

# **CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM**

## **2024 GUIDELINES FOR LICENSED CHILD CARE SERVICE PROVIDERS**

January 2024

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: EMERGING ISSUES FUNDING](#)

[SECTION 5: FUNDING](#)

[SECTION 6: ACCOUNTABILITY](#)

[SECTION 7: ADDITIONAL INFORMATION](#)

[SECTION 8: 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 CWELCC Guidelines is to ensure the delivery of high-quality child care, as defined in the Child Care and Early Years Act, 2014 (CCEYA).

**Child and Family Focused:** 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 Spaces Regardless the Auspice:** The child care spaces provided by both for-profit and not-for-profit licensees in the province should be protected, helping to support predominantly female entrepreneurs across the province to meet the varying child care needs of Ontarians.

**Efficient Administrative System:** Administrative processes and systems should collect the minimum information necessary from licensees and support timely enrolment and implementation of CWELCC.

## 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 52.75% 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.

In 2024, 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 2024, 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

To be eligible to participate in the CWELCC System, the Service Provider:

- must complete and submit the CWELCC Application Form to DNSSAB, demonstrating that the Agency meets the stipulated criteria to be eligible to participate in the CWELCC System.
- Under O. Reg.137/15 (s.77.3(2)), must align with the district's approved Directed Growth Allocation and the provincial Access and Inclusion Framework. DNSSAB has the discretion to deny enrolment to the Service Provider where the program is not consistent with the DNSSAB's Directed Growth Plan.
- 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 several 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 2024 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 2024, 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 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](mailto: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, 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.

Applications may also be denied if the CWELCC application is submitted on or after January 1, 2024, and the program/space to be created is inconsistent with DNSSAB's Early Years and Child Care Service System Plan with respect to the demand for child care, and the capacity and locations of existing child care centres and premises where home child care is provided. Furthermore, if the proposed new spaces do not align with the local Directed Growth Plan or auspice targets established by the Ministry, DNSSAB may decline the application.

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 2024 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.
- meet their workforce compensation obligations with respect to providing wage increases to eligible Program Staff in accordance with policies and guidelines.
- 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 percent (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 – Achieved.
- \$10 per day average child care base fees for eligible children by March 31, 2026 – In progress.

### 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 2024; 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.

A 52.75 percent reduction in parent fees relative to March 2022 levels was effective as of December 21, 2022. This reduction will be maintained in 2024. Note that if this base fee is less than \$12 per day, a \$12 per 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 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.

	<b>Prior to CWELCC Enrolment</b>	<b>After Enrolment in 2022</b> (once base fees were reduced by 25%)	<b>Effective December 31, 2022</b> (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
<b>Total revenue received by licensee</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>

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 percent 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 percent based on their already reduced fees in 2022.

For example:

	<b>Before CWELCC (per day)</b>	<b>After Enrolment in 2022</b> (once base fees were reduced by 25%)	<b>Effective December 31, 2022</b> (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 with 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 reduced the parental contribution for Eligible Children by 50%. The current reduction will be maintained in 2024. 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 percent parental contribution reduction would only apply to the 4-year-old. The 50 percent reduction would then be reduced by half, as it only applies to one of the two children.*

For additional details, please refer to the following table:

	<b>Prior to CWELCC Enrolment</b>	<b>After Enrolment in 2022</b> (parental contribution is reduced by 25% relative to value prior to enrolment)	<b>Effective December 31, 2022</b> (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
<b>Total revenue received by licensee</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>

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.

It is important to note that 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).*

<b>Table 1</b>	<b>Prior to CWELCC Enrolment</b>	<b>After Enrolment in 2022</b> (once base fees were reduced by 25%)	<b>Effective December 31, 2022</b> (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
<b>Total revenue received by licensee</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>

<b>Table 2</b>	<b>Prior to CWELCC Enrolment</b>	<b>After Enrolment in 2022</b> (parental contribution is reduced by 25% relative to value prior to enrolment)	<b>Effective December 31, 2022</b> (parental contribution is reduced by 50% relative to value prior to enrolment)
Parental Contribution	\$30	$\$22.50 = \$30 \times (1-25\%)$	$\$15 = \$30 \times (1-50\%)$
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

<b>Total revenue received by licensee</b>	<b>\$100</b>	<b>\$100</b>	<b>\$100</b>
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Additionally, CWELCC Funding does not replace existing provincial operating Funding currently being provided to Service Providers.

## REIMBURSEMENTS

In 2024, for agencies newly enrolled in the CWELCC System, 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, 2024, the Service Provider will notify Eligible Families prior to December 31, 2024, that a refund will be provided.

Any programs that choose to apply and enroll after December 31, 2024, 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 20<sup>th</sup> 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 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 2024 to ensure that reimbursements are provided to Eligible Families in a timely manner and where possible prior to December 31, 2024. 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, 2024.
- 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 period.
- The Service Provider must accrue Funds for parent reimbursements allocated for the 2024 year but paid out after December 31, 2024, and work with their auditors to ensure these payments are captured as part of the 2024 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, 2023.

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

### WORKFORCE COMPENSATION ORDER OF OPERATIONS

To determine annual wage floor increase eligibility, Service Providers 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 a maximum of \$30.59 per hour as per the Early Years and Child Care guideline),
- 3) CWELCC annual wage increases of \$1 per hour, compounded year over year, up to \$26 per hour for RECE Program Staff and \$29 per hour for RECE child care supervisors or RECE home child care visitors.
- 4) CWELCC incremental wage floor increase, if applicable.

## Order of Operations Examples related to the RECE Program

Year	Base Wage per Hour	WEG	CWELCC Annual Wage Increase	CWELCC Wage Floor Increase	New Wage*
2022	\$ 18.50	\$2	\$0	\$0	\$20.50 <sup>1</sup>
2023	\$ 19.00	\$2	\$1	\$0	\$22.00
2024	\$ 19.50	\$2	\$1+1	\$0.36	\$23.86

<sup>1</sup>In 2022 the CWELCC Wage Floor was limited to \$18 per hour.

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

## ANNUAL WAGE INCREASE

Service Providers are required to increase the hourly wage of Eligible Staff by \$1 per hour plus benefits, on January 1st of each year from 2024 to 2026, inclusive, up to the annual wage ceiling as described in the Wage Ceiling for Annual Wage Increase table below. To be eligible for the \$1 per hour annual increase, the RECE program staff's wage must be equal to or greater than the wage floor and less than the annual wage ceiling for that year. For example, in 2024, the wage ceiling is set to a maximum of \$26.00 for RECE Program Staff and \$29.00 for RECE Child Care Supervisor or RECE Home Child Care Visitor. Staff earning at or above the wage ceiling in that year are not eligible for the annual \$1 per hour increase.

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 ceiling per hour on January 1st of each eligible year (i.e., base wage, plus WEG funding, plus annual increase must be below the hourly wage ceiling as noted in the chart above). Benefits should not be included when determining the base wage.

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

### Wage Ceiling For Annual Wage Increase (Per Hour)

Year	RECE Program Staff	RECE Child Care Supervisor or RECE Home Child Care Visitor
2024	Changed from \$25.00 to \$26.00	Changed from \$25.00 to \$29.00
2025	Changed from \$25.00 to \$27.00	Changed from \$25.00 to \$30.00
2026	Changed from \$25.00 to \$28.00	Changed from \$25.00 to \$30.00

### Annual Wage Increase Examples (2024)

WEG funding of \$2 per hour, annual wage increase of \$1 per hour and wage cap of \$26 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  $\$19 + \$2 + \$1 + 1.86 = \$23.86$  per hour (which is under the \$26 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 \$24 per hour or higher would not qualify for an annual wage increase  $\$24 + \$2 = \$26$ , (which is equal to the wage cap for RECE Program Staff). Workforce compensation Funding is not required.

## WAGE FLOOR

Service Providers enrolling in the CWELCC System in 2024, 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 2025.

The wage floor for 2024, will come into effect on January 1, 2024.

Service Providers enrolled in the CWELCC System in 2024 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 2024, RECE program staff should have a wage floor of \$ 23.86/hour, and RECE child care supervisors or RECE home child care visitors should have a wage floor of \$24.86/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 from 2022 to 2026

ELIGIBLE POSITIONS	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$23.86	\$24.86	\$25.86
RECE Child Care Supervisor or RECE Home Child Care Visitor	\$20	\$21	\$24.86	\$25.86	\$26.86

\*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 2024 a RECE Program Staff with a base wage of \$18 per hour and WEG funding of \$2 per hour, would receive workforce compensation Funding of \$3.86 per hour to bring the wage to the wage floor.

Wage Floor Examples

Wage floor of \$23.86 per hour and WEG funding of \$2 per hour.

Example 1: RECE Program Staff with a base wage of \$19 per hour would qualify to have their wage increase to \$23.86 per hour (\$19+\$2=\$21 per hour which is below \$23.86 per hour). Workforce compensation Funding of \$2.86 per hour must be provided.



Example 2: A RECE Program Staff hired in the current year with a base wage of \$22 per hour or higher would not qualify to have their wage increase ( $\$22 + \$2 = \$24$  per hour which is higher than the wage floor). Workforce compensation Funding to wage floor is not required, however the RECE would be eligible for the \$1/hour annual wage increase in 2025 which results in \$25.00 per hour.

## INELIGIBLE POSITIONS

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

- Non-RECE Program Staff/Supervisor;
- Non-Program Staff; and
- 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; and
- SNR-funded resource teachers/consultants and supplemental staff.

The only exception is if the staff is a 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 2024, 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 because 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, 2024, 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 4.91% (a compounded cost escalation factor of 2.75% for 2023 and 2.1% in 2024), which can be used to support general wage increases, including increases above the \$1/hour, wage increases of non-RECE staff, wage increases of RECE front line staff whose salaries are \$26/hour or higher and increases of RECE Supervisors and Home Child Care Visitors whose salaries are \$29/hour or higher. If cost escalation supports are not sufficient, Service Providers are encouraged to complete the Emerging Issues Funding Application. For additional details, please refer to [Section 4: Emerging Issues Funding](#).

## 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 monthly 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 \$16.55 per hour (not including WEG funding) on September 30, 2023. Positions created after September 30, 2023, 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; and
- 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 \$15.50 on October 1, 2023, the Service Provider would receive workforce compensation Funding of \$1.05 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.

## STATUTORY BENEFITS & FLEXIBILITY

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

Statutory benefit requirements are benefits Service Providers are required to provide their staff as determined by legislation (for example, vacation days or statutory holidays) or obligations the licensee has as an employer (for example, Canada Pension Plan or Employment Insurance contributions, or Employer Health Tax).

Once all statutory benefit requirements 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.

## PAYMENT TO SERVICE PROVIDERS

As of October 1, 2023, licensees were required to comply with minimum wage legislation and bring the wages of their staff to \$16.55 per hour. To offset the Minimum Wage increase, DNSSAB will provide workforce compensation Funding monthly to Service Providers to cover the incremental amount needed to bring wages for eligible staff to \$16.55 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: EMERGING ISSUES FUNDING

Should corresponding Revenue for Eligible Spaces provided in 2024 be insufficient to support the Service Provider's Non-Discretionary Costs, the Service Provider is encouraged to complete the Emerging Issues Funding Application.

To help provide stability, DNSSAB will prioritize (but not limit) approval of emerging issues funding to Service Providers:

- whose operating non-discretionary expenses for eligible spaces exceed their corresponding revenue from all sources,
- who demonstrate that other options (such as implementing efficiencies, other government funding) do not cover their eligible costs, and
- who demonstrate their financial viability.

The Emerging Issues Funding Application is optional and will be made available to support Service Providers in addressing Non-Discretionary Cost pressures. DNSSAB will work with the Agency to determine emerging issues based on existing/actual program Non-Discretionary Costs.

To ensure a fair, consistent and transparent approach, Service Providers are asked to complete the Emerging Issues application which includes detailed instructions for both centre based and home child care services as well as budget planning template(s) at an Agency, site (centre-based) and program (home child care) level. Service Providers are required to fully complete the budget exercise, in the prescribed format, for the overall Agency, centre-based sites and the home child care program where their revenue for eligible licensed child care spaces is insufficient to support the Agency's Non-Discretionary Costs. In addition to this, Service Providers are asked to identify anticipated emerging issues that may occur in the current the year.

### ELIGIBILITY

Service Providers enrolled in the CWELCC System can apply for Funding to address non-discretionary cost pressures (that is, those beyond the Service Provider's control).

Costs are eligible if they are:

- Legitimately (properly and reasonably) incurred for child care delivery in accordance with the Child Care and Early Years Act (CCEYA) and its regulations 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 that the Service Provider 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 DNSSAB.

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 cost should be reasonable (for example, they align with Canada Small Business Financing Program rates); and
- Audits costs, as audited financial statements are contractual stipulations of the CWELCC service agreement.

Costs are not eligible 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.

## IMPLEMENTATION

When determining the 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 cost of care be higher than the actual daily Base Rate, DNSSAB may provide



Emerging Issues Funding for the variance up to the determined cost of care to support with the Agency's emerging issues.

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.

It is important to note that DNSSAB will require supporting documentation confirming eligible Non-Discretionary costs in order to verify expenditures reported in the Emerging Issues Application (i.e. invoices, statements, lease/rental agreement, etc.).

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%).

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

## SECTION 5: 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 4.91% (a compounded cost escalation factor of 2.75% for 2023 and 2.1% in 2024) 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 1<sup>st</sup>, 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, 2024).

#### 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 annually based on the fourth-quarter report.

## Emerging Issues Funding

Emerging Issues Funding will be made available to all participating Service Providers through an application process in accordance with the eligibility criteria set out in [Section 4](#) of these guidelines.

The Service Provider will receive a monthly allocation of Emerging Issues Funding to support with the variances or gap between the calculated actual cost and actual daily Base Rate (determined through the Emerging Issues Application) based on actual enrolment/attendance reported in the Monthly Reconciliation Workbook.

## 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.
- 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 6: 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 2024, 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 2024, 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 the majority of service providers submit required information on a timely basis. The intent behind the late submission process outlined below is to ensure that DNSSAB has the information required to demonstrate accountability for public funds.

DNSSAB will continue to support Service Providers with timely data and financial documentation filing through outreach, training, and resources. The process for late submission of financial reports is implemented as outlined below.

Where financial submission is not received by DNSSAB in the established timeline, DNSSAB will take the following action until the submission is received:

- 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 to the normal payment process and will include in the payment the total amount withheld up to that point.

DNSSAB reserves the right to suspend Funding (in year or in the subsequent year(s)). Should a Service Provider have any outstanding submissions, DNSSAB may exercise its discretion by not providing funding in the subsequent calendar year.

## 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 diligently monitoring the agency's waitlist, reviewing the operating capacity of each program, and considering the impact of short-term and long-term vacancies. In cases where long-term vacancies occur, the Service Provider is responsible to

create a plan to address these. While short-term vacancies will be created from time to time, spaces should be occupied where staff are available and there is a demand for spaces.

- review expenditures to ensure that Funds are not used towards ineligible expenditures;
- verify that the Service Provider is providing mandated wage increases for eligible staff and continues to meet their workforce compensation obligations with respect to providing wage increases to eligible Program Staff in accordance with Policies and Guidelines; and
- review the agencies pay schedule to ensure that WEG and workforce compensation funding has been paid in accordance with 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 7: 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](mailto: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 8: 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.
- “Corresponding Revenue” means revenue received to support with the operations of Eligible Spaces which may include, but not limited to, fee subsidy, general operating, fee reduction, wage enhancement, workforce compensation, cost escalation and parent fees.
- “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.
- “Directed Growth” means DNSSAB’s local plan to target child care space growth to communities of high need. In alignment with the Province’s CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, DNSSAB has an approved target number of new spaces to create, supported by CWELCC funds.
- “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.
- “Eligible Spaces” means Licensed Child Care spaces for children aged from infancy up to 6 years of age operated by a Service Provider enrolled in the CWELCC System.
- “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.
- “Non-Discretionary Cost” or “Non-Discretionary Costs” means operating costs that are essential, non-negotiable and required for the delivery of licensed child care services in accordance with the Act and its regulations.
- “Operating Capacity” means the number of children the centre/home child care is planning to serve as per the Service Provider’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.
- “Semi-fixed costs” means a Service Provider’s 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).
- “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.



DNSSAB Children's Services  
200 McIntyre St E  
North Bay, ON P1B 8V6

Phone: 705-474-2151  
Fax: 705-474-0136  
Toll Free: 1-877-829-5121  
[csfundingrequest@dnssab.ca](mailto:csfundingrequest@dnssab.ca)

**[dnssab.ca/childrens-services](https://dnssab.ca/childrens-services)**