift card payments are not permitted.
- Eligible staff no longer employed by the agency qualify for the retroactive payment for any hours worked from January 1 until payments are implemented in 2023.

How to Determine if Staff Qualifies

You must ensure your eligible staff receive the right workforce compensation funding payments. The following tables provide you with examples on how the wage increase and the wage floor work together (Table 1) and step-by-step instructions on how to determine if staff qualify (Table 2).

Table 1

Position	Example	2023 Hourly Base Wage (employer paid) Step 2	WEG Step 2	2023 Hourly Wage Step 2	2023 Wage Increase Step 3	Wage with \$1/Hr. Increase (including Increase) Step 4	2023 Wage Floor Steps 5 and 6	2023 Total Wage Step 6	Total 2023 WCF*
RECE Home Visitor 2023 Wage Floor \$21/hour	1	\$17/hr.	\$2/hr.	\$19/hr.	\$1/hr.	\$20/hr.	\$1/hr.	\$21/hr.	\$2/hr.
	2	\$17.80/hr.	\$2/hr.	\$19.80/hr.	\$1/hr.	\$20.8/hr.	\$0.2/hr.	\$21/hr.	\$1.20/ hr.
	3	\$22/hr.	\$2/hr.	\$24/hr.	\$1/hr.	\$25/hr.	N/A	\$25/hr.	\$1/hr.
	4	\$23/hr.	\$2/hr.	\$25/hr.	N/A at cap	\$25/hr.	N/A	\$25/hr.	N/A

* Plus, up to 17.5% of benefits

Table 2

Follow these steps to determine if staff qualify and the amount they qualify	
Step	Action
<p>1. Staff Eligibility Confirm if the staff/position qualifies.</p>	<p>To qualify, staff must:</p> <ul style="list-style-type: none"> i. Be a RECE employed (receive a T4) in a position categorized as RECE home child care visitor Note: Non-program staff who have a RECE designation and spend at least 25% of their time in a home visitor position, qualify for hours worked in that position. ii. Receive the Wage Enhancement Grant (WEG). <p>Refer to page 11 for a list of ineligible staff/positions.</p>
<p>2. Wage Eligibility Calculate staff hourly wage including grants to confirm if wage is less than \$25/hour</p>	<p>Add together (as applicable):</p> <ul style="list-style-type: none"> I. Base hourly wage (paid by employer as of January 1); and II. Wage Enhancement Grant (WEG): up to \$2/hour <p>Note: Do not include Base Funding wage enhancements in the calculation.</p>
<p>3. Determine Amount of 2023 Wage Increase Determine financial eligibility for the up to \$1/hour wage increase</p>	<p>Using hourly wage determined in Step 2:</p> <ul style="list-style-type: none"> • If wage is \$24/hour or less, then staff qualifies for the \$1/hour wage increase. • If wage is \$24/hour or more, then staff qualifies for the incremental amount needed to bring staff hourly wage up to \$25/hour. • If hourly wage is more than \$25/hour, then staff does not qualify for the wage increase. No further action required. <p>Note: Provincial wage cap for the annual wage increase is \$25/hour.</p>
<p>4. Apply 2023 Wage Increase Apply annual increase to determine revised staff hourly wage</p>	<p>To calculate staff's revised hourly wage inclusive of the annual wage increase, take the:</p> <ul style="list-style-type: none"> • staff hourly wage from Step 2, and add the • annual wage increase amount from Step 3
<p>5. Wage Floor Eligibility Determine staff's financial eligibility for wage floor</p>	<p>The 2023 wage floor is \$21/hour for RECE home visitors. If after Step 4, staff earns:</p> <ul style="list-style-type: none"> • less than the wage floor → then they qualify for the amount needed to bring their hourly wage to the 2023 wage floor. • the wage floor or more → then they do not qualify for the wage floor. Skip to step 7.
<p>6. Apply Wage Floor Determine amount of funding to bring staff to 2023 wage floor</p>	<p>Pay eligible staff at least the wage floor. To calculate the funding needed to bring up staff wages to the wage floor:</p> <ul style="list-style-type: none"> • Subtract the staff's revised hourly wage (Step 5) from the 2023 wage floor.
<p>7. In year salary changes (January 1 – December 31, 2023)</p>	<p>Apply Base Funding wage enhancements paid to staff and employer wage increases after you apply the applicable CWELCC wage increases.</p>

Minimum Wage Offset (MWO):

The MWO helps you with the incremental cost pressures due to the Provincial October 2022 minimum wage increase. The MWO covers the difference between eligible non-RECE staff's base hourly wage (before grants) on September 30, 2022 and the minimum wage that took effect on October 1, 2022 (\$15.50/hour), plus 17.5% benefits.

MWO Eligibility

To get the MWO, you must:

1. Employ (in receipt of T4) a non-RECE Home Child Care Visitor(s).
2. Have paid non-RECE Home Visitor(s) a base wage (before grants) lower than \$15.50/hour on September 30, 2022. Staff in positions created after September 30, 2022 do not qualify.

Position	Hourly Base Wage (before grants) Sept. 30, 2022	Qualify for MWO
Non-RECE Home Visitor	\$15.00	Yes, \$0.50/hour
	\$15.40	Yes, \$0.10/hour
	\$15.50	N/A (at the minimum wage)
	\$15.70	N/A (over the minimum wage)

What is Covered Through the MWO?

The MWO helps you with:

1. The difference between MWO eligible staff wages as of September 30, 2022 and the new minimum wage of \$15.50/hour that came into effect on October 1, 2022.

Important: When determining eligibility for the MWO, staff wages do not include regional grants such as WEG (up to \$2/hour) and/or Base Funding (as applicable).

2. The [incremental benefits](#) associated with the wage increase. Review the funding conditions to know how to use WCF funding to support benefits.

Important: The MWO does not result in staff payments. All employers must meet mandatory provincial minimum wage requirements. Since the cost offset by the MWO is already incurred by providers, the MWO can be used by eligible providers to meet other priorities.

Rules Applicable to all WCF Components - Wage Increase, Wage Floor and MWO:

Funding Conditions

- If the [Protecting a Sustainable Public Sector for Future Generations Act, 2019](#) applies to you, then you must meet any applicable obligations under this act before implementing the WCF.
- If you use a collective agreement, you are encouraged to seek legal advice on the implementation of the WCF funding.
- Owner/operators employed (in receipt of a T4) by your agency will qualify if they meet the staff eligibility requirements of the applicable funding component.
- **Benefits:** Your WCF includes up to 17.5% in benefits to help you to help you meet the incremental statutory benefit requirements associated with the wage increase, the wage floor and the MWO.
 - You must meet all WCF related incremental statutory benefit requirements first.
 - Then, you may use any remaining funding within the 17.5% to fund other incremental benefits provided by the employer on behalf of the employee (such as incremental pay for vacation or personal days).

- You cannot use more than 17.5% of your WCF wage expenditures on benefits.
- You can only claim actual incremental benefit costs up to 17.5% of your actual incremental wage costs.

Ineligible Staff

The following positions/staff do not qualify for each funding component:

Wage Increase and Wage Floor	MWO
<ol style="list-style-type: none"> 1. Director-approved staff (staff working in an eligible position without a RECE designation e.g., non-RECE Home Visitor) 2. Staff employed in a position categorized as: <ul style="list-style-type: none"> • Non-RECE program staff • Non-program staff 3. Staff hired through a third party (temp agency) 	<ol style="list-style-type: none"> 1. Staff employed in positions created after September 30, 2022 2. Staff employed in a position characterized as non-program staff. 3. Staff hired through a third party such as a temp agency 4. Staff with a RECE designation

Ineligible Expenses

You cannot use the WCF to:

- Increase ineligible staff wages
- Increase eligible staff wages beyond what is required by the WCF requirements
- Reduce other planned compensation increases (including merit increases) for eligible staff or to reduce a position’s planned compensation
- Pay professional organization fees on behalf of staff for membership in professional organizations
- Cover **administration costs**: WCF incremental administration costs are supported by 2023 TOG

Note: You may use TOG to support inflationary increases, general wage increases, including increases above the \$1/hour, wage increases of non-RECE staff, and wage increases of RECE staff whose salaries are \$25/hour or higher.

SECTION 6: COMMUNICATION TO PARENTS AND HOME PROVIDERS

Participating LHCC agencies must:

Timeline:	You must:
By December 31, 2022	<ul style="list-style-type: none"> • Clearly communicate to families your revised 2023 fee schedule, the portion offset by the Region (CWELCC fee reduction), and their effective date (January 1, 2023). • Communicate with home child care providers they must reduce their fees for eligible privately placed families by 52.75% beginning January 1, 2023 (but not less than a fee of \$12 per day).
By April 1, 2023	<ul style="list-style-type: none"> • Share in writing, information about the 2023 RECE Wage Increase and RECE Wage Floor with eligible staff. See Appendix 4 for a template. We may ask for proof of communication at any time.

SECTION 7: TRANSITION OPERATING GRANT

You will receive a Transition Operating Grant (TOG) to address cost increases and support viability while participating in CWELCC. The TOG includes Part A and Part B.



On July 19, 2023, we announced a one-time funding increase to the 2023 CWELCC TOG. On September 26, 2023, we communicated that to give you more flexibility, we are merging the eligible expenses between TOG Part A and Part B. This means that you may use your TOG funding to support any eligible expense in Part A or Part B as listed in the chart below.

Part A: Cost Escalation Amount

- Supports inflationary expenses and other changes to costs such as:

✓ rent/lease costs	✓ staff salaries and benefits e.g cost of living increases eligible for program staff and management staff)
✓ nutrition/food costs	✓ payments to home providers

Note: you are encouraged to **redirect a portion of the TOG** to the home providers to support the cost of delivering child care.

- In [GovGrants](#) this amount will appear under the “Other” category.
- This funding will be reconciled but not be recovered.

Part B: Operating Amount

- This includes:
 - Administration amount – costs associated with WEG (where applicable)
 - Additional operating amount – you have flexibility to use this amount to support the following expenses:

✓ Costs to implement CWELCC (e.g. software upgrades to support automation of fee reductions and enrolment)	✓ Costs to meet reporting requirements
✓ Other changing costs not covered through inflationary allocation	✓ Cost of audited financial statements
✓ If your enrolment is at full capacity, you may use your TOG to reduce registration fees by 52.75%.	

- In [GovGrants](#), this amount will appear under the “Other Fixed Expenses” category.
- This funding will be reconciled, and any unspent funding will be recovered.

Note: this funding can be used to support eligible staff time to complete Regional surveys, such as our Workforce surveys, Quality Initiative survey).

- If you have **both CWELCC Agreement and Fee Subsidy Agreement (FSA)** with the Region, your TOG is flowed through the [2023 LHCC Base Funding Guideline](#).
- If you have **only a CWELCC Agreement** with the Region, see **Appendix 2** for information on how your TOG allocation was calculated.

TOG Ineligible Expenses:

You cannot use TOG to support the following:

- Property taxes
- Debt costs including principal and interest payments related to loans (capital and operating) and mortgages
- Professional organization fees paid on behalf of staff or membership in professional organizations
- Bonuses (including retiring bonuses), gifts and honoraria
- Donations to charitable organizations and fundraising
- Non-arm's length transaction costs, unless conducted at fair market value
- Fundraising expenses
- Personal expenses (vehicles, assets, or services for personal use only)
- Non-base fees
- Fees for ineligible children, such as children enrolled in unlicensed child care.
- Expenses associated with the delivery of non-eligible programs (EarlyON, school-age programs, children enrolled in unlicensed rooms, authorized recreation programs, camps)
- Child care management compensation (outside of regular salaries and benefits received in the calendar year), including but not limited to transportation and meal expenses, management bonuses, retirement packages, deferred compensation
- Depreciation/Amortization for building/building improvements and intangible assets
- Management Fees (funded through fee reduction and inflation)
- Franchise Fees (funded through fee reduction and inflation)
- Any other expenditure not listed under the allowable expenses section

Funding Requests: If your TOG allocation is not sufficient to address changing costs in 2023, you may be asked to submit information to demonstrate your need for additional funding. **More information on this process was communicated in September 2023.**

If you require immediate support, email your request to: EarlyYearsSystemDivision@peelregion.ca with the subject line "Transition Operating Grant Funding Request." Your request will be reviewed to determine the reasonability of the funding request and approved based on available budget.

SECTION 8: PROGRAM CLOSURES

LHCC Agencies participating in the CWELCC program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year where families are charged full fees. If your program does not charge fees for the closure period, the days of closure do not need to be counted in these limits.

If you typically collect fees during the two-week winter break, you can use CWELCC funding to reduce those fees. If you close in the summer, and do not collect fees during this time, you **cannot** use CWELCC funding during that closure period and these weeks do not count towards the annual four week closure limit.

Families are eligible for the 52.75% fee reduction if they paid fees for statutory holidays, non-statutory holidays, program closures due to inclement weather or unionized labour disruption. **Note:** Where fees are collected from families for service closure days, the Region expectation is that staff/home providers are paid for those days.

All PD days* and non-statutory holidays/closures will count towards your program closures up to a maximum of 2 consecutive weeks and 4 weeks in a calendar year. *Exception: If you close to attend a professional learning day(s) hosted by the Region of Peel, these PD days will not count towards your program closures.

For closures due to events outside a licensee's control (natural disaster/weather event, pandemic, school board strike) the days of closure are not counted toward the two consecutive weeks or four total weeks of closure condition. Statutory holidays do not count towards your program closures.

Important: As per the CCEYA, you must disclose in your Parent Handbook the times when the services are offered, the holidays observed, the base fee and any non-base fees that may be charged, and whether or not your agency is enrolled in the CWELCC program.

SECTION 9: SALES & ACQUISITIONS OF CHILD CARE BUSINESSES

Participating agencies in the CWELCC program are permitted to sell their business. Please refer to Section 4: Service Provider Responsibilities in the [Region's Early Years and Child Care Service Provider Handbook](#) for specific requirements relating to change in ownership and requirements to provide notice to families and the Region.

If you sell your business, the new owner will be required to apply to enroll in the CWELCC program. Once enrolled, the new owner must set fees at or below the Region's base fees set out under the [CCEYA](#). Both the seller and buyer are encouraged to obtain their own financial/legal advice regarding impacts of the CWELCC program. For a shares transfer, the new operator remains enrolled in the existing CWELCC program agreement with the Region and must maintain the previous operator's existing base fee.

SECTION 10: REPORTING AND RECONCILIATION

REPORTING

You must follow the Accountability and Reporting section under the [Service Provider Handbook](#). To ensure 2023 CWELCC Funding was used for its intended purpose, you must:

A. Keep and Provide Supporting Documentation

You must keep documents on file for seven (7) years and provide them on request. This includes:

- Detailed attendance records, include attendance records and fees for privately placed children
- Staff payroll records, T4 statements, proof of communication to staff, bank statements, cancelled checks, pre- and post- WCF paystubs, staff schedules and time sheets, receipts, and paid invoices (benefits), etc.

B. Keep a copy of your CWELCC Funding Agreement

You must keep an electronic or hard copy of your 2023 CWELCC Funding Agreement with the Region at your agency head office and make it available to the Ministry of Education on request.

C. NEW: Attendance Reporting for CWELCC in OCCMS

Starting in April, all CWELCC agencies will be required to complete CWELCC attendance as part of the Record of Attendance (ROA) in OCCMS monthly. Agencies will report the number of full fee-paying children and spaces by program type. Agencies will also be report monthly by age group the number of vacancies, operating capacity, and waitlist.

Training and drop-in question and answer sessions will be provided to support this new reporting requirement. Please refer to memos and all training information for further details.

D. Requirement to Submit Information on Time

Non-compliance occurs if you do not submit required information/documents/reporting in the time or manner prescribed in this Guideline, your 2023 CWELCC Funding Agreement, and/or as requested by the Region. Refer to the Region's [Hold Policy and Deadline Compliance Policy](#) to learn more about actions the Region will take if requested information/documentation/reporting is not submitted by communicated deadlines.

E. Audited Financial Statements (AFS) and Financial Annual Information Return (FAIR):

You must provide the following no later than **four months after your agency's fiscal year-end**.

- audited financial statements
- consolidated schedules of revenue and expenditures with a breakdown of the eligible licensed home child care portion of the business including any accompanying auditor notes
- management letter (if applicable)
- completed [Region's FAIR template](#)

Additional reporting requirements may be implemented on a case-by-case basis.

RECONCILIATION REPORT

UPDATE: You must submit your completed 2023 CWELCC Reporting Reconciliation Template through [GovGrants](#) by **February 29, 2024**, unless the Region instructs you to do so earlier. This template will be provided in the Fall of 2023 and will collect **actual expenditures** to support the:

- a) **Fee Reduction** for full fee families and count of children enrolled by age group by month
- b) **Reductions of Registration Fees** (note: registration fees are eligible for the 52.75% reduction, but will not be included as part of provider's approved base fees, as it is being considered as a one-time cost to families) and count of new children enrolled by month
- c) **Workforce Compensation Funding** paid to eligible staff as per the WCF section of the Guideline *:
 - The wage floor paid out to RECE home visitors (wages)
 - The wage increase paid out to RECE home visitors (wages)
 - Incremental benefits paid out on behalf of RECE home visitors (as a result of the implementation of the wage floor and wage increase)
 - The minimum wage offset for non-RECE home visitors (wages)
 - Incremental benefits paid out on behalf of non-RECE home visitors (as a result of the wages offset by the minimum wage offset)

*Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serves both categories, choose the one where they work most.
- d) **Transition Operating Grant.** You must report the actual expenditures within the following categories as specified in the reconciliation template:
 - a. Cost escalation/inflationary expenses and other changing costs
 - b. Administration costs
 - c. Audited financial statements
 - d. Special Purpose

Note: eligible expenditures are only for the proportion of eligible children in care. For example, if there

are 20 children in care and only 15 are eligible for CWELCC, then only 52.75% of the CWELCC expenses associated with the eligible 15 children can be supported.

KEY PERFORMANCE INDICATORS

You are required to report the following information through your Reconciliation Template:

- Program closure dates where parent fees are not charged, as per your Parent Handbook
- Program closure dates where parent fees are charged, as per your Parent Handbook
- Total number of *:
 - RECE home visitors supported by the wage floor
 - RECE home visitors supported by the wage increase
 - Non-RECE home visitors supported by the minimum wage offset

* Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serve both categories, choose the one where they work the most.

As a result of the new Attendance Reporting for CWELCC in OCCMS, you will **no longer** be required to report the number of **unique** children served through fee reductions (excluding fee subsidy children). The Region of Peel will submit this to the province based on agency's enrolment submission in OCCMS. (See Section C above under Reporting)

SECTION 11: AUDIT AND RECOVERIES

AUDIT

We may contact you to complete an audit/review of your 2023 CWELCC Funding to confirm the funding was used for its intended purpose. At any time, we may request:

- Receipts, paid invoices, quotes, proof of purchase and any other documentation to assess revenues and expenses claimed
- Proof of payments to staff (includes copies of staff payroll registers, T4's, paystubs, staff schedules, timesheets including number of hours worked)
- Bank statements, cancelled cheques, bank reconciliation statements, outstanding cheques
- Proof of communication to staff

The Region or its agents may conduct site visits to confirm that funding was used for the approved purpose(s) as described in this Guideline and any other written communication from the Region. As mentioned above, as part of both the Provincial and the Regional funding verification processes, Agencies are required to keep all original documentation for a minimum of 7 years.

RECOVERIES

You must repay the Region all or part of your 2023 CWELCC Funding if you:

- Do not meet the eligibility criteria at any point during the funding period
- Do not spend all or part of your funding
- Do not use the funding per [O. Reg. 137/15](#), your 2023 CWELCC Agreement or this Guideline
- Do not provide supporting documentation for expenses claimed upon the Region's request
- Fail to comply/participate in an audit process
- Cease/close operating your business

If we determine that you are not in compliance, you must return all or part of your CWELCC funding

amount through our recovery process. You must pay the amount owed to maintain ongoing eligibility for EYCCS funding.

SECTION 12: APPEAL PROCESS

If you would like to dispute a decision related to your participation in the CWELCC program, you must make an appeal in writing via email to EarlyYearsSystemDivision@peelregion.ca. All appeals will be handled in a fair and equitable manner by following the guidelines, dispute resolution process outlined in the CWELCC service agreement and legislation determined by the Ministry of Education, alongside the policies and practices determined by the Region. You will be notified of a decision on an appeal within 14 calendar days.

SECTION 13: CONTACT US

Please email EarlyYearsSystemDivision@peelregion.ca for any questions.

APPENDIX 1: KEY TERMS

- **Base Fees:** The fee that families must pay for a child to receive child care that meets the requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).
- **Base Hourly Wage:** Hourly rate paid to the position by the agency excluding any funding subsidies and previous year WEG. If the position is paid an annual salary, use an online salary calculator to convert to hourly rate.
- **Expression of Interest (EOI):** Region’s process for agencies to learn more about the CWELCC program, and what it will mean for their business before making an official decision to opt-in.
- **Non-Base Fees:** Any fee for optional items or optional services, in accordance with the terms of the agreement between the licensee and parent.
- **Opt-In:** LHCC agencies who provide formal notice to the Region in writing that they will participate in the CWELCC program after the Region’s EOI process is complete.
- **Opt-Out:** LHCC agencies who do not wish to participate in the Region’s CWELCC program, who complete the ‘CWELCC Opt-Out Form’ and indicate in the Ministry’s Child Care Licensing System (CCLS) that they are not going to enroll in the CWELCC program.
- **Registered Early Childhood Educator (RECE):** A member in good standing of the [College of Early Childhood Educators](#) (CECE) as outlined on the [Early Childhood Educators Act, 2007](#). Review this link to [learn more about the use of the title](#).
- **Wage Floor:** The minimum that LHCC agencies participating in the CWELCC program must pay (per hour) eligible RECE home visitors.
- **Statutory Benefits:** The benefits that you are required to provide to your staff by the law such as: up to 2 weeks of vacation days, 9 statutory holidays, Canada Pension Plan (CPP), Employment Insurance (EI), Employer Health Tax (EHT) if applicable, Workforce Safety and Insurance Board (WSIB) if applicable, etc.

APPENDIX 2: CWELCC FUNDING METHODOLOGY

2023 CWELCC Fee Reduction Funding Allocation Methodology:

The Region has calculated the 2023 CWELCC funding allocations to support the 52.75% fee reduction to eligible families using variables such as the Average Daily Enrolment (ADE), which included privately placed families. We have calculated allocations based on the approved rates as noted in your approval letter and submitted through the EOI template. Rates used for full-fee children have been adjusted to remove the Fee Reduction Operating Grant (FROG) and are net of FROG.

2023 Transition Operating Grant Allocation Methodology (LHCC CWELCC Only):

Part A: Cost Escalation	$2.75\% * (\text{Average Daily Enrolment}) * \text{Rates}$
Part B: Operating Amount	Administration associated with WEG (where applicable) Additional 2.6% to support the administration of CWELCC, costs incurred to meet reporting requirements, cost of audited financial statements and additional changing costs calculated as: $\text{Average Daily Enrolment} * \text{Rates} * (52.75\%) * (2.6\%)$

Note: LHCC agencies with **both FSA and CWELCC Agreement** with the Region, refer to the [2023 LHCC Base Funding Guideline](#) for information on how your TOG was calculated.

CWELCC Workforce Compensation Funding (WCF) Allocation Methodology:

To minimize administrative burden for providers, the wage data you provided on your 2022 WEG application has been used to determine your 2023 WCF eligibility and allocation.

Funding Requests

If you think your agency requires additional CWELCC fee reduction and/or workforce compensation funding, please email EarlyYearsSystemDivision@peelregion.ca to request a budget adjustment. No agency should experience a shortfall in funding.

APPENDIX 3: EXAMPLES OF BASE FEES/NON-BASE FEES

COLUMN A: BASE FEE <i>Include mandatory fees parents would pay</i>	COLUMN B: NON-BASE FEE <i>OPTIONAL items/services not supported under CWELCC</i>
✓ Play materials, equipment and furnishings such as cots, cribs, bedding	<ul style="list-style-type: none"> Late pick up fees for child care provided beyond operational hours outlined in the parent handbook
✓ Supervision by adult during operational hours	<ul style="list-style-type: none"> Optional transportation where a separate fee is charged.
✓ Lease/occupancy costs	<ul style="list-style-type: none"> Optional field trips where a separate fee is charged
✓ Food / catering costs Note: under the CCEYA if a child receives care for <u>six hours or more</u> , Providers are to ensure the food offered to the child includes 2 snacks in addition to any meals provided	<ul style="list-style-type: none"> Not Sufficient Funds (NSF) fees in accordance with the terms of the agreement between the parent and licensee
✓ Development and implementation of individualized plans (medical, special needs, anaphylaxis)	<ul style="list-style-type: none"> Diapers, sunscreen (if optional)
✓ Any other mandatory cost the parent is required to pay to support the operation of the child care program (e.g. administration costs such as deposit fees)	<ul style="list-style-type: none"> Uniforms
✓ Any programs or services that are included as part of the core day programming and is included as part of the regular child care fee paid by families.	<ul style="list-style-type: none"> Any other optional items/services where an additional fee is charged in accordance with the terms of the agreement between the parent and provider (e.g. optional classes such French, music, yoga, etc.)

REGISTRATION FEES: Registration Fees are frozen at March 27, 2022 levels. In 2023, the Region will support a 52.75% fee reduction to eligible families who must pay a registration fee for eligible children. Both full fee families and families eligible for fee subsidy are eligible to receive the reduction in registration fees. Example: if your registration fee is \$100, providers must collect \$47.25 from families and can claim the remaining \$52.75 through CWELCC. Support for fee reductions on registration fees for 2024 onwards are subject to budget availability.

DEPOSIT FEES: Participating agencies must reduce their fee deposit by 52.75% for eligible children (i.e., children under 6 years of age). LHCC agencies cannot claim the remaining 47.25% from CWELCC as an upfront deposit, as the deposit collected from families must be applied against the reduced fee when the family leaves child care. Example: if the regular fee deposit is \$1000 (equivalent to 2 weeks of care), it must be reduced to \$472.50 in 2023. When the family gives notice that they are leaving, the deposit of \$472.50 can be applied to their last two weeks of care. At that time, agencies can claim the CWELCC portion of the fee for the last two weeks.

APPENDIX 4: SAMPLE STAFF COMMUNICATION

As part of the CWELCC program, the Ontario government is providing funding for improved compensation through a wage increase and a wage floor for RECEs.

RECE Wage Increase

From 2023 to 2026, eligible RECE home child care visitors will receive an annual wage top-up of up to \$1/hour, plus benefits to a cap of \$25/hour. To receive an annual wage increase, you must be receiving Wage Enhancement Grant (WEG) funding, and your hourly wage (including employer paid wages, WEG, and the RECE wage increase) must be below the wage cap of \$25 per hour.

RECE Wage Floor

Eligible RECE home child care visitors employed by LHCC agencies participating in the CWELCC program should earn at least the hourly wage floor in the table below (including employer paid wages, WEG, and the RECE wage increase), plus benefits:

RECE wage floor*				
(Amounts include employer paid wages, WEG, and the RECE wage increase)				
Position	2023	2024	2025	2026
RECE Home Child Care Visitors	\$21	\$22	\$23	\$24

*Plus, up to 17.5% benefits.