

**Peel Region  
Canada-Wide Early Learning and Child Care Program**

**2023 CWELCC Expansion Funding Guideline**

**September to December 2023**

**Licensed Home Child Care Agencies**

**Newly Enrolled in Peel's CWELCC Program through the  
CWELCC Expansion Application Process**

**Early Years and Child Care Services  
September 2023 ( updated )**

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## SECTION 1: OVERVIEW EXPANSION IN PEEL

The [Canada-Wide Early Learning and Child Care Agreement \(CWELCC\)](#) aims to reduce child care fees to make child care more affordable and improve staff compensation so that families have access to high-quality licensed child care.

This CWELCC Funding Guideline reflects the latest information from the [Ministry of Education 2023 CWELCC Guideline](#) released on June 7, 2023.

**This Guideline is for licensed home child care (LHCC) agencies with a head office in Peel who have been approved through Peel’s CWELCC Expansion Process to participate in CWELCC.**

Review this Guideline and your Agreement to understand the CWELCC funding requirements.

## SECTION 2: APPROVED TO PARTICIPATE IN CWELCC

This Funding Guideline is for LHCC agencies who:

1. Have been approved through Peel’s 2023 CWELCC Expansion Application Process
2. Have a signed 2023 CWELCC Funding Agreement
3. Have a signed 2023 Wage Enhancement Grant agreement to access Workforce Compensation Funding
4. Be a licensed home child care agency with a head office located in Peel Region; be in good standing in Peel; and comply with all legislative and regulatory requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).

If you are approved to participate in Peel’s CWELCC program, you do not need to apply annually. The terms of the CWELCC Agreement will automatically be rolled over into the next year unless you or the Region provides a notice of termination. Annual agreements will be executed in [GovGrants](#).

## SECTION 3: FUNDING CONDITIONS

You must use your 2023 CWELCC Funding according to this Guideline and your CWELCC Agreement.

1. Beginning the date you are enrolled in CWELCC:
  - **Reduce your approved base fee by 52.75%**
    - If you were licensed before March 27, 2022 and did not enroll in 2022, your market fees (base fees and non-base fees) are capped at the amount charged on March 27, 2022, for eligible children (even if your fees increased in the interim).
    - If you were licensed after March 27, 2022, we will work with you to establish your approved base fee for eligible children.

**Note: You are required to inform your home providers of their obligation to cap fees for privately placed children as per the regulations and have collected fee information.**

- **Reduce your registration fee by 52.75%:** Registration fees are capped at the amount charged on March 27, 2022 (if applicable), for eligible children.
- **Meet the CWELCC wage requirements** as per [O. Reg. 137/15 under the CCEYA](#) to:
  - Increase the wages of eligible [RECE](#) home visitors who earn less than \$25/hour by up to \$1/hour, plus benefits.
  - Pay eligible [RECE](#) home visitors at least \$21/hour in 2023 (2023 RECE [wage floor](#)).

Note: Refer to **Appendix 1** for definitions of key terms used throughout this Guideline.

2. Use your CWELCC funding to support child care operations licensed under the [Child Care and Early Years Act \(CCEYA\)](#) associated with your agency head office in Peel.
3. Maintain your existing fee, as approved in your approval letter to participate, for licensed spaces for eligible children until you notify the Region and your families that you are not participating in the CWELCC.
4. Comply with all CWELCC program/policy, financial, contract, and/or system planning data reporting requirements as per the [Service Provider Handbook](#) and this Guideline on or before the assigned timeline. Failure to comply with service provider requirements and/or [reporting requirements](#), including the Region's [Deadline Compliance Policy](#) may result in the recovery of CWELCC funding or your agency being ineligible for this funding.
5. Complete the Ministry of Education's *Annual Licensed Child Care Operations Survey*. If you do not complete this survey your CWELCC funding will be put on hold.
6. Provide Audited Financial Statements according to this Guideline.
7. Complete/participate in any evaluations, surveys and other information requested by the Region. This may include in-person visits, staff, and voluntary parent surveys, focus group sessions and other opportunities to provide feedback on the CWELCC program.
8. If you choose to end your existing CWELCC Agreement or not renew your CWELCC agreement, you must:
  - Provide Peel Region and the Ministry with notice as per your CWELCC Agreement; and
  - Communicate this decision to your families and staff **at least 30 calendar days** before your effective termination date. This requirement will also apply if Peel Region terminates your CWELCC Agreement.
9. Home child care agencies who are participating in Peel's CWELCC program must meet the requirements of an EYCCS Fee Subsidy Agreement (FSA) and:
  - Accept and include children receiving child care subsidy;
  - Accept and include children with special needs by authentically participating in [Peel Inclusion Resources Services](#) (PIRS); and
  - Participate in continuous quality enhancement initiatives like Raising the Bar in Peel and professional learning opportunities through [Child Development Resource Connection Peel](#).

Note: Home child care agencies must have at least 1 active home in Peel to be eligible to enter into an EYCCS Fee Subsidy Agreement with Peel Region.

To support these requirements agencies will receive:

- child care subsidy funding to cover the cost of care for families who receive subsidy
- access to Resource Consultants supports
- access to Early Years Specialist staff supports
- access to continuous quality enhancement initiatives like Raising the Bar in Peel and professional learning through [Child Development Resource Connection Peel](#); and
- other EYCCS funding supports as applicable (subject to budget availability) such as LHCC Base Funding (note: to be eligible to receive Base Funding, new home child care agencies enrolled in CWELCC/FSA must have at least 5 active homes in Peel).

An Early Years Specialist staff will support onboarding new home child care agencies to understand the requirements of the EYCCS Fee Subsidy Agreement.

## SECTION 4: 2023 CWELCC FUNDING COMPONENTS

CWELCC includes the following components:

1. **Fee Reduction Funding:** to support reducing your child care fees for families with eligible children in licensed child care.
2. **Workforce Compensation Funding (WCF):** to meet the provincial annual wage increase and wage floor requirements and to offset the wage increases associated with Ontario's increased minimum wage for non-RECE staff.
3. **Transition Operating Grant (TOG):** to support the cost of inflation, cost to implement CWELCC, repairs and maintenance, play-based toys/equipment, transformation expenses.

You cannot use your funding interchangeably between these CWELCC funding components.

Participating in CWELCC should not result in a loss of your agency's revenue. See **Appendix 2** on how your CWELCC funding allocations were calculated and how to request additional funding.

**Note:** Beginning in 2023, funding is also available for a Start-up Grant to create new community-based full-day licensed child care spaces. Refer to Section 5 of this Guideline "Start-up Grant Expenses and Requirements" for more information.

## 2023 CWELCC Fee Reduction Funding

### Eligible Children – Agency Placed and Privately Placed

All children under 6 years old and enrolled in a participating licensed child care program (full-day or part-day) are eligible for the fee reduction. This includes agency placed and privately placed children.

- If the child turns 6 years old between January 1 and June 30, they are eligible until June 30 of that year.
- If the child turns 6 years old between July 1 and December 31, they are eligible until the end of the month they turn 6 years old.

## Reduce and Maintain your Base Fees – Agency Placed Children

You must use your 2023 CWELCC Fee Reduction Funding as of the date you are enrolled in CWELCC program and on go forward basis to:

- **Reduce your approved base fees by 52.75%** (but not less than a fee of \$12 per day) for eligible agency placed children. Your approved base fee is your market rate, less any non-base items, as indicated in the letter issued to you through the CWELCC Expansion Application Process.
  - You may have a variety of fees to meet the needs of families such as part day, full day, part time, full time, before, after, and before and after. The fee reduction must be applied to all base fees for eligible children but not be less than fee of \$12/day.
  - See **Appendix 3** for a list of examples of base fees and non-base fees.
- Reduce your registration fees and fee deposits collected in 2023 by 52.75%.
- Maintain your reduced base fees until December 31, 2023, until you must reduce it again in 2024.
- Revise and post your updated fee schedule for your base fees and non-base fees to inform parents about the reduced rates through your regular communication channels, such as email, letter. Your fee schedule must note what is included in your services and the portion of the fees covered by Peel Region to support the fee reduction, as well as the effective date.
- Make your fee schedule publicly available in your Parent Handbook. We recommend you post your fee schedule on your website.

Any home that is contracted with the participating LHCC agency and that is providing care for at least one child (agency placed or privately placed) is able to receive the CWELCC funding to reduce fees for eligible children receiving care in the home.

## Reduce and Maintain Base Fees - Privately Placed Children

- Beginning the date you are enrolled in the CWELCC program, you must work with home child care providers to reduce fees by 52.75% (but not less than a fee of \$12 per day) for eligible privately placed children.
- If your agency contracts with home providers who accept privately placed children, you will be responsible for establishing a process for issuing the CWELCC funding to the home child care provider to support 52.75% of child care fees for privately placed children, once fees are reduced.
- CWELCC funding issued to the home provider to cover 52.75% of child care fees must be issued at least monthly based on actual enrolment and fees charged to privately placed children.

If a home child care provider is contracted with two or more agencies and serve privately placed children, you are required to work together to determine how the CWELCC refund and fee reduction will be implemented for privately placed children. We recommend the agency with the earlier licence date reduce fees to privately placed children.

As a reminder, registration fees and fee deposits collected in 2023 must also be reduced by 52.75%.

## Fee Reductions for Eligible Families in Receipt of Subsidy

- Families in receipt of subsidy with children enrolled in participating programs will receive up to a 50% fee reduction on their parent contribution paid for eligible children, even if their contribution is less than \$12/day.
- Families in receipt of subsidy with children enrolled in participating programs will receive a 52.75% reduction on registration fees paid for eligible children from the date you are enrolled to December 31, 2023.

## Families with Eligible Children in Before and After School Programs

- Reduce your approved base fees by 52.75%, but to a fee of no lower than \$12/day for eligible children in participating programs that offer before, after school or nursery school programs.
- Programs that offer parents different options such as before school only, after school only, before and after school, and full day would have different fees to reduce and apply the rules to each fee.

Service	Approved Base Fee	Reduced Fee - After Enrolling in CWELCC
Before School Care Only	\$12	\$12 (stays the same)
After School Care Only	\$14	\$12 (as 52.75% is less than \$12)
Before + After School Care	\$24	\$12 (52.75% is less than \$12)
Full Day	\$50	\$23.63 (52.75% reduction applied)

## 2023 CWELCC Workforce Compensation Funding

To be considered for the Workforce Compensation Funding (WCF), you must have a signed 2023 Wage Enhancement Grant (WEG)/Home Child Care Enhancement Grant (HCCEG) agreement and employ at least one staff who meets the eligibility criteria for any of the WCF categories.

**Don't have a 2023 WEG agreement yet?** Make sure you apply as soon as the WEG/HCCEG application window opens. Your agency's WCF eligibility will be assessed after your 2023 WEG/HCCEG application is approved.

In 2023, the Workforce Compensation Funding (WCF) includes supports for the:

1. [RECE Wage Increase](#)
2. [RECE Wage Floor](#)
3. [Minimum Wage Offset](#)

This section outlines the requirements for these components. You may use the Region's [Planning Tool](#) to help you determine how much WCF you need, if staff qualify and for how much they qualify.

Refer to **Appendix 2** for information on how your WCF was calculated.

## RECE Wage Increase and Wage Floor

### RECE Wage Increase and Wage Floor Requirements

To calculate the wage increase and wage floor for [RECE](#) home visitors, follow this order of operations:

1. Start with: Employer paid base wage (refer to Tab 5a. Staffing Information Worksheet” of your 2023 Expansion Application Form)
2. Add: Wage Enhancement Grant (WEG) NOTE: Staff must get WEG before they qualify for WCF
3. Add: \$1/hr. Wage Increase (if total from steps 1 and 2 is less than \$25/hour)
4. Add: Wage Floor (if total from steps 1-3 is less than \$21/hour for [RECE](#) home visitors)

Important:

- Do not include Base Funding wage enhancements in the calculation (as applicable)
- The provincial wage cap for the annual wage increase is \$25/ hour (including steps 1-3).
- Refer to [how to determine if staff qualifies](#) for more details.

You must:

**1. Use your WCF to support the following eligible expenses beginning from the day you are enrolled in the CWELCC program:**

Eligible Expense	Wage Increase Use your WCF to:	Wage Floor Use your WCF to:
<b>a) Wages</b>	Increase the hourly wage of eligible <a href="#">RECE</a> home visitors by up to \$1/hour, to a cap of \$25/hour (including WEG).	Cover the incremental amount needed to bring eligible <a href="#">RECE</a> home visitor wages (including home visitor’s base wage, WEG, and <a href="#">RECE</a> Wage Increase) to the 2023 wage floor (\$21/hour for <a href="#">RECE</a> home visitors).
<b>b) Benefits</b>	Support the <a href="#">incremental benefit</a> costs that result from the wage increase and the 2023 wage floor implementation. Refer to page 12 for details on how to use WCF funding to support benefits.	

**2. Communicate 30 calendar days after the date you sign your 2023 CWELCC agreement and as new home visitor staff are hired:**

- You must share written information about the [RECE](#) wage increase and wage floor with eligible [RECE](#) home visitor staff. You may use the sample template provided in [Appendix 4](#). We may ask for proof of communication at any time.

**3. Issue wage increase and wage floor payments to [eligible staff](#).**

- You must ensure that [eligible RECE](#) home visitor staff receive the right workforce compensation funding payments, which are to be made on time as per this Guideline.
  - WCF cannot be issued for hours worked before your date of enrollment in the CWELCC program.
  - Follow the steps under [How to determine if staff qualifies](#) to determine staff eligibility.
- Within 32 calendar days of your CWELCC date of enrollment, you must issue the wage increase and the wage floor to [eligible](#) staff on each staff pay cheque or payment made.\*
- Within 61 calendar days of your CWELCC date of enrollment, you must issue a lump sum payment to eligible staff from your date of CWELCC enrollment until regular staff payments are implemented.\*
- You must include a “CWELCC” notation with the associated amounts payable on each pay cheque or payment made.
- One-time, year-end, cash and/or gift card payments are not permitted.
- Eligible [RECE](#) home visitor staff no longer employed by the agency qualify for a retroactive payment for any hours worked after your CWELCC date of enrolment.

\*An exception to these requirements will be provided if you have not been approved for WEG by your CWELCC date of enrollment.

## How to Determine if Staff Qualifies

You must ensure your [eligible](#) staff receive the right workforce compensation funding payments. The following tables provide you with examples on how the wage increase and the wage floor work together (Table 1) and step-by-step instructions on how to determine if staff qualify (Table 2).

**Table 1**

Position	Example	2023 Hourly Base Wage (employer paid) <a href="#">Step 2</a>	WEG <a href="#">Step 2</a>	2023 Hourly Wage <a href="#">Step 2</a>	2023 Wage Increase <a href="#">Step 3</a>	Wage with \$1/Hr Increase (including Increase) <a href="#">Step 4</a>	2023 Wage Floor <a href="#">Steps 5 and 6</a>	2023 Total Wage <a href="#">Step 6</a>	Total 2023 WCF*, **
<b>RECE Home Visitor</b> 2023 Wage Floor \$21/hour	1	\$17/hr.	\$2/hr.	\$19/hr.	\$1/hr.	\$20/hr.	\$1/hr.	\$21/hr.	\$2/hr.
	2	\$17.80/hr.	\$2/hr.	\$19.80/hr.	\$1/hr.	\$20.8/hr.	\$0.2/hr.	\$21/hr.	\$1.20/ hr.
	3	\$22/hr.	\$2/hr.	\$24/hr.	\$1/hr.	\$25/hr.	N/A	\$25/hr.	\$1/hr.
	4	\$23/hr.	\$2/hr.	\$25/hr.	N/A at cap	\$25/hr.	N/A	\$25/hr.	N/A

\* Plus, up to 17.5% of benefits. \*\* Starting the date you enrolled in the CWELCC program.

**Table 2:** Follow these steps to determine if staff qualify and the amount they qualify:

Step	Action
<b>1. Staff Eligibility</b> Confirm if the staff/position qualifies.	To qualify, staff must: <ol style="list-style-type: none"> <li>Be a <a href="#">RECE</a> employed (receive a T4) in a position categorized as <a href="#">RECE</a> home child care visitor.  <b>Note:</b> Non-program staff who have a RECE designation and spend at least 25% of their time in a home visitor position, qualify for hours worked in that position.</li> <li>Receive the Wage Enhancement Grant (WEG).</li> </ol> Refer to page 11 for a list of <a href="#">ineligible staff/positions</a> .
<b>2. Wage Eligibility</b> Calculate RECE home visitor staff hourly wage including grants to confirm if wage is less than \$25/hour	Add together (as applicable): <ol style="list-style-type: none"> <li><a href="#">Base hourly wage</a> (refer to Tab 5a. Staffing Information Worksheet of your 2023 Expansion Application Form); and</li> <li>Wage Enhancement Grant (WEG): up to \$2/hour</li> </ol> <b>Note:</b> Do not include Base Funding wage enhancements in the calculation.
<b>3. Determine Amount of 2023 Wage Increase</b> Determine financial eligibility for the up to \$1/hour wage increase	Using hourly wage determined in Step 2: <ul style="list-style-type: none"> <li>If wage is \$24/hour or less, then staff qualifies for the \$1/hour wage increase.</li> <li>If wage is \$24/hour or more, then staff qualifies for the incremental amount needed to bring staff hourly wage up to \$25/hour.</li> <li>If hourly wage is more than \$25/hour, then staff does not qualify for the wage increase. No further action required.</li> </ul> <b>Note:</b> The provincial wage cap for the annual wage increase is \$25/hour.

Step	Action
<b>4. Apply 2023 Wage Increase</b> Apply annual increase to determine the <b>revised staff hourly wage</b>	To calculate staff's revised hourly wage inclusive of the annual wage increase, take the: <ul style="list-style-type: none"> <li>staff hourly wage from Step 2, and add the</li> <li>annual wage increase amount from Step 3</li> </ul>
<b>5. Wage Floor Eligibility</b> Determine staff's financial eligibility for wage floor	The 2023 wage floor is \$21/hour for RECE home visitors. If after Step 4, staff earns: <ul style="list-style-type: none"> <li>less than the wage floor → then they qualify for the amount needed to bring their hourly wage to the 2023 wage floor.</li> <li>the wage floor or more → then they do not qualify for the wage floor. Skip to step 7.</li> </ul>
<b>6. Apply Wage Floor</b> Determine amount of funding to bring staff to 2023 wage floor	Pay eligible staff at least the wage floor. To calculate the funding needed to bring up staff wages to the wage floor: Subtract the staff's revised hourly wage (Step 5) from the 2023 wage floor.
<b>7. In year salary changes</b>	Apply Base Funding wage enhancements (if applicable) paid to staff and employer wage increases after you apply applicable CWELCC wage increases.

### Minimum Wage Offset (MWO):

MWO helps you with incremental cost pressures due to the Provincial October 2022 minimum wage increase. The MWO covers the difference between eligible non-RECE staff base hourly wage (before grants) on September 30, 2022 and minimum wage that took effect October 1, 2022 (\$15.50/hour), plus 17.5% benefits.

Staff working in positions created after September 30, 2022 do not qualify.

### MWO Eligibility

To get the MWO, you must:

- Have started operations on or before September 30, 2022.
- Have been approved for WEG in 2023.
- Employ (in receipt of T4) non-RECE Home Child Care Visitor(s).
- Have paid non-RECE Home Visitor(s) a base wage (before grants) lower than \$15.50/hour on September 30, 2022. Staff in positions created after September 30, 2022 do not qualify.

Position	Hourly Base Wage (before grants) Sept. 30, 2022	Qualify for MWO*
<b>Non-RECE Home Visitor</b>	\$15.00	Yes, \$0.50/hour
	\$15.40	Yes, \$0.10/hour
	\$15.50	N/A (at the minimum wage)
	\$15.70	N/A (over the minimum wage)

\* Starting on the date you enrolled in the CWELCC program.

### What is Covered Through the MWO?

If you meet the MWO eligibility, the MWO helps you with:

- The difference between MWO eligible staff wages as of September 30, 2022 and the new minimum wage of \$15.50/hour that came into effect on October 1, 2022.

**Important:** When determining eligibility for the MWO, staff wages do not include regional grants such as

WEG (up to \$2/hour) and/or Base Funding (as applicable).

- The [incremental benefits](#) associated with the wage increase. Review the [funding conditions](#) to know how to use WCF funding to support existing [benefits](#).

**Important:** The MWO does not result in staff payments. All employers must meet mandatory provincial minimum wage requirements. Since the cost offset by the MWO is already incurred by providers, the MWO can be used by eligible providers to meet other priorities.

## Rules Applicable to all WCF Components - Wage Increase, Wage Floor and MWO:

### Funding Conditions

- If the [Protecting a Sustainable Public Sector for Future Generations Act, 2019](#) applies to you, then you must meet any applicable obligations under this act before implementing the WCF.
- If you are subject to a collective agreement, you are encouraged to seek legal advice on the implementation of the WCF funding.
- Owner/operators employed (in receipt of a T4) by your agency will qualify if they meet the staff eligibility requirements of the applicable funding component.
- Benefits:** Your WCF includes up to 17.5% in benefits to help you to help you meet the incremental statutory benefit requirements associated with the wage increase, the wage floor and the MWO.
  - You must meet all WCF related incremental statutory benefit requirements first.
  - Then, you may use any remaining funding within the 17.5% to fund other incremental costs to existing benefits provided by the employer on behalf of the employee (such as incremental pay for already supported vacation or personal days).
  - You cannot use more than 17.5% of your WCF wage expenditures on benefits.
  - You can only claim actual incremental benefit costs up to 17.5% of your actual incremental wage costs.

### Ineligible Staff

The following positions/staff do not qualify for each funding component:

Wage Increase and Wage Floor	MWO
<ol style="list-style-type: none"> <li>Director-approved staff (staff working in an eligible position without a RECE designation e.g., non-RECE Home Visitor)</li> <li>Staff employed in a position categorized as:                             <ul style="list-style-type: none"> <li>Non-RECE program staff</li> <li>Non-program staff</li> <li>SNR resource teachers/consultants and supplemental staff</li> </ul> </li> <li>Staff hired through a third party (temp agency)</li> </ol>	<ol style="list-style-type: none"> <li>Staff employed in positions created after September 30, 2022</li> <li>Staff employed in a position characterized as non-program staff. (i.e. SNR resource teachers/consultants and supplemental staff)</li> <li>Staff hired through a third party such as a temp agency</li> <li>Staff with a RECE designation</li> </ol>

### Ineligible Expenses

You cannot use the WCF to:

- Increase ineligible staff wages and/or benefits
- Increase eligible staff wages and/or benefits beyond what is required by the WCF requirements Increase eligible staff wages or offset the costs of the October 2022 minimum wage increase before your CWELCC date of enrollment.

- Cover new benefits as the WCF supports the incremental costs of existing benefits.
- Reduce other planned compensation increases (including merit increases) for eligible staff or to reduce a position’s planned compensation
- Pay professional organization fees on behalf of staff for membership in professional organizations
- Cover **administration costs**: WCF incremental administration costs are supported through your 2023 TOG

## 2023 CWELCC Transition Operating Grant (TOG)

The TOG address cost increases and supports viability while participating in CWELCC (where applicable).

Part A: Cost Escalation Amount	
<ul style="list-style-type: none"> <li>• Supports inflationary expenses and other changes to costs such as:</li> </ul>	
<ul style="list-style-type: none"> <li>✓ rent/lease costs</li> </ul>	<ul style="list-style-type: none"> <li>✓ staff salaries and benefits (cost of living increases eligible for program staff and management staff)</li> </ul>
<ul style="list-style-type: none"> <li>✓ nutrition/food costs</li> </ul>	<ul style="list-style-type: none"> <li>✓ payments to home providers</li> </ul>
<p><b>Note:</b> you are encouraged to <b>redirect a portion of the TOG</b> to the home providers to support the cost of delivering child care.</p>	
<ul style="list-style-type: none"> <li>• Intended to support the eligible expenses that supports children aged 0-5 years.</li> <li>• In <a href="#">GovGrants</a>, Part A amount will appear under the “<b>Other</b>” category.</li> <li>• This funding will be reconciled but not be recovered.</li> </ul>	
Part B: Operating Amount	
<ul style="list-style-type: none"> <li>• Intended to support expenses for child care programs with children aged 0-12 years.</li> <li>• This includes:               <ol style="list-style-type: none"> <li>1. Administration amount – to support costs associated with existing EYCCS programs, where applicable</li> <li>2. Additional operating amount – to support the following expenses:</li> </ol> </li> </ul>	
<ul style="list-style-type: none"> <li>✓ Costs to implement CWELCC (e.g. software upgrades to support automation of fee reductions and enrolment)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Costs to meet reporting requirements</li> </ul>
<ul style="list-style-type: none"> <li>✓ Other changing costs not covered through inflationary allocation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Cost of audited financial statements</li> </ul>
<ul style="list-style-type: none"> <li>✓ If your enrolment is at full capacity, you may use your TOG to reduce registration fees by 52.75%.</li> </ul>	
<ul style="list-style-type: none"> <li>• In <a href="#">GovGrants</a>, Part B amount will appear under the “<b>Other Fixed Expenses</b>” category.</li> <li>• This funding will be reconciled, and any unspent funding will be recovered.</li> </ul>	
<p>Note: where applicable this funding can be used to support eligible staff time to complete Regional surveys, such as our Workforce surveys, Quality Initiative survey).</p>	

### TOG Ineligible Expenses:

You cannot use TOG to support the following:

- Property taxes
- Debt costs including principal and interest payments related to loans (capital and operating) and mortgages
- Professional organization fees paid on behalf of staff or membership in professional organizations

- Bonuses (including retiring bonuses), gifts and honoraria
- Donations to charitable organizations and fundraising
- Non-arm's length transaction costs, unless conducted at fair market value
- Fundraising expenses
- Personal expenses (vehicles, assets, or services for personal use only)
- Non-base fees
- Fees for ineligible children, such as children enrolled in unlicensed child care
- Expenses associated with the delivery of non-eligible programs (EarlyON, school-age programs, children enrolled in unlicensed rooms, authorized recreation programs, camps)
- Child care management compensation (outside of regular salaries and benefits received in the calendar year), including but not limited to transportation and meal expenses, management bonuses, retirement packages, deferred compensation
- Depreciation/Amortization for building/building improvements and intangible assets
- Management Fees (funded through fee reduction and inflation)
- Franchise Fees (funded through fee reduction and inflation)
- Any other expenditure not listed under the allowable expenses section

## SECTION 5: START-UP GRANT EXPENSES AND REQUIREMENTS

A Start-up Grant is available to create new community-based, full-day licensed child care spaces. The Grant can be used to offset costs needed to expand or create spaces, such as purchasing equipment and furniture.

To receive the Start-up Grant, you must meet the following requirements:

- Be enrolled in CWELCC and participate in the system for the remainder of the current CWELCC agreement (March 31, 2026).
- Create new community-based, licensed full-day spaces.
- Spend the grant and open the new spaces within two years from the date the funding agreement is executed.
- Maintain the number of approved child care spaces in the service area for the duration of the CWELCC agreement, even if the home child care agency or capacity of home child care agency changes prior to March 31, 2026.

The amount of funding you are eligible to receive is communicated in your CWELCC Agreement. Refer to **Appendix 2** for the methodology and benchmarks used to calculate your Start-up Grant funding.

### Eligible Expenses

Licensed home child care agencies can use their approved funding for the following:

- Play materials, equipment, and furnishings (both indoors and outdoors), such as cots, cribs, toys, 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

- Purchase of land or buildings
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans
- Property taxes
- Expenditures related to 6-12 age group

- Indoor and outdoor renovations, additions or repairs to home child care provider’s premises or potential home child care provider’s premises

### Accountability Requirements

Please refer to Section 10 (“Reporting and Reconciliation”) for information on the requirements for projects approved for a Start-up Grant. You are responsible for any project spending that is more than your approved funding allocation.

## SECTION 6: PROGRAM CLOSURES

- LHCC agencies participating in the CWELCC program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year where families are charged full fees.
- If your program does not charge fees for the closure period, the days of closure do not need to be counted in the limits noted above. Example, if you typically collect fees during the two-week winter break, you can use CWELCC funding to reduce those fees. If you close in the summer, and do not collect fees during this time, you cannot use CWELCC funding during that closure period and these weeks do not count towards your annual 4-week closure limit.
- Families are eligible for the 52.75% fee reduction if they paid fees for closed days such as statutory holidays, non-statutory holidays, program closures due to inclement weather or unionized labour disruption. Where fees are collected from families for service closure days, the Region expectation is that staff are paid for those days.
- All PD days\* and non-statutory holidays/closures will count towards your program closures up to a maximum of 2 consecutive weeks and 4 weeks in a calendar year. \*Exception: If you close to attend a professional learning day(s) hosted by the Region, these PD days will not count towards your closures.
- For closures due to events outside your control (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. Statutory holidays do not count towards your program closures.
- As per the CCEYA, you must disclose in your Parent Handbook the times when the services are offered, the holidays observed, the base fee and any non-base fees that may be charged, and whether or not your agency is enrolled in the CWELCC program.

## SECTION 7: SALES & ACQUISITIONS OF CHILD CARE BUSINESSES

Child care providers are permitted to sell their business. Please refer to the Peel Region [Early Years and Child Care Service Provider Handbook](#) in the section “Service Provider Responsibilities” for specific requirements on changes in ownership and requirements.

- If you sell your business, the new owner will be required to apply to enroll in the CWELCC program and would be treated as a new licensee. Once enrolled, the new owner must set their fees approved by the Region. Both the seller and buyer are encouraged to obtain their own financial/legal advice regarding impacts of the CWELCC program.

- In a shares transfer, the new operator remains enrolled in the existing CWELCC program agreement with the Region and must maintain the previous operator's existing base fee.

## SECTION 8: REPORTING AND RECONCILIATION

You must follow the Records and Reports section in your 2023 CWELCC Agreement and follow the EYCCS [Service Provider Handbook](#).

### REPORTING:

To ensure 2023 CWELCC Funding, including the Start-up Grant, was used for its intended purpose, you must:

- Keep supporting documentation on file for seven (7) years and provide upon request
- Keep a copy of your CWELCC Funding Agreement
- Report monthly attendance for CWELCC in OCCMS as part of Record of Attendance
- Submit information on time. Refer to the Region's [Hold Policy and Deadline Compliance Policy](#) to learn more about actions the Region will take if requested information/documentation/reporting is not submitted by communicated deadlines.
- Provide Audited Financial Statements (AFS) and Financial Annual Information Return ([FAIR template](#)) no later than four months after your Agency's fiscal year-end.

Additional reporting requirements may be implemented on a case-by-case basis.

### RECONCILIATION:

**Update:** You must submit your completed 2023 CWELCC Reporting Reconciliation Template through [GovGrants](#) by **February 29, 2024**, unless the Region instructs you to do so earlier.

This template will be provided before the end of 2023 and will collect actual expenditures for the following 2023 CWELCC funding components:

- **Fee Reduction** for full fee families and number of children enrolled by age group by month
- **Reductions of Registration Fees** (registration fees are eligible for the 52.75% reduction, but will not be included as part of the approved base fees, as it is being considered as a one-time cost to families)
- **Workforce Compensation Funding** paid to eligible staff as per the WCF section of the Guideline \*:
  - The wage floor paid out to RECE home visitors (wages)
  - The wage increase paid out to RECE home visitors (wages)
  - Incremental benefits paid out on behalf of RECE home visitors (as a result of the implementation of the wage floor and wage increase)
  - The minimum wage offset for non-RECE home visitors (wages)
  - Incremental benefits paid out on behalf of non-RECE home visitors (as a result of the wages offset by the minimum wage offset)

\*Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serves both categories, choose the one where they work most.

- **Transition Operating Grant** expenditures within each of the following TOG expense categories:
  - a. Cost escalation/inflationary expenses and other changing costs
  - b. Administration costs
  - c. Audited financial statements
  
- **Start-up Grant** expenditures for approved funding for equipping and furnishing. You will have to spend the Start-up Grant within two years of executing the funding agreement. You will be required to reconcile funding; unspent funding and/or funding not used for the intended purpose will be recovered.

**Note:** Eligible CWELCC expenditures are only for the proportion of eligible children in care. For example, if there are 20 children in care and only 15 are eligible for CWELCC, then only 52.75% of the CWELCC expenses associated with the eligible 15 children can be supported.

### KEY PERFORMANCE INDICATORS

You are required to report the following information through your Reconciliation Template:

- Program closure dates where parent fees are not charged, as per your Parent Handbook
  - Program closure dates where parent fees are charged, as per your Parent Handbook
  - Total number of \*:
    - RECE home visitors supported by the wage floor
    - RECE home visitors supported by the wage increase
    - Non-RECE home visitors supported by the minimum wage offset
- \* Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serve both categories, choose the one where they work the most.
- Number of net new licensed spaces supported with the Start-up Grant

## SECTION 9: AUDIT AND RECOVERIES

Review the Accountability and Reporting section in your 2023 CWELCC Agreement and review the EYCCS [Service Provider Handbook](#) for requirements on Audit and Recoveries.

## SECTION 10: CONTACT US

Please email [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) for any questions.

## APPENDIX 1: KEY TERMS

- **CWELCC Expansion Application Process:** Peel’s process for interested providers to apply to the 2023 CWELCC Expansion program.
- **Base Fees:** The fee that families must pay for a child to receive child care that meets the requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).
- **Non-Base Fees:** Any fee for optional items or optional services, in accordance with the terms of the agreement between the licensee and parent.
- **Registered Early Childhood Educator (RECE):** A member in good standing of the [College of Early Childhood Educators](#) (CECE) as outlined on the [Early Childhood Educators Act](#), 2007. Review this link to [learn more about the use of the title](#).
- **Base Hourly Wage:** Hourly rate paid to the position by the agency excluding any funding subsidies and previous year WEG. If the position is paid an annual salary, use an online salary calculator to convert to hourly rate.
- **Wage Floor:** The minimum that LHCC agencies participating in the CWELCC program must pay (per hour) eligible RECE home visitors.
- **Statutory Benefits:** The benefits that you are required to provide to your staff by the law such as: up to 2 weeks of vacation days, 9 statutory holidays, Canada Pension Plan (CPP), Employment Insurance (EI), Employer Health Tax (EHT) if applicable, Workforce Safety and Insurance Board (WSIB) if applicable, etc.
- **Active Homes:** one child or more enrolled (includes privately placed children, excludes the provider’s own children)

## APPENDIX 2: 2023 CWELCC FUNDING METHODOLOGY

### 2023 CWELCC Fee Reduction Funding

The Region has calculated the 2023 CWELCC funding allocations to support the 52.75% fee reduction to eligible families using variables such as the Average Daily Enrolment (ADE), which included privately placed families. We have calculated allocations based on the approved rates as noted in your approval letter through the Expansion Application process.

### 2023 CWELCC Transition Operating Grant (where applicable)

<b>Part A: Cost Escalation</b>	2.75% * (Average Daily Enrolment) * Rates (prorated for the months enrolled in CWELCC)
<b>Part B: Operating Amount</b>	<ul style="list-style-type: none"> <li>• Administration associated with other existing EYCCS funding (where applicable)</li> <li>• Additional 2.6% to support the administration of CWELCC, costs incurred to meet reporting requirements, cost of audited financial statements and additional changing costs calculated as: <i>Average Daily Enrolment * Rates* (52.75%) *(2.6%)</i></li> </ul>

**Note:** LHCC agencies must have at least 5 active homes in Peel to receive Base Funding. Refer to [2023 LHCC Base Funding Guideline](#).

## 2023 CWELCC Workforce Compensation Funding

To minimize administrative burden, we will use the wage data you provided on your most updated WEG application to determine your 2023 WCF eligibility and allocation.

## 2023 CWELCC Funding Requests

If your agency requires additional CWELCC fee reduction and/or workforce compensation funding, email us at [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) to request a budget adjustment. No provider should experience a shortfall in funding.

If TOG allocation is not sufficient email [EarlyYearsSystemDivision@peelregion.ca](mailto:EarlyYearsSystemDivision@peelregion.ca) with the subject line “Transition Operating Grant Funding Request.” Your request will be reviewed to determine the reasonability of the funding request and approved based on available budget. You may be asked to submit information to demonstrate your need for additional funding.

## CWELCC Start-up Grant Funding

You are eligible to receive up to \$1,000 per new CWELCC space created, to a maximum of \$6,000 per provider.

## APPENDIX 3: EXAMPLES OF BASE FEES/NON-BASE FEES

<b>COLUMN A: BASE FEE</b> <i>Include mandatory fees parents would pay</i>	<b>COLUMN B: NON-BASE FEE</b> <i>OPTIONAL items/services not supported under CWELCC</i>
✓ Play materials, equipment and furnishings such as cots, cribs, bedding	• Late pick up fees for child care provided beyond operational hours outlined in the parent handbook
✓ Supervision by adult during operational hours	• Optional transportation where a separate fee is charged.
✓ Lease/occupancy costs	• Optional field trips where a separate fee is charged
✓ Food / catering costs Note: under the CCEYA if a child receives care for <u>six hours or more</u> , Providers are to ensure the food offered to the child includes 2 snacks in addition to any meals provided	• Not Sufficient Funds (NSF) fees in accordance with the terms of the agreement between the parent and licensee
✓ Development and implementation of individualized plans (medical, special needs, anaphylaxis)	• Diapers, sunscreen (if optional)
✓ Any other mandatory cost the parent is required to pay to support the operation of the child care program (e.g. administration costs such as deposit fees)	• Uniforms

- ✓ Any programs or services that are included as part of the core day programming and is included as part of the regular child care fee paid by families.
- Any other **optional items/services** where an additional fee is charged in accordance with the terms of the agreement between the parent and provider (e.g. optional classes such French, music, yoga, etc.)

**REGISTRATION FEES:** Registration fees are frozen at March 27, 2022 levels. In 2023, the Region will support a 52.75% fee reduction to eligible families who must pay a registration fee for eligible children. Both full fee families and families eligible for fee subsidy are eligible to receive the reduction in registration fees. Example: if your registration fee is \$100, providers must collect \$47.25 from families and can claim the remaining \$52.75 through CWELCC. Support for fee reductions on registration fees for 2024 onwards are subject to budget availability.

**DEPOSIT FEES:** Participating agencies must reduce their fee deposit by 52.75% for eligible children (i.e., children under 6 years of age). LHCC agencies cannot claim the remaining 47.25% from CWELCC as an upfront deposit, as the deposit collected from families must be applied against the reduced fee when the family leaves child care. Example: if the regular fee deposit is \$1000 (equivalent to 2 weeks of care), it must be reduced to \$472.50 in 2023. When the family gives notice that they are leaving, the deposit of \$472.50 can be applied to their last two weeks of care. At that time, agencies can claim the CWELCC portion of the fee for the last two weeks.

#### APPENDIX 4: SAMPLE STAFF COMMUNICATION

As part of the CWELCC program, the Ontario government is providing funding for improved compensation through a wage increase and a wage floor for RECEs.

#### RECE Wage Increase:

From 2023 to 2026, eligible RECE home child care visitors will receive an annual wage top-up of up to \$1/hour, plus benefits to a cap of \$25/hour. To receive an annual wage increase, you must be receiving Wage Enhancement Grant (WEG) funding, and your hourly wage (including employer paid wages, WEG, and the RECE wage increase) must be below the wage cap of \$25 per hour.

#### RECE Wage Floor:

Eligible RECE home child care visitors employed by LHCC agencies participating in the CWELCC program should earn at least the hourly wage floor in the table below (including employer paid wages, WEG, and the RECE wage increase), plus benefits:

RECE wage floor*				
(Amounts include employer paid wages, WEG, and the RECE wage increase)				
Position	2023	2024	2025	2026
RECE Home Child Care Visitors	\$21	\$22	\$23	\$24

\*Plus, up to 17.5% benefits.

The RECE Wage Increase and Floor only apply from the date your agency enrolls in the CWELCC.