

# **Canada-Wide Early Learning and Child Care System (CWELCC)**

## **2024 Halton Region Guidelines for Child Care Operators**

May 2024



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## Section 1: Introduction

### **Purpose of the Guidelines**

The purpose of these Guidelines is to provide information to Operators of licensed child care centres and licensed home child care agencies regarding implementation of the Canada-Wide Early Learning and Child Care (CWELCC) System in Halton Region, including eligibility, enrollment, fee reductions, workforce compensation, funding, and accountability requirements.

These Guidelines align with the Ministry's [Canada-Wide Early Learning and Child Care Guidelines for Consolidated Municipal Service Managers and District Social Services Administration Boards \(2024\)](#) ("Ministry's CWELCC Guidelines") which describe the parameters of CWELCC funding investments and requirements for Consolidated Municipal Service Managers (CMSMs) in administering CWELCC.

Nothing in these Guidelines detracts from the Operator's obligations under the *Child Care and Early Years Act, 2014* (CCEYA), its regulations, or any other applicable legislation and in the event of a conflict, legislative requirements shall prevail.

These Guidelines are subject to updates based on provincial direction. As CWELCC is a major transformation of licensed child care in Ontario, Halton Region may revise its existing guidelines and practices in future.

Operators should review these Guidelines and CWELCC Service Agreement to fully understand CWELCC requirements for 2024.

### **Background**

On March 28, 2022, the Province of Ontario and Government of Canada announced the signing of the CWELCC agreement. Funding provided under the CWELCC agreement will be used to build on and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity in early learning and child care. Funding provided to Ontario under this agreement is intended to achieve the objectives of:

- Reaching an average base fee of \$10 a day by March 2026 for licensed child care spaces by introducing a 25 per cent average base fee reduction in 2022, increased to a 50 per cent reduction (based on 2020 levels) for licensed child care starting on December 31, 2022;
- Creating 86,000 new high-quality, affordable licensed child care spaces, predominately through not-for-profit licensed child care Operators;
- Addressing barriers to providing inclusive child care; and
- Valuing the early childhood workforce and providing training and development opportunities.

[Halton's Early Learning and Child Care Plan](#) is aligned with the objectives of CWELCC to provide affordable, high quality, inclusive and flexible child care options for families.

Halton Region's role in CWELCC is to:

- Implement provincial guidelines;
- Develop and implement local policies, procedures, and funding approaches;
- Develop and implement an application and approval process for CWELCC;
- Administer CWELCC funding through CWELCC Service Agreements;
- Provide oversight, monitoring, and reconciliation of CWELCC funding; and
- Report to the Ministry and Halton Regional Council on CWELCC.

Operators enrolled in CWELCC can contact the assigned Halton Region Program Analyst with any questions about CWELCC. Other Operators or Applicants can contact [childcareservices@halton.ca](mailto:childcareservices@halton.ca) with any questions about CWELCC in Halton Region.

## **Section 2: Definitions**

**“Applicant”** means an individual or corporation who has applied and is in the process of obtaining a licence with the Ministry for a child care centre/home child care agency under the *Child Care and Early Years Act, 2014* (CCEYA).

**“Base Fee”** means mandatory costs parents/caregivers must pay to receive child care. This includes anything an Operator is required to provide under the *Child Care and Early Years Act, 2014*, and any items or services that are part of the fee outlined in the Operator's parent handbook. If the parent/caregiver is required to pay for items or services to receive care, the items and services are considered part of the Base Fee.

**“CCEYA”** means the *Child Care and Early Years Act, 2014*, S.O. 2014, c. 11, Sched. 1 and accompanying regulations, as amended or successor legislation.

**“CCLS”** means Child Care Licensing System. CCLS is the Ministry's internet-based application that manages licensing activities, including licence applications and revisions. Applicants, Operators, CMSMs and Ministry staff have access to CCLS.

**“Child Care Operator” or “Operator”** for the purposes of these Guidelines means a licensed child care centre under the CCEYA or the head office in the case of a multi-site Operator, or a licensed home child care agency.

**“CMSM”** means Consolidated Municipal Service Manager (CMSM) designated as a Service System Manager under the CCEYA. Halton Region is the designated CMSM responsible for planning and administering licensed child care and early years services in Halton Region.

**“CWELCC”** means the Canada-Wide Early Learning and Child Care System for early years and child care and the related funding provided to support it through an agreement between the Province of Ontario and the Government of Canada.

**“CWELCC Service Agreement”** means an agreement between Halton Region and Child Care Operators to receive CWELCC funding. There are two types of CWELCC Service Agreements:

- A Child Care Service Management Agreement (CCSMA) with CWELCC - Operators with a CCSMA are required to participate in the Region’s fee subsidy program, Regional quality initiatives, and to have a Memorandum of Understanding for inclusion services to support children with special needs. Operators also receive wage enhancement grant and CWELCC funding, and General Operating Grant funding if available.
- A Wage Enhancement Grant (WEG) Agreement with CWELCC – An agreement that allows eligible operators to receive wage enhancement grant funding to support staff wages and CWELCC funding.

**“Directed Growth or Directed Growth Plan”** means the Province’s plan to target child care space growth to areas of high need. In alignment with the Ontario’s CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, CMSMs have an approved target number of new spaces to create, supported by CWELCC funds.

**“Eligible Child(ren)”** means:

- a) any child, until the last day of the month in which the child turns six years old, irrespective of the type of licensed child care program in which the child is enrolled, and
- b) up until June 30 in a calendar year, any child who
  - i. turns six years old before July 1 of that calendar year, and
  - ii. is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care.

**“Enrollment Date”** means the date when a CWELCC Service Agreement between Halton Region and the Operator becomes effective, and it normally is the date when the agreement is executed by Halton Region and the Operator.

**“Halton’s Directed Growth Plan”** means the plan that provides information to Operators about CWELCC enrollment and expansion in Halton Region in 2023-2026. The plan aligns with the Ministry’s space allocations for Halton and with Ontario’s Access and Inclusion Framework.

**“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 at one time as set out in the licence of the child care centre; or
- For licensed home child care agencies, 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.

**“Ministry”** means the Ministry of Education and its successors and any other ministry that may be transferred responsibility for the CCEYA.

**“Ministry Program Advisor”** means an employee of the Ministry who is authorized under the CCEYA to inspect licensed child care programs. Program Advisors issue and renew child care licences.

**“Non-Base Fee”** means optional items or services that parents/caregivers are not required to pay to receive child care. For example, if an Operator charges parents/caregivers separately for certain items (e.g., field trips, transportation) and the parent/caregiver is not required to pay for those items or services to receive care, these items and services are considered part of Non-Base Fees. Non-Base Fees also include any fees charged as part of an agreement between the parent/caregiver and the operator 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). Non-Base Fees cannot impact the ability of a family to access child care.

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

**“Semi-Fixed Costs”** means Operator costs that are fixed for a set level of Operating Capacity, but that become variable when the Operating Capacity is exceeded (for example, staff wages).

### **Section 3: Eligibility**

#### **Eligible Programs**

Operators serving Eligible Children may apply to participate in CWELCC. This includes both not-for-profit and for-profit/commercial Operators.

To participate in CWELCC, Operators must:

- Be a licensed child care centre or home child care agency serving Eligible Children;
- Maintain the licence in good standing in accordance with the CCEYA and must not be in contravention of the CCEYA;
- Demonstrate and maintain financial viability to the satisfaction of Halton Region;
- Enter into a CWELCC Service Agreement with Halton Region;
- Set and reduce Base Fees in accordance with Ontario Regulation 137/15 under the CCEYA; and
- Maintain existing licensed spaces for Eligible Children.

Licensed child care centres participating in CWELCC must have a CWELCC Service Agreement with the CMSM in the areas where care is provided. Licensed home child care agencies must have a CWELCC Service Agreement with the CMSM where the head office is located.



## **Ineligible Programs**

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

Licensed child care programs serving only children aged 6-12 years are not eligible; however, funding is available to support workforce compensation for Registered Early Childhood Educators (RECEs) working in school age programs.

## **Non-Participation**

Operators that do not participate in CWELCC:

- Must continue to run operations under the existing provincial licensing and regulatory framework;
- Will not receive CWELCC funding;
- Can continue to set parent fees; and
- Must indicate in the parent handbook that the Operators is not participating in CWELCC and include the fee amounts.

## **Section 4: 2024 Enrollment and Expansion**

### **2024 Growth and Participation**

In 2023, the Ministry transitioned from the CWELCC opt-in process to targeted enrollment of Operators. The Ministry provided Halton Region with a Directed Growth Plan, which outlines the number of community-based and school-based child care spaces the Region is permitted to add in CWELCC.

For 2024, there is no provincial funding to support enrollment of additional Operators in CWELCC or for CWELCC-enrolled Operators to expand and create additional community-based spaces in Halton Region. Child care space allocations are reviewed annually with the Ministry.

It is anticipated that the next allocation of community-based spaces will be 347 spaces in 2026. Halton Region is currently developing a directed growth plan which will identify priority neighbourhoods in Halton for CWELCC expansion where affordable child care is needed most. More information will be shared with child care providers and the community on priority neighbourhoods for expansion once the directed growth plan is finalized and approved by Regional Council.

School-based spaces are those located in schools and are determined through Ministry's capital planning process. The Region will enroll additional Operators in CWELCC or allow CWELCC-enrolled Operators to expand and create school-based spaces in accordance with the Directed Growth Plan.

Any future updates related to CWELCC enrollment and expansion will be made available on [Halton.ca](https://www.halton.ca).

## **Enrollment Requirements**

New licensed programs and/or new child care spaces for Operators participating in CWELCC must be consistent with:

- The Ministry's CWELCC Guidelines;
- Ontario's CWELCC Access and Inclusion Framework;
- [Halton Region's Early Learning and Child Care Plan \(ELCCP\)](#);
- The Ministry's Directed Growth Plan for Halton Region; and
- The auspice targets established by the Ministry.

To participate in CWELCC, Operators must demonstrate financial viability to the satisfaction of Halton Region. Operators enrolled in CWELCC must maintain financial viability to the satisfaction of Halton Region to continue to receive CWELCC funding.

Operators that enroll in CWELCC in 2024 will receive funding only for the portion of the year between the Enrollment Date and December 31, 2024, with no funding provided towards retroactive rebates.

## **Application Process**

Should there be future opportunities for enrollment, Halton Region will communicate with opportunities for submission of applications at that time. Information about the application process will also be posted on [Halton.ca](https://www.halton.ca).

If an Operator decides not to proceed with the application, the Operator may withdraw the application at any time.

Halton Region will review application information and communicate a decision in writing to the Operator. As required by Ontario Regulation 137/15 of the CCEYA, Operators must communicate to all parents/guardians and staff within 14 days of Halton Region's notification of the approval or denial of the application.

## **New Licence Applications**

As part of the Ministry's licensing process, Applicants are required to indicate in CCLS whether the Applicant intends to enroll in CWELCC. As per Ontario Regulation 137/15 under the CCEYA, Applicants that intend to enroll in CWELCC must obtain advice from the CMSM regarding CWELCC approvals.

Applicants that are not approved to enroll in CWELCC can still proceed with the licence application with the Ministry. In order to proceed with the application, Applicants will need to update the application to indicate that the Applicant is not intending to apply for CWELCC funding in CCLS.

Note that Operators have the option to submit a licence revision to request enrollment in CWELCC in the future. Applicants are encouraged to contact the Ministry Program Advisor regarding any questions about new licence applications.

### **Licence Revisions**

As part of the Ministry's licensing process, Operators currently enrolled in CWELCC seeking a licence revision must submit a request in CCLS and seek CMSM advice for any of the following changes:

- Licensed Capacity
- Age group served
- Program hours (e.g. increasing a program from less than six hours to more than six hours)
- Increase the number of approved contracted homes for licensed home child care agencies

Operators will not be able to proceed with the licence revision unless the Region has approved the revision for the purpose of CWELCC funding. Operators are encouraged to contact the assigned Halton Region Program Analyst to discuss the licence revision prior to submitting the request in CCLS.

### **Alternate Capacities**

Where a CWELCC-enrolled Operator would like to have one or more of the rooms in the program licensed with an alternate capacity, the Operator must first discuss the request with the assigned Halton Region Program Analyst. The Region will issue a decision regarding whether the alternate capacity request can be supported, as additional funding may be required. The Region's decision must be documented outside of CCLS in the Ministry's "Service System Manager (SSM) Confirmation Form", which can be downloaded from the Tools and Resources section of CCLS.

### **New (Active) Home Child Care Premises**

In 2024, home child care agencies have differentiated capacities by service area. If a licensed home child care agency oversees licensed home child care premises in multiple service areas, its licence will specify the maximum number of approved home child care premises the agency may oversee in each specific CMSM service area.

If CWELCC-enrolled licensed home child care agencies wish to expand (e.g., oversee more home child care premises than is currently set out on the licence for a given service area), the agency must submit a licence revision request in CCLS to request CMSM advice. Agencies that are not enrolled in CWELCC are not required to obtain CMSM approval to increase the number of homes approved on the licence.

### **Parent Handbook**

As per Ontario Regulation 137/15 under the CCEYA, Operators must disclose in the parent handbook whether the program is enrolled in CWELCC and list the Base Fees and any Non-

Base Fees that may be charged. Upon request by Halton Region, Operators must submit parent handbook(s) to the Region to confirm compliance with CWELCC requirements.

### **Declining CWELCC Enrollment**

Halton Region may decline an Operator's enrollment in CWELCC for one or more of the following reasons:

- The Operator is not financially viable to the Region's satisfaction or will not be operated in a manner that will be financially viable to the satisfaction of the Region;
- The Region has reason to believe the Operator will use the funding for improper purposes;
- If the application for enrollment is submitted on or after January 1, 2023, and the program/space to be created is inconsistent with Ontario's CWELCC Access and Inclusion Framework or Halton Region's Early Learning and Child Care Plan;
- The proposed new spaces do not align with the Region's Directed Growth Plan;
- The proposed new spaces do not align with the auspice targets established by the Ministry.

### **Appeal Process – Enrollment in CWELCC**

An Operator may appeal the Region's decision to decline enrollment in CWELCC. Request for an appeal must be sent in writing to the Director of Children's Services. Appeals related to financial viability will be reviewed in collaboration with Halton Region's Finance Department. Appeals can be sent to the attention of the Director of Children's Services by e-mailing [childcareservices@halton.ca](mailto:childcareservices@halton.ca). The subject of the e-mail should be: Appeal – CWELCC Enrollment Decision.

Should an Operator be dissatisfied with the decision of the Director of Children's Services, appeals can be escalated to the Commissioner of Social and Community Services. Request for a secondary appeal must be sent in writing by emailing [childcareservices@halton.ca](mailto:childcareservices@halton.ca). The subject of the e-mail should be: Second Appeal – CWELCC Enrollment Decision. The decision of the Commissioner shall be final.

### **Withdrawal from CWELCC**

Once enrolled in CWELCC, if an Operator no longer wishes to continue to participate, the Operator may withdraw from CWELCC by terminating the CWELCC Service Agreement in accordance with the terms and conditions of the agreement. Halton Region will not impose any penalties on Operators for terminating the agreement.

An Operator that is withdrawing from CWELCC must immediately notify the families that the program serves. The families:

- Have the right to withdraw from the centre/agency without any financial penalty upon notification.
- Can give the Operator 30 days' notice of withdrawal (or less if that is the Operator's policy).

As a result of an Operator's withdrawal from CWELCC:

- Families with Eligible Children will not benefit from the fee reduction;
- Staff that qualify for workforce compensation will not get access to the funding; and
- Parent fees will no longer be subject to the fee freeze.

The Region will reconcile and recover funding from Operators upon termination of the CWELCC Service Agreement.

### **Sale of a Child Care Centre or Home Child Care Agency**

If an Operator that is a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make a change to the corporation's board of directors, the Operator will continue to be enrolled in CWELCC and must maintain the applicable Base Fees.

Upon a transfer of shares, the Operator's CWELCC Service Agreement will be maintained and assigned (if assignment is required) and CWELCC funding will continue to be provided, subject to an eligibility review by Halton Region to ensure continuing compliance with the agreement. If the eligibility review results in a determination of ineligibility, the CWELCC Service Agreement will be terminated.

If an Operator sells substantially all of its assets, the CWELCC Service Agreement will be terminated and the child care centre/home child care agency will no longer be enrolled in CWELCC. The new entity that has purchased the child care centre/home child care agency must apply to Halton Region if the new entity wants to enroll in CWELCC.

As per the CWELCC Service Agreement, Operators must provide the Region with the required notice under the agreement prior to effecting any change in control of the child care centre/home child care agency. Operators considering a transfer of shares or a sale of substantially all the assets should contact the assigned Halton Region Program Analyst prior to the sale to discuss the process.

## **Section 5: CWELCC Funding Approach**

### **Funding Approach for 2024**

Halton Region is committed to a system that provides affordable, accessible, inclusive and high quality child care for all families. The Region understands that Operators' cost structures, programming and services may vary and accordingly, the Region will work with Operators to understand the unique programs.

In 2024, CWELCC funding is designed to offset the reduction in revenue from reduced Base Fees, improve compensation for eligible staff, and recognize cost escalation.

The Region will collect relevant information from Operators throughout the year to support appropriate funding levels. Operators must complete all data collection and provide supporting documentation as deemed necessary by the Region to confirm operational details, whenever requested, within the timeframe stipulated by the Region.

The Region will provide regular payments prior to the beginning of each month to support Operators' cash flow. Operators should contact the assigned Halton Region Program Analyst with any questions or concerns about funding allocations and/or payments.

The Region reserves the right to modify the funding allocation approach at any time to ensure funding is appropriately allocated to meet the objectives of CWELCC and maximize available funding to support CWELCC spaces.

### **Fee Reduction Funding**

The Region will fund Operators with due consideration to Operating Capacity and enrollment changes, and work with new Operators to ensure adequate funding is provided.

The Region will review diligently each Operator's Operating Capacity, and consider the impact of short-term and long-term vacancies to variable costs, fixed costs, and Semi-Fixed Costs (such as staffing costs, where applicable). While short-term vacancies could be created from time to time when children are transitioning between spaces or rooms, spaces should be occupied most of the time where staff are available and there is demand for spaces.

Where funding is deemed to be excessive due to vacancies, Halton Region will recover the funding for variable and Semi-Fixed Costs not incurred by the Operator and return such funding to the Ministry.

### **Workforce Compensation Funding**

The Region will collect wage and staffing data throughout the year to determine funding allocations for wage floor, annual increase and minimum wage offset funding.

### **Cost Escalation Funding**

Halton Region will provide 4.91% cost escalation funding to all Operators enrolled in CWELCC as of December 31, 2023, to support increasing costs beyond revenue replacement. Cost escalation funding can only be used to address operating cost increases beyond the control or discretion of the Operator. Cost escalation funding will be reconciled.

The following expenses are eligible for cost escalation funding, if the costs are beyond the control or discretion of the Operator:

- Staff wage and benefit costs
- Lease and occupancy costs
- Catering/food/nutrition
- Program supplies and resources
- Utilities
- Insurance
- Cleaning and janitorial costs
- Transportation costs for children

Cost escalation funding will be allocated to Operators as follows:

**$(A \times B \times C \times 4.91\%) + (D \times 2.1\%)$**   
where,

**A** is:

- for centres, the number of eligible child care licensed spaces as of December 31, 2023. For new Operators, this represents the number of eligible licensed spaces as of the Enrollment Date; or
- for home child care agencies, the number of Eligible Children enrolled as of December 31, 2023. For new agencies, this represents the number of Eligible Children enrolled on the date of CWELCC-enrollment with consideration to changes in enrollment during the year

**B** is the capped daily Base Fees (that is, as of March 27, 2022 for Operators enrolled in 2022 and operators who opted out in 2022 and enroll in 2023, or regional maximum for new operators enrolled in 2022 or 2023)

**C** is the number of days the Operator operates in a year

**4.91%** is the cost escalation factor necessary to bring the capped daily Base Fees from 2022 to 2024 (that is,  $[1.0275 \times 1.021] - 1$ )

**D** is the Operator's General Operating Grant for 2023, including the respective 2.75% cost escalation provided in 2023, to support children aged 0-5 years old only, where applicable

**Appeal Process – Funding Allocations**

An Operator may appeal approved funding allocations in writing to the Director of Children’s Services. Appeals can be sent to the attention of the Director of Children’s Services by e-mailing [childcareservices@halton.ca](mailto:childcareservices@halton.ca). The subject of the e-mail should be: Appeal – CWELCC Funding Allocation.

Should an Operator be dissatisfied with the decision of the Director of Children’s Services, appeals can be escalated to the Commissioner of Social and Community Services. Request for a secondary appeal must be sent in writing by emailing [childcareservices@halton.ca](mailto:childcareservices@halton.ca). The subject of the e-mail should be: Second Appeal – CWELCC Funding Allocation. The decision of the Commissioner shall be final.

**Upcoming CWELCC Funding Approach**

The Ministry is actively engaging with the early years and child care sector in the development of the new CWELCC funding approach with the goal of improving clarity and transparency. The existing revenue replacement approach to CWELCC funding will remain in

place until at least September 2024, pending the announcement of the new funding approach. Information about the new CWELCC funding approach will be shared with Operators when available.

## **Section 6: Fee Rates, Reductions and Service Levels**

### **Fee Freeze**

Operators cannot raise the Base Fees and Non-Base Fees higher than the amount charged on March 27, 2022, unless a specific fee increase was communicated to parents/caregivers before March 27, 2022. For clarity, Operators cannot introduce new Base Fees or Non-Base Fees as of March 27, 2022.

For Operators who did not opt-into CWELCC in 2022 and are enrolling in 2024, the Base Fee for the purposes of fee reduction will be the Base Fee in effect during the 2022 fee freeze (even if the fees increased in the interim).

### **Fee Reductions**

Operators enrolled in CWELCC in 2022 were required to reduce the Base Fees charged on March 27, 2022 by 25% to the floor of \$12 per day, retroactive to April 1, 2022 for Eligible Children.

As of December 31, 2022, Operators enrolled in CWELCC were required to further reduce the Base Fees by an additional 37% to the floor of \$12 per day for Eligible Children. This equates to a 52.75% reduction in parent fees from March 2022 levels.

An Operator that enrolls in CWELCC in 2024 must reduce the Base Fees by 52.75% from the fees as of March 27, 2022 and establish a new Base Fee for parents of Eligible Children. Parents must be charged this new Base Fee within 20 calendar days of the Operator enrolling in CWELCC.

Where necessary, Operators must ensure parents are refunded for any overpayments between the Enrollment Date and the date the parent started paying lower fees. An overpayment is the difference between the “old” Base Fee and the “new” Base Fee being charged to parents.

Operators must provide refunds for overpayments to parents within 20 calendar days of the Enrollment Date. For example, a program that enrolled in CWELCC on April 17 and lowered fees on May 1 must provide a refund for overpayments between these days. The refund must be provided on or before May 7 (which is within 20 calendar days of the Enrollment Date).

If an Operator enrolled the licensed program in CWELCC and reduced parent fees on the same day, no refunds would be required.



Halton Region has provided all Operators with a fee reduction calculator to support accurate fee reductions. Operators can contact the assigned Halton Region Program Analyst if there is difficulty determining the reduced fees.

Operators must submit, upon request, parent handbook(s) and other information required in the Region's sole discretion, to confirm that fee reductions have been implemented correctly and to confirm compliance with fee freeze and fee reduction requirements.

Once Operators are enrolled in CWELCC and reduce the fees for Eligible Children to the new Base Fees, Operators are required to maintain the reduced Base Fees until required to reduce the fees again, or are no longer participating in CWELCC.

Fees for children who are not eligible (e.g. school-age children over the age of 6) are not eligible for CWELCC fee reduction.

### **Examples**

*Example 1:*

For a participating Operator whose fee was \$50 per day in March 2022, implementing the 25 per cent reduction in 2022 would have reduced the fee to \$37.50 per day from April to December. Starting December 31, 2022, the fee would be \$23.63 per day. [ $\$37.50 \times (1 - 0.37)$ ]

*Example 2:*

For a participating Operator whose fee was \$25 per day in March 2022, implementing the 25 per cent reduction in 2022 would have reduced the fee to \$18.75 per day from April to December. Starting December 31, 2022, the fee would be \$12 per day, the minimum daily rate.

*Example 3:*

An Operator was approved to join CWELCC after January 1, 2023. The fee was \$50 per day in March 2022. After implementing a 52.75 per cent reduction, the fee would be \$23.63 per day.

The reduction on Base Fees will apply regardless of program type or duration and should be based on the total amount paid per day. In the case of a before-and-after school program, if parents pay for before school care only, or after school care only, each individual fee must be reduced by an additional 37 per cent on top of the already reduced fees from 2022 (per the examples above) provided that the fee does not go below \$12/day. If parents pay for both before and after school care, the overall combined fee must be reduced by the additional 37 per cent based on the already reduced fees in 2022. For example:

	<b>Before CWELCC (per day)</b>	<b>After Enrollment in 2022</b> <i>(once Base Fees were reduced by 25%)</i>	<b>Effective December 31, 2022</b> <i>(fees are further reduced by 37%)</i>
Before School Care Only	\$12	Stays at \$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12	Stays at \$12
Before + After School Care Combined Rate	\$26	Reduced to \$19.50	Reduced to \$12.29

**Fee Rates for New Operators, New Programs, Re-Opened Rooms, and New Home Providers participating in CWELCC**

Operators must set Base Fees at or below the Halton Region maximum listed in the fee table in [Ontario Regulation 137/15](#) in the following situations:

- A new Operator opens a newly licensed centre or home child care agency after March 27, 2022;
- A multi-site Operator that operates in another jurisdiction (i.e. outside of Halton Region) has a regional fee structure, or fees that vary by site, and is seeking to open a newly licensed centre in Halton Region (unless the fees for Halton Region had been communicated prior to March 27, 2022);
- An existing Operator opens a new age group under the existing licence (e.g. the Operator applies for a licence revision to add an infant room) after March 27, 2022;
- Where an Operator begins operating an age group after March 27, 2022 that had not been in operation for at least two years (e.g. an Operator wishes to use an alternate capacity that has not been used recently or re-open a room that was closed during the pandemic).

Existing Operators in Halton Region opening a newly licensed centre after March 27, 2022 can set the rates at the March 27, 2022 rates if the Operator had posted those rates prior to that date (e.g. online or in the parent handbook).

For new Operators, these regional maximum Base Fees apply until one of the two conditions is met:

- the Operator provides notification to the Region that the Operator is no longer participating in CWELCC; or
- the Operator receives notice from the Region that its application for CWELCC has been accepted in which case the Base Fees must be reduced.

Note that the cap on fees does not apply to fees charged to parents/guardians for children who are not eligible for CWELCC funding.

## Home Child Care Agency Fees

All Eligible Children receiving home child care at a premises overseen by a CWELCC-enrolled licensed home child care agency are eligible for the fee reduction (both agency-placed and privately-placed children). Licensed home child care agencies are required to have policies and procedures in place to validate the fee rates charged to privately placed families and confirm that fees were paid to providers (e.g. proof of provider’s taxable income, proof of parent/caregiver fee payment/receipts).

Licensed home child care agencies must ensure that any new providers that joined an agency after July 1, 2022 have the rates capped at the agency’s rate as of March 27, 2022 for both agency and privately-placed children.

### Base Fees and Non-Base Fees

CWELCC funding is to be used to support reductions in Base Fees charged to parents/caregivers. Non-Base Fees are ineligible for CWELCC funding.

The table below provides some examples of Base Fees and Non-Base Fees. Halton Region recognizes that practices may differ across the child care sector and the Region will work with Operators who participate in CWELCC to understand the programs and fee practices.

Base Fee Examples	Non-Base Fee Examples
Play materials, equipment, and furnishings such as cots, cribs, bedding	Late pick up fees for services provided beyond operational hours outlined in the parent handbook
Supervision by adult during operational hours	Optional transportation and field trips (if separate fee charged)
Lease/occupancy costs	Bank processing fees (such as nonsufficient funds) in accordance with the terms of the agreement between the parent and operator
Food and catering costs (where required by regulation for children under 44 months AND where mandatory for parents)	Diapers, sunscreen (if optional)
Development and implementation of individualized plans (medical, special needs, anaphylaxis)	Any other optional items or services where an additional fee is charged
Other mandatory costs paid directly to Operators to support the operation of the	Uniform costs paid directly to third-party companies

Base Fee Examples	Non-Base Fee Examples
child care program (e.g. deposit/registration fees*)	
Any programs or services included as part of the core day programming and is included as part of the child care fee paid by families.	

### Registration Fees and Deposit Fees

\*Registration fees are frozen at March 27, 2022 levels. Families are eligible for a 52.75% fee reduction for registration fees for Eligible Children. For example, if the registration fee is \$100, Operators must collect \$47.25 from families and the remaining \$52.75 can be funded through CWELCC.

If an Operator charges a deposit fee which is applied towards child care services at a later date (e.g. the month the child leaves care), Operators must reduce the deposit fees by 52.75% for Eligible Children. Operators 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. For example, if the regular fee deposit is \$1,000 (equivalent to 2 weeks of care), it must be reduced to \$472.50 in 2023. When the family gives notice of leaving, the deposit of \$472.50 can be applied to the last two weeks of care. At that time, Operators can claim the CWELCC portion of the fee for the last two weeks.

CWELCC funding cannot be applied towards non-refundable deposits for children who do not enroll at the child care centre/home child care agency.

### Closure Periods and Unexpected Closures

During the term of an Operator’s CWELCC Service Agreement, closure of licensed child care programs may not exceed two consecutive weeks, and not more than four weeks of closure within a calendar year where parents are charged full fees. Where families pay fees for closures (e.g. PA days), these days must be included towards the maximum allowable days of closure. Please note that statutory holidays are excluded from counting towards closure periods. CWELCC funding will be adjusted if closures exceed the maximum allowable limits. 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.

Any increase to closure days from what was in place as of March 27, 2022, must be approved by Halton Region. Operators must contact the assigned Halton Region Program Analyst with requests to increase closure days and provide a rationale for the request.

For closures due to events outside an Operator's control (i.e., 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. For unplanned closures, Operators are required to provide Halton Region written notice within 24 hours of closure.

Operators must disclose in the parent handbook the times when the services are offered, holidays observed, days of closure, and the Base Fees and any Non-Base Fees that may be charged.

### **Service Levels**

The programs and services (including program quality, hours, availability, and other elements) offered as of March 27, 2022 must be maintained.

Families should not experience any dilution in service offerings, or surcharges from services that were originally part of Base Fees prior to the introduction of CWELCC. If any reduction in programs, services or offerings is requested it must be reflected by a proportionate reduction in fees for families.

### **Fee Subsidy Parental Contribution Reductions**

Fee subsidy will be maintained in CWELCC for families who are eligible through the existing fee subsidy model, using the income test set out by the Ministry. Families in receipt of fee subsidy with children 0-5 years old are eligible for a 50% rebate of the parental contribution. This rebate will only apply to families who receive care from an Operator that is enrolled in CWELCC.

If a parent has at least one Eligible Child enrolled in a child care centre or home child care agency that is part of CWELCC, Halton Region will reduce the parental contribution amount calculated via the income test for any child care provided on or after December 31, 2022, as follows:

$$A \div B \times C \times 0.50$$

where,

**A** is the total parental contribution calculated via the income test.

**B** is the total number of children that the calculated parental contribution pertains to.

**C** is the number of Eligible Children, who hold a space with an Operator that has enrolled in CWELCC, that the parent is required to pay a parental contribution for.

*Example:*

If a fee subsidy family has two children aged 7 and 4, the 50% parental contribution reduction would only apply to the 4-year-old. The 50% reduction would then be reduced by half, as it only applies to one of the two children.

Families in receipt of fee subsidy are eligible to have the parental contribution reduced to less than \$12.00 per day, as there is no floor for reduction for fee subsidy parental contribution.

Reductions to the parental contribution amounts for 2024 will be calculated through the Ontario Child Care Management System (OCCMS). Halton Region will advise Operators of reduced parental contribution amounts for families in receipt of fee subsidy.

## **Section 7: Workforce Compensation**

Workforce compensation funding supports recruitment and retention of Ontario's child care workforce through improved compensation for eligible staff. It includes compensation enhancements for RECE staff (annual wage and wage floor increases) and non-RECE program staff (minimum wage offset).

Funding is available to CWELCC-enrolled operators to support workforce compensation for RECEs working in school age programs (e.g. 6-12 age groups).

Operators must consider workforce compensation funding in addition to, and not to reduce other, planned compensation increases for eligible staff, including obligations under collective agreements. For example, workforce compensation funding cannot be used to reduce or offset planned merit increases for eligible staff.

Operators can contact the assigned Halton Region Program Analyst if support determining workforce compensation for staff is required.

### **Alignment with Wage Enhancement Grant (WEG)**

To qualify for workforce compensation increases under CWELCC, Operators will be required to apply for WEG on behalf of eligible staff. WEG funding will be added to the base wage of staff when considering eligibility for the wage floor and annual wage increase.

## **Eligible Positions for Wage Floor and Annual Increase**

To be eligible to receive annual wage and wage floor increases, staff must be employed by a CWELCC-enrolled Operator and be in one of the following positions:

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

The annual wage and wage floor increases do not apply to non-RECE program staff and non-program staff such as:

- Cooks, custodial staff, non-program staff
- Special Needs Resource (SNR)-funded Teachers/Consultants, Supplemental Staff
- Staff hired through a third party (e.g. temporary agency)
- Program staff, child care supervisors, or home child care visitors that are director approved to be employed in these positions, but do not have a RECE designation.

However, non-program staff who are RECEs and whose positions require the staff to spend at least 25% of the time supporting ratio requirements under Ontario Regulation 137/15 are eligible for annual wage and wage floor increases for the hours that the staff are supporting ratio requirements.

## **Annual Increase**

Effective each January 1 from 2023 to 2026, CWELCC-enrolled Operators must increase the hourly wage of eligible RECE staff whose wages (including WEG) fall below the wage eligibility ceiling for the year. For clarity, to receive the annual wage increase for 2024, eligible RECE program staff must be receiving WEG funding, and the hourly wage including WEG on December 31, 2023 must be below \$26 per hour. For eligible RECE child care supervisors and RECE home child care visitors, the hourly wage including WEG on December 31, 2023 must be below \$29 per hour.

The CWELCC annual wage increase is up to \$1 per hour plus benefits, compounded year-over-year, up to the wage eligibility ceiling. That is, an eligible RECE staff would receive up to a \$1 per hour increase in 2023, up to \$2 per hour increase in 2024, and so on, up to the wage eligibility ceiling set for the year.

Annual increase funding must be provided to eligible RECE staff who are:

- continuing in existing positions;
- newly filling an existing position (e.g. replacing a previous staff member); or
- filling a newly created position in 2024.

Wage eligibility ceilings for 2024 through 2026 are set out in the table below.

**Table: Wage Eligibility Ceiling (Per Hour)**

	<b>RECE Program Staff</b>	<b>RECE Supervisors/RECE Home Child Care Visitors</b>
2024	\$26.00	\$29.00
2025	\$27.00	\$30.00
2026	\$28.00	\$31.00

For clarity, the wage eligibility ceiling is not a wage cap, but rather the maximum wage that can be reached using Workforce Compensation funding for that year. Operators can choose to increase eligible RECE staff wages above the wage eligibility ceiling (i.e. using other sources of funding for increases beyond the ceiling).

**Wage Floor**

Operators are required to bring the wage of all eligible staff up to the wage floor of the given year as identified in the table below. All new eligible staff hired during the year must earn at least the wage floor identified for the applicable year and the corresponding benefits.

The wage floor for 2024 became effective on January 1, 2024. The 2024 wage floor for RECE program staff is \$23.86/hour, and \$24.86/hour for RECE child care supervisors or RECE home child care visitors. The hourly wage floor amounts up to 2026 are noted in the table below:

**Table: Wage Floor (Per Hour)**

	<b>RECE Program Staff</b>	<b>RECE Supervisors/RECE Home Child Care Visitors</b>
2024	\$23.86	\$24.86
2025	\$24.86	\$25.86
2026	\$25.86	\$26.86

Wage floor funding will bring eligible staff up to the wage floor each year. Wages for existing staff should not be reduced to the wage floor.

**Order of Operations for Annual Increase and Wage Floor**

To determine annual wage increase and wage floor eligibility in 2024, operators must follow this order of operations:

1. Base wage by employer (includes any employer-based wage improvements such as obligations from collective agreements and minimum wage increases);
2. WEG (\$2 per hour, up to maximum of \$30.59 as per the *Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline, 2024*);
3. CWELCC annual wage increase \$1 per hour, compounded year over year, up to wage eligibility ceiling for the year; and
4. CWELCC incremental wage floor funding, if applicable.



Please note:

Other wage supports (e.g. General Operating Grant and Pay Equity) are not factored into the determination of CWELCC annual increases for 2024.

Benefits should also not be included when determining the base wage.

## Examples

### *Example 1:*

- An RECE program staff has a base wage of \$16.55 per hour.
- After receiving WEG of \$2.00 per hour, the wage is now \$18.55 per hour.
- The staff was hired on February 1, 2024. As the staff is making less than \$26.00 per hour, the staff is eligible for the \$1 per hour annual increase in 2023 and 2024 (\$2 per hour total). This makes the wage \$20.55 per hour.
- As the staff has not yet reached the 2024 wage floor (\$23.86 for RECE program staff) after receiving WEG and the annual wage increase, the staff is eligible for \$3.31 incremental wage floor funding, which brings the wage up to \$23.86 per hour.

### *Example 2:*

- An RECE supervisor has a base wage of \$25.00 per hour.
- After receiving WEG of \$2.00 per hour, the wage is now \$27.00 per hour.
- The staff was hired on January 1, 2022. As the staff is making less than \$29.00 per hour, the staff is eligible for the \$1 per hour annual increase for 2023 and \$1 per hour for 2024 (\$2 per hour total). This makes the wage \$29.00 per hour.
- As the staff has already surpassed the 2024 wage floor (\$24.86 for RECE supervisors) after receiving WEG and the annual wage increase, the staff is ineligible for incremental wage floor funding.

### *Example 3:*

- An RECE program staff has a base wage of \$23.50 per hour
- After receiving WEG of \$2.00 per hour, the wage is now \$25.50 per hour.
- The staff was hired on June 1, 2020. As the staff is making less than \$26.00 per hour, the staff is eligible for the \$0.50 per hour annual increase in 2024. This makes the wage \$26.00 per hour.
- As the staff has already surpassed the 2024 wage floor (\$23.86 for RECE program staff) after receiving WEG and the annual wage increase, the staff is ineligible for incremental wage floor funding.

### *Example 4:*

- An RECE home child care visitor has a base wage of \$28.00 per hour.
- After receiving WEG of \$2.00 per hour, the wage is now \$30.00 per hour.
- The staff was hired on January 1, 2010. As the staff is making more than \$29.00 per hour, the staff is ineligible for the annual wage increase.
- As the staff has already surpassed the 2024 wage floor (\$24.86 for RECE home child care visitors) after receiving WEG, the staff is ineligible for incremental wage floor funding.

## Minimum Wage Offset Eligibility and Implementation

As of October 1, 2023, minimum wage legislation requires Operators to increase staff wages to at least \$16.55 per hour. To offset the cost of minimum wage increases for CWELCC-enrolled Operators, the Region will provide minimum wage offset funding to Operators to cover the incremental amount needed to bring wages for eligible staff from \$15.00 to \$16.55 per hour.

To be eligible for the minimum wage offset, staff must be employed by a CWELCC-enrolled Operator and be in one of the following positions:

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

In addition, to be eligible for a minimum wage offset, Operators must employ eligible non-RECE staff in positions that were earning:

- below \$15.50 per hour immediately before October 1, 2022 (not including WEG funding); and/or
- below \$16.55 per hour immediately before October 1, 2023 (not including WEG funding).

Operators should use cost escalation funding to offset minimum wage increases that occur after October 1, 2023.

Minimum wage offset does not apply to non-program staff such as:

- Cooks, custodial staff and other non-program staff positions;
- SNR-funded Teachers/Consultants or Supplemental Staff; and
- Staff hired through a third party (e.g. temporary agency)

However, CWELCC-enrolled Operators can receive minimum wage offset funding for non-RECE staff in non-program positions that require the staff to spend at least 25% of the time supporting ratio requirements under Ontario Regulation 137/15. Minimum wage offset funding is provided to the Operator for the hours these staff spend supporting ratio requirements.

Minimum wage offset funding is tied to the position and not the individual staff. This means that Operators can receive minimum wage offset funding for eligible non-RECE staff in eligible positions in 2024, whether those staff are continuing in existing positions, newly filling an existing eligible position, or filling a newly created eligible position.

### **Staff Benefits**

Workforce compensation funding includes up to 17.5% in benefits. Benefits of up to 17.5% will be provided to support Operators in meeting statutory benefit requirements. Once all statutory benefit requirements<sup>1</sup> are met, any remaining funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

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<sup>1</sup> Statutory benefits are benefits Operators are required to provide staff as determined by the law (e.g. vacation days, statutory holidays, Canada Pension Plan and Employment Insurance).

## **Section 8: Payment Practices**

### **Payment of Workforce Compensation to Eligible Staff**

Operators are required to share information in writing (e.g. a letter) about the wage floor and annual wage increases with eligible existing and new staff. The information must provide eligible staff with an understanding of upcoming annual changes to wages as a result of workforce compensation funding. At a minimum, the information about wages must include the wage floor, wage eligibility ceiling, and compounded annual wage increases for each year up to and including 2026, as well as an example of the order of operations for calculating wages. Operators must provide the Region with communication records to existing and new staff about wage floor and annual increase eligibility and payments, upon request.

Operators must:

- Allocate the correct amount of funding to each eligible staff, using hours worked within the funding year (i.e. 2024 CWELCC funding is paid to staff for hours worked in 2024);
- Pay CWELCC benefits to eligible recipients to meet statutory benefit requirements. Additional payments for supplemental benefits can also be made if the Operator stays within the allocation of 17.5% for benefits;
- Include CWELCC workforce compensation payments in each pay cheque or payment made to staff. Workforce compensation may not be paid at the end of the year as a lump sum payment. All payments to staff must be made before December 31<sup>st</sup> of each year (There is one exception to this requirement. Please see “Retroactive Payments to January 1, 2024” for more information);
- Make all attempts to contact staff that leave the centre during the year to ensure the staff receive any CWELCC workforce compensation entitlements; and
- Seek independent legal advice on implementing the wage floor and annual wage increase if the staff are subject to the terms of a collective agreement.

Newly enrolled Operators in CWELCC must:

- Ensure wage floor requirements are in place and wages are paid to eligible staff accordingly on or before 32 calendar days after the CWELCC Service Agreement with the Region is signed (the Enrollment Date); and
- Ensure any retroactive payments related to wage floor requirements are paid to eligible staff on or before 61 calendar days after the CWELCC Service Agreement with the Region is signed (the Enrollment Date).

### **Retroactive Payments to January 1, 2024**

Provincial workforce changes were announced on November 16, 2023 (i.e. wage floor increases and wage eligibility ceiling). These changes were not reflected in the Ministry’s 2024 CWELCC Guidelines that were released in November 2023.

The Ministry’s revised 2024 CWELCC Guidelines released on March 28, 2024, include updated direction regarding workforce compensation. Operators will be responsible for

distributing retroactive workforce compensation payments to January 1, 2024, to eligible RECE within 32 calendar days of receiving funding allocations from the Region.

## **Section 9: Emerging Issues**

The purpose of the emerging issues funding is to support Operators in addressing non-discretionary cost pressures. Non-discretionary cost pressures are those beyond an Operator's control.

### **Eligibility**

CWELCC-enrolled Operators can use emerging issues funding exclusively for addressing non-discretionary cost pressures.

Costs are eligible if the costs are:

- Legitimately (properly and reasonably) incurred for child care delivery (that is, required by an operator to provide care under the CCEYA or, if above the regulated requirements, not an optional service);
- Necessary, economical, and with due regard for health and safety;
- Non-discretionary (i.e., cost(s) that the Operator must incur, such as arms-length cost increases, requirements to meet health and safety needs or legislative/regulatory obligations); and
- Incurred in relation to the provision of child care for Eligible Children. Where child care is also provided to ineligible children (such as children aged 6 to 12), costs must be prorated using a method that is reasonable, in the opinion of the Region.

Examples of eligible costs:

- Costs incurred for daily operations such as increases in wages per collective agreement provisions, accommodation cost increases (such as rent or mortgage payments due to higher interest rates);
- Non-recurring costs such as those incurred to repair or replace physical assets (such as kitchen appliances or HVAC equipment for centres), which are necessary to maintain regular operations;
- Financing costs for loans that support non-recurring eligible costs and third-party mortgages. Eligible financing costs should be reasonable (for example, if costs align to the Canada Small Business Financing Program rates); and
- Audit costs, as audited financial statements are contractual stipulations of the CWELCC Service Agreement.

Costs are ineligible if they are:

- Incurred for the creation of new spaces (as those may be eligible under start-up grant funding);
- Discretionary (i.e. costs that are not necessary to incur, such as increasing staffing ratio above current levels, disbursement of dividends, payment of performance bonuses, increases in owners' compensation, in-kind benefits or perks, or replenishment of reserves);

- Supported by other government funding; or
- Related to:
  - non-cash expenses such as amortization expenses or bad debt expenses;
  - repayment of reverse mortgages; or
  - prior years' costs or losses.

## **Review Process**

The Region will collect budget information for 2023 and 2024 and operating expenses to determine funding allocations for emerging issues funding. The data collected will determine whether the revenue for CWELCC eligible spaces (e.g. fee reduction, wage enhancement, workforce compensation, cost escalation and parent fees) is insufficient to support the operators' non-discretionary costs.

The Region will review the costs and determine whether the costs are non-discretionary. The Region may request additional documentation to determine whether costs are discretionary and within an operator's control.

## **Approvals**

The Region will communicate a decision to operators in a timely manner. Approval for emerging issues funding will be prioritized to operators:

- whose operating non-discretionary expenses for eligible spaces exceed corresponding revenue from all sources,
- who demonstrate that other options (such as implementing efficiencies, other government funding) do not cover eligible costs, and
- who demonstrate financial viability (this means, the Operator has a clear and sustainable financial plan to manage unexpected and non-discretionary costs without compromising ongoing operations).

When approving emerging issues funding allocations, the Region will consider the following factors:

- value-for-money, risk management and evidence-based assessment;
- compliance with the CWELCC principles and requirements of the Ministry's and Halton Region's CWELCC Guidelines; and
- ability to stand up to scrutiny by auditors and/or the Ministry.

## **Section 10: Start-up Grants**

The Ministry is providing start-up grants to support the creation of new, affordable child care spaces for children under age six in targeted locations and for populations most in need. Start-up grants will support Directed Growth by enabling space creation in neighbourhoods that have had historically lower rates of space availability that may not be accommodated through natural growth.

Halton Region does not have any community-based CWELCC spaces to allocate in 2024 or 2025, and as such, start-up grant funding is not available.

### **Eligibility**

Should the Region be allocated additional start-up grant funding in the future, for-profit and not-for-profit Operators who are enrolled in CWELCC are eligible to apply for start-up grants.

Operators enrolled in CWELCC that have created net new community-based child care spaces in 2024 which align with Halton Region's Directed Growth Plan are eligible for start-up grant funding.

To access funding for start-up grants, the Region will require a commitment from the operator to:

- Remain enrolled in CWELCC for the remainder of the current CWELCC agreement (this means until March 31, 2026);
- Spend the start-up grant within two years from the date the service agreement between the operator and the Region is executed; and
- Prioritize the creation of and access to new licensed full-day spaces for children 0 to 4 years old in communities with vulnerable children and children from diverse populations, including, but not limited to:
  - Children living in low-income families
  - Children with disabilities and children needing enhanced or individual supports
  - Indigenous children
  - Black and other racialized children
  - Children of newcomers to Canada
  - Official language minorities.
- Maintain the number of approved child care spaces in the service area for the duration of the CWELCC Service Agreement, even if the agency or capacity of the agency changes prior to March 31, 2026 (for home child care agencies).

Capital projects for licensed child care programs for kindergarten and school-aged children and before and after school programs are not eligible for start-up grant funding.

The Region can enter into service agreements with operators to flow start-up grant funding, regardless of head office location.

### **Eligible Expenses**

Start-up grants must fund projects required for child care facilities to be created, retrofitted, renovated, and/or expanded to accommodate a maximum group size for each age grouping for children under the age of six.

Eligible child care centres can receive a grant of up to \$350,000 for every 20 child care spaces created. Eligible home child care agencies can receive grants of up to \$1,200 per CWELCC space created, to a maximum of \$7,200 per provider.

Eligible expenses for licensed child care centres include:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 19 of O. Reg. 137/15 under the CCEYA.
- Non-consumable supplies/equipment to support the ongoing regular operation of the child care program (for example, appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- Renovations, additions, or repairs to licensed child care facilities or potential child care facilities as approved by the Region.
- Changes to outdoor play space that are required as a result of the expansion of child care spaces in the centre so that the operator continues to comply with Section 24 of O. Reg. 137/15 under the CCEYA. Funding to cover the costs incurred to make outdoor play space changes are subject to the overall project cap of \$90 per square foot to a maximum of \$350,000 per 20 child care spaces created.
- Leasehold improvements.

Eligible expenses for home child care agencies:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 27 of O. Reg. 137/15 under the CCEYA that can be transferred between home child care operators as required.

Ineligible expenses include:

- Purchase of land or buildings
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans
- Property taxes
- Expenditures related to 6-12 age groups
- School-based child care spaces
- Indoor and outdoor renovations, additions or repairs to home child care agency premises or potential home child care agency premises.

## **Section 11: Accountability**

### **Reporting Child Care Capacity Changes**

Operators must maintain the age 0-5 spaces for which the Operator is receiving funding to reduce Base Fees for Eligible Children (e.g. a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to Halton Region and funding may need to be adjusted or recovered through reconciliation.

Operators are required to report updated Operating Capacity and/or enrollment information to the Region through the Ontario Child Care Management System (OCCMS). To support the Region with adhering to Ministry reporting requirements, Operators must provide the following information to the Region upon request:

- Number of Eligible Children served through fee reductions;
- Average monthly number of children served through fee reductions provided by age group (infant, toddler, preschool, etc.);

- Number of spaces supported with fee reduction by age group;
- Total number of eligible staff supported by the annual wage increase, wage floor and minimum wage offset by position category.
- Actual total expenditure on the annual wage increase, wage floor, minimum wage offset and benefits paid out to eligible staff by position category.
- Number of active homes and location of homes (licensed home child care agencies)

Operators must notify Halton Region within 30 days of any Operating Capacity increases so that the Region can assess whether adjustments to allocations are required. Licensed home child care agencies are required to notify the Region of any turnover in providers, including when a provider leaves or joins an agency.

### **Licensed Child Care Survey**

The Ministry requires that Operators complete and submit the annual Licensed Child Care Survey. Halton Region will withhold CWELCC funding if an Operator fails to complete the survey.

### **Copy of CWELCC Service Agreement**

Operators are required to keep a copy of the CWELCC Service Agreement in either electronic or hard copy format on the child care premises so that it is available for Ministry inspection.

### **Financial Information Requirements**

All Operators in receipt of CWELCC funding must submit financial information as required by Halton Region. Please note that the submission of financial information is an ongoing requirement for CWELCC-enrolled Operators.

## **Section 12: Audit Requirements**

### **Audited Financial Statements**

All Operators in receipt of CWELCC funding must submit audited financial statements to Halton Region on an annual basis to verify that the funding provided was used for the purpose intended. As per the CWELCC Service Agreement, Operators that withdraw from CWELCC and terminate the CWELCC Service Agreement in 2024 are required to submit audited financial statements.

Audited financial statements must be submitted in electronic form to [childcarefunding@halton.ca](mailto:childcarefunding@halton.ca). Audited financial statements must have expenditures separated out for the CWELCC eligible portion of the licensed child care business (e.g. children 0-6).

The audited financial statements for centre-based Operators that have more than one site must include a segmented breakdown of revenue and expenses consolidated for all sites within Halton Region, as part of the financial statement notes disclosure. Operators serving multiple jurisdictions or are large organizations that complete audited financial statements



with consolidated totals for all sites must also provide the Region with a revenue and expense statement for all child care centres located in Halton Region, separate from the larger organization.

For licensed home child care agencies, the statement must include expenditures for all home child care providers.

The audited financial statements must be audited in accordance with Canadian Generally Accepted Auditing Standards and must be prepared using the appropriate accounting standards. The audit engagement must include four main statements (Statement of Financial Position/Balance Sheet, Statement of Operations/Income Statement, Statement of Change in Equity/Statement of Change in Net Assets and Cash Flow Statement) and note disclosures. In the case where an Operator that is participating in CWELCC receives funding from multiple CMSMs, the Region will require a segmented breakdown of revenue and expenses, consolidated for all sites within Halton Region, as part of the financial statements notes disclosure.

Operators must ensure that the person(s) and firm performing the financial statement audit are independent of the agency in accordance with the Chartered Professional Accountants of Ontario Rules of Professional Conduct. Auditors must hold a designation of a Chartered Professional Accountant (CPA) registered in Ontario with a Public Accounting Licence. The person(s) performing the financial statement audit or an immediate family cannot serve as directors, officers or board members for the operator or agency, or have a financial interest in the organization.

Completed audited financial statements are due within 120 days of the organization’s fiscal year end. This means that for Operators with a fiscal year ending December 31, 2024, audited financial statements must be submitted to the Region by April 30, 2025.

Please refer to the table below for further examples.

<b>Operator Fiscal Year End Date</b>	<b>Audited Financial Statement Due Date</b>
December 31, 2024	April 30, 2025
January 31, 2025	May 31, 2025
February 28, 2025	June 28, 2025
March 31, 2025	July 29, 2025
April 30, 2025	August 28, 2025
May 31, 2025	September 28, 2025
June 30, 2025	October 28, 2025
July 31, 2025	November 28, 2025
August 31, 2025	December 29, 2025
September 30, 2025	January 28, 2026
October 31, 2025	February 28, 2026
November 30, 2025	March 30, 2026

Failure to submit audited financial statements in the specified format and within the specified time, may result in holds on payment or termination of CWELCC Service Agreements.

### **CWELCC Random Audit**

Auditing is a cornerstone of good public sector governance. The Region will randomly select Operators to participate in audits to ensure appropriate utilization of CWELCC funds and reporting accuracy. The audit will also provide assurance of sound management practices and accountability, conducted in accordance with the CWELCC Service Agreement.

The audit will review for compliance with the Ministry's CWELCC Guidelines and to ensure that the goals of CWELCC are achieved, including but not limited to:

- Consistent implementation of Base Fee reductions; and
- Compliance with workforce compensation requirements, including increasing wages to support the mandated wage floor and annual wage increase.

### **Section 13: Reconciliation**

#### **Procedure**

Operators in receipt of CWELCC funding are required to reconcile the amount of funding that was received on an annual basis. Halton Region will maintain a comprehensive reconciliation process with Operators.

Halton Region will:

- Ensure funds are used in accordance with the objectives of CWELCC, any agreements with Halton Region and these guidelines;
- Monitor the use of funds with Operators; and
- Reconcile Operators' use of funds and recover funds, as required.

Operators will return unused funds or funds not utilized in accordance with the conditions outlined in the Guidelines or the CWELCC Service Agreement with the Region. The Region may process recovery of such unused or unutilized funds against future funding payments or by direct payment in the event that funding is not requested the following year.

Reconciliation workbooks will be provided to Operators for submission to Halton Region. Reconciliation will be completed at the head office level. Completed reconciliation workbooks must be sent to [ChildCareFunding@halton.ca](mailto:ChildCareFunding@halton.ca).

As part of the reconciliation process, Operators will be required to submit an annual attestation, signed by an officer with appropriate signing authority (that is, director or equivalent), confirming that CWELCC funding has been used in accordance with its intended purpose, as outlined within the parameters provided by the Region. For clarity, the annual attestation does not replace the requirement for Operators to provide financial information and financial statements.

Where required, Operators must engage a CPA registered in Ontario with a Public Accounting Licence. The auditor must review applicable reconciliation packages for CWELCC.

It is important that Operators submit information in a timely manner and meet all deadlines set by the Region. The information submitted to the Region supports the management and oversight of public funds. The Region will continue to support Operators with timely financial documentation filing through outreach, training, and resources.

Operators must have policies and procedures in place to fulfill all reporting requirements to Halton Region.

### **Recoveries**

In the event that Halton Region determines that an Operator has failed to meet the funding conditions outlined in the CWELCC Service Agreement, the Region will recover all misused funds and such Operators may be deemed ineligible to receive future CWELCC funding.

### **Section 14: Additional Resources**

- [Canada-Wide Early Learning and Child Care Guidelines for Consolidated Municipal Service Managers and District Social Services Administration Boards \(2024\)](#)
- [Child Care and Early Years Act, 2014](#)
- [Child Care Centre Licensing Manual](#)
- [Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline \(2024\)](#)
- [Ontario Regulation 137/15: General](#)
- [Ontario Regulation 138/15: Funding, Cost Sharing and Financial Assistance.](#)