

## 2023 LHCC Base Funding Quick Look

Updated: February 14, 2023

Refer to [2023 LHCC Base Funding Guideline](#) for more details

### OBJECTIVE

Licensed Home Child Care (LHCC) Base Funding provides streamlined funding to eligible LHCC agencies to improve access to affordable, high quality, inclusive and accountable licensed child care for families.

### ELIGIBILITY CRITERIA

LHCC agencies must have a signed EYCCS Agreement dated on or before October 31, 2021. Please refer to the [2023 LHCC Base Funding Guideline](#) for more information.

### BASE FUNDING REQUIREMENTS AND ELIGIBLE EXPENSES

Component	Funding Requirements / Eligible Expenses
<b>Fee Reduction Operating Grant (FROG)</b>	<ul style="list-style-type: none"> <li>• Reduce market fees by \$6.00 per day for full-fee families with children 6-12 years of age who are not eligible for the Canada-Wide Early Learning and Child Care (CWELCC) fee reduction.</li> <li>• Families with children 0-5 years of age do not qualify for the FROG and their fees will be reduced by 52.75% in 2023 through the CWELCC fee reduction funding.</li> <li>• Families receiving a child care subsidy are not eligible.</li> <li>• Distribute the Region's Parent Notice by <b>December 31, 2022</b> to all full-fee families informing of the applicable child care fee reduction available to them in 2023.</li> </ul>
<b>Payments to Home Child Care (HCC) Providers</b>	<ul style="list-style-type: none"> <li>• Attract/retain HCC providers by increasing payments to providers.</li> <li>• Distribute this funding to HCC providers based on each individual HCC provider's proportion of the total agency payments to providers.</li> </ul> <p><b>If you are experiencing a reduced number of active homes</b> you must prorate your monthly allocation based on the number of current active homes (compared to January 2020) before you allocate payments to HCC providers.</p> <p><b>If your number of active homes has significantly increased</b> (compared to January 2020), please contact your Early Years Specialist. You will be required to provide updated data to validate adjustments to funding in this component.</p>
<b>Staff Wages and Benefits (SWB) to Home Visitors</b>  Includes Historical Funding (eligible agencies only)	<p>If your agency receives Historical Funding, effective January 1, 2023, this will be merged with your Staff Wages and Benefits (SWB) allocation to streamline funding and reduce reporting requirements.</p> <p>You must use this funding to:</p> <ul style="list-style-type: none"> <li>• Enhance staff wages for Home Visitors (above regulatory requirements).</li> <li>• Continue to enhance your staff wages at the same levels as last year so your staff are not negatively impacted.</li> <li>• Support incremental employer mandatory benefits associated with the enhancement.</li> </ul>

<p><b>Base Operating / Administration Funding</b> Includes existing admin amount to support: WIF, WEG/HCCCEG, Base Funding</p>	<p>If you have <b>Fee Subsidy Agreement (FSA)</b>, you can use this funding to:</p> <ul style="list-style-type: none"> <li>• Purchase program supplies and resources that are owned by the agency and loaned to providers (play-based materials, equipment). Refer to the <a href="#">2023 LHCC Base Funding Guideline</a> for list of eligible expenses and how to report items.</li> <li>• Support occupancy costs: agency lease/rent, utilities</li> <li>• Support expenses to offset incremental audit and/or administration/bookkeeping costs incurred to administer funding or reporting requirements</li> <li>• Further enhance staff wages/benefits and/or payments to providers</li> </ul>
<p><b>NEW</b> CWELCC Transition Operating Grant (TOG) (eligible agencies only)</p>	<p>If you have <b>both FSA and CWELCC Agreement</b> with the Region, you will also receive the TOG (which is being flowed through Base Funding). The TOG includes:</p> <ul style="list-style-type: none"> <li>• <b>Part A: Cost Escalation Amount</b> - supports inflationary expenses and other changes to costs. This funding must be spent on the proportion of the eligible expenses that supports children aged 0-5 years.</li> <li>• <b>Part B: Operating Amount</b> – this includes 1) Administration Amount which is an existing administration amount to support EYCCS programs, and 2) Additional Operating Amount which you have flexibility to use towards costs to support implementation of CWELCC and meeting reporting requirements. You will be required to report the amount of funding spent by age category (CWELCC eligible children aged 0-5 and children aged 0-12).</li> </ul> <p><b>Note:</b> Refer to the <a href="#">2023 LHCC Base Funding Guideline</a> for list of TOG eligible expenses in Part A and Part B.</p>

## ACCOUNTABILITY / REPORTING / RECONCILIATION

- Base Funding must be spent according to this Guideline by **December 31, 2023**.
- LHCC agencies are required to submit:
  - One in-year report due **July 31, 2023**
  - Final reconciliation due **January 31, 2024**
  - Key Performance Indicators (KPIs) – review the updated [2023 LHCC Base Funding Guideline](#)
- You must report the actual expenditures within each of the TOG categories broken out by CWELCC eligible children or non-CWELCC children as specified in the reconciliation template.
- Agencies required to submit supporting invoices (as requested) by January 2023.
- All expenses should be claimed only **once** under the various Base Funding components. If you claim the same eligible expense in more than one funding component or claim an ineligible expense, the Region reserves the right to deem those components ineligible and recover funding in whole or in part.
- Through Reconciliation, you are required to submit an attestation that you have exhausted all other available funding, and expenses supported through 2023 Base Funding have not been covered through any other EYCC funding streams and other government funding. Other documentation maybe requested.
- The Region will implement random funding reviews of agency's use of 2023 LHCC Base Funding.
- Failure to comply with Regional policies, including the [Holds Policy and Deadline Compliances Policy](#), may result in your agency being ineligible for this funding and/or reductions to future EYCC funding.

**QUESTIONS:** Please email [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) if you have any questions