

CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

2023 GUIDELINES FOR LICENSED CHILD CARE SERVICE PROVIDERS

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District of Nipissing
Social Services
Administration Board



Conseil d'administration
des services sociaux
du district de Nipissing

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GENERAL OVERVIEW

These guidelines outline the District of Nipissing Social Services Administration Board's (DNSSAB) Canada-Wide Early Learning and Child Care (CWELCC) System standards and procedures and is intended to provide the licensed child care Service Provider information to better understand the CWELCC System and support with implementation.

The standards and procedures outlined in these guidelines apply to all Service Providers who have an Agreement with DNSSAB. The Service Provider should make these guidelines available to all Agency staff responsible for supporting with the implementation and ongoing management and/or oversight of the CWELCC System.

These guidelines contain the following sections:

[SECTION 1: PARTICIPATION](#)

[SECTION 2: FEE REDUCTION](#)

[SECTION 3: WORKFORCE COMPENSATION](#)

[SECTION 4: ACTUAL COST OF CARE](#)

[SECTION 5: CWELCC START-UP GRANT](#)

[SECTION 6: FUNDING](#)

[SECTION 7: ACCOUNTABILITY](#)

[SECTION 8: ADDITIONAL INFORMATION](#)

[SECTION 9: DEFINITIONS](#)

It is important to note that nothing in these guidelines detracts from the Service Provider's obligations under the Act or any other legislation or regulation; and in the event of a conflict, the legislative requirements will govern.

Furthermore, in the event of a conflict between these guidelines and the Agreement that the Service Provider has in place with DNSSAB, the Agreement will govern.

DOCUMENT UPDATES

As additional information becomes available, these guidelines and related policies will be reviewed and amended to align with updated legislation, provincial guidelines, and municipal/provincial/local best practices as required.

CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

BACKGROUND

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

Through its 2021 Budget, the federal government committed to investing in a national child care system with all provinces and territories, as well as Indigenous organizations. On March 28, 2022, the Governments of Ontario and Canada signed the Canada-Wide Early Learning and Child Care (CWELCC) Agreement. The Province of Ontario reached a \$13.2 billion commitment over six years with the federal government on a national child care plan.

GUIDING PRINCIPLES

Quality Focused: A primary focus in implementing the agreement and these CWELCC Guidelines must be on ensuring the delivery of high-quality child care, as defined in the Child Care and Early Years Act, 2014 (CCEYA).

Child and Family Focused: A focus on increasing affordability for parents/guardians with a goal of processing applications on an ongoing basis and getting rebates and cost reductions to parents as quickly as possible.

Protection of For-Profit and Non-Profit Spaces: Commitment to the protection of for-profit and non-profit child care spaces in the province, helping to support predominantly female entrepreneurs across the province to meet the varying child care needs of Ontarians.

Efficient Administrative System: Commitment to an efficient administrative system, with collection of minimally necessary information from Service Providers, to support timely enrolment and implementation of the CWELCC system.

OBJECTIVES

Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) 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 early learning and child care, towards achieving the objectives of:

- Providing a 25% fee reduction retroactive to April 1, 2022 building to a 50% reduction in average parent costs (based on 2020 levels) for licensed early learning and child care by the end of calendar year 2022 and reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces;
- Creating 86,000 new high-quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care;
- Addressing barriers to provide inclusive child care; and
- Valuing the early childhood workforce and providing them with training and development opportunities.

PHASED APPROACH TO IMPLEMENTATION

Ontario is taking a phased approach to implementing the CWELCC System, with a focus on the immediate objectives of affordability for families and system stability, before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term.

This approach will allow the Ministry to engage with Service System Managers and the broader early years and child care sector, provide the time for sector partners to align with the terms and conditions of the CWELCC System, and enable the Ministry to make the necessary implementation adjustments as the early years and child care landscape evolves.

DNSSAB understands that 2022 was a year of transition and adjustment for the early years and child care sector. In 2023, DNSSAB will continue to provide Funds to eligible Service Providers to support the objectives under the CWELCC System and these Funds are separate and distinct from any other funding issued by DNSSAB under the guidance and directives of the Ministry.

SECTION 1: PARTICIPATION

PURPOSE

For 2023, licensed child care Service Providers operating in the district of Nipissing, whether they provide home child care or centre-based programs serving children under the age of 6 (or turning 6 before June 30) in Ontario, may apply to participate in CWELCC through the DNSSAB.

Participation in the CWELCC System is optional; however, Service Providers are encouraged to participate so that Eligible Families can benefit from fee reductions and eligible staff can benefit from additional wage compensation.

The Service Providers can choose to:

- (1) participate in the CWELCC System, or
- (2) not participate and operate outside the CWELCC System.

If a Service Provider decides not to proceed with their application at any time, they may withdraw the application.

Once enrolled in CWELCC, if a Service Provider no longer wishes to continue to participate, they may withdraw from the CWELCC System and, subject to the terms and conditions of their CWELCC service agreement, they may terminate their CWELCC service agreement with the DNSSAB.

ELIGIBILITY CRITERIA

In order to be eligible to participate in the CWELCC System, the Service Provider's program must align with local service system plan. Additionally, the Service Provider:

- must complete and submit the CWELCC Application Form to DNSSAB, demonstrating that the Agency meets the stipulated criteria in order to be eligible to participate in the CWELCC System.
- must enter into an Agreement with DNSSAB to receive Funding related to the CWELCC initiatives (i.e. fee reductions and workforce compensation) in the areas :
 - they provide care (for licensed child care centres); and/or
 - where their office is located (for licensed home child care agencies).

- will need to demonstrate financial viability to DNSSAB. This will include a number of requirements, including up to date financial statements/information.
- must maintain current parent fees for Eligible Children unless a fee increase was communicated to families/parents on or before March 27 2022 (the 2022 fee freeze) and implement the subsequent fee reductions. All licensed child care programs serving Eligible Children are subject to the fee freeze until one of two conditions is met:
 - The Service Provider notifies DNSSAB, staff and Eligible Families in writing that they are NOT participating in the CWELCC System this year and will not be subject to terms and conditions of the system; or
 - The Service Provider participates in the CWELCC System and is subject to the regulatory rules for parent fees in participating programs (pursuant to O. Reg. 137/15 (s.77.4) made under the CCEYA).
- deemed eligible to enrol in 2023 after having opted out of the CWELCC System in 2022 and have increased fees after March 27, 2022, will have their base fees for purposes of the fee reduction set to the base fee in effect during the 2022 fee freeze (effective March 27, 2022 unless previously communicated to families).
- participating in the CWELCC System must also maintain existing (pre-CWELCC System announcement on March 27, 2022) licensed spaces for children from infancy up to 6 years of age (i.e. a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to DNSSAB and the DNSSAB should determine whether this may result in a Funding adjustment or recovery from the Service Provider.
- must maintain a license to operate in good standing with, and not in contravention of, the CCEYA.
- Complete the annual Licensed Child Care Operations Survey, as required under section 77 of O. Reg. 137/15 to continue to receive funding under the CWELCC System.

CWELCC APPLICATION

For 2023, Service Providers interested in participating in the CWELCC System are required to complete the [CWELCC Application Form](#).

By completing and submitting the CWELCC Application Form, Service Providers will demonstrate that they meet the stipulated criteria in order to be eligible to participate in the CWELCC System.

For Service Providers who choose not to enroll, this will demonstrate that they understand that they will not be eligible for CWELCC Funding.

The [CWELCC Application Form](#) available on DNSSAB's website is to be used by licensed child care Service Providers who do not have a standing CWELCC Agreement with DNSSAB.

The completed form must be submitted by email to csfundingrequest@dnssab.ca.

PROCESSING CWELCC APPLICATIONS FORMS

DNSSAB will make every effort to review and process the CWELCC Application Form and to confirm the Service Provider's eligibility within 10 Calendar Days. Within this time, a meeting will be scheduled with the Agency to review the information and answer any outstanding questions.

Unless there is outstanding information needed, DNSSAB will prepare the Agency's Agreement and forward it to the Service Providers for review and signature within 10 Business Days of the meeting to ensure that the Agreement is fully executed within 30 Calendar Days. This will ensure that the Service Provider is able to provide refunds to Eligible Families in a timely manner.

DECLINING PARTICIPATION IN THE CWELCC SYSTEM

DNSSAB may deny a Service Provider's enrollment in the CWELCC system, where the Service Provider's program does not align with the local service system plan, is not able to demonstrate financial viability, or if DNSSAB has strong concerns that the Funding will be used for improper purposes. Financial viability concerns may arise where a Service Provider has accumulated arrears, has not serviced their debt or are approaching bankruptcy.

When declining a Service Provider's CWELCC application, DNSSAB will provide circumstances and rationale in writing to the Service Provider and Ministry within five (5) Business Days.

NOTICE OF PARTICIPATION

Service Providers must notify Program Staff and Eligible Families in writing within fourteen (14) days of being notified by DNSSAB of the approval or denial of their application to enrol in the CWELCC System.

Licensed child care Service Providers entering into a new Agreement with DNSSAB for the CWELCC System will not automatically be eligible to access 2023 Child Care, EarlyON and Workforce Allocations (with the exception of the WEG) if the Agency is not already in receipt of this funding.

Please note: Stipulations apply to licensed child care Service Providers who obtain a license after March 27, 2022. If applicable, Service Providers are asked to complete the "[Canada-Wide Early Learning and Child Care System Inquiry Form](#)", available on DNSSAB's Website.

PARTICIPATION REQUIREMENTS

Service Providers must:

- maintain a license to operate in good standing in accordance with the Act, and ensure they are not in contravention of the Act. DNSSAB is required to stop funding a child care program that has its license revoked or suspended by the ministry or director, if applicable in accordance with the terms and conditions of the Service Agreement.
- reduce and set parent fees in accordance with O. Reg. 137/15.
- keep a copy of their current Agreement with DNSSAB, in electronic or hard copy format, on the child care premises, and available for Ministry inspection per O. Reg.137/15 (s.82.1).
- maintain the licensed child care spaces for children up to six years of age for which they are receiving fee reduction Funding (e.g., a licensed infant space must remain an infant space) and advise DNSSAB of any revisions or use of alternate capacity.
- complete the annual Licensed Child Care Operations Survey, which may be amended from time to time as required, under O. Reg. 137/15 (77).

It is important to note that Funding may be withheld or the Agreement may be terminated if the Service Provider:

- fails to meet the participation requirement as noted above;
- consistently neglects to provide required reports or information in accordance with the Agreement, Policies and Guidelines; or
- does not maintain a license to operate a licensed child care centre in accordance with the Act.

NON-PARTICIPATION

Service Providers who have notified DNSSAB that they will not participate in the CWELCC System may continue to operate under the existing provincial licensing and regulatory framework and Agreement with DNSSAB (if applicable).

Service Providers who do not participate are not eligible to receive Funding under the CWELCC System and may continue to set their own Base Fees. Service Providers are required to indicate in

their parent handbook that they are not participating in the CWELCC system and must include their Base Fees.

Note:

- 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 the CWELCC System.

SECTION 2: FEE REDUCTION

PURPOSE

Making child care more affordable for families is a key part of the implementation of the CWELCC System. Fee Reduction Funding is focused on reducing Base Fees for Eligible Families with Eligible Children in licensed child care.

To ensure stability and sustainability of the child care system, fee reductions will be implemented using a phased approach.

The graduated approach began in Spring 2022:

- A base fee reduction of up to 25 per cent (to a minimum of \$12 per day) for eligible children retroactive to April 1, 2022 - Achieved.
- A further base fee reduction to support a provincial average for eligible children of \$23 per day, effective December 31, 2022 – In progress.
- \$10 per day average child care base fees for eligible children by March 31, 2026.

ELIGIBILITY

Fee reduction funding is intended to support children under the age of 6 (0-5 year old children), with some exceptions for children with birthdays early in the calendar year who are 6 years of age but are still enrolled in kindergarten.

An Eligible Child means:

- Any child, until the last day of the month in which the child turns 6 years old (irrespective of the type of licensed child care program in which they are enrolled); and
- Up-until June 30 in a calendar year, any child who,
 - Turns six years old between January 1 and June 30 in that calendar year; and is enrolled in a licensed infant, toddler, preschool, or kindergarten group, a licensed family age group, or home child care.

All families with Eligible Children enrolled in a licensed program approved to participate in the CWELCC System are eligible for the reduced child care fees and do not need to apply as they will be automatically enrolled.

Furthermore, all eligible children receiving home child care at a premises overseen by an agency are eligible for the fee reduction (both agency-placed and privately-placed).

It is important to note that eligibility for fee reduction is not based on “reason for care”.

CAP ON FEES

A cap on all Base Fees and Non-Base Fees in licensed child care for Eligible Children must be maintained by the Service Provider for all licensed child care centres and home child care premises that the Agency oversees.

This means:

- If a Service Provider was licensed on or before March 27, 2022, the cap on the Base Fee and on Non-Base Fees for child care for Eligible Children is the amount charged on March 27, 2022. Service Providers that obtain their licence after March 27, 2022, will be required to set their base fees at or below a regional maximum, as set out by age group pursuant to O.Reg.137/15 of the CCEYA, unless a specific fee amount was communicated to parents before the requirement under the regulation became effective.
- The Service Provider must not charge Eligible Families a higher Base Fee or Non-Base Fee after that day unless a specific fee increase had already been communicated to parents/families on or before March 27, 2022.

For the Service Provider participating in the CWELCC System, O. Reg. 137/15 sets out rules regarding the expenses and/or fees Service Providers will be permitted to charge Eligible Families as part of their Base Fee.

Service Providers are subject to the capped fee until one of two conditions is met:

- The Service Provider notifies DNSSAB, Eligible Families and staff in writing that they are NOT participating in the CWELCC System in 2023; or
- The Service Provider receives notice from DNSSAB of the results of its application to enroll in the CWELCC System.

Note: The cap on fees does not apply to fees charged to parents for children who are not eligible (i.e., school age children over 6 years), as these children will not be captured under the CWELCC System.

To support continued savings for parents, effective December 31, 2022, Service Providers who opted in and reduced their fees by 25% will be required to further reduce their Base Fees to the greater of:

- \$12 per day; and,
- an additional 37% on top of their already reduced fees through fee reduction.

In total, this would result in a 52.75 per cent reduction in parent fees relative to March 2022 levels. Note that if this base fee is less than \$12 per day, the existing base day fee should be maintained.

- *Example 1: For a participating Service Providers whose fee was \$50 per day in March 2022, implementing the 25 per cent reduction in 2022 would have reduced their 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 I Service Providers whose fee was \$25 per day in March 2022, implementing the 25 per cent reduction in 2022 would have reduced their 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.*

For an illustrative example of how this funding should be provided to Service Providers, see the table below.

	Prior to CWELCC Enrolment	After Enrolment in 2022 (once base fees were reduced by 25%)	Effective December 31, 2022 (fees are further reduced by 37%)
Base fee charged to parents	\$100	\$75	\$47.25
CWELCC Funding to offset the revenue reduction to licensees	\$0	\$25	\$52.75
Total revenue received by licensee	\$100	\$100	\$100

The fee 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 only before school care, or only after school care, each individual fee must be reduced by an additional 37 per cent on top of their 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 their already reduced fees in 2022.

For example:

	Before CWELCC (per day)	After Enrolment in 2022 (once base fees were reduced by 25%)	Effective December 31, 2022 (fees are further reduced by 37%)
Before School Care Only	\$12	Stays at \$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12	Stays at \$12
Before and After School Care (as a single fee)	\$26	Reduced to \$19.50	Reduced to \$12.29

If a home child care Agency is enrolled in the CWELCC System, home child care Service Providers must also charge Eligible Parents the Base Fee determined as per above. The Base Fee would apply to Eligible Children who are Agency placed and Eligible Children who are privately placed in the provider’s care.

DNSSAB will work with the Licensed Home Child Care Agency to ensure that Eligible Parents of privately placed children also receive a fee reduction. Licensed Home Child Care Agencies will be responsible to collect Base Fee information for privately placed Eligible Children (i.e. receipt for child care costs, letter of declaration, etc.). The Service Provider must also retain the information on file for auditing purposes in accordance to the Agreement, Policies and Guidelines.

Service Providers are permitted to continue charging current parent fees for 20 Calendar Days after DNSSAB notifies them of their Participation Date in CWELCC System. On and after the 21st day, the Service Provider cannot charge a Base Fee that is higher than the reduced Base Fee to Eligible Families.

Once a Service Provider is enrolled in CWELCC and reduces its fees to the new Base Fee, the Service Provider is required to maintain its new Base Fee until they are either required to reduce them again, or they are no longer participating in CWELCC. Anything that a parent is required to pay (i.e., mandatory fees) must be included in the Base Fee.

FAMILIES RECEIVING FEE SUBSIDY

Fee Subsidy is an essential support for many parents that helps to balance the demands of career and family and enables parents and caregivers to participate in the workforce or pursue education or training. The Ministry has made amendments under the CCEYA to ensure that parents accessing subsidized child care also see financial relief under the CWELCC System, through a reduction in their parental contributions.

As the CWELCC System is implemented in Ontario, the Fee Subsidy model will continue to be an option for families who require financial assistance. Service Providers are also required to reduce the cost of a Full Fee space that is occupied by an Eligible Child receiving Fee Subsidy.

To ensure an equivalent fee reduction is applied to families receiving child care Fee Subsidy (who do not pay the full cost of a licensed space), effective December 31, 2022, DNSSAB will reduce the parental contribution for Eligible Children by 50%. It is important to note that the floor of \$12 per day does not apply to families receiving subsidy.

If a parent has at least one Eligible Child who is enrolled in a child care centre or home child care that is part of the CWELCC System, DNSSAB will reduce the parental contribution amount calculated through the income test, by using the following formula: $(A \div B) \times C \times 0.50$

Formula Details:

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 a provider that has enrolled in the CWELCC System, 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 per cent parental contribution reduction would only apply to the 4-year-old. The 50 per cent reduction would then be reduced by half, as it only applies to one of the two children.*

For additional details, please refer to the table on the following page.

	Prior to CWELCC Enrolment	After Enrolment in 2022 (parental contribution is reduced by 25% relative to value prior to enrolment)	Effective December 31, 2022 (parental contribution is reduced by 50% relative to value prior to enrolment)
Parental Contribution	\$10	$\$8.75 = 10 - (\$10/2) \times (1-25\%)$	$\$7.50 = 10 - (\$10/2) \times (1-50\%)$
Fee Subsidy – Provincial Funding	\$90	$\$66.25 = \$100 - \$25 - \8.75	$\$39.75 = \$100 - \$52.75 - \7.50
CWELCC funding to offset the revenue reduction to licensees	\$0	\$25	\$52.75
Total revenue received by licensee	\$100	\$100	\$100

DNSSAB will calculate the parental contribution reduction for Fee Subsidy families and will require confirmation from the Service Provider that if applicable, the refunds/credits are provided to Eligible Families. DNSSAB will also inform Eligible Families by letter of their reduced daily contribution. Service Providers will be copied on these letters for confirmation.

Subsidized parents will not see a reduction in parental contribution in the case where the child occupies a space with a Service Provider that is not enrolled in the CWELCC System.

- *Example: The base fee for a space is \$100 prior to enrolment in the CWELCC System. The space is paid with a parent contribution of \$30 and a fee-subsidy funded by the Province of \$70.*

On December 31, 2022, the base fee decreases from the reduced fee of \$75 [$\$100 \times (1-25\%)$] in 2022 by an additional 37 per cent to \$47.25 [$(\$75 \times (1-37\%))$] (see table 1 below).

The licensee continues to receive \$100 in base fee for the space; the parent contribution decreases to \$15 in 2023, the fee subsidy funded by the Province in 2023 will be \$32.25, and CWELCC funding covers the \$52.75 decrease in the base fee (see table 2 below).

Table 1	Prior to CWELCC Enrolment	After Enrolment in 2022 (once base fees were reduced by 25%)	Effective December 31, 2022 (fees are further reduced by 37%)
Cost of space (Base fee charged to fee paying parents)	\$100	\$75	\$47.25
CWELCC Funding to offset the revenue reduction to licensees	\$0	\$25	\$52.75
Total revenue received by licensee	\$100	\$100	\$100

Table 2	Prior to CWELCC Enrolment	After Enrolment in 2022 (parental contribution is reduced by 25% relative to value prior to enrolment)	Effective December 31, 2022 (parental contribution is reduced by 50% relative to value prior to enrolment)
Parental Contribution	\$30	\$22.50 = \$30 X (1-25%)	\$15 = \$30 X (1-50%)
Fee Subsidy – Provincial Funding	\$70	\$52.50 = \$100-\$25-\$22.50	\$32.25 = \$100 - \$52.75 - \$15
CWELCC funding to offset the revenue reduction to licensees	\$0	\$25	\$52.75
Total revenue received by licensee	\$100	\$100	\$100

Additionally, CWELCC Funding does not replace existing provincial operating Funding currently being provided to Service Providers.

REIMBURSEMENTS

For 2023, DNSSAB will issue Funding retroactive to the Service Provider’s Participation Date in the CWELCC System.

Where a Base Fee for an Eligible Child is higher than the reduced Base Fee, the Service Provider who has enrolled in the CWELCC System is required to issue a retroactive refund/credit to the Eligible Families of the difference for:

- child care provided to Eligible Children from the Service Provider’s Participation Date and up to the last day the Service Provider charged the initial Base Fees, at the latest on 21st day after the Service Provider is notified by the DNSSAB of the Participation Date; and
- any period of time after the 21st day referred to in the point above, for which daily Base Fee for child care to be provided is prepaid.

Reimbursements/credits must be issued to Eligible Families within 20 days after the day the Service Provider has received Funding from DNSSAB and is required for all Eligible Families who paid higher fees on or after the Participation Date, regardless of whether their child currently receives care from the Service Provider.

There is no stipulation that a reimbursement must be made in the form of credit, cash or a cheque. Eligible Families may choose to receive their fee reduction in the form of a credit and can

choose to apply the reimbursement towards another sibling in care with the Service Provider. Service Providers need to discuss the preferred method of refund with Eligible Families.

DNSSAB will request confirmation from Service Providers that reimbursements/credits were provided to Eligible Families at all licensed child care centres the Agency operates or at a home child care premises that the Agency oversees (Agency and privately placed Eligible Children) in accordance with the timelines set out above.

In the case where reimbursements are paid out to parents after December 31, 2023, the Service Provider will notify Eligible Families prior to December 31, 2023, that a refund will be provided. Any programs that choose to apply and enroll after December 31, 2023, will not be eligible for retroactive participation in the CWELCC System, and will only be expected to reduce fees on a go-forward basis.

MONTHLY CLAIM AND RECONCILIATION WORKBOOK

The Service Provider is responsible to complete a monthly claim, using the CWELCC Monthly Claim and Reconciliation Workbook provided by DNSSAB. The Service Provider must ensure that the information reflects the actual costs of care and full fee days billed for each Eligible Child. The Service Provider may not bill for children or days that are not eligible for payment, according to Policies and Guidelines as well as the Service Provider's internal policies.

The completed workbook must be submitted to DNSSAB:

- (1) within 20 days following the retroactive refund period; and
- (2) by the 20th of each month for each subsequent month.

From time to time, the Service Provider may be required to provide additional information or documentation (i.e. mandatory costs not captured in the Base Fee) to substantiate the billing in order for DNSSAB to properly assess the amount owing to the Service Provider.

PARTICIPATION & REIMBURSEMENTS LATER IN THE YEAR

DNSSAB will work with Service Providers enrolling in 2023 to ensure that reimbursements are provided to Eligible Families in a timely manner and where possible prior to December 31, 2023. However:

- Where a Service Provider is notified of their Participation Date later in the year, in some cases, this may result in Funds being provided by DNSSAB after December 31, 2023.

- DNSSAB is then required to follow the modified accrual basis of accounting. Modified accrual basis of accounting requires the inclusion of short-term accruals of normal operating expenditures in the determination of operating results for a given time period.
- The Service Provider must accrue Funds for parent reimbursements allocated for the 2023 year but paid out after December 31, 2023, and work with their auditors to ensure these payments are captured as part of the 2023 audited financial statements.

SECTION 3: WORKFORCE COMPENSATION

PURPOSE

Where a Service Provider is participating in the CWELCC System and eligibility is met based on the criteria set out in this section, the Agreement, Policies, and Guidelines, Funding will be provided by DNSSAB to the Service Provider to support with workforce compensation costs.

Workforce compensation Funding is focused on supporting Registered Early Childhood Educator (RECE) staff who are low wage earners. Increased compensation for low wage earners is intended to help support the recruitment and retention of RECEs working in the licensed child care sector as part of a provincial strategy to achieve system growth and ensure increased access to high quality licensed child care.

In addition, workforce compensation Funding will be provided to Service Providers to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect October 1, 2022.

Funding for mandated wage increases for eligible staff will be in accordance with the parameters set out in the Agreement, Policies and Guidelines.

ANNUAL WAGE INCREASE

Service Providers are required to increase the hourly wage of eligible staff by \$1/hour, plus benefits (as described below), on January 1 of each year from 2023 to 2026. Staff at the wage floor in 2022 will have their hourly wage increased by \$1/hour to move to the 2023 wage floor. Staff above the wage floor will have their hourly wage increased \$1/hour, up to the \$25/hour wage cap. For those staff whose wage falls between \$24.01-\$24.99/hour, funding will be provided to top up their wage to the \$25/hour cap. The \$1/hour annual increase should be calculated prior to any employer-based wage improvements.

To be eligible for an annual wage increase, staff must be employed by a child care Service Provider that is participating in the CWELCC System and be in a position categorized as:

- RECE Program Staff
- RECE Child Care Supervisor

- Home Child Care Visitor

Service Providers are required to increase the hourly wage of eligible staff by \$1 per hour plus benefits (as described in the Hourly Wage Floor Table, below), on January 1st of each year from 2023 to 2026, inclusive, up to the \$25 per hour wage cap. To be eligible for the \$1 per hour annual increase, the staff's wage must be equal to or greater than the wage floor and less than \$25 per hour. Staff earning at or above \$25 per hour are not eligible for the annual \$1 per hour increase. Staff making \$24.00 to \$24.99 per hour are to have their wages increased to \$25 per hour.

In addition, to be eligible for an annual \$1 per hour wage increase, staff must be receiving WEG funding, and their hourly wage, including WEG funding, must be below the wage cap of \$25 per hour on January 1st of each eligible year (i.e., base wage, plus WEG funding, plus annual increase must be below \$25 per hour). Benefits should not be included when determining the base wage.

ANNUAL WAGE INCREASE EXAMPLES (2023)

WEG funding of \$2 per hour, annual wage increase of \$1 per hour and wage cap of \$25 per hour.

Example 1: RECE Program Staff with a base wage before WEG funding of \$19 per hour would qualify for a wage increase of \$1 per hour $\$19 + \$2 + \$1 = \22 per hour (which is under the \$25 per hour wage cap). Workforce compensation Funding of \$1 per hour must be provided.

Example 2: RECE Program Staff with a base wage before WEG funding of \$23 per hour or higher would not qualify for an annual wage increase $\$23 + \$2 + \$1 = \26 , (which is above the wage cap). Workforce compensation Funding is not required.

WAGE FLOOR

Service Providers enrolling in the CWELCC System in 2023, are required to bring the wage of all eligible staff up to the wage floor identified in the [Hourly Wage Floor Table](#), plus benefits. All eligible staff hired during the identified years must earn at least the wage floor identified for that year, plus benefits as defined below. Annual wage increases, as described in the previous section, will come into effect in 2024.

The wage floor for 2023, will come into effect on January 1, 2023.

Service Providers will be permitted to continue to pay eligible staff below the wage floor for thirty-one (31) Calendar Days after DNSSAB notifies them of their Participation Date in the CWELCC System. On and after the 32nd day, the Service Provider will compensate eligible staff to at least the wage floor.

This means that Service Providers would then be given one additional month (for a total of 61 Calendar Days from the day they were notified of the Participation Date) to provide eligible staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date of their confirmed Participation Date in CWELCC.

In 2023, RECE program staff should have a wage floor of \$19/hour, and RECE child care supervisors or RECE home child care visitors should have a wage floor of \$21/hour.

To be eligible to have their wage raised to the wage floor, staff must be employed by a child care Service Provider who is participating in the CWELCC System 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 the wage floor, staff must be receiving WEG funding, and their hourly wage, including WEG funding, must be below the wage floor. Benefits should not be included when determining the hourly wage (i.e., benefits are in addition to the hourly wages identified in this section).

HOURLY WAGE FLOOR 2022 to 2026

ELIGIBLE POSITIONS	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

*In addition to the hourly wage, eligible staff are required to receive benefits.

Funding must be used to fund the incremental amount required to bring staff wages to the wage floor. For example, in 2023 a RECE Program Staff with a base wage of \$16 per hour and WEG funding of \$2 per hour, would receive workforce compensation Funding to bring the wage to the wage floor of \$1 per hour.

WAGE FLOOR EXAMPLES

Wage floor of \$19 per hour and WEG funding of \$2 per hour.

Example 1: RECE Program Staff with a base wage of \$16 per hour would qualify to have their wage increase to \$19 per hour ($\$16 + \$2 = \18 per hour which is below \$19 per hour). Workforce compensation Funding of \$1 per hour must be provided.

Example 2: RECE Program Staff with a base wage of \$17 per hour or higher would not qualify to have their wage increase ($\$17 + \$2 = \$19$ per hour which is equivalent to the wage floor). Workforce compensation Funding to wage floor is not required, however the RECE will be eligible for the \$1/hour annual wage increase in 2023 which results in \$20/hour.

INELIGIBLE POSITIONS

In accordance with Policies and Guidelines, the following positions are deemed ineligible:

- Non-RECE Program Staff/Supervisor
- Non-Program Staff
- Staff hired through a third party (i.e., temp agency)

Also, the wage floor and annual increase will not apply to non-Program Staff such as:

- Cook, custodial and other non-Program Staff positions
- SNR-funded resource teachers/consultants and supplemental staff

The only exception is if the staff is an RECE and the position spends at least 25% of their time to support ratio requirements as outlined in the CCEYA, in which case the staff would be eligible for the wage floor and annual wage increase for the hours that they are supporting the ratio requirements.

DIRECTOR APPROVED STAFF

Qualified staff, child care supervisors, or home child care visitors who are Director Approved to be employed in these positions but do not have an RECE designation, are not eligible for the wage floor or annual wage increase supported by workforce compensation Funding. (Please see the CCEYA for more information on the director approval process.)

ALIGNMENT WITH CHILD CARE WAGE ENHANCEMENT GRANT

The WEG will continue to be provided to support the retention of qualified professionals to deliver affordable, high quality services. Service Providers are required to apply for the WEG to be eligible for the wage floor or annual wage increase under the CWELCC System. WEG funding will be added to the base wage of staff when considering eligibility for the wage floor and annual wage increase plus benefits.

Service Providers must include WEG compensation in each pay cheque or payment made to staff.

IMPLEMENTATION

In 2023, DNSSAB will recognize the Service Provider's Participation Date as the official enrolment date in the CWELCC system.

Upon being notified by DNSSAB, and as new staff are hired, the Service Provider is required to:

- share, in writing, information about the wage floor and annual wage increase with eligible staff;
- provide eligible staff with an understanding of upcoming annual changes to their wages as a result of workforce compensation Funding; and
- ensure that the information about wages must include the wage floor and required annual wage increase for each year in accordance with Policies and Guidelines.

Where staff were paid lower wages than specified by the wage floor, the Service Provider who participates in the CWELCC System will issue a retroactive payment to the eligible staff of the difference retroactive to the Participation Date as noted above. If there was an increase to wages during this period, workforce compensation should be decreased to reflect the change.

Retroactive payments must be paid to eligible staff for the hours worked, regardless of whether they are employed by the Service Provider at the time that their participation in the CWELCC System is confirmed.

DNSSAB may request that the Service Provider submit additional staffing information required to determine a wage floor and subsequent annual wage increase entitlements. Furthermore, additional information may be requested in the future to monitor compliance of the wage floor and annual wage increase requirements.

Service Providers must include workforce compensation payments in each pay cheque or payment made. Workforce compensation may not be paid at the end of the year as a lump sum payment.

Any Service Provider participating in the CWELCC System after December 31, 2023, will not be eligible for a retroactive payment for wage compensation and will only be expected to implement the wage floor and annual wage increase on a go forward basis.

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 planned merit increases for eligible staff.

The DNSSAB is providing funding for an overall cost escalation of 2.75%, which can be used to support general wage increases, including increases above the \$1/hour, wage increases of non-RECE staff, and wage increases of RECE's staff whose salaries are \$25/hour or higher. If cost escalation supports are not sufficient, Service Providers are encouraged to complete the Actual Cost of Care exercise. For additional details, please refer to [Section 4: Actual Cost of Care](#).

STATUTORY BENEFITS & FLEXIBILITY

Workforce compensation Funding includes up to 17.5% in benefits to support Service Providers in meeting their statutory benefit requirements.

Workforce compensation encompasses statutory as well as additional benefits that are provided by the licensee (e.g., additional vacation or personal days). Statutory benefits are benefits licensees are required to provide their staff as determined by the law (e.g., vacation days, statutory holidays, Canada Pension Plan, Employment Insurance).

Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining Funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

PAYMENT TO SERVICE PROVIDERS

The Service Provider will receive workforce compensation Funding for eligible positions on a monthly basis to help support with the costs related to the implementation of the workforce compensation hourly wage increase as previously described.

Workforce compensation Funding allocations will be reconciled on an annual basis using information provided in the Quarterly Reporting Requirement workbooks.

MINIMUM WAGE OFFSET

Where a Service Provider is participating in the CWELCC System and eligibility is met based on the criteria set out in this section, workforce compensation Funding will be provided.

ELIGIBLE POSITIONS

To be eligible for the Minimum Wage offset, a Service Provider must be participating in the CWELCC System and employ staff in a position categorized as:

- 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, licensees must employ staff in positions that were earning less than \$15.50 per hour (not including WEG funding) on September 30, 2022. Positions created after September 30, 2022, are not eligible for the minimum wage offset.

INELIGIBLE POSITIONS

The Minimum Wage offset will not apply to non-Program Staff such as:

- Cook, custodial and other non-Program Staff positions
- SNR-funded resource teachers/consultants and supplemental staff
- Staff hired through a third party (i.e., temp agency).

The only exception to the first two positions noted above is if the staff is a non-RECE in the position who spends at least 25% of their time to support ratio requirements as outlined in the CCEYA in

which case the staff would be eligible for the Minimum Wage offset for the hours that they are supporting the ratio requirements.

IMPLEMENTATION

Upon confirmation of participation in the CWELCC System, DNSSAB may request that the Service Provider submit additional staffing information required to determine the Minimum Wage offset allocation. Furthermore, additional information may be requested in the future to monitor compliance of the Minimum Wage offset requirements.

MINIMUM WAGE OFFSET EXAMPLE

If an eligible staff was earning \$14.50 on April 20, 2021, the Service Provider would receive workforce compensation Funding of \$1.00 per hour plus benefits (as described below) to support that staff's wages.

Workforce compensation Funding for the Minimum Wage offset will be provided to Service Providers starting on the Agency's Participation Date in the CWELCC System up to and including 2026.

Service Providers may increase wages beyond the \$1/hour annual increase; however, CWELCC workforce compensation funding may only be used to fund the incremental amount required to bring RECE staff wages to the wage floor and to provide up to \$1/hour annual wage increases.

STATUTORY BENEFITS & FLEXIBILITY

Workforce compensation Funding includes up to 17.5% in benefits to support Service Providers in meeting their statutory benefit requirements. Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining Funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

PAYMENT TO SERVICE PROVIDERS

As of October 1, 2022, licensees were required to comply with minimum wage legislation and bring the wages of their staff to \$15.50 per hour. To offset the Minimum Wage increase, DNSSAB

will provide workforce compensation Funding on a monthly basis to Service Providers to cover the incremental amount needed to bring wages for eligible staff to \$15.50 per hour.

Workforce compensation Funding allocations will be reconciled on an annual basis.

PROGRAMS SERVING CHILDREN AGED 6-12 ELIGIBILITY

Ontario is contributing Funding as part of the workforce compensation allocation which will be used for compensation of staff working in licensed child care programs serving children aged 6 to 12, who are currently ineligible to apply for participation in the CWELCC System. This will ensure equity of wages across staff serving different age groups, and avoid these increases being passed onto parents through higher fees.

Service Providers with programs only serving children aged 6-12 that apply to DNSSAB for workforce compensation Funding will not be eligible to participate in the Fee Reduction portion of the CWELCC System.

For Service Providers with programs serving any Eligible Child, the Service Provider must be a participant in the CWELCC System to access workforce compensation (funded through the CWELCC System) for eligible staff and home child care visitors, and will be required to adhere to all the parameters of the CWELCC System.

REPORTING REQUIREMENTS

For all staff and home child care visitors meeting the workforce compensation (wage floor, annual increase, Minimum Wage offset) eligibility requirements detailed above, DNSSAB will request a complete listing of staff by position, RECE status (RECE/Non-RECE), and hourly wage for workforce compensation entitlement.

DNSSAB may also request that the Service Provider submit additional staffing information required to determine a wage floor and subsequent annual wage increase entitlements.

SECTION 4: ACTUAL COST OF CARE

If cost escalation supports provided in 2023 are not sufficient and the program's financial viability is of concern, the Service Provider is encouraged to complete the Actual Cost of Care exercise.

The Actual Cost of Care exercise has been made available to support where a Service Provider's current daily Base Rate does not support sustainable licensed child care services. DNSSAB will work with the agency to determine actual daily cost of care based on existing/actual program costs.

In order to ensure a fair, consistent and transparent approach, DNSSAB will provide Service Providers with a workbook that includes detailed instructions and budget planning template(s) at an agency and site level. The Service Provider is required to complete a budget exercise, in the prescribed format, for the overall agency and sites where program sustainability may be at risk.

When determining the actual daily cost of care, DNSSAB and the Service Provider will review the site's child care budget related to eligible age groups (i.e. infant, toddler, preschool and JK/SK programs). Should the Actual Cost of care be higher than the actual daily Base Rate, DNSSAB will provide Funding for the variance up to the determined Actual Cost of care.

In order to facilitate the exercise, school age child care services (for children over 6 years of age) have been included, however, these programs are not eligible for CWELCC Funding. The results of this exercise for this age group (school age) will help the agency determine if the current daily rates are adequate to support a sustainable program.

Funding allocations that support with the variances or gap between the calculated Actual Cost and actual daily Base Rate will be paid in accordance with Policies and Guidelines and within DNSSAB's CWELCC Funding allocations. Where DNSSAB's CWELCC Funding allocation is not sufficient to support with 100% of the variance, the Funding will be distributed to all eligible Service Providers by utilizing an equitable percentage (for example, 50% instead of 100% based on the number of days reported in the CWELCC Monthly Workbook and Fee Subsidy monthly billing).

Funding shortages, if any, will be brought forward to the Ministry for review and consideration.

SECTION 5: CWELCC START-UP GRANT

One of the provincial objectives for implementing the CWELCC System includes developing a framework for targeted space creation and providing funding for start-up grants to support the creation of new, affordable licensed child care spaces for children under age six in targeted locations and for populations most in need.

CWELCC Start-Up Grants are intended to support directed growth by enabling the creation of licensed child care spaces in neighbourhoods/communities that have had historically lower rates of space availability that may not be accommodated through natural growth.

APPLICATION PROCESS

In order to receive Funding, the Service Provider must participate in the CWELCC System for the remainder of the CWELCC Agreement (March 31, 2026).

Funding for CWELCC Start-Up Grants is available to support the creation of new licensed spaces approved for enrolment in the CWELCC System in alignment with Nipissing's Directed Growth Plan and service system plan. The proposed new spaces must also improve access to full day licensed child care for children from infancy up to four years of age in communities with vulnerable children and children from diverse populations including, but not limited to:

- Children living in low-income families;
- Children with exceptional needs;
- Indigenous children;
- Black or other racialized children;
- Children of newcomers to Canada;
- Francophone children; and
- Families needing more flexible models of care, including evening, weekend, and overnight care.

DNSSAB will consider CWELCC Start-Up Grant applications on an ongoing basis, in accordance with Funding availability, DNSSAB's Children's Services budget, Policies and Guidelines.

The CWELCC Start-up Grants application is made available on the DNSSAB's Children's Services website. Prior to submission, applications must be completed in full and must:

- be supported, where appropriate, by relevant documentation/plan
- be supported by quotes (in accordance to the required quotations as described below and within the agency's purchasing policy and process) and current-year receipts and/or paid invoices, where applicable.

Prior to receiving CWELCC Start-Up Grants, Service Providers must complete the application process and receive written confirmation from DNSSAB that the proposed licensed child care space (centre-based and home) is eligible to receive funding under the CWELCC system and that the proposed spaces align with Nipissing’s Directed Growth Plan and service system plan.

Service Providers will receive written confirmation from DNSSAB once the application is processed. An amended agreement, including a CWELCC Start-Up Grant schedule, will be provided to successful applicants for review and signature.

CWELCC Start-Up Grant funding will be provided to the Service Provider according to timelines provided in the application and/or demonstrated cash needs once the amended agreement is fully executed.

LICENSED HOME CHILD CARE

Home child care Service Providers may apply for CWELCC Start-Up Grants through the service system manager where the proposed new homes will be located. At this time, the licensed home child care grant for out of district homes will continue to be paid by DNSSAB. Service Providers are asked to inform DNSSAB of any new homes that are approved through another service system manager.

If the home child care Service Provider is seeking to add new homes in excess of their existing licensed capacity, the applicant must have approval from DNSSAB to proceed with an amendment to their licence to increase the number of provider homes. The approval will be based on needs within the district and funding availability.

ELIGIBLE EXPENDITURES

CWELCC Start-Up Grants are intended to fund projects required to create, retrofit, renovate, and/or expand child care services to accommodate a maximum group size for each age grouping for children under the age of six, as noted in the chart below.

Schedule 1 Requirements re Child Care Centres					
Item	Name of age category	Age range of age category	Ratio of employees to children	Max number of children in group	Proportion of employees that must be qualified employees
1	Infant	Younger than 18 months	3:10	10	1/3
2	Toddler	18 months or older but younger than 30 months	1:5	15	1/3
3	Preschool	30 months or older but younger than 6 years	1:8	24	2/3

Service Providers will be eligible to receive a grant of up to \$90 per square foot of a new full day licensed space with a cap of \$350,000 for every 50 child care spaces created in a centre-based child care setting.

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 Child Care and Early Years Act, 2014.
- 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 DNSSAB.
- Changes to outdoor play space that are required as a result of the expansion of child care spaces in the centre so that the Service Provider continues to comply with Section 24 of O. Reg. 137/15 under the Child Care and Early Years Act, 2014. 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 50 child care spaces created.
- Leasehold improvements.

Home Child Care Agencies will be eligible to receive grants of up to \$1,000 per CWELCC space created, to a maximum of \$6,000 per provider.

Eligible expenses for home child care agencies include:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 27 of O. Reg. 137/15 under the Child Care and Early Years Act, 2014 that can be transferred between home child care providers as required.

INELIGIBLE EXPENSES

Ineligible expenses include the following:

- 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 years age groups;
- School-based child care spaces; and
- Indoor and outdoor renovations, additions or repairs to home child care agency premises or potential home child care provider premises.

QUOTATIONS

Service Providers must ensure to solicit and submit the minimum number of quotes as described in the chart below while still adhering to the agency's procurement policy and process.

If unable to meet the established quotation requirement (i.e. supplier with special knowledge, skills or expertise), the Service Provider must demonstrate that every effort was undertaken to meet the requirement (i.e. written documentation of failed search).

Quotation Requirements for Purchase of Goods and Services	
\$0 – \$24,999	1 written quote detailing purchase and/or scope of work to be completed
\$25,000 - \$49,999	2 written quotes detailing purchase and/or scope of work to be completed
\$50,000 + \$99,999	3 written quotes detailing purchase and/or scope of work to be completed
\$100,000 +	Request for Proposal or Request for Tender strongly encouraged, when feasible or 3 written quotes detailing purchase and/or scope of work to be completed

REVIEW AND APPROVALS OF APPLICATIONS

Where all required information and/or documentation is received, DNSSAB will review and process the Service Provider's application within 15 business days of the application date in accordance with established budget, priorities, Policies and Guidelines.

When approving applications for CWELCC Start-Up Grants, DNSSAB will consider the following:

- Cost effectiveness;
- Available operating funding;
- Capacity of program to access funds through other means;
- Program budget and financial history;
- Child care licensing history;
- Current licensed and operational capacity;
- Age groups;
- Long-term viability; and
- Investment in quality programming.

DNSSAB will also consider and monitor the portion of not-for-profit and for-profit new spaces created in order to maintain the current rate of not-for-profit spaces in accordance with provincial Guidelines and the CWELCC agreement.

FUNDING ALLOCATION

DNSSAB may provide CWELCC Start-Up Grants to Service Providers on demonstrated cash needs, to minimize large advance lump sum payments. For example, DNSSAB would provide Funding on milestones such as 20% of the approved funding upon execution of the service agreement, 50% upon confirmation of receipt of construction permits, 20% upon confirmation of structural framing for renovations or additions, and 10% upon confirmation of a child care centre opening for business.

Service Providers must ensure to complete work and use the CWELCC Start-Up Grants before December 31 of the year when the project was to create the new licensed spaces. Any unspent CWELCC Start-Up Grants provided to applicants during the funding year will be recovered by DNSSAB and returned to the Ministry.

REPORTING AND RECONCILIATIONS

Service Providers in receipt of CWELCC Start-Up Grants will be required to reconcile the Funding allocation with actual expenditures, in the prescribed format provided by DNSSAB. As part of the reconciliation process, the Service Provider will be required to submit invoices and a copy of the cancelled cheque or proof of payment to DNSSAB. Any adjustments and recoveries of funding will be determined through the reconciliation process.

Any unused or misused Funds shall be recovered by DNSSAB.

WITHDRAWING FROM THE CWELCC SYSTEM OR PROGRAM CLOSURE

If a Service Provider receives CWELCC Start-Up Grants and withdraws from the CWELCC system, ceases their licensed child care operations prior to March 31, 2026, or fails to use the Funding in accordance with the terms and conditions of their purchase of service agreement, DNSSAB will recover the Funding and return the Funds to the Ministry as part of regular financial reporting processes.

SECTION 6: FUNDING

ALLOCATIONS

Funding allocations will be determined within Policies and Guidelines and will depend on DNSSAB's Children's Services Budget.

Funding to meet the objectives of affordability for families and system stability with Base Fee Reduction and Workforce Funding will be prioritized.

FEE REDUCTION FUNDING

The Funding provided by DNSSAB to the Service Provider is intended to cover the actual cost (plus the cost escalation/inflationary rate of 2.75%) associated with supporting the mandated reduction in a Service Provider's Base Fee and increased program costs.

An estimated Funding advance will be flowed to the Service Provider on January 1st, annually, to address potential cash flow issues that may arise due to the timelines associated with the completion of the monthly claims and reconciliation workbook.

Following the initial advance, the Service Provider will then receive a monthly allocation based on the actual costs reported in the Monthly Reconciliation Workbook. Depending on the total recovery/deficit noted in the workbook tab entitled "Payment Summary Tab", the remaining monthly payment(s) may be adjusted. A final reconciliation will occur following the December billing is completed (January 20, 2023).

WORKFORCE FUNDING

Workforce compensation Funding will be available to all participating Service Providers in accordance to eligibility criteria set out in [Section 3](#) of these guidelines.

An estimated Funding allocation will be flowed to the Service Provider at the beginning of the year to support with CWELCC workforce compensation expenditures. Following the initial allocation, the Service Provider will receive an estimated monthly allocation to support with the ongoing costs related to the implementation of the workforce compensation. Depending on the total recovery/deficit noted in the Quarterly Requirements workbook tab entitled "Wage Comp. Reconciliation", the remaining monthly payment(s) may be adjusted. A final reconciliation will occur at year-end (January 20, 2023).

ADDITIONAL FUNDING CONSIDERATIONS

In addition to the Funding considerations already provided throughout these guidelines, the Ministry of Education has also identified the following measures, which DNSSAB must adhere to as part of the implementation of the CWELCC System.

DNSSAB must ensure that Service Providers follow requirements set out in applicable legislation, regulation, Policies and Guidelines, including the following parameters:

- Communicate their CWELCC System participation status to all parents and staff within 14 days of being notified by DNSSAB of their Participation Date.
- Maintain the age 0-5 spaces for which the Agency 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 DNSSAB and DNSSAB will determine whether this may require recovering Funding from the Service Provider.
- Advise DNSSAB of reductions to operating capacity that are anticipated to persist for more than two months and DNSSAB will determine whether this may require recovering Funding from the Service Provider.
- Licensed child care programs may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year while still receiving full Funding from the CWELCC System. Full parent fees cannot be charged for any closure beyond these timelines. Closures beyond these timelines must be reported to DNSSAB and DNSSAB will determine if Funding adjustments are required.
- For closures due to events outside a Service Provider'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.
- Complete the annual Licensed Child Care Operations Survey, as required by a Ministry director, under O. Reg. 137/15 (77). DNSSAB is required to withhold Funding to a Service Provider until DNSSAB has confirmed that the survey has been submitted. DNSSAB will receive confirmation from the Ministry upon the Service Provider's submission of the survey.
- Keep an electronic or hard copy of their Agreement with DNSSAB at the child care centre or home child Agency and make it available to the Ministry upon request.
- Maintain their licence in good standing for all licensed child care sites in accordance with the Act.
- Provide sufficient and detailed financial information related to the operations of child care for Eligible Children, fee reduction, as well as staff supported with workforce compensation.

Furthermore, the Service Provider acknowledges that:

- DNSSAB must consider whether a Service Provider's operation is sustainable and financially viable.
- Excess Funding provided to Service Providers during the funding year, or Funding not used for its intended purpose, will be recovered.
- Where Funding is available, DNSSAB provided Funding to the Service Providers to support inflationary costs associated with Base Fees for child care operations for Eligible Children, including inflationary compensation increases for staff, based on the inflationary increase provided by the Ministry.
- DNSSAB must verify that increases to parent fees in child care for Eligible Children were permitted in accordance with the requirements set out in O. Reg. 137/15, (i.e., a fee increase must be communicated to families/parents prior to March 27, 2022).
- DNSSAB may review the Service Provider's waitlists and child care operations for eligible children for long term vacancies that continue to remain unfilled and may adjust funding where long term vacancies are identified and not mitigated.

SECTION 7: ACCOUNTABILITY

PURPOSE

While most of the following information and parameters described in the sections below are applicable to the Service Providers participating in the CWELCC System, some of the sections will apply to all Service Providers who hold an Agreement with DNSSAB, no matter their participation in the CWELCC System.

CWELCC Funding is not intended to replace the existing provincial funding currently provided to the Service Provider. Funds are intended to support the objectives of the CWELCC System and are issued in addition to any provincial and ELCC funding currently being provided to the Service Provider.

In 2023, CWELCC funding is designed to fully offset the reduction in revenue from reduced base fees, while also improving compensation for eligible qualified workers, and recognizing cost escalation.

Note: All funding parameters and controls described in Policies and Guidelines apply to all Service Providers regardless of whether they are a not-for-profit or for-profit Service Provider.

AGREEMENT

DNSSAB will be working with Service Providers where they wish to enroll in the CWELCC System and they meet eligibility requirements. This will entail entering into an Agreement with DNSSAB.

A [Sample CWELCC Agreement](#) is available and posted on the DNSSAB Website.

RESERVES AND RETAINED EARNINGS

In accordance with the Agreement, Policies, and Guidelines, the not-for-profit Service Providers will be permitted to accumulate financial reserves and for-profit Service Providers will be permitted to earn retained earnings, to support with working capital requirements.

FINANCIAL REPORTING REQUIREMENTS

For each Funding initiative (Fee Reduction and Workforce Compensation), Service Providers will be required to report on service data and expenditures supported by this Funding. Workforce Compensation reporting requirements have been incorporated into the current Quarterly Reporting Requirements reporting workbook, to reduce administrative burden, as much as possible. In 2023, Service Providers will continue to submit monthly Fee Reduction data via the Monthly Fee Reduction Workbook (for full fee spaces only). Fee Reduction data for subsidized spaces, where applicable, will be extracted from OCCMS reports.

On an annual basis, Service Providers will be required to reconcile all CWELCC Funding entitlements with actual expenditures by collecting appropriate and detailed financial and program information related to the operations of child care for Eligible Children, fee reduction, as well as staff supported with workforce compensation.

The annual financial reconciliation will ensure that Funding supports Actual Costs incurred by a Service Provider associated with a mandated Base Fee reduction, as well as mandated wage increases for eligible staff. Any unspent Funding issued to the Service Provider during the funding year, or Funding not used for its intended purpose, will be recovered by DNSSAB.

In accordance with Policies and Guidelines, DNSSAB reserves the right to review all financial components including cost and expense line items for reasonability and eligibility, while ensuring CWELCC System objectives are being achieved.

LATE SUBMISSIONS

DNSSAB acknowledges that service providers strive to submit required information on a timely basis. DNSSAB will continue to support service providers with timely data and financial documentation filing through outreach, training and resources.

The intent behind the late submission process outlined below is to ensure that DNSSAB has the information required to demonstrate accountability for public funds.

Where the financial submission is not received by DNSSAB in the established timeline, the following actions will be taken:

- DNSSAB will inform the service provider that the submission is overdue and allow the service provider time to remedy the situation.

- In accordance with the agreement, DNSSAB may withhold payments of any funds payable if, in DNSSAB's sole discretion, DNSSAB determines that the service provider is in breach of any of its obligations or the warranties provided.

Upon submission of the requirements, DNSSAB will revert back to the normal payment process and will include in the payment the total amount withheld up to that point.

DNSSAB reserves the right to, at its sole discretion, suspend funding (in year or in the subsequent year(s)) in the event of late submission(s).

FINANCIAL COMPLIANCE AUDITS

DNSSAB will conduct random financial compliance audits with a sample of Service Providers each year to ensure accountability and confirm that Funds were used in accordance with the requirements of the CWELCC System, the Agreement, Policies, and Guidelines.

DNSSAB will also:

- review and confirm that the Service Provider did not charge Rates or Non-Base Fees for Eligible Children higher than the Rates or Non-Base Fees at which it was capped after March 27, 2022 (unless the Rates were communicated to parents prior to March 27, 2022).
- review fees to ensure that the Service Provider maintained/reduced the base fees in accordance to Policies and Guidelines.
- verify that the Service Provider is maintaining the spaces for Eligible Children for which they are receiving Funding to reduce Base Fees (e.g., a licensed infant space must remain an infant space).
- confirm the timeliness and accuracy of refunds/credits and Rate reductions made by the Service Provider;
- verify that Service Provider has not charged to Eligible Families full Base Fees for any closures beyond the time limits as described within Policies and Guidelines;
- ensure that Funding provided reflects the Actual Cost associated with supporting mandated fee reductions to the Service Provider's Base Fees;
- verify that the Service Provider is providing mandated wage increases for eligible staff;
- review expenditures to ensure that Funds are not used towards ineligible expenditures;
- verify the wage compensation is distributed to eligible staff in accordance to Policies and Guidelines; and
- review the agencies pay schedule to ensure that WEG and workforce compensation funding has been paid in accordance to Policies and Guidelines.

The Service Provider may be required to prepare and submit additional information to DNSSAB and must ensure that its staff and board members will be available for consultation with DNSSAB upon request.

Any unspent Funds issued to a Service Provider during the funding year or Funds not used for the intended purpose will be recovered by DNSSAB.

AUDITED FINANCIAL STATEMENTS

In accordance with the Agreement, Policies and Guidelines, the Service Provider is required to submit to DNSSAB audited financial statements prepared by a licensed public accountant and a Management Letter (issued by the external auditor) within four months of the Service Provider's year-end.

The audited financial statements must disclose separately, either on the face of the statement of operations or in the notes to the financial statements, the categories of funding received from DNSSAB during the period. The annual audited financial statements must also clearly provide separate reconciled schedules for each category of funding received by DNSSAB and how this funding has been expended throughout the year.

Furthermore, the audited financial statements shall disclose as a note, information related to reserves and/or accumulated surplus/ and or retained earnings for each Service provided by the Service Provider.

NON-COMPLIANCE

Service Providers who are deemed non-compliant with the terms and conditions of the Agreement, Policies and Guidelines may be ineligible to receive future CWELCC Funding.

SECTION 8: ADDITIONAL INFORMATION

QUESTIONS & INQUIRIES

Questions about the CWELCC System should be addressed to:
District of Nipissing Social Services Administration Board
Attention: Children's Services Department, Finance and Data Coordination Team
Email: csfundingrequest@dnssab.ca

Individuals inquiring about the CWELCC System are asked to complete the "[Canada-Wide Early Learning and Child Care System Inquiry Form](#)".

DNSSAB will review and respond to questions and inquiries within two (2) Business Days.

APPEALS

Service Providers may bring any issues regarding CWELCC System eligibility, application and Funding decisions forward in writing by completing and submitting a [Service Provider Appeal Form](#) and supporting documentation.

DNSSAB will review and respond to the Service Provider's appeal within ten (10) Business Days of receipt of the appeal.

DNSSAB WEBSITE

Please visit [DNSSAB's Children's Services website](#) for additional information, guidelines and resources.

SECTION 9: DEFINITIONS


In this document, all capitalized terms noted below shall have the following respective meanings:

- “Act” means the Child Care and Early Years Act, 2014, S.O. 2014, C.11 as amended, and the regulations thereunder.
- “Actual Cost” means the total daily costs calculated based on actual program costs incurred in the portion of the Service Providers’ child care business for Eligible Children, net of fee generated revenues received by the Service Provider from Base Fees, any provincial and current ELCC funding, municipal funding, and other revenues provided to a Service Provider to support the costs associated with Base Fee for Eligible Children.
- “Agency” means the Service Provider’s business.
- “Agreement” means the Agreement entered into between DNSSAB and the Service Provider.
- “Base Fee” means the daily rate or any fee or part of a fee that is charged to Eligible Families for child care services, including anything a Service Provider is required to provide under the Act or anything a Service Provider requires the parent to purchase from the Service Provider, but does not include a Non-Base Fee.
- “Business Day” means any working day, Monday to Friday inclusive, excluding Statutory or other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day, Boxing Day and any other day which DNSSAB has elected to be closed for business.
- “Calendar Day” means consecutive days, inclusive of Saturdays, Sundays, statutory or other holidays.
- “CWELCC Start-Up Grant” means Funding to support the creation of new, affordable licensed child care spaces for children under age six in targeted locations and for populations most in need.
- “CWELCC System” means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in an agreement entered into by the Province of Ontario and the Government of Canada.
- “Director Approved” means qualified staff that are otherwise approved in accordance with the Act and employed as an educator or child care supervisor or home child care visitor but do not have and RECE designation.
- “DNSSAB” means the District of Nipissing Social Services Administration Board.
- “Eligible Child” or “Eligible Children” means any child, until the last day of the month in which the child turns 6 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 home child care, as defined in the Act.

- “Eligible Families” means Full Fee parents or parents in receipt of Fee Subsidy financially responsible for the child care costs of Eligible Children.
- “Fee Subsidy” means financial assistance provided toward the cost of licensed child care services, licensed home child care and children’s recreation programs.
- “Full Fee” means a Parent or Guardian that is not considered to be a person in need of Fee Subsidy.
- “Funds” or “Funding” means CWELCC System funding.
- “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 child care 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.
- “Market Rates” or “Rates” means the Base Fee.
- “Minimum Wage” means the lowest permitted hourly wage by provincial law.
- “Ministry” means Ministry of Education for the Province of Ontario.
- “Non-Base Fee” means 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 Service Provider 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 for their child but failed to provide), as defined in the Act.
- “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.
- “Participation Date” means the date that the Agreement was fully executed by the Service Provider and DNSSAB, confirming the Agency’s enrolment and participation in the CWELCC System.
- “Policies and Guidelines” means the policies and guidelines of DNSSAB or Ministry, as amended or replaced or added to from time to time.
- “Program Staff” means Agency’s staff members that work in licensed child care programs to meet legislative requirement in accordance with the Act.
- “RECE” means Registered Early Childhood Educator.
- “Service Provider(s)” means a licensed child care operator or licensee, no matter the auspice (i.e. not-for-profit, for-profit, municipal).

- “Statutory Benefits” means mandatory employee benefits, which must be paid by employers as required by law.
- “WEG” means Wage Enhancement Grant.



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