



County of Simcoe

2023

Canada-Wide Early Learning & Child Care Guidelines

Children Services Funding Agreement
Appendix B - Schedule "L"

Revised August 2023

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COUNTY OF SIMCOE MISSION, VISION & VALUES

Mission, Vision and Values: these are much more than words. They reflect what we as an organization and government stand for, what we seek to achieve and what we endeavour to accomplish. It is through these guiding statements that we at the County of Simcoe demonstrate commitment to the residents we serve, with a sense of pride around how that service is delivered.

- **Mission:** Build and sustain service excellence while creating an accessible and healthy quality of life.
- **Vision:** To be the community of choice, through responsible, progressive, and co-operative leadership.
- **Values:**
 - Stewardship: We are responsible guardians for a sustainable future.
 - Leadership: We work as a team to inspire, empower, and lead by example.
 - Integrity: We are honest, trustworthy, and transparent at all times.
 - Innovation: We nurture and cultivate creative, progressive and leading-edge ideas.
 - Respect: We recognize individualism through fair and equitable interaction.
 - Accountability: We are committed to ownership and follow-through.
 - Co-operation: We strive for positive approaches to partnerships, teamwork and understanding.

It is with our mission, vision and values top of mind that we embark on this new Canada-Wide Early Learning and Child Care (CWELCC) journey with licensed child care operators across Simcoe County. We recognize that this new funding opportunity will benefit families and support the economy. This document contains extensive, detailed information intended to guide you in how CWELCC funding may be used. In an effort to be fully transparent, please note that these Guidelines may change as new and/or clarifying information becomes available.

Licensees are encouraged to continue communicating with the County of Simcoe team, to ensure we are aware of any questions or concerns you may have, and so that we might assist you as required.

PURPOSE

This document outlines Minimum Eligibility and Reporting Requirements associated with the Canada Wide Early Learning & Child Care (CWELCC) funding program and supersedes all previous County of Simcoe communication regarding this funding. In addition to these requirements, Operators must also follow any requirements listed in their Children Services funding agreement, CWELCC Funding Schedule and the Licensee Handbook.

DEFINITIONS

“**CCEYA**” is the acronym for Child Care & Early Years Act, 2014.

“**CWELCC**” is the short form for the Canada Wide Early Learning & Child Care funding program.

“**Licensee**” refers to a centre-based or home-based child care program licensed by the Ministry of Education.

“**CMSM**” refers to the Consolidated Municipal Service Manager designated as a service system manager as defined by the CCEYA. The County of Simcoe is the CMSM for 16 member municipalities that make up Simcoe County and for the two separated cities of Barrie and Orillia.

“**Base Fee**” means any fee or part of a fee that is charged to parents in respect of a child for child care, including anything a licensee is required to provide under the CCEYA, or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.

“**Non-Base Fee**” means any fees charged to parents for optional items or optional services, such as transportation or field trips or any fees charged pursuant to an agreement between the parent and the licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide but failed to provide), as defined in the CCEYA.

“**Eligible Child**” means any child under six years old; and up until June 30 in a calendar year, any child who a) turns six years old between January 1 and June 30 in that calendar year; and b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or a home child care as defined in the CCEYA. Children who turn six between July and December are eligible until the end of the month in which they turn six. Children attending a room licensed as primary junior school age, or junior school age as part of the mixed age grouping, are only eligible until the end of the month in which they turn six.

“**Reasonable Expense**” means an expense that demonstrates prudence, good judgement, moderation and is defensible to an impartial observer.

“**Licensed Capacity**” means for a child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care in the child care centre at one time as set out in the licence of the child care centre. For home child care, the maximum number of children permitted to be receiving child care in the home at one time as set out in the agreement between the licensed home child care agency and home child care provider.

“**Operating Capacity**” means the number of children the centre/home child care is planning to serve as per the licensee’s staffing complement and budget, to a maximum ceiling of the licensed capacity.

CANADA-WIDE EARLY LEARNING & CHILD CARE SUMMARY

The Government of Canada has identified child care as a national priority to enhance early learning and childhood development, support workforce participation, and contribute to economic recovery.

On March 28, 2022, the Governments of Canada and Ontario signed the Canada-Wide Early Learning & Child Care (CWELCC) agreement. As part of this agreement Ontario will receive \$13.2 billion over six years beginning in 2021-2022. This funding will be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity.

In 2022 child care fees for eligible children were reduced by up to 25% at CWELCC enrolled licensed child care programs. As of December 31, 2022 the fees will be further reduced by an additional 37%. This will bring the fees down by a total of 52.75% relative to the base fees charged in March of 2022. Additional fee reductions are expected to eventually bring average child care fees down to \$10 per day, per child. This document outlines the application process, eligibility, and reporting requirements for 2023 CWELCC funding.

APPLICATION PROCESS & ELIGIBILITY REQUIREMENTS

All licensees with programs serving children under the age of 6 (or turning 6 before June 30) in Simcoe County are eligible to apply to participate in the CWELCC program. Licensees with programs serving children 6-12 years old, are eligible to apply for the workforce compensation component. Participation is optional, however licensees are encouraged to participate so that families can benefit from fee reductions and eligible staff can benefit from the wage supports. Licensees that are enrolled in CWELCC will receive funding to support the following:

- Fee Reduction – Funding to support operating expenses going forward
- Workforce Compensation – Annual wage increases for RECEs beginning January 1, 2023, until 2026, or until they reach a provincially determined hourly maximum
- Workforce Compensation – Increasing wages of low income Registered Early Childhood Educators (RECEs) to bring their total hourly wage (inclusive of WEG and annual wage increase) up to a provincially established wage floor
- Workforce Compensation – Minimum wage offset for non-RECE staff if applicable

Additional detail about each of the aforementioned items will be provided later in this document.

Programs with existing licenses as of August 31, 2022, who opted out of CWELCC in 2022, will be required to submit one application per site, to be considered for the fee reduction and workforce compensation opportunities for 2023. Applications must be submitted to the County on or before February 28, 2023 in order to be considered for 2023 funding. Following this date, any new programs wishing to enroll in the CWELCC program will need to submit an application for consideration within the applicable timelines, and align with the County of Simcoe's targeted growth plan.

Licensed Centre-Based Child Care

Licensees interested in participating in the CWELCC program are required to apply for each licensed child care site located within Simcoe County, the City of Barrie or the City of Orillia. School age programs that serve kindergarten aged children (under 6 years of age) may also apply for the CWELCC fee reduction program, even if only a few children would be eligible. School age programs serving children 6-12 are not eligible for the fee reduction, but are eligible to apply for the workforce compensation component of the CWELCC program.

Licensed Home Child Care

Licensed home child care agencies should apply to the Consolidated Municipal Service Manager (CMSM) or District Social Service Administrative Board (DSSAB) where the agency's head office is located, on behalf of all providers, regardless of where the individual home child care providers are located. For example if the home child care agency head office is located in Simcoe County, but the agency works with home child care providers in both Simcoe County and York Region, the licensed home child care agency would apply to Simcoe County for all home child care providers signed on with them.

Declining an Application

Licensees that apply to participate in the Canada Wide Early Learning and Child Care (CWELCC) program may be declined at the discretion of the County of Simcoe, due to one of the following reasons:

- The child care centre or home child care agency is not financially viable or will not be operated in a manner that will be financially viable; or
- There is reason to believe that the licensee will use the funding for improper purposes; or
- If the application for enrolment is submitted on or after January 1, 2023, and the program/space to be created is inconsistent with the County of Simcoe's child care and early years programs and services plan with respect to,
 - the demand for child care, and
 - the capacity and locations of existing child care centres and premises where home child care is provided.

If the County of Simcoe declines a licensee's CWELCC application, the licensee will receive this decision in writing. The licensee will then have ten business days to file an appeal in writing to the Manager of Early Learning & Child Care for consideration.

Application Documents Required

Licensees must complete and submit an application to the County of Simcoe to demonstrate that they meet the regulatory requirements to be eligible to participate in the CWELCC System. As of January 1, 2023, under Ontario Regulation 137/15 (s.77.3(2)), CMSMs have the discretion to deny enrolment to licensees where the program is not aligned with the CMSM's Directed Growth Plan.

To be considered for new CWELCC spaces within the Directed Growth Plan, the following documents are required:

- CWELCC Pre-Qualification Application

- CWELCC Expansion Plan Application (as applicable)
- CWELCC Start Up Grant Application (as applicable)

Additional information regarding this process will be shared by email and posted on the County of Simcoe’s website once available.

Licensees that do not currently have a Children Services Funding Agreement with the County of Simcoe are also required to submit the following:

- Completed Agency Information form
- A copy of the business’ incorporation papers
- A list of the Board of Directors (if applicable)
- A completed new vendor package with direct deposit banking information
- A Certificate of Insurance (COI) that includes:
 - A minimum of \$5,000,000 in liability coverage
 - Cross liability coverage
 - The County of Simcoe listed as an additional insured

Eligibility Requirements

In order to be eligible to participate in the Canada Wide Early Learning and Child Care (CWELCC) program, licensees will be required to demonstrate that the program is financially viable. This means that the program can be reasonably expected to meet its financial obligations with the revenue received, regardless of the source of revenue. In order to determine if a program is financially viable, the most recent financial statements will be reviewed. If no financial statements are available within the last 18 months, additional documentation may be requested to determine financial viability.

In order to be eligible for CWELCC funding, the program must be located in an area assigned within the County of Simcoe’s Directed Growth Plan and are required to apply for the Wage Enhancement Grant (WEG) if the licensee is not already in receipt of this funding.

FUNDING ELEMENTS

FEE REDUCTION FUNDING

Making child care more affordable for families is a key objective in implementation of the CWELCC program. Fee reduction funding is focused on reducing parent fees for families with eligible children in licensed child care.

To ensure stability and sustainability of the child care system while working towards Ontario’s goals for affordability, access, inclusion and quality, fee reductions will be implemented using a phased in approach as follows:

- A fee reduction of up to 25% for eligible children, April 1 to December 31, 2022 for programs that opted in and were deemed eligible

- An additional 37% reduction (of the already reduced rate) bringing the total reduction to 52.75% on average for eligible children by December 31, 2022 (in comparison to the March 2022 fees)
- \$10 per day average child care base fees for eligible children by March 31, 2026

If an existing child care program is confirmed as eligible for the CWELCC program, by the CMSM, the following timelines will take effect:

- Within 14 calendar days of the CMSM confirming the licensee is eligible for the program, families and staff must be notified by the licensee of the result of the program's application
- If enrolled, the licensee will then have 30 calendar days from the date the funding is received to reduce child care fees for eligible families going forward
- If enrolled, the licensee will have 30 calendar days from the date the funding is received to reimburse families retroactively to the date of enrollment

When a newly licensed program is confirmed as eligible for the CWELCC program, from the date of opening the program will charge the families the legislated rates, as described further in the next section. The enrollment date will be deemed by the CMSM, in alignment with Ministry of Education requirements, when processing the application, and will be indicated on the CWELCC funding agreement.

Fee Reduction Calculations

The Fee Reduction component will be calculated by considering 52.75% of the eligible cost of care (base fee as of March 2022), multiplied by the operating capacity for eligible age groups, with an additional 2.75% to support cost increases that operators may face that are beyond the licensee's control that may impact their capacity to participate in CWELCC. The eligible cost of care will be the rate charged to families on March 27, 2022 for licensed programs already in operation, unless the licensee formally notified its families of an impending change in child care fees at that time. If the licensee had notified families prior to March 27, 2022 of an upcoming change in fees, the licensee will be required to provide supporting documentation that verifies when families were notified, what the new rate(s) are, and the date the new rate(s) were to take effect.

Child Care programs or classrooms that were not licensed until after March 27 2022, are required to use the applicable Simcoe County rate caps indicated in the legislation (Ontario Regulation 137/15). This also applies to licensed spaces that have not been in operation for two years or more.

Once a licensee is enrolled in the CWELCC program, and reduces its fees accordingly, the licensee is required to maintain its new rates until they are either required to reduce the fees again, or they are no longer participating in the CWELCC program.

It is important to note that in 2023, child care fees will not be reduced lower than \$12 per day for "full fee families". As such, if the cost of care for a kindergarten child to attend before and after school is \$22 per day, the reduced rate in 2023 will be \$12, not \$10.40. The \$12 floor does not apply to children in receipt of fee subsidy.

Enrollment & Eligible Children

Eligible age groups for the fee reduction component include children from birth to five years of age (0-5) and children who turn six between January and June, up until June 30 in the year the child turns six, provided they are enrolled at a licensed child care program participating in CWELCC and enrolled in a preschool, kindergarten, family grouping or home child care group. Children enrolled in a school age program as part of the mixed age grouping and children turning six between July and December are eligible until the end of the month in which they turn six.

Funding from the County will be provided based on operating capacity, which takes into consideration the number of children the program is staffed to accommodate. For example, if a toddler room is licensed for 15 toddlers, and there are currently 12 children enrolled, funding will be provided for 15 spaces as the program has sufficient educators to accept three additional children. This will allow the Licensee to enroll children within the existing staffing compliment without requiring additional funds. If the Licensee reduces enrollment and the applicable staffing, they are required to notify the County of Simcoe and funds may be recovered.

Classrooms that are currently licensed but not operating, will not be funded at this time. If a licensee has sufficient demand and staffing to re-open a classroom, the licensee will need to contact the County of Simcoe to secure funding. As indicated in the legislation, if the room has been closed for two years or more, the licensee may only charge families the rates indicated in Ontario Regulation 137/15, unless the rates for this age group were publicly available on March 27, 2022. For example, if a program is licensed for two preschool rooms and one has been closed since 2020, but the preschool rates are publicly posted rates, if the centre re-opens the second room in 2023, they may use the publicly posted rates which are being charged for currently registered preschool children.

Licensees enrolled in the CWELCC program are required to maintain the licensed spaces for children ages 0-5 that were in place prior to the March 28, 2022 provincial announcement. Any revisions or use of alternate licensed capacity must be reported to the County of Simcoe prior to the change taking place. At that time the County of Simcoe will determine if the proposed change will result in a funding adjustment or recovery from the licensee.

Unlicensed child care programs, including unlicensed home child care, authorized recreation programs and school board operated extended day programs are not eligible to participate in the CWELCC program.

Children in Receipt of Fee Subsidy

Families in receipt of Fee Subsidy, will receive a reduction in the daily parental contribution that they pay to licensees. They are not governed by the \$12 rate floor. The County of Simcoe will complete the calculations to confirm each child's new parental contribution and will advise the licensee in writing.

In January 2023, all fee subsidy rates were changed from a "per family" rate to a "per child rate" in order to better support the administration of the CWELCC program.

Home Child Care Fee Reduction

Parents of eligible children attending licensed home child care through an agency that enrolls in CWELCC will also benefit from a reduction in fees. This includes children registered through the licensed home child care (LHCC) agency, as well as children privately registered through the agency's individual providers. In order to provide fee reduction funding for private families, the home child care agency will need to verify that the provider has not increased their rates since March 27, 2022 (unless the families were formally notified in advance) and will require documentation from its providers that verifies the amount each family is paying to their provider, per day, in order to determine the total eligible funding. In addition, the LHCC Agency will need to set up tracking methods to ensure that the funding is provided to eligible families in accordance with the guidelines. Verification must be made available to the County of Simcoe upon request.

Determination of Base Fees / Ongoing Operating Costs

In 2023, CWELCC funding will be provided on a revenue replacement basis, with the addition of the cost escalation funding and workforce funding. Once these components of the funding have been allocated, licensees who continue to experience higher costs than what are covered by the funding and parent fee revenue, that are outside of their control, will have an opportunity to apply for additional CWELCC funding. Funding will be issued equitably, based on each licensee's demonstrated need and the funding available.

It is important to note, the purpose of CWELCC is not to limit or standardize a licensee's current operations, nor is it intended to come at a cost to licensees.

Base Fees & Non-Base Fees

As indicated at the beginning of this document, the definition of base fees, and non-base fees are as follows:

Base Fees are any fee or part of a fee that is charged in respect of a child for child care, including anything a licensee is required to provide under the CCEYA, or anything a licensee requires the parent to purchase from the licensee, but does not include as a non-base fee. This includes mandatory registration fees.

Non-Base Fees are any fees charged for optional items or optional services, such as transportation or field trips or any fees charged pursuant to an agreement between the parent and the licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide but failed to provide), as defined in the CCEYA.

Operating expenses for each licensee across the County of Simcoe will vary. The CWELCC program is **not** intended to force programs to "look the same". The uniqueness of the licensees in Simcoe County is valued, as is parents' ability to choose the program that they deem to be the best fit for their respective family.

When considering base fees for a licensee, the County will first look at everything that was included in the fees that families paid on March 27, 2022. If the program offers ongoing learning opportunities

such as music, yoga, second language instruction etc., and the cost for these offerings is built into the March 27, 2022 fee structure, they will be considered a required expense of the program and part of the base fees. If parents are required to pay extra for these offerings, and they are optional, then they will be considered a non-base fee.

The same applies to specialty menus and/or transportation that was already in place and part of the fee structure on March 27, 2022. Expenses that are paid on top of the regular fees, and are optional, will be considered non-base fees. This could include late fees for late pick up and/or late payment of fees, cost for field trips that are paid in addition to the regular fees.

In addition, it is assumed that the cost of care per child care space does not change, whether it is occupied by one full time child or shared by two part time children. As such, when finalizing the base fee going forward, one daily rate will be finalized that covers the actual cost of care. Charging a premium rate for part time care in the future will be eliminated, and the finalized base rate will apply to all children.

As suggested in our Mission, Vision and Values, it is important to us that we work through this process together in a transparent, co-operative way that values the uniqueness of each child care program while also respecting the requirements of the funding. Licensees are encouraged to contact the County with any questions they have about this funding and how it will work for their program.

Eligible Expenditures

Funding will be provided by the CMSM to the licensee to support reasonable, eligible expenditures in order to achieve the required fee reduction to base fees for eligible children. This includes any costs associated with the licensee's base fees.

Funding cannot be used to lower fees beyond the applicable amount (i.e., additional discounts for multiple children), or to cover fee holidays (i.e., a period where parents are not required to pay some or all of the fees, for example while away for vacation).

Program Closures

During the term of the CWELCC funding agreement, the licensed child care program may not exceed two consecutive weeks of closure, and not more than four weeks (twenty days) of closure in total, within a calendar year while parents are charged fees and the program is receiving full CWELCC funding. Full parent fees cannot be charged for any closure above and beyond the maximum allowable. Statutory holidays and closures due to events outside a licensee's control are considered separate from the four weeks of closure days indicated above.

If a program does not charge fees for the closure period, the days of closure do not need to be counted in the limits set out above. Summer closures for programs such as Nursery Schools, where parents are not charged, are eligible to apply for CWELCC for the balance of the year, as they would not require CWELCC funding to cover the period of closure.

WORKFORCE COMPENSATION

The commitment, knowledge, and experience of Ontario's diverse range of professionals are the foundation of the child care and early years system. The workforce compensation element of CWELCC funding will support improved compensation for some Registered Early Childhood Educators (RECEs) through the provincial introduction of a wage floor and an annual wage increase for eligible RECEs.

In addition, workforce compensation funding will be provided to offset wage increases for eligible non-RECE staff associated with the minimum wage increases that came into effect January 1, 2022 and October 1, 2022.

Annual Wage Increase

Beginning January 1, 2023 eligible RECEs will receive an annual wage increase of \$1 per hour, up until they reach the hourly maximum (\$25 per hour). To be eligible for an annual wage increase, staff must be employed by a licensee that is enrolled in the CWELCC program and be in a position categorized as:

- RECE Program staff
- RECE Child Care Supervisor
- RECE Home Child Care Visitor

In addition, to be eligible for an annual wage increase of \$1 per hour, staff must be receiving a total hourly wage, inclusive of Wage Enhancement Grant (WEG), below the wage cap of \$25 per hour on January 1 of each eligible year (i.e., base wage plus WEG funding plus annual increase cannot exceed \$25 per hour). Benefits should not be included when determining the base wage. If the individual's hourly wage (with WEG) is above \$24 but below \$25, the individual would be eligible to receive the amount required to bring their total hourly wage to \$25.

Wage Floor

To be eligible to have their hourly wage raised to the wage floor, RECEs must be employed by a licensee that is enrolled in the CWELCC program, and the staff must be working in one of the following positions:

- RECE Program Staff
- RECE Child Care Supervisor
- RECE Home Child Care Visitor

Licensees are required to bring the wage of all eligible staff up to the wage floor identified in the table below. All eligible staff hired within the year in question must earn at least the wage floor identified for that year, plus benefits as defined in the table below.

The wage floor for 2023 comes into effect January 1, 2023. To determine if an RECE working in an eligible position is at or below the wage floor, the licensee must consider the hourly rate the RECE is earning, inclusive of Wage Enhancement Grant (WEG) and CWELCC annual wage increase. Benefits

should not be included when determining the base wage. Based on the information provided by the licensee in the wage workbook, the County will confirm eligibility and provide the funding.

Hourly Wage Floor 2022-2026

	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisor or RECE Home Child Care Visitor	\$20	\$21	\$22	\$23	\$24

Please note: The licensee is required to first apply for and provide Wage Enhancement Grant (WEG) funding to all eligible staff, in order to be eligible to apply for workforce compensation funding. **If the licensee is not currently receiving WEG from the County, an application (available on the County website) must be submitted by the applicable deadline.**

Order of Operations

For clarity, to determine the RECE workforce compensation eligibility, the following order of operations must be followed:

1. First determine 2023 base wage (paid exclusively by employer)
2. Add eligible WEG amount (up to \$2 per hour per WEG guidelines)
3. Add eligible CWELCC annual wage increase \$1 per hour, up to \$25 per hour

*The total wage from Steps 1 – 3 is used to determine if the individual is above or below the wage floor.

4. Add CWELCC incremental wage floor funding, if applicable
5. Add GOG wage contributions, if applicable

The total of # 1-5 is the individual’s total wage before statutory benefits are considered. If a licensee is unsure whether or not an individual is eligible for workforce compensation funding with respect to the wage floor or annual increase, please contact your Compliance Analyst for clarification.

Wage Floor / Annual Increase Examples

The following examples represent some ways the wage floor and annual increase may apply to RECEs, but is not considered an exhaustive list of examples.

Position	Base Hourly Rate (Step 1)	Wage Enhancement Grant (Step 2)	Annual Increase 2023	Total Hourly Rate	Wage Floor 2023	Total 2023 Hourly Wage
RECE	\$15.50	\$2.00 WEG	\$1.00 AI	\$18.50	\$0.50	\$19.00
RECE	\$18.00	\$2.00 WEG	\$1.00 AI	\$21.00	N/A	\$21.00
RECE Supervisor	\$17.00	\$2.00 WEG	\$1.00 AI	\$20.00	\$1.00	\$21.00
RECE Home Visitor	\$18.00	\$2.00 WEG	\$1.00 AI	\$21.00	N/A	\$21.00
RECE Home Visitor	\$16.00	\$2.00 WEG	\$1.00 AI	\$19.00	\$2.00	\$21.00
RECE Supervisor	\$22.50	\$2.00 WEG	\$0.50 AI	\$25.00	N/A	\$25.00

Payments to Staff

As this funding is intended to be part of the individual's wages, it must be provided to eligible staff in each pay cheque or payment made. Workforce compensation may not be paid at a later date as a lump sum payment.

Other Compensation Increases

Workforce compensation funding must be considered in addition to and not reduce other planned compensation increases for eligible staff. For example, the wage floor and annual wage increase cannot be used to reduce or replace agency-planned merit increases for eligible staff.

Written Notice of Wage Floor and/or Annual Increase

Upon receiving confirmation of enrollment in the CWELCC program, and as new staff are hired, licensees are required to share in writing, information about the wage floor and annual wage increase with eligible staff. The information must provide eligible staff with an understanding of upcoming annual changes to their wages as a result of the workforce compensation funding. At a minimum, the information about wages must include the wage floor and required annual wage increase for each year up to and including 2026.

Alignment with Collective Agreements

Some licensees may be subject to the terms of a collective agreement. Licensees should seek independent legal advice on implementing the wage floor and annual wage increase. If the funding is not used for this purpose it will need to be returned to the County.

Statutory Benefits Costs

Workforce compensation funding includes up to 17.5% to cover the licensee's statutory benefits costs. This includes the employer portion of CPP (Canada Pension Plan), EI (Employment Insurance), EHT (Employer Health Tax if applicable), WSIB (Workplace Safety and Insurance Board if applicable), two weeks of vacation and nine statutory holidays. Any remaining funding within the 17.5% can be used to fund other benefit expenses paid by the licensee/employer on behalf of the employees.

Statutory benefits are not paid directly to the employee. The employer portion of the statutory benefits are to be remitted by the licensee to the applicable government agency by the deadline. The portion of the statutory benefits required to support vacation and/or statutory holiday pay should be retained by the employer in order to pay the individuals appropriately when vacation time or statutory holidays occur. If you have additional questions regarding your statutory benefits obligations, we recommend speaking with your accountant and/or bookkeeper.

Ineligible positions and/or conditions

The wage floor and annual increases through CWELCC funding do not apply to the following positions:

- Non-RECE Program staff
- Non-Program staff (i.e., cook, custodial)
- SNR funded Inclusion Support staff
- "Director Approved" staff
- Staff hired through a third party (e.g. temp agency)

The only exception to the first two positions noted above is if the staff is an RECE and the position spends at least 25 percent of its time to support ratio requirements as outlined in the Child Care and Early Years Act. In this case, the staff would be eligible for the wage floor and annual wage increase for the hours that they are supporting the ratio requirements.

Minimum Wage Offset

On January 1, 2022 the minimum hourly wage was increased to \$15 per hour, and on October 1, 2022 the minimum hourly wage was increased to \$15.50 per hour. The minimum wage offset component of CWELCC funding is intended to offset this additional cost for the 2023 CWELCC funding period. Licensees participating in the CWELCC program may be eligible to receive funding to offset the minimum wage increases that took effect January 1, 2022, and October 1, 2022 for employees in positions categorized as:

- Non-RECE Program Staff
- Non-RECE Child Care Supervisor
- Non-RECE Home Child Care Visitor

In addition, the staff in those positions would have been earning less than \$15 per hour December 31, 2021, not including WEG or GOG and/or less than \$15.50 on September 30, 2022. Staff hired after September 30, 2022 are not eligible for the minimum wage offset.

RECE staff, Non-program staff, SNR funded inclusion support staff and/or staff hired through a third party (e.g. temp agency) are not eligible for the minimum wage offset. It is also important to note that this funding is associated with the individual employee, not the position. If an individual resigns from the program and a new staff is hired after the applicable deadlines above, the program is no longer eligible for the Minimum Wage Offset.

When the licensee submits an application to CWELCC the County will confirm and provide the applicable funding for any eligible positions. It is important to note that licensees have been required to pay staff the new minimum wage rates from the applicable effective dates onward. As such, any funding provided, will offset what has already been paid to the staff, and should **not** be paid as an additional payment to the employee.

Programs Serving Children 6-12 Years of Age – Eligibility

Licensees serving children six to twelve years of age, that are not eligible to receive in the CWELCC fee reduction funds, **are** eligible to apply for workforce compensation funding for eligible staff. This will ensure equity of wages across staff serving different age groups, and avoid these increases being passed on to parents through higher fees in school age programs.

RECONCILIATION

All funding received from the County of Simcoe is subject to reconciliation including the new Canada Wide Early Learning & Child Care funding. This allows the County to ensure that the funds were used in accordance with the related guideline.

Licensees are required to maintain records of fees charged to families, reimbursements provided to families (for newly approved licensees), attendance records for all eligible children, and payments made to staff. In 2023, at a minimum, Licensees in receipt of funding will be required to report on the following elements:

- Number of child care spaces by age group
- Number of children enrolled by age group, with the ability to separate the totals for children of full fee families and children accessing fee subsidy
- Average monthly number of children served through fee reductions provided by age group
- Total funds used to reduce daily fees for families in 2023, with the ability to separate totals for full fee families and families in receipt of fee subsidy
- *Funding used to offset minimum wage for eligible positions, including mandatory benefit component, by position type
- *Funding used to support staff positions eligible for the annual wage increase, including mandatory benefits component, by position type

- *Funding used to increase an RECE's wages to the wage floor, including mandatory benefits component, by position type

Some of the above listed requirements will be captured through OCCMS reporting. The elements not captured through OCCMS, may be required separately. All data elements for the year must be received no later than January 20, 2024. The items indicated with an asterisk (*) will be built into the existing WEG/GOG reconciliation which is due in quarterly reports as follows:

- Quarter 1 and Quarter 2, July 30th
- Quarter 3, October 30th
- Quarter 4, January 15th (following calendar year)

All workforce compensation elements noted above must be reported by all licensees and separately for staff serving the following age groups: eligible children (i.e., children under 6 years old), children aged 6 to 12 who are not eligible. If a staff member is serving both categories, they should be included in the category where they predominately work.

Advanced Funds (“Float”)

Payments to operators were set up with consideration of when the system generated payment would be received by the licensee. System generated payments through the Ontario Child Care Management System occur on the 18th of the month after the month the funds are for. As such, funds for January would not be received until February 18th. In order for licensees to reduce payments to families on January 1st, 2023, funds would need to be received prior to that so that the licensee would not experience any cash flow issues while waiting for the February 18th payment. As such, operators who opted in to CWELCC in 2022, received the following payments:

- On or about December 23, 2022, an advance payment (float) was provided with the estimated funding for January which was required to:
 - reduce parent fees by 52.75% on January 1
 - provide the annual wage increase to eligible staff on January 1 and;
 - address the 2.75% cost escalation funding.
- On February 1, 2023, licensees received a second advance (float) payment with the same estimated funding for the month of February.

These two advance payments would address the funds required until the licensee began receiving the eligible fee reduction funding for January on February 18. Once the payments were made through OCCMS, the portion of the advance payments that were intended for the fee reduction, were considered duplicate.

In order to meet the Ministry of Education's reporting requirements, the advance payment provided in December for the month of January needs to be reconciled separately from the balance of 2023 CWELCC funding. As such, the workforce template (Q1-Q2 report) will provide an area to report January. OCCMS will be used to reconcile the January funds for fee reduction and cost escalation

funding. Any unused funds from the December payment will need to be returned to the County of Simcoe in August/September 2023, once the program supervisor confirms the funds owing.

The advance payment provided in February for fee reduction funding, may be temporarily retained by the licensee to support cash flow fluctuations between the first of the month and the 18th of the following month when the actual payment is received. In the fall of 2023, the County will confirm how those funds may be used before the end of December, or if they will need to be returned.

Unspent Funding

Any unused funding provided to licensees during the funding year, or funding not used for its intended purpose must be recovered by the County of Simcoe.

Financial Compliance Review

County of Simcoe staff will attend child care programs enrolled in CWELCC to perform funding compliance reviews. The intention of the review is to ensure the licensee is using the funding in accordance with the guidelines. The County will provide a minimum of one weeks' notice (five business days) when scheduling the review and will provide a high-level overview of what licensees will need to make available at the time of the on-site visit.

If a licensee is found to be working outside of the guidelines, County staff will provide guidance about what needs to be adjusted with a deadline for completion. Repeated instances of non-compliance will put the licensee's funding agreement with the County at risk of termination.

Audited Financial Statements

All licensees enrolled in the CWELCC program will be required to provide audited financial statements prepared by a third party accountant, regardless of the level of funding received from the County. The audited financial statements are due within four months of the licensee's fiscal year end. This is a mandatory requirement of the CWELCC program and as such, failure to provide audited financial statements by the deadline will result in a funding hold and/or additional progressive steps up to and including termination of the funding agreement.

ADDITIONAL FUNDING CONDITIONS & ACCOUNTABILITY

In addition to the parameters previously listed in this document, the following requirements are also expectations of the Canada Wide Early Learning & Child Care (CWELCC) program. Licensees are expected to:

- work with the CMSM to operate under the terms and conditions of this funding;
- maintain child care fees at the applicable level according to the guidelines;
- maintain a license in good standing in accordance with the Child Care and Early Years Act;
 - If a license is revoked or suspended, funding will immediately be stopped
- complete and submit the Licensed Child Care Operations Survey as provided by the Ministry of Education;
 - The CMSM is required to withhold funding until confirmation is received that the survey was submitted

- ensure a copy (electronic or hard copy) of the licensee’s funding agreement with the County of Simcoe with the CWELCC funding schedule is available on the child care premises at all times;
- maintain existing child care spaces for children aged 0-5.

Licensees that do not currently have a Children Services Funding Agreement with the County of Simcoe, with a funding schedule to offer child care fee subsidy, will be expected to work towards that goal on or before January 1, 2025.

The County of Simcoe is responsible for investigating all complaints pertaining to use of funding by contracted Child Care Agencies. Complaints will be handled on a case-by-case basis.

Payments to Licensees

Licensees are required to report their full fee spaces in the CWELCC section in the Ontario Child Care Management System (OCCMS), for each age group, each month, as this is used in determining the funding allocation for the fee reduction component of CWELCC funding. All other aspects of CWELCC will be paid outside of OCCMS on the first of the month for the month ahead. This funding will include but is not limited to; the 2.75% cost escalation funding, the workforce compensation component et cetera. Other one-time payments, such as available top up funding will be provided in a lump sum payment.

Licensees that opted in to the CWELCC program in 2022 began receiving funding for 2023 in late December of 2022. The funding released in late December was based on an estimated allocation for 2023. The County of Simcoe will work with CWELCC enrolled programs throughout the year if there are changes in enrollment and/or staffing and update funding allocations accordingly.

For Licensees enrolling in the CWELCC program in 2023, the initial funding amount received will include all components of CWELCC funding, including fee reduction, workforce compensation and cost escalation funding, retroactive to the date of enrollment. Included in this initial funding amount will be an advanced payment (float), which will be equivalent to one month of the program’s fee reduction funding. This advanced payment (float) is intended to support cash flow, until the Licensee receives the funds through their reporting in OCCMS.

OPTING OUT

Licensees that have notified the County of Simcoe that they will not participate in CWELCC may continue to run their operations under the existing provincial licensing and regulatory framework. Licensees that do not participate will not receive CWELCC funding and may continue to set their own parent fees. Licensees are required to indicate in their parent handbook that they are not participating in CWELCC and must include their fee amounts.

For licensees who opted out of CWELCC in 2022 and enrol for 2023, the licensee’s base fee for purposes of the fee reduction is the base fee that applied during the 2022 fee freeze (even if their fees increased in the interim).

SALES & ACQUISITIONS OF CHILD CARE BUSINESSES

Ontario Regulation 137/15 sets out requirements with respect to sales of child care businesses. If a licensee operating a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make changes to the corporation's board of directors, the licensee would remain enrolled in the CWELCC system and must maintain the applicable base fee as determined through the processes detailed above.

If a licensee sells substantially all of its assets and the purchaser obtains a new license to operate a child care centre or home child care agency, to continue operating the child care program, the purchaser must:

- Charge base fees in accordance with Ontario Regulation 137/15 for newly issued licenses described under Cap on Fees (i.e. set parent fees at or below the County of Simcoe maximum). Please refer to the regulation for further details.
- Apply to participate in the CWELCC system in accordance with the process set out in this document or follow the steps to opt out of the CWELCC system.

CONTACT

If you have general questions related to CWELCC funding, or your program is not currently enrolled in CWELCC, please contact Program Supervisor, Lauren Spinks by email at Lauren.Spinks@Simcoe.ca or by phone at 705-722-3132 ext. 1852.

If your program is currently enrolled in CWELCC and you have questions directly pertaining to your program, you may contact your Compliance Analyst:

Kimberley Zanon Phone: 705-722-3132 Ext.1055 Email: Kimberley.Zanon@Simcoe.ca	Jeff Feke Phone: 705-722-3132 Ext.1213 Email: Jeff.Feke@Simcoe.ca
North Region Including but not limited to: North Barrie, Penetanguishene, Orillia, Clearview, Collingwood, Essa, Midland, Oro-Medonte, Wasaga Beach, Springwater	South Region Including but not limited to: South Barrie, Bradford, Innisfil, Alliston, New Tecumseth