

**2023 Licensed Home Child Care (LHCC) Base Funding
QUESTIONS & ANSWERS
Released: December 8, 2022**

This Q&A document reflects information on the LHCC 2023 Base Funding approach given the implementation of the Canada-Wide Early Learning and Child Care (CWELCC) program.

Refer to the [2023 LHCC Base Funding Guideline](#) for more information.

If you have additional questions, please email: EarlyYearsSystemDivision@peelregion.ca or contact your Early Years Specialist (EYS).

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GENERAL

1. What are the components of the 2023 LHCC Base Funding model?

In 2023, LHCC agencies with a Fee Subsidy Agreement will receive funding through the LHCC Base Funding for the following components:

- Fee Reduction Operating Grant (FROG) to support children 6-12 years (who are not eligible for the CWELCC Fee Reduction Funding)
- Payments to Home Child Care Providers
- Enhancements to Staff Wages and Benefits
- Base Operating/Administration Funding

Important: In 2023, LHCC agencies who have an EYCCS Fee Subsidy Agreement **and** CWELCC Funding Agreement with the Region will also receive a Transition Operating Grant through the Base Funding model to support administration expenses and inflationary costs resulting from implementation of the CWELCC program.

Refer to the [2023 LHCC Base Funding Guideline](#) for eligible expenses and funding requirements.

2. How was the Base Funding allocation calculated for 2023?

Please refer to Appendix E of the [2023 LHCC Base Funding Guideline](#) for information on the Region's methodology to calculate the Base Funding allocation.

3. Is Special Purpose funding being provided to LHCC agencies?

Since 2021, the Region allows LHCC agencies with a Fee Subsidy Agreement the flexibility to use their Base Funding to purchase Special Purpose items (play based materials and program supplies) in order to streamline and reduce duplication across funding streams.

Note: This is no longer "application-based" and LHCC agencies will be required to submit receipts/invoices if requested through the reconciliation process.

Refer to the [2023 LHCC Base Funding Guideline](#) for the approval/reporting process and list of eligible expenses. In 2023, the caps on items have been removed to allow LHCC agencies more flexibility and better meet your needs.

4. Why are consumables not allowed under Special Purpose type expenses to LHCC agencies?

The same items eligible under the previous Special Purpose funding program (prior to 2021) continue to be eligible through LHCC Base Funding, where only non-consumable items are eligible.

5. Does Base Funding support recruitment costs in 2023?

In 2023, these costs will be supported through the 2023 Workforce Innovation Funding. Online marketing to support enrollment of families, new home providers, staffing is through Base Funding.

6. If there is leftover funding for an LHCC Base Funding component, can it be used to support another funding component?

LHCC agencies receive a funding allocation for each Base Funding component. Underspending in one component cannot be used to support the other Base Funding components, unless allowed by the Region. In the 2023 Base Funding model the following is allowed:

- Leftover Base Operating/Admin Funding can be used to further enhance staff wages/benefits and/or payments to providers, based on the agency's discretion.
- If you used Historical Funding in 2022 to enhance payments to providers, you may use underspending from your SWB component to continue to do so in 2023.

Note: Any unspent funding must be returned to the Region.

FEE REDUCTION OPERATING GRANT (FROG)

7. What are the requirements for the FROG funding?

The FROG is operating funding for eligible LHCC agencies to reduce their market fees for agency enrolled full-fee children by \$6.00 per day, for both full-day care and part-day care.

Due to the CWELCC fee reduction program being implemented we are streamlining the fee reduction programs in home child care.

Beginning January 1, 2023 agencies with an EYCCS Fee Subsidy Agreement must:

- Continue to reduce their market fees by \$6.00 per day to families with **children 6 to 12 years**, who are not eligible to receive the CWELCC fee reduction.
 - Families with children 0 to 5 years are eligible for the CWELCC fee reduction and will see their fees reduced by 52.75% through CWELCC only.
- Update and share the revised market rate schedule with all full-fee paying families
- Share the Region's *Parent Notice* by **December 31, 2022** with all full-fee paying families.

PAYMENTS TO HOME CHILD CARE PROVIDERS

8. How should Base Funding be issued if there is a change in the number of homes?

If you are experiencing a reduced number of active homes compared to January 2020, you must reduce your monthly allocation accordingly before you allocate payments to HCC providers. Example: If in January 2023, 10 providers are caring for children compared to January 2020 when you had 20 providers caring for children, you must reduce your monthly Base Funding provider payment allocation by 50% and then issue payments using your Base Funding methodology.

If your number of active homes has increased since January 2020, you can distribute the full amount of your provide payment allocation to home providers. If you are experiencing significant increases in the number of home providers that are caring for children please inform your EYS.

9. If a home provider is not available and back up care is used, how is Base Funding issued for this period?

LHCC agencies may use back up care if the regular home provider is not available to provide care to children. In this case, Base Funding cannot be issued to the regular provider.

ENHANCEMENTS TO STAFF WAGES AND BENEFITS (SWB)

10. Why is Historical Funding being merged with SWB?

This funding is being merged to reduce reporting requirements on you and further streamline funding that supports staff wages and benefits.

11. How should funding be distributed if there are changes in staff complement?

You should report the change(s) through the In-Year Reporting process. Increases to staff complement will **not** result in an increase in SWB funding. If you experience a decrease in staff complement and/or expect to have leftover funding by the end of the year, you must **not** redistribute to existing staff. However, if you used Historical Funding in 2022 to enhance payments to providers,

you may use underspending from your SWB component to continue to do so in 2023.

12. What staff positions are eligible to receive SWB enhancements?

The Home Visitor position is eligible for SWB. In 2022, we aligned the eligible positions for SWB with the provincial Wage Enhancement Grant (WEG) to better meet funding objectives to retain and recruit qualified staff in the system. This means, supervisors are **not** eligible for SWB unless they spend at least 25% of their time working in the Home Visitor position (which is approved on the agency's licence) and would be eligible to receive SWB for the hours worked in the position.

ADMINISTRATION FUNDING

13. What funding is available to support LHCC agencies with administration expenses?

LHCC agencies with an EYCCS Fee Subsidy Agreement receive funding through the Base Operating/Administration component to cover administration and occupancy expenses.

In 2023, agencies who also have a CWELCC Funding Agreement with the Region will also receive the Transition Operating Grant (TOG) to cover administration/inflationary costs due to implementing the CWELCC program. More information on the CWELCC TOG will be shared in January.

Note: You must only claim expenses for the licensed child care portion of your business. You must **not** claim the same expense cost through more than one component.

REPORTING AND RECONCILIATION

14. What reporting requirements are associated with LHCC Base Funding?

In 2023, agencies must submit:

- One In-Year Report due **July 31, 2023**
- Final Reconciliation Report due **January 31, 2024**

You must complete the Region's ***LHCC Base Funding In-Year Report and Reconciliation*** template and submit through the GovGrants technology.

We reserve the right to conduct check-ins at any time to confirm the funding has been used for its intended purpose and to support home child care operations in Peel. Review the sections Reporting, Reconciliation, Audit/Recoveries in the [2023 LHCC Base Funding Guideline](#).

15. Is it mandatory to submit all invoices for Base Operating/Administration expenses?

LHCC agencies do not need to submit invoices and receipts for Special Purpose expenses, unless the Region requests them. If a Special Purpose invoice is requested, you must provide it within the specified timeframe, or the expense(s) will be deemed ineligible.

Invoices for audited financial statements and accounting/bookkeeping expenses over \$15,000 are required to be submitted with your final reconciliation report. The revised FAIR and guideline are on the [Region's website](#) which should be used for financial reporting.