

2022 Canada-Wide Early Learning and Child Care Funding Guidelines for Licensed Child Care

Toronto Children's Services

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These Guidelines were prepared based on the Ministry of Education's *“Canada-Wide Early Learning and Child Care System Guidelines ADDENDUM TO Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022)”* released in August 2022 and April 2022

General

Purpose

This document outlines the parameters and principles under which Toronto Children's Services (TCS) will allocate funding through the Canada-Wide Early Learning and Child Care (CWELCC) system in 2022.

These parameters and principles must be read in conjunction with the “Ministry of Education's Canada-Wide Early Learning and Child Care System Guidelines ADDENDUM TO Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022)”, released in [April 2022](#) and [August 2022](#) and [O. Reg. 236/22 :GENERAL](#), [O. Reg. 237/22: FUNDING, COST SHARING AND FINANCIAL ASSISTANCE](#), , and [O. Reg. 137/15: GENERAL](#). In the event of a conflict between TCS's “2022 Canada-Wide Early Learning and Child Care Funding Guidelines for Licensed Child Care” and the Ministry of Education's guidelines and regulations, the Ministry of Education's guidelines and regulations prevail.

Overview

- On March 28, 2022 the Federal government and the Province of Ontario announced the Canada-Wide Early Learning and Child Care (CWELCC) funding agreement that will reduce cost of child care in Ontario to an average of \$10 per day by 2025-2026 fiscal year.
- CWELCC is a five-year plan and will be implemented in stages with fee reductions increasing year after year until an average fee of \$10/day is achieved.
- CWELCC will:
 - Reduce fees for eligible licensed child care for eligible children on an incremental basis until an average of \$10/day child care is achieved at the end of the 2025-2026 fiscal year;
 - Create more affordable, quality licensed child care spaces;
 - Support early childhood workers through enhanced compensation, training, and professional learning opportunities; and
 - Improve accessibility by addressing barriers to providing inclusive and flexible child care.

As the legislated service system manager for child care and early years services, Toronto Children's Services is tasked with planning and managing child care and early years programs for the City of Toronto. This includes administering allocated funding to best serve and respond to the early years and child care needs of families and children in Toronto

TCS's role in the Canada-Wide Early Learning and Child Care system is:

- Implementing the provincial guidelines;
- Establishing local policies, procedures and funding approaches;
- Developing and implementing an application and approval process for the CWELCC system;
- Contracting for CWELCC funding through Service Agreements with eligible child care and Home Child care agencies;
- Implementing ongoing fiscal oversight, monitoring and reconciliation of CWELCC system funding; and
- Reporting to the Ministry of Education and Toronto City Council on the CWELCC system.

CWELCC 2022 Rebates and Fee Reductions and Workforce Compensation

In 2022, Ontario families with eligible children in licensed child care programs participating in the CWELCC system will receive fee refunds and reductions of up to 25% (to a minimum of \$12/day), to be made retroactively to April 1, 2022.

Families in receipt of a child care fee subsidy will also receive a fee reduction based on their assessed fee; however, the minimum of \$12 per day does not apply.

Operators must provide retroactive refunds to families within 20 calendar days of receiving their CWELCC funding allocation from TCS. The 20 calendar days start from the day Operators receive funding in their banking institution. From the 21st day onwards Operators must reduce the frozen base fee by 25% for the remainder of 2022.

In addition, there are two Workforce Compensation programs in 2022: Wage Floor and Minimum Wage Off-set.

Service Agreement

- The Service Agreement is the contract between the City of Toronto and an Agency. Operators who already have an existing Service Agreement with the City of Toronto will receive an Amendment to their current Service Agreement that will add “*Schedule 17-Canada-Wide Early Learning and Child Care Funding Requirements*”.
- Operators who do not currently have a Service Agreement will be required to execute a full Service Agreement between the City of Toronto and the Agency
- [Sample Service Agreement](#)

Service Targets (Timelines)

According to the Ministry of Education Addendum released in August 2022:

- TCS must make every effort to ensure applications to confirm eligibility are processed within 10 calendar days after receiving a complete application;
- An application will be considered complete once all the required documentation is received and accurate;
- Operators are required to inform families and staff within 14 days of receiving notice of approval or denial into the CWELCC system, and TCS will send an email to document the approval or denial of enrollment into CWELCC;
- The Service Agreement should be executed between the City of Toronto and the Agency within 30 calendar days of when TCS received the complete application with all corresponding documentation; and
- Operators should provide refunds to families within 20 calendar days of receiving the CWELCC funding from TCS in their banking institution.

Notice to Parents and Employees by Operator

As per [O. Reg. 137/15 s.77.2](#), child care Operators licensed on or before March 28, 2022 for both group child care and home child care must let the families of eligible children and their employees know in writing prior to November 1, 2022 as to:

- Whether or not the Operator will apply for enrollment in CWELCC in 2022;
- The anticipated date of application; and
- Families’ rights if Operators choose not to apply.

Furthermore, Operators must also let families and employees know within 14 days of TCS notifying them in writing on the results of their application, regarding:

- Refunds (or credits) required if Operators were successful in their application; or
- Families' rights if Operators were not successful in their application.

After being approved to participate in CWELCC each Program must:

- Post a revised fee memo to reflect the 25% reduction (must display the posting date)
- Update the Parent Handbook (must be updated by November 1, 2022 and dated)
- Immediately inform TCS of any changes to the programs operating capacity

Families' Rights

As per [O. Reg. 137/15 s.77.2](#), once families are notified that their Operator will not be applying for enrollment (opting out) in CWELCC, or that they were not successful in their application, families may withdraw their children from the child care centre or home child care, without penalty, as long as:

- Families provide the Operator 30 days' notice of withdrawal; and
- Families give this notice within 30 days of being notified that the Operator will not be applying for enrollment or was unsuccessful in applying.
- This applies despite any prior agreement between the families and the Operator, unless such agreement allows for less than 30 days' notice for withdrawing their children.

2022 Fee Refund and Reduction

Eligibility

Child Eligibility

Families who pay full fees **OR** receive fee subsidies for licensed child care for eligible age children can qualify for the 2022 Fee Refund and Reduction, retroactive to April 1, 2022. Eligible families will only receive refunds or benefit from reduced fees if their child care Operator is approved to participate in the CWELCC system.

Funding under the CWELCC system is intended to support children under the age of six according to the terms of the Canada-Ontario Canada-Wide Early Learning and Child Care Agreement.

Ontario Regulation [137/15](#) under the *Child Care and Early Years Act, 2014 (CCEYA)*, defines “eligible child” under the CWELCC system as:

- a) any child, until the last day of the month in which the child turns six years old, and
- b) up until June 30 in a calendar year, any child who,
 - i. turns six years old between January 1 and June 30 in that calendar year, and
 - ii. is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care; (“enfant admissible”).

Refund Eligibility – April 2022 to June 2022

1. Children under the age of six who are in a licensed child care program are eligible for reduced fees and refunds for this entire time period, regardless of age group.
2. Children who turned six between January and June 2022 in licensed infant, toddler, preschool, kindergarten, family age groups or home child care are eligible for a refund for this entire time period.
3. Children in licensed school age groups who turned six between January and June 2022 are eligible for reduced fees and refunds until the end of the month in which they turned six.

Operator Eligibility

To be eligible to enroll in the CWELCC system, programs must be a licensed Group Child Care Centre or Home Child Care Agency serving eligible children. Operators can be:

- Non-profit or Commercial (for-profit) child care operators;
- Corporations, Partnerships, or Sole Proprietorships;
- Operators with or without an existing Service Agreement with the City of Toronto
- Full-Time, Part-Time or 10-Month Programs.

All licensed child care programs, regardless of age-group, that meet the above criteria are eligible for the Workforce Compensation programs.

All unlicensed child care programs, such as authorized recreational programs and extended day programs operated by School Boards, are currently not eligible to apply for participation in the CWELCC system.

Enrollment Requirements

Both Licensed Group Child Care Centres and Home Child Care Agencies must:

- Freeze fees paid by families to the rate paid on March 27, 2022 for all eligible children (exception being if rate increases were communicated to families before this date). For Home Child Care Agencies, this includes fees set by the Agency as well as the provider;
- Demonstrate financial viability to TCS;
- Communicate their CWELCC enrollment status to all families and staff within 14 days of being notified by TCS of the results of their application;
- Refund and reduce fees as required by [O. Reg. 137/15](#) (copy of their CWELCC Service Agreement should be kept at the centre or agency);
- Maintain the infant to five year old spaces for which they are receiving fee reduction funding (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to TCS, and TCS will determine whether this may require adjusting or recovering funding from the Operator;
- Operate in accordance with the CWELCC Service Agreement with the City of Toronto;
- Complete the Provincial annual "Licensed Child Care Operations Survey", as mandated by O. Reg. 137/15 s.77 in order to qualify and continue to receive funding under CWELCC; and
- Maintain their licence to operate in good standing in accordance with CCEYA.
If families are charged for more than two consecutive weeks of closure or more than four weeks of closure within a calendar year, CWELCC funding cannot be used to refund or reduce the fees for those closure periods.

Transfer or Sale of Operations by Operators Enrolled in the CWELCC System

If an Agency has shares and transfers enough shares of the corporation that would be sufficient to allow the person acquiring the shares to make a change to the corporation's board of directors, the Operator remains enrolled in CWELCC and is subject to the CWELCC agreement referred to in subsection (3). [O. Reg. 236/22, s.3.](#)

How is the 2022 CWELCC Funding Allocation to Child Care Programs Calculated?

TCS is taking an allocation-based approach to CWELCC funding in 2022. This funding allocation will be calculated based on the following funding formula:

Group Child Care

$$\text{[Daily Frozen Fees X Operating Capacity X Number of Operating Days Served (April 1-December 31, 2022)] X 25\%}$$

Formula Definitions

Daily Frozen Fees (Fee Freeze)	Daily fees used to calculate the funding allocation are based on Fee Freeze Rates, which are the fees paid by families as of March 27, 2022 and "frozen" since that time. The Freeze Fee Rates must be net of non-base fees (fees charged for optional items or services such as but not limited to field trips, transportation, or late fees). Non-base fee items must be excluded. Only base fees (fees charged in respect of children for child care including anything Operators are required to provide under CCEYA or that they require families to purchase from them) are allowed.
Operating Capacity	Operating Capacity used to calculate the funding allocation is based on submitted information (either through the annual budget or the data collection form). Operating capacity is the planned capacity and is often less than the licensed capacity.
Number of Operating Days Served	Number of Operating Days Served cannot be greater than 196 days as there are only 196 operating days (excluding weekends) between April 1 st and December 31 st , 2022.

Home Child Care

$$\text{[Daily Frozen Fees X Average Daily Enrollment X Number of Operating Days Served (April 1st-December 31st, 2022)] X 25\%}$$

Formula Definitions

Daily Frozen Fees (Fee Freeze)	Daily fees used to calculate the funding allocation are based on Fee Freeze Rates, which are the fees paid by families as of March 27, 2022 and "frozen" since that time. The Freeze Fee Rates must be net of non-base fees (fees charged for optional items or services such as but not limited to field trips, transportation, or late fees). Non-base fee items must be excluded. Only base fees (fees charged in respect of children for child care including anything Operators are required to provide under CCEYA or that they require families to purchase from them) are allowed.
Average Daily Enrollment	Average Daily Enrollment used to calculate the funding allocation is based on submitted information (either through the annual budget or the data collection form). <i>Average Agency Enrollment is calculated using the following formula: Total daily enrollment per service per month ÷ Days of operation per service per month</i>
Number of Operating Days Served	Number of Operating Days Served may include weekends but will generally be around 196 days as there are 196 operating days (excluding weekends) between April 1 and December 31, 2022.

The funding for Home Child Care Agencies will come from the Service System Manager (Municipality) where the head office is located. TCS will base the Home Child Care Agency allocation on a data collection form and will include funding for all the provider homes, even if they are located outside of Toronto.

Fee Refund/Reduction Funding Allocation Methodology

Although the allocation will be based on a program type, the total lump-sum of the allocation can be used for all eligible fee refunds and reductions. Specifically, there is no separate allocation for Infant, Toddler, Preschool, and Kindergarten programs that also offer School-Age programs. The allocation should be sufficient to cover any eligible children enrolled in a School-Age program.

As well, this allocation should be sufficient to refund families and reduce fees even if a fee increase, communicated prior to March 27, 2022, has been charged¹.

In order to receive funding, Agencies that exclusively operate School-Age only Programs (6 to 12 years old) will submit data on average enrollment of the eligible-aged children that attend. TCS will supply the forms for this data submission to School-Age only locations.

Multi Age Grouping (Family Grouping by CCEYA definition) will be funded for the allocation at the preschool rate. If there is no preschool rate, it will be paid at the next, lower eligible age group (.g. toddler rate).

If the initial funding allocation provided to the Agency by TCS is not sufficient to cover the refunds and/or reductions for 2022, Operators should contact TCS. TCS will request and review the refund and reduction documentation and work with the Agency to determine if an additional funding allocation is required.

TCS reserves the right to update the funding formula and may request additional information such as attendance information to ensure funding is based on the child care services provided.

[How is the 2022 Fee Refund to Families Paid and Reduction for Families Applied?](#)

TCS's allocation-based funding approach in 2022 uses operating capacity for Group Child Care Centres and average enrollment for Home Child Care Agencies to calculate the amount of funding. Operators are responsible for refunding families. The Operator will manage the refund and reduction process for all their families (full fee and those in receipt of a fee subsidy), including maintaining supporting documentation:

- Operators are required to provide refunds to families within 20 calendar days of receiving the CWELCC funding from TCS;
- Eligible age children registered at participating licensed child care programs will receive fee refunds and reductions of up to 25% (to a minimum of \$12/day), to be made retroactively to April 1, 2022;
- For families receiving child care fee subsidy the minimum of \$12 per day does not apply; and
- Operators are required to reduce fees by the 21 calendar days of receiving the CWELCC funding from TCS in their banking institution.

¹ Agencies will need to have the necessary documentation that verifies that the fee increase was communicated prior to March 27, 2022, if requested by TCS.

How do Operators Calculate the 2022 CWELCC Fee Refund and Reduction to Families?

Calculating the Fee Refund and Reduction for Full Fee Families

Operators will refund full fee families based on the actual fee freeze rate collected from April 1, 2022 based on the following formula:

$$\text{[Daily Frozen Fees X Number of Operating Days Served (Refund start date - Refund end date)] X 25\%}$$

Formula Definitions

Daily Fees/Fee Freeze	The Fee Freeze Rates are the fees paid by families as of March 27, 2022 and "frozen" since that time (exception being if rate increases were communicated to families before this date). These Fee Freeze Rates must be net of non-base fees (fees charged for optional items or services such as but not limited to field trips, transportation, or late fees). Non-base fee items must be excluded. Only base fees (fees charged in respect of children for child care including anything Operators are required to provide under CCEYA or that they require families to purchase from them) are allowed.
Refund start date	The date refunds to families need to be calculated from (April 1, 2022 or if the eligible child has enrolled in the program after April 1, 2022, then the date of enrollment).
Refund end date	The refund end date could mean the date the child was withdrawn from care, became ineligible for CWELCC, or when the child has moved up to another age group (for which a separate refund/reduction for that program would be calculated).

The new reduced base fee must be the greater of:

- \$12/day (minimum); or
- Amount of the fee freeze rate² minus 25%.

For families receiving child care fee subsidy this minimum of \$12 per day does not apply.

Many child care programs will have software systems that will support the fee refund and reduction calculation.

TCS has developed tools as additional resources for Operators in calculating the 2022 CWELCC 25% refunds to full fee families. Ask your District Consultant if you would like to access these tools.

These tools can be used to calculate and document the refunds to eligible families. These tools are **not** mandatory to participate in the CWELCC system and are intended to be used as an optional support.

Calculating the Fee Refund Reduction for Subsidized Families

TCS uses a single fee collector, which means even if there are multiple children in more than one location, the parent contribution of the fee is billed to one child, at one location. Therefore, Operators may not have the necessary information to calculate the new reduced assessed fee for a family in receipt of fee subsidy.

² If the Fee Freeze Rate is less than \$12/day, that fee should be maintained. Generally, each individual fee must be reduced by 25% provided it does not fall below \$12/day.

TCS has created a new report, “CWELCC Fee Reduction Report” that captures the daily assessed fee, the daily CWELCC reduction, and the new daily and monthly parental contribution.

Operators must use this information to calculate the fee refunds/reductions to families in receipt of fee subsidy.

How Operators can access the report

1. Go to the Providers Online Portal via [Online Services](#)
2. The “CWELCC Fee Reduction Report” is hosted in the Attendance application. Login with the User ID and Password provided to you by Toronto Children's Services to enter your Attendance
3. On the top right-hand side, select 'Applications' in the main menu, then select 'Attendance' to go to the Attendance application landing page
4. From the Attendance landing page, select 'Attendance' once more to launch the application
5. Select 'Reports' to get to the list of available Attendance reports
6. Select the “CWELCC Fee Reduction” report from the list. Then choose the Year and Month.
7. Click Download Report
8. The report will download in PDF format for your Child Care Centre or Home Child Care Agency

New Licensees Post April 1, 2022

A new licensee or a new licensed age group after March 27, 2022, may be required to set their fees for families at, or below a regional maximum cap on fees, as set out by section 77.1 in [O. Reg. 236/22](#) of the CCEYA (refer to the Ministry of Education guidelines for more details.)

Implementation Grant

To support the successful implementation of the CWELCC system, TCS is providing agencies with a CWELCC Implementation Grant. This funding will support the initial administrative costs of refunding families, updating and communicating a new fee memo and Parent Handbook, and establishing systems to meet financial reporting requirements.

In 2022 all agencies who opt-in and are approved to participate in CWELCC in 2022 are eligible to receive this Implementation Grant.

Distribution Methodology

TCS has adopted a cost-per-space methodology to determine the value of the CWELCC Implementation Grant for agencies. By categorizing the agencies based on their operating capacity, and establishing a minimum floor and a maximum ceiling, the distribution methodology ensures a more equitable distribution of funds across agencies of varying sizes.

The CWELCC Implementation Grant is based on an allocation of \$250 per operating space, to a floor of \$10,000 and ceiling of \$200,000 for agencies that are between 500-1999 operating spaces, and \$250,000 for agencies with over 2,000 operating spaces.

To determine the allocation TCS will use the operating capacity for locations with a Service Agreement for Fee Subsidy based on the information submitted in the Budget Application. For those locations that do not have a Service Agreement for Fee Subsidy, the operating capacity will be based on the information captured in the data collection forms.

For Home Child Care Agencies the grant is based on average enrollment submitted in the data collection forms.

This funding is not expected to be recovered through audit analysis or other reconciliation processes unless the operating capacity provided to TCS through the annual budget, or CWELCC data collection processes was inaccurate.

Workforce Compensation

There are two Workforce Compensation funding programs available in 2022: Wage Floor and Minimum Wage Offset. The Annual Wage Increase program is not available in 2022 and begins January 1, 2023 . All eligible staff will continue to receive Provincial Wage Enhancement (PWE) as the Workforce Compensation funding is in addition to PWE. Operators will continue to report on meeting minimum wage requirements as determined by TCS and the Ministry of Education.

Workforce Compensation must be considered in addition to (and not reduce) other planned compensation increases for staff (e.g. this funding cannot be used to reduce already planned merit increases).

Wage Floor

The Workforce Compensation Wage Floor funding focuses on supporting low wage Registered Early Childhood Educators (RECEs). The Wage Floor sets the lowest wage eligible staff can be paid.

Child care Operators participating in the CWELCC system are required to raise the wages of any eligible staff paid below the wage floor identified in the table below. The wage floor came into effect on April 1, 2022, and the wage increase must be paid retroactively to this date, or when the Operator's licence was issued, whichever is later.

Hourly Wage Floor from 2022 to 2026³

	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20	\$21	\$22	\$23	\$24

Workforce Compensation Wage Floor funding must be used to fund the incremental or additional amount necessary to bring staff wages up to the wage floor. A wage floor is the lowest a RECE can be paid when a location participates in the CWELCC system, this floor is **NOT** a maximum.

For example, in 2022, a RECE Child Care Supervisor with a base wage of \$16/hr and PWE of \$2/hr would be entitled to workforce compensation funding of \$2/hr to bring them up to the \$20/hr wage floor.

³ In addition to the hourly wage, staff are required to receive benefits

To be eligible for this funding staff must meet the following criteria:

- Be employed by a licensed child care Operator participating in the CWELCC system;
- Be a RECE Program Staff, RECE Child Care Supervisor, or RECE Home Child Care Visitor;
- Be in receipt of Provincial Wage Enhancement (PWE) funding (Operators must apply for PWE in order to qualify for wage floor funding); and
- Have a wage⁴ including PWE below the wage floor .

Ineligible positions include:

- Non-RECE Program Staff (including Director approved staff);
- Non-Program Staff (e.g. cook, custodian);⁵
- SNR-funded Resource Teachers or Consultants and Supplemental Staff; and
- Staff hired through third parties (e.g. temp agency).

School Age Staff

RECE Staff in School-Age programs (i.e. ages 6 to 12) are also eligible for the Wage Floor funding. Even though these Operators may not serve children eligible for the fee refund and/or reduction they must opt-into the CWELCC system to apply for the Workforce Compensation funding.

The funding cannot be used to pay wages over and above the minimum Wage Floor established in the CWELCC Ministry of Education guidelines.

Minimum Wage Offset

To be eligible for the minimum wage offset staff must:

1. Work in the child care programming supporting ratios;
2. Be in one of the following positions:
 - Non-RECE Program Staff
 - Non-RECE Child Care Supervisor
 - Non-RECE Home Child Care Visitor
3. Receive Provincial Wage Enhancement (PWE);
4. Have been making less than \$15⁶ per hour (not including PWE) on March 31, 2021, or;
5. Have been hired after March 31, 2021, and before January 1, 2022 and making less than \$15⁷ per hour (not including PWE) .

If a licensed Group Child Care Centre or Home Child Care Agency raised their fees from 2021 to 2022 then the funding received from CWELCC to refund and/or reduce the 25% of the base fee to eligible families has covered the minimum wage increase. To ensure no double-funding, the centre may not be eligible for additional Minimum Wage Offset funding. Staff hired after December 31, 2021 are not eligible for the Minimum Wage Offset.

⁴ Benefits should not be included in calculating the hourly or base wage

⁵Exception: Cook or custodial staff could be eligible if they are RECE and spend at least 25% of their time supporting CCEYA [ratio](#) requirements (only these hours supporting ratio requirements would be eligible for both types of funding).

⁶Although the minimum wage increase is \$15.50 as of October 1, 2022 this funding specifies the increase to \$15.00 as of January 2, 2022.

⁷Although the minimum wage increase is \$15.50 as of October 1, 2022 this funding specifies the increase to \$15.00 as of January 2, 2022.

How is the Workforce Compensation Funding Processed?

After Operators have received notification from TCS confirming their enrollment in the CWELCC system, Operators will be asked to confirm if any staff are eligible for the Workforce Compensation funding. The data on eligible staff will be collected and reviewed. If the Operator has staff approved for the Workforce Compensation funding, Schedule 17.2 of the Service Agreement will be issued with a funding amount.

How will Programs Pay Staff with Workforce Compensation Funding?

Operators must pay eligible RECE staff the wage floor from the 32nd day onwards after the date TCS confirms the approval for Workforce Compensation funding.

Operators are then given 60 days, from the Notification Date, to provide staff the wage top-up retroactive to April 1st, 2022 or when the licence was issued or staff started work, whichever is latest. Retroactive wage top-ups must be paid to these staff for their hours worked regardless of whether they are still employed by operators on the Notification Date.

Operators who enroll in the CWELCC system after December 31, 2022 will not have access to the retroactive increases for eligible staff.

In 2023 the Wage Floor and Annual Wage Increase begins from January 1 and operators will be expected to implement these wage increases on a "go forward" basis. Operators must include Workforce Compensation payments in each pay period and not in a lump sum.

Workforce Compensation must be considered in addition to (and not reduce) other planned compensation increases for eligible RECE staff (e.g. this funding cannot be used to reduce planned merit increases).

TCS is required by the Province to monitor the compliance of the distribution of Workforce Compensation funding to staff and will complete reviews to ensure compliance with the program.

Opting In or Out of CWELCC

Deadline to Opt In or out of CWELCC: November 1

As per the Regulations, the enrollment date for Licensees to confirm participation in the CWELCC system is noted as November 1, 2022.

Centres licensed after November 1, 2022 may opt-in until December 31, 2022.

Licensed Group Child Care (GCC) Centres

- GCC Centres must submit an Opt-In or an Opt-Out form through [Online Services](#).
- For help with Opting In or Out, please see "[FAQ for CWELCC Opt-in/Opt-out Online Form](#)".

Licensed Home Child Care (HCC) Agencies

- HCC Agencies whose Agency head office is in Toronto can obtain an Opt-In or an Opt-Out form from CWELCC@toronto.ca and submit the completed form back to this same email address.
- In the subject line, please state: "HCC: Opt-In Form [Your Agency Name]".
- For help with Opting In or Out, please contact your Consultant or email CWELCC@toronto.ca.

Home Child Care Agencies licensed after November 1, 2022 may opt-in until December 31, 2022.

Operators that apply after December 31, 2022 will not be eligible to receive fee refunds to families retroactive to April 1, 2022.

Additional Documentation Required to Apply for CWELCC

Agencies without a current Service Agreement will be contacted by TCS for any supporting documentation that is required to process their CWELCC application, this may include:

- Letters Patent or Articles of Incorporation;
- Banking Information (for direct deposit);
- Financial Documentation⁸;
- Operational Details (e.g. operating capacity, age groups, days of operation, fees);
- Insurance Policy⁹;
- Program fees, fee memo, Parent Handbook; and
- Program operation details

Any additional information that might be required for your application also has a due date of November 1, 2022.

Opting Out

Should a licensed Group Child Care Centre and/or licensed Home Child Care Agency choose to opt out they must complete the "Ministry of Education Opt-Out Form" and submit it to CWELCC@toronto.ca with either the subject line: "GCC: Opt-Out Form [Your Agency Name]" for Group Child Care Centres or "HCC: Opt-Out Form [Your Agency Name]" for Home Child Care Agencies.

⁸ Financial Documentation could be either:

- A. Audited Financial Statements (Audit) or Review Engagement Report (RER); or
- B. Two Canada Revenue Agency (CRA) Documents as follows:
 - i. Form PD7A "Statement of Account for Current Source Deductions" – last quarterly statement or last three months if filed monthly; and
 - ii. T4 Summary "Summary of Remuneration Paid" if more than one year of operational history.

⁹Insurance Policy issued in Agency's name should also name City of Toronto as an additional insured with inclusive limits of not less than \$2 million.

Upon the submission of the Opt-Out form, both licenced Group Child Care Centres and Home Child Care Agencies must:

- Notify their families and employees that their centre or Agency has Opted-Out of the CWELCC system;
- Allow families to withdraw without penalty if they provide the operator 30 days' notice of withdrawal, and they gave this notice within 30 days after being notified that the operator is not applying for enrollment or was unsuccessful in its application;
- Update their "Parent Handbooks" (if applicable) to reflect that they are not enrolled in the CWELCC system.

As a result of Opting Out of the CWELCC system:

- Families with eligible children will not benefit from the 2022 Fee Refund and Reduction (no 25% refund retroactive to April 1, 2022 nor 25% fee reduction going forward);
- Employees that qualify for Workforce Compensation will not get access to the funding; and Parent fees are no longer subject to the fee freeze (e.g. keeping rates for eligible children at March 27th, 2022 levels).

[Withdrawing from CWELCC Application Process 2022](#)

All child care operators can review the CWELCC Service Agreement and withdraw their application for 2022, prior to signing the CWELCC Service Agreement with the City of Toronto. However, once the CWELCC Service Agreement¹⁰ has been signed, they will be considered enrolled for 2022, and as such, be obligated to refund and reduce parent fees in accordance with the Ministry of Education guidelines.

[Withdrawing from Participating in CWELCC in 2023](#)

Operators may withdraw from the CWELCC system, and subject to the requirements of the CWELCC Service Agreement with the City of Toronto, terminate their participation in the CWELCC system. TCS will not impose penalties on Operators for terminating the CWELCC Service Agreement. If funding was provided for a period that the Operator is not participating, that funding must be returned.

Programs that withdraw are still required to submit Audited Financial Statements by a Licensed Public Accountant for analysis and reconciliation for funding received.

The termination clause in the Service Agreement requires a 60-day notice period for Operators who choose to terminate the Agreement. TCS will work with Agencies who want to terminate the agreement and withdraw from the CWELCC system for 2023 and will not require the 60-day notice period for the termination of the CWELCC Service Agreement.

[Financial Reporting, Audits and Documentation](#)

Operators are responsible for managing the refund and reduction process to families and the Workforce Compensation for staff, including maintaining supporting documentation. It is essential that Operators develop clear policies and procedures to track and monitor the refund and reduction process.

TCS requires that Operators maintain records of both the funding received and how it was utilized. This information is necessary to meet the financial reporting and the audit requirements of TCS.

¹⁰The CWELCC Service Agreement can be an amendment to their current Service Agreement or an entirely new Service Agreement with TCS

Financial Reporting Requirements

Operators are required to submit Audited Financial Statements by a Licensed Public Accountant. This financial information is required to verify that the public funding provided was used for its intended purposes. Any unspent or excess funding provided to Operators during the funding year, or funding not used for its intended purpose, may be recovered by TCS through a reconciliation process.

The specific audit requirements will be detailed in the TCS Audit Guidelines and posted on the TCS website when they are complete.

Records and Compliance Audits

As per the Ministry of Education requirements, TCS will implement a compliance audit process, therefore it will be important that Operators:

- Maintain complete financial and service records of accounts of expenditures related to the CWELCC system, for each location, for each year where CWELCC funding is being provided;
- Maintain records for CWELCC expenditures and refunds for a minimum of 7 years, including after a closure of the location/Agency; and
- Maintain records related to the funding, expenditures and refunds provided under the CWELCC system when the Operator has terminated the Service Agreement or has closed and is no longer operating.

Glossary of Terms

CCEYA – Is the abbreviation of the name *Child Care and Early Years Act, 2014 (CCEYA)*

CWELCC – Is the abbreviation of Canada Wide Early Learning and Child Care which is the name of the agreement between the Federal and Provincial government and the program being implemented in Ontario.

TCS – Is the abbreviation of Toronto Children’s Services

Purchased sector – Operators who have a Service Agreement for Fee Subsidy (*Schedule 1.1*) with Toronto Children’s Services.

Non-purchased sector – Operators who have no current funding relationship with Toronto Children’s Services for Fee Subsidy.

Service Agreement – The legal contract that the City of Toronto enters into with Agencies that provide child care services for families and their children. ([Sample Service Agreement](#)).

Service Agreement for Fee Subsidy – Schedule 1.1 of the Service Agreement that the City of Toronto enters into with Operators to enroll children whose families are in receipt of Child Care Fee subsidies.

Provincial Wage Enhancement (PWE) – A wage grant program funded through the Province that Operators apply for annually to improve the salaries and benefits of eligible staff.

Fee Freeze Rate – Fee used to calculate the 2022 Fee Refund and Reduction is based on fees paid by families as of March 27, 2022 and "frozen" since that time (exception being if rate increases were communicated to families before this date). Fee Freeze Rates must not include any non-base fees.

Non-Base Fees – Non-base fee means any fee charged for optional items or optional services (e.g. transportation) **OR** any fees charged where the parent fails to meet the terms of the agreement with the licensee (e.g. late fees). Non-base fees cannot include anything that would impede a child’s participation in the program should their family choose to opt-out of the service.

Base Fees - Base fee means any fee or part of a fee that is charged in respect of a child for child care, including anything a licensee is required to provide under the *Child Care and Early Years Act, 2014*, or anything a licensee requires the parent to purchase from the licensee. In other words, “base fee” is any fee charged for the provision of child care, including any fees for services or items required by the *Child Care and Early Years Act, 2014*, regulations (Ontario Regulation 137/15), and any other mandatory parent fees.

Wage Floor – The minimum that eligible RECE staff can be paid under the Workforce Compensation funding in the CWELCC system.

Online Services – The technology portal Toronto Children’s Services uses to collect information from child care operators (e.g. submitting budgets or opt-in forms).