

**Licensed Home Child Care Agencies (LHCC)
Phase 3 Funding Questions & Answers COVID-19
Updated: November 18, 2020**

This Q&A is updated as of the date of the document and reflects the latest information.

This document supports the [LHCC Phase 3 Funding Guidelines](#) (revised version released November 18, 2020) and focuses on Phase 3 (September 1 to December 31, 2020). The information on this document may be updated as the circumstances surrounding COVID-19 continue to evolve.

If you have any additional Phase 3 Funding questions not covered in this document, please email: EarlyYearsSystemDivision@peelregion.ca.

Note: [Health & Safety Related Q&As](#) have been shared through a separate document (latest release October 22). Fee Subsidy Q&As have been shared through a separate document (latest release September 30).

TIP: “Ctrl” and “F” is the shortcut in your browser or operating system that allows you to find key words or phrases quickly. To search, simply press the “Ctrl” and “F” keys on your keyboard and a search box will appear. In the box, you can type in the key words or phrases you are searching. You can also click on any of the headings in the Table of Contents below to get to a specific section.

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GENERAL

1. What funding will LHCC agencies receive during COVID-19?

Please refer to the [LHCC Funding Supports Due to COVID](#) document ([updated version released November 18, 2020](#)) for the funding supports at a glance for LHCC in 2020.

2. Where can I get more information about my responsibilities as an employer?

Agencies are required to comply with all Provincial legislative requirements, including the [Canada Labour Code](#), the [Ontario Human Rights Code](#) the [Ontario Employment Standards Act](#), and the [Occupational Health and Safety Act](#). To learn about your responsibilities as an employer and for more information about job protections available to staff, please visit the Government of Ontario website "[COVID-19 \(coronavirus\) and your employment standards protections](#) and [Infectious disease emergency leave](#)." Service Providers are also encouraged to participate in upcoming webinars hosted by [Child Development Resource Connection Peel \(CDRCP\)](#).

STAFF WAGES & BENEFITS

3. Are LHCC agencies expected to continue optimizing the Canada Emergency Wage Subsidy (CEWS) to support staff wages?

LHCC agencies who are eligible, should continue to maximize the [Canada Emergency Wage Subsidy \(CEWS\) program](#) to support staff, including additional staff that may be needed to meet the revised health and safety requirements issued by the Ministry of Education and Peel Public Health.

Beginning July 5, the amount of subsidy provided will be structured on a sliding scale and will depend on how much agency revenue dropped. For details on the changes to the CEWS program, please visit the [Government of Canada's website](#).

Agencies that are eligible for the CEWS program must report gross wages paid to staff including Base Funding and Wage Enhancement Funding (WEG).

NOTE: The Government of Canada has announced extending the CEWS until June 2021.

4. Are LHCC agencies to include EYCC Phase 3 Funding and Safe Restart Funding (SRF) as revenue in their CEWS application?

Agencies are encouraged to consult with the CRA to determine what funding should be counted as revenue to determine their eligibility for CEWS. The CRA website does clarify that government assistance directly related to COVID-19 does not need to be included as revenue if it meets the following criteria:

- Not be expected to occur regularly or frequently within several years
- Not typical of the normal activities or risks inherent in the normal operations of the entity
- Primarily out of the control of owners or management

Please refer to the [Government of Canada's frequently asked questions - CEWS](#).

5. Can LHCC agencies use their Phase 3 funding supports to increase staff wages (like pandemic pay for health care workers or to support the increase to minimum wages in Ontario)?

No, agencies must use funding in accordance with Regional Guidelines. Effective October 1, 2020, minimum wage rates in Ontario increased by 25 cents. The new rate is \$14.25 an hour. Agencies must meet minimum wage (\$14.24 an hour) **without** utilizing Regional EYCC/Phase 3 Funding supports.

6. What if my agency is not eligible for the CEWS program?

Agencies not eligible for CEWS can use their Base Funding and WEG funding to support 100% of the staff wage enhancements and associated mandatory benefits to eligible staff who are working/on payroll. **Agencies will be required to submit an Attestation confirming why they were not eligible for the CEWS program (see Reporting Requirements section of the LHCC Phase 3 Guideline).**

7. How should agencies notify staff of their CEWS/EYCC funding during Phase 3?

The Region requires that LHCC agencies notify staff of the portion of their EYCC Funding (Base Funding and WEG) entitlements paid through the CEWS program. Agencies can communicate this information to staff by taking one of the following approaches:

- a) Provide notations on each of the staffs pay cheque to indicate what portion of their wage enhancement are paid through the CEWS/Base Funding/WEG funds;
- OR**
- b) Communicate written notice to staff (i.e. letter or email) by **December 31, 2020** to notify staff of the portion of their wage enhancements supported through the CEWS/Base Funding/WEG funds. The Region reserves the right to request a copy of your letter at Reconciliation.

PAYMENTS TO HOME CHILD CARE PROVIDERS

8. If providers do not have children enrolled, can they receive HCCEG?

No, as noted in the [LHCC Phase 3 Funding Guidelines](#), the Ministry has confirmed that the definition for “active homes” used to qualify for WEG/HCCEG has reverted back to the pre-COVID definition. Effective September 1, 2020 in order to receive HCCEG: provide services to one child or more (including privately placed children; excluding the provider’s own children)” as 2020 WEG/HCCEG Guidelines.

9. How can Base Funding be issued if all home child care providers have not returned?

As noted in the LHCC Phase 3 Funding Guideline (section “Funding to Support Staff Wages and Payments to Providers), effective September 1, LHCC agencies are required to issue payments to staff and providers according to the 2020 Base Funding Guideline.

In Phase 3:

- Starting September 1, home child care providers must be caring for children in order to receive Base Funding.

- Agencies should pro-rate their Base Funding provider payment allocation based on the number of providers working/caring for children.
 - Example: If in November, 50% of providers are working/caring for children (as compared to January 2020), agencies should adjust their monthly Base Funding provider payment allocation by 50% and issue payments using the Base Funding methodology.
- Agencies should **not** distribute their full Base Funding allocation over the reduced number of providers working or issue payments based on pre-COVID payments (e.g. February 2020).

The Region recognizes that Agencies may have excess funding as a result of underspending and will recover this as part of the Region's reconciliation process.

SAFE RESTART FUNDING (SRF)

UPDATE: The SRF has been extended until March 31, 2021. As a result, LHCC agencies should first utilize their EYCC Phase 3 Funding and administrative funding (to be spent by December 31, 2020) *before* utilizing their SRF, on eligible expenses.

10. What eligible expenses are covered under SRF?

Federal Safe Restart Funding (SRF) has been **extended to March 31, 2021** to help the licensed child care sector adapt to the challenges of operating in a COVID-19 environment.

Eligible expenses for SRF should be prioritized as follows:

1. Personal Protective Equipment (PPE) & enhanced cleaning expenses
2. Supports for "child absenteeism" for children required to isolate from child care for the following reasons:
 - Waiting for COVID-19 test results which return negative and/or
 - Failing to pass screening protocols conducted by the provider and/or conducted by the parent/guardian
3. Supports for fixed operating expenses associated with vacancies

Refer to the SRF section of the [LHCC Phase 3 Funding Guideline](#) for a list of eligible expenses for PPE/enhanced cleaning, child absenteeism, and fixed operating expenses to support vacancies.

11. How will LHCC agencies be supported if their enrolment does not return to pre-COVID-19 levels during Phase 3?

As families make their decision whether to return to child care, agencies may experience short-term vacancies. The Phase 3 funding (SRF/EYCC funding) is intended to support agencies rebuild their enrolment and to support eligible fixed operating expenses associated with short-term vacancies experienced during Phase 3. This funding is not intended to cover lost parent revenue (per diem rates) associated with the vacancies experienced.

12. What is defined as "fixed operating expenses?"

The SRF is not intended to cover lost parent revenue associated with the short-term vacancy, but rather the agency's operating expenses associated with the vacancy. These eligible fixed costs include:

- Lease/rental costs (portion not supported through other initiatives/discounts)
- Utilities
- Telephone, internet
- Insurance
- Program supplies (consumable and non-consumable materials such as paint, markers, pens)
- Existing health and dental benefits (in place prior to March)

EYCC PHASE 3 FUNDING

13. What eligible expenses are associated with the EYCC Phase 3 Funding?

Agencies received a pre-approved amount for EYCC Phase 3 Funding which must be spent by December 31, 2020 for eligible expenses (as per the [LHCC Phase 3 Guideline](#)) incurred between September 1, 2020 to December 31, 2020. Exception: costs related to audited financial statements can be claimed for any point in the year. Within the EYCC Phase 3 Funding expenses should be prioritized. Please refer to the [LHCC Phase 3 Guideline](#) (November 18 version) for the expenses prioritized.

NOTE: Agencies are encouraged to first utilize their Phase 3 EYCC funding *before* their Safe Restart Funding (SRF) as SRF has been extended to March 31, 2021.

14. What eligible expenses are associated with the administrative funding?

LHCC Agencies may use their administrative funding to support the following eligible administrative expenses (for business purposes) incurred from September 1, 2020 to December 31, 2020:

- Bookkeeping and Accounting
- Office and general costs
- Interest fees
- Bank charges
- Legal fees
- Management fees
- Professional and consulting fees

ABSENCES DUE TO COVID-19 SYMPTOMS/WAITING FOR TEST RESULTS

15. Will the Region consider covering child care fees when a child is absent because they exhibited COVID-19 related symptoms and/or were awaiting test results?

Between **November 1, 2020 to December 31, 2020**, Agencies should use their EYCC Phase 3 Funding and SRF to support child absenteeism of **up to 5 days**, as a result of required isolation due to illness if the child:

- Is awaiting COVID-19 test results which return negative
 - **Note:** siblings are required to stay home and are eligible for child absenteeism coverage.
- Fails to pass screening protocols conducted by the provider and/or conducted by the parent/guardian
 - **Note:** siblings are eligible for absenteeism coverage only where Peel Public Health has directed the isolation of the household.

PEEL PUBLIC HEALTH DIRECTION TO CLOSE A HOME OR TO SELF-ISOLATE

16. In the event of a positive case of COVID-19 where Peel Public Health has directed either the closure of a home or self-isolation, what funding supports are available if LHCC agencies refund parents/guardians for fees charged for the isolation period?

The Region will provide funding to offset parent fees in situations where Peel Public Health has directed the closure of a home OR self-isolation period due to a positive COVID-19 case. This may also include:

- child who attends before/after school care to self-isolate due to a classroom closure;
- families to self-isolate based on confirmed positive case of COVID-19 within their household.

In these situations, Agencies must apply to the Region as soon as possible via email to EarlyYearsSystemDivision@peelregion.ca with the subject line “**COVID-19 Exposure – Name of Agency**”. The Region of Peel will work with Agencies to complete the reimbursement template. Agencies will be required to demonstrate how this funding was used as part of the Region’s Reporting and Reconciliation process.

Agencies who apply to the Region will be reimbursed based on approved municipal rates for families in receipt of fee subsidy and full fee-paying families if they **do not** charge parents/guardians during the closure/isolation period as directed by Peel Public Health and issue a credit to families affected within a 30-day period. **The Agency must use this funding to offset their Agency fee and issue regular payment to home child care providers.**

Note: This funding is available until **December 31, 2020** and is **separate** from the Agency’s SRF and EYCC Phase 3 Funding allocations.

17. If a child in receipt of subsidy is absent, will absent days count towards the family's maximum allowable absent days?

If Peel Public Health directed the closure of a home or self-isolation period due to a positive COVID-19 case, absences will not count towards a child’s maximum allowable days.

However, all other absence days during this period may count towards a child’s maximum allowable days. In exceptional circumstances, additional absent days may be approved on a case-by case basis.

If any child in receipt of fee subsidy is approaching their maximum absence days and is

concerned about exceeding their absent day allowance, please contact the Children's Service Worker to discuss.

18. In the event there is a COVID-19 exposure as directed by Peel Public Health where staff must self-isolate for 14-days, or if staff are unable to work due to COVID-19, who is responsible for paying staff for the sick days?

The Federal Government has announced new funding programs to support individuals who become sick due to COVID-19. Please visit the [Government of Canada's website](#).

SRF and EYCC Phase 3 Funding is **not** available to cover staff absenteeism due to COVID-19. If staff are sick and unable to work due to COVID-19, LHCC Agencies may either:

- Pay their staff their regular earnings and claim the portion through CEWS; OR
- Direct employees to apply to new federal programs to support employees during the pandemic, such as the [Canada Recovery Sickness Benefit \(CRSB\)](#) and [Canada Recovery Caregiver Benefit \(CRCB\)](#).

Agencies are strongly encouraged to develop policies/directives regarding Staff Absenteeism and Staff Compensation with their Human Resource and Legal Team in the event a staff member is unable to work due to:

- Need for COVID-19 testing
- Self-isolation or quarantine for 14-days
- Exhibiting symptoms of COVID-19
- Other reasons as per the Province's [infectious disease emergency leave](#).

Note: Staff have the right to take unpaid, [job-protected infectious disease emergency leave](#) if they are not performing the duties of their position because of specified reasons related to a designated infectious disease. This leave is available to all employees who are covered by the *Employment Standards Act*.