

Toronto Children's Services

2024 Canada-Wide Early Learning and Child Care Funding Guidelines for Licensed Child Care

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Contents

General2

 Purpose 2

 Overview 2

2024 CWELCC Fee Reductions & Workforce3

 Child Eligibility 3

Service Agreement4

 Withdrawing from CWELCC 4

 Transfer or Sale of Operations by Operators Enrolled in the CWELCC System 4

 Requirements of CWELCC Program 5

 Program Compliance Requirements 5

Revenue Replacement Funding8

Calculating the Fee Reduction for Subsidized Families10

2024 Cost Escalation Funding10

 Agencies with a Fee Subsidy Agreement with TCS 10

 Agencies that do not have a Fee Subsidy Agreement with TCS..... 11

2024 Emerging Issue Funding11

Workforce Compensation11

 CWELCC 2024 Workforce Funding (CWW) 12

 2024 New Wage Ceiling and Wage Floor charts..... 13

 Additional Resources 13

Record Keeping and Reporting14

 Financial Reporting Requirements..... 14

 Records and Compliance Audits 14

 Budget Submission..... 15

 Sanctions and Service Agreement Termination..... 15

2024 Expansion and Start-up Application.....16

Glossary of Terms19

These Guidelines were prepared based on the [Ministry of Education's "Canada-Wide Early Learning and Child Care Guidelines" released November 2023, Updated March 2024](#)

General

Purpose

This document outlines the parameters and principles under which Toronto Children's Services (TCS) allocates funding through the Canada-Wide Early Learning and Child Care (CWELCC) system in 2024. It also summarizes compliance requirements of the program and the Service Agreement in 2024.

This document must be read in conjunction with the “*Ministry of Education's Canada-Wide Early Learning and Child Care System Guidelines*”, released in March 2024 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 “*2024 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.

For parameters and principles for previous years, refer to the TCS CWELCC Funding Guidelines version for that specific fiscal year.

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 the 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 service system manager for child care and early years services, Toronto Children's Services is tasked with planning and managing licensed child care and early years programs for the City of Toronto.

TCS's role in the CWELCC 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
- Reporting to the Ministry of Education and Toronto City Council on the CWELCC system

2024 CWELCC Fee Reductions & Workforce

When CWELCC was introduced, licensed child care programs were required to freeze their fees as of March 27, 2022, unless a fee increase was communicated to families prior to that date. The CWELCC reductions are based on these frozen fees.

As of January 1, 2024, the CWELCC fee reduction remained at 52.75% of the March 27, 2022, base fee to a minimum of \$12 per day.

Families in receipt of fee subsidy received a 50% fee reduction based on their assessed fee, without the minimum of \$12 per day.

The 2024 CWELCC Workforce Compensation funding supported recruitment and retention of the child care workforce through an updated wage floor, annual wage increases and an updated wage ceiling for eligible RECEs. In addition, eligible agencies can receive compensation to offset required minimum wage increases for non-RECE staff.

Child Eligibility

All families with eligible children enrolled in CWELCC licensed child care qualify for the CWELCC 2024 fee reduction, including families with fee subsidy.

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”).

Fee Reductions for children turning six years of age

To be eligible for CWELCC fee reductions, children need to be under the age of six and enrolled in a licensed child care program participating in CWELCC.

- If your child turns six between January 1 and June 30 and is enrolled in a CWELCC participating Preschool, Kindergarten, Family-Age Group or Home Child Care (enrolled through the agency or privately) program, they are eligible for a fee reduction until June 30.
- If your child turns six years of age after June 30, and is enrolled in a CWELCC participating Preschool, Kindergarten, Family Age Group or Home Child Care (enrolled through the agency or privately) program, they are eligible for a fee reduction until the end of the month in which they turn six.
- If your child is enrolled in a CWELCC participating School-Age program and turns six, they are eligible until the end of the month they turn six.

Service Agreement

The Service Agreement is the contract between the City of Toronto and an Agency. Agencies who have been approved into CWELCC with the City of Toronto will have a Service Agreement. For a sample Service Agreement, please refer to this [Sample Service Agreement](#) located in the document tab on the [TCS CWELCC Operators Information webpage](#).

If an agency experiences any business changes it is important to reach out to the District Consultant assigned to the location to determine if it will affect the Service Agreement (for example, name changes, banking information, ownership changes, auspice changes).

Withdrawing from CWELCC

An Agency may withdraw from CWELCC by opting out or through a centre closure. Withdrawal is subject to the terms and conditions of the Service Agreement. The termination clause in the Service Agreement requires a 60-day notice period for Operators who choose to terminate the Agreement. The termination must be in writing. If funding was provided for a period that the Operator is not participating, the agency will be required to submit actuals and based on this a recovery may be necessary. Funding holds will be placed on the agency until final funding has been reconciled (recoveries may ensue).

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

Agencies that withdraw from CWELCC must immediately notify the families they serve.

- The families have the right to withdraw from the agency without any financial penalty once they have been notified
- Families can give the Agency 30 days' notice of withdrawal (or less if that is the Agency's policy).

As a result of withdrawing from the CWELCC system:

- Families with eligible children will not benefit from the 2024 Fee Reduction
- Employees that qualify for Workforce Compensation will not get access to the funding; and
- Parent fees are no longer subject to the fee freeze

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

To address any share transfer or change in control of a corporation the agency should inform Toronto Children's Services of their intent as soon as possible. The process takes time and to minimize service disruption to the agencies funding as much as possible advance notice is necessary. If any agency is considering a share *transfer* or a *Substantial Sale of Assets* reach out to the District Consultant to discuss the process.

It is important for TCS to understand if an agency's business decision qualifies as a *Transfer of Shares* or a *Substantial Sale of Assets*.

Please review the definitions:

Transfer of Shares

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.](#)

Substantial Sale of Assets

If a licensee sells substantially all its assets and the purchaser obtains a new licence to operate a child care centre or a home child care agency, they will **no longer** be enrolled in CWELCC and would be treated as a new licensee entirely.

Guidance and Constraints:

As per the Ministry of Education’s 2024 Canada-Wide Early Learning and Child Care [CWELCC] Guidelines, certain share transfers can remain in CWELCC, but substantial sales of assets with resulting new licences can no longer remain in CWELCC.

Furthermore, the change of control may engage section 3.5 of the Service Agreement which entitles the General Manager of Children’s Services to nullify the Service Agreement at the General Manager’s sole discretion where a change of control is undertaken.

Whether the Service Agreement and or CWELCC can continue depends on many factors, including but not limited to legal confirmation for the sale of shares, assurance of continued financial viability, Purchaser’s childcare experience, and receipt of all necessary supporting documentation.

Requirements of CWELCC Program

Both Licensed Group Child Care Centres and Licensed Home Child Care Agencies participating in CWELCC must comply with the CWELCC requirements to qualify and continue to receive funding under CWELCC, including:

Program Compliance Requirements

#	Program Compliance Area	Program Compliance Requirements
1.	Parent Handbooks	<ul style="list-style-type: none">▪ Agencies are required to disclose in their parent handbook if they participate in CWELCC and disclose all base and non-base fees, all closure days (and whether there is a fee charged for the closed days)▪ Details on requirements can be found in O. Reg. 137/15▪ List hours of operation (must match license, information in CCLS)▪ Services provided (age grouping) must match the Provincial Licence▪ Ensure that there are no barriers for families to enroll and access child care services

#	Program Compliance Area	Program Compliance Requirements
2.	Parent Fees and Deposits*	<ul style="list-style-type: none"> ▪ All mandatory fees that are part of the base fee to access child care were required to be frozen to the March 27, 2022, rate (there are other legislative requirements for new centres or those opened after this date) ▪ For School Age programs with eligible children, the 2022 base frozen fee for eligible children must also be reduced by 52.75% ▪ Any mandatory non refundable registration fees that was in place as of March 27th, 2022, is considered a base fee and subject to all CWELCC fee reductions ▪ Deposits*: TCS has previously communicated that refundable deposits were not required to be reduced; However, in consultation with the Ministry, it was clarified that any type of deposit is considered a base fee and therefore subject to the CWELCC reduction set out in the Ministry Guidelines. ▪ No new mandatory fees can be introduced after the frozen fee date ▪ Agencies may not collect a higher fee and then refund families. ▪ HCC providers who are charging a fee different from the Agency rate for privately placed children must ensure the fees are frozen at the rate that was charged prior to March 27, 2022. HCC Providers must provide the HCC agency with their individual fee memos/schedules reflecting the rates they are charging for all privately placed eligible children (rates had to be in place as of March 27, 2022). HCC agencies need to ensure that all contracted HCC providers are adhering to the fee freeze requirements. ▪ Agencies cannot charge different fees to families in the same program. For example, a family with an infant that is under-aged in a toddler room, cannot be charged the infant rate; they can only be charged the toddler rate (the rate against which fee reductions will be calculated).

#	Program Compliance Area	Program Compliance Requirements
3.	Operational Plans	<ul style="list-style-type: none"> ▪ Changes to operating plans and service levels may result in base fee reductions (for example, reduction to service hours). ▪ Operational plans cannot be changed without prior consent from TCS ▪ Get approval (which may require applying for expansion or completing an in-year change form) from TCS before revising service levels, including but not limited to: <ul style="list-style-type: none"> ○ Program revisions and usage of alternate capacities ○ Changes to operating hours ○ Changes to operating days ▪ Agencies may not exceed two consecutive weeks of closure and not more than four weeks of closure within a calendar year, where parents are charged full fees. If an agency exceeds the days of closure an agency may either <ul style="list-style-type: none"> a) open additional days to bring the total to 20 days or below, this approach will allow the location to maintain the same fees, or b) not charge families for the excess days of closure and reduce the fees proportionate to the excess number of days of closure ▪ The programs and services (including program quality, hours, availability, and other elements) offered as of March 27, 2022, must be maintained. <ul style="list-style-type: none"> ○ Families should not experience any dilution in service offerings, or surcharges from services that were originally part of base fees prior to the introduction of CWELCC ○ If any reduction in programs, services or offerings is requested it must be reflected by a proportionate reduction in fees for families.
4.	Service Agreement with TCS	<ul style="list-style-type: none"> ▪ Operate in accordance with the Service Agreement with the City of Toronto ▪ Maintain the licence to operate in good standing in accordance with CCEYA ▪ Keep a copy of the Service Agreement at the centre or agency ▪ Maintain financial viability
5.	Provincial Annual Survey	<ul style="list-style-type: none"> ▪ Complete the Provincial annual "Licensed Child Care Operations Survey," as mandated by O. Reg. 137/15 s.77
6.	Toronto Children's Services Data Collection	<ul style="list-style-type: none"> ▪ Complete all data collection as requested by the given deadline, including the annual CWELCC Operator Survey as part of the reporting requirements to the Ministry of Education
7.	Financial Reporting, Audits, Budget requirements and Documentation	<ul style="list-style-type: none"> ▪ The detailed compliance requirements are captured below in the section titled: Record Keeping and Reporting ▪ Agencies must confirm their program and operational details, such as age groups served, operational capacities, fees, and operating days, to TCS as part of the annual Budget requirement. Please refer to 2024 Budget Guidelines for more details

#	Program Compliance Area	Program Compliance Requirements
8.	Operational Requirements	<ul style="list-style-type: none"> • TCS District Consultants conduct site visits at all locations enrolled in CWELCC to ensure agencies meet the requirements of their CWELCC Service Agreements and to collect information about the agency. • Agencies must provide documentation deemed necessary by TCS to confirm the 2024 operational details, whenever requested, within the stipulated timeframe. • Agency operational plans cannot be changed without prior consent from TCS

Revenue Replacement Funding

The 2024 CWELCC Revenue Replacement Funding is determined based on the operational details finalized in the Annual Budget or a separate Program Registry Review process and detailed in Schedule 17.1 or 17.3. CWELCC revenue replacement funding known as Affordability Funding is coded as CWA in operators’ TCS payment reports.

Although the allocation is calculated using the specifics of Infant, Toddler, Preschool, and Kindergarten operating details the funding is not assigned to those programs and can be used to support the revenue replacement of all spaces used by eligible children. For example, the allocation does not include a separate calculation for School-Aged programs. However, agencies that have eligible children in their School-Aged programs can use the allocation to support the revenue replacement for the reduced fee of eligible children.

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

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 (e.g., toddler rate).

If the initial funding allocation provided to the Agency by TCS is not sufficient to cover the fee reductions for 2024, Operators should contact TCS. TCS will request and review the 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 to ensure funding is based on the child care services provided.

The tables below detail how the Revenue Replacement Funding is calculated for Group Child Care and Home Child Care Agencies.

Group Child Care

(Daily Frozen Fees X 2024 Operating Capacity X 2024 Operating Days (where parent fees are charged) X 52.75%)

Daily Frozen Fees (Fee Freeze)	Daily fees used to calculate the funding allocation are based on frozen fees of March 27, 2022. The Frozen Fees must be net of non-base fees (fees charged for optional items or services such as but not limited to 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) are allowed.
Operating Capacity	Operating Capacity used to calculate the funding allocation is based on operational details submitted. 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 262 days as there are only 262 operating days (excluding weekends) in 2024. Please note, that funding is only allocated for days where parent fees are charged.

If the frozen fee is a monthly fee, it will be converted to a daily fee using the denominator of 21.75 days. If the frozen fee is an annual fee, it will be converted to a daily fee by dividing by the number of month's (either 12 months for a year or 10 months for a program that follows the school calendar) then divided by 21.75 days.

Using the common denominator of 21.75 days considers the annual and monthly fluctuation of the days of operations. TCS will work with operators who are interested in converting their annual or monthly frozen fees into the daily fee (using the denominator of 21.75 operating days).

Home Child Care

[Daily Frozen Fees X Average Daily Enrollment X 2024 Operating Days X 52.75%]

Daily Frozen Fees (Fee Freeze)	Daily fees used to calculate the funding allocation are based on the frozen fees paid by families as of March 27, 2022. The Frozen fee must be net of non-base fees (fees charged for optional items or services such as but not limited to 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) are allowed.
Average Daily Enrollment	Average Daily Enrollment is used to calculate the funding allocation. It is based on the 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	If the HCC Agencies offers weekend care the number of Operating Days Served may exceed 262 days in 2024.

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 2024 Budget submission and will include funding for all the provider homes that were approved in 2023, (even if they are located outside of Toronto in 2023). In 2024, any expansion of HCC provider homes in other municipalities other than Toronto (if approved) that municipality will provide the funding of those net new approved homes.

Calculating the Fee 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.

TCS has created a 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 (<https://www.toronto.ca/community-people/community-partners/early-learning-child-care-partners/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

2024 Cost Escalation Funding

In 2024, all agencies participating in CWELCC will receive an additional 2.16 % of Cost Escalation funding to support cost increases beyond the licensee’s control that may impact their capacity to participate in CWELCC. The cumulative total of cost escalation in 2024 amounts to 4.91% (2.75% for 2023 + 2.16% for 2024 = 4.91%).

Agencies with a Fee Subsidy Agreement with TCS

- All CWELCC participating locations will receive 4.91% Cost Escalation on Schedule 17.1.
- CWELCC participating locations with fee subsidy may receive an Additional Budget Increase funding on Schedule 17.1 supporting expenses in the approved budget that are beyond the 4.91% Cost Escalation.
- CWELCC participating locations with fee subsidy will continue with 2022 CWELCC frozen fee (previously known as the per diem rates) on Schedule 1.1. Approved increases supporting fee subsidy will be paid through the emerging issue funding.
- School Age & Non-CWELCC participating locations with fee subsidy will receive approved 2024 per diem increases on Schedule 1.1.
- Updated Schedule 1.1 and General Operating Funding Schedule 1.3 can be accessed through Online Services.

- Individuals must have a "Signing Authority" administration role to view the Service Agreement, Schedules, and budget reports. To view these documents in Online Services, click on "Financial" and then selecting "Agency Contract."
- Schedule 17.1s reflecting the Affordability and 4.91% Cost Escalation will be emailed to agencies.
- The per diem rates listed in Schedule 1.1 and the General Operating Funding listed in Schedule 1.3 are in effect from January 1, 2024, and replace the previous Schedules.
- For HCC Agencies, the agency must distribute the 4.91% cost escalation to the providers to support the operation and the implementation of CWELCC funding for the year and for no other purpose.

Agencies that do not have a Fee Subsidy Agreement with TCS

- All CWELCC participating locations will receive 4.91% Cost Escalation on Schedule 17.1.
- Schedules 17 reflect changes retroactively to January 1, 2024.
- For HCC Agencies, the agency shall distribute the 4.91% cost escalation to the agency and the providers, pro rata, based on the 2024 fee split percentage already agreed upon between the agency and the providers. This funding should be used to support the operation of the agency and the providers and their implementation of CWELCC for the funding year and for no other purpose.

2024 Emerging Issue Funding

All available resources within the funding envelope from the Ministry of Education and the City of Toronto approved budget are used. Children's Services is committed to funding the cost of child care within our available resources.

In 2024, the province introduced CWELCC Emerging Issues Funding which supports licensees in addressing non-discretionary cost pressures. Details on eligible and non-eligible costs can be found in the Ministry of Education 2024 CWELCC Guidelines. Children's Services utilized the 2024 Budget submission data to allocate the available Emerging Issues funding for quarterly payments beginning in April retroactive to January 1, 2024. In 2023, agency's accessed additional funding under the *Additional Budget Increase Funding* process.

If an agency is having financial viability concerns the first step is to contact the District Consultant.

Workforce Compensation

IMPORTANT! Agencies enrolled in CWELCCS with eligible staff must apply and be approved for the 2024 Provincial Wage Enhancement (PWE), which is referred to as the Wage Enhancement Grant in the Ministry of Education 2024 Guidelines.

CWELCC Workforce Compensation funding is comprised of wage floor, annual wage Increases and minimum wage offset funding. CWELCC Workforce detailed information which includes requirements and eligibility can be found in the [Ministry of Education Guidelines, section 6](#).

The Annual, Wage Floor, and Wage Ceiling have been updated effective January 1, 2024. All eligible RECE staff must continue to receive Provincial Wage Enhancement (PWE) as the Workforce Compensation funding is in addition to PWE. Agencies 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 wage increases).

CWELCC workforce compensation funding is coded as CWW in operators' TCS payment reports.

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.

CWELCC 2024 Workforce Funding (CWW)

RECE Annual and Wage Floor Increases:

Eligibility:

- Agencies must be enrolled in the CWELCC system
- Agencies must submit a 2024 PWE application to be considered for Workforce Funding (CWW). CWW funding is tied to the position
- **Eligible RECE positions** include RECE program Staff, RECE Child Care Supervisor, RECE Home Visitor (HCC)
- Eligible RECE staff (including new employees) cannot be below the wage floor
- Workforce funding does not replace planned wage increases. It must be considered in addition to and not reduce other planned compensation for eligible staff
- Does not apply to non-RECE program staff, non-program staff and Ministry approved staff.

Application:

- Toronto Children's Services (TCS) utilized the 2024 PWE applications to determine 2024 CWELCC Workforce Funding.

Agency CWW Distribution:

- 2024 CWW funds must be distributed (retroactively to January 1, 2024, if applicable) to all eligible staff positions within 32 calendar days of receiving the payment and ensure that the increases are included on each pay going forward.
- New locations must provide retroactive CWW payments to eligible staff within 32 calendar days after the service agreement is executed and that workforce requirements

2024 New Wage Ceiling and Wage Floor charts:

2024 New Wage Ceiling, effective January 1, 2024:

Wage Eligibility Ceiling 2022 to 2026*	2022	2023	2024	2025	2026
RECE Program Staff	\$25.00	\$25.00	\$26.00	\$27.00	\$28.00
RECE Supervisor/RECE Home Child Care Visitor	\$25.00	\$25.00	\$29.00	\$30.00	\$31.00

*In addition to the hourly wage staff are required to receive benefits

2024 New Wage Floor, effective January 1, 2024:

Wage Eligibility Floor 2022 to 2026*	2022	2023	2024	2025	2026
RECE Program Staff	\$18.00	\$19.00	\$23.86	\$24.86	\$25.86
RECE Supervisor/RECE Home Child Care Visitor	\$20.00	\$21.00	\$24.86	\$25.86	\$26.86

*In addition to the hourly wage staff are required to receive benefits

To determine the CWELCC RECE workforce annual and wage floor eligibility, the following order of operations must be followed:

1. The base wage (by employer, which may include any Agency wage increases)
2. PWE (\$2/hour, up to maximum as per PWE guidelines)
3. CWELCC Annual Wage Increase \$2/hour (this is **cumulative** \$1/hr from 2023 + \$1/hr for 2024), up to \$26/hour for program staff and \$29/hour for supervisor/HCC visitor
4. CWELCC Wage Floor funding, if applicable

Additional Resources

- TCS has developed a CWELCC 2024 Workforce Illustration Tool as a resource to assist licensed child care agencies in understanding the CWELCC 2024 Workforce Funding Calculations for their eligible RECEs. The tool is accessible in [Online Services](#) on the Financial application landing page, under the “Quick Links” section or by contacting the District Consultant assigned to the Agency.
- Detailed information regarding Agency requirements and eligibility can be found in the [Ministry of Education Guidelines, section 6](#)

Minimum Wage Offset (MWO):

Eligibility:

- Agencies must be enrolled in the CWELCC system

- Agency must employ non-RECE staff in the following: Non-RECE Program Staff, Non-RECE Child Care Supervisor, Non-RECE Home Child Care Visitor
- MWO does not apply do non-program staff in the following positions: cook, custodial and other non-program positions, SNR-funded resource staff or supplemental staff, staff employed through external agencies (such as temporary agencies)

Per the Ministry of Education CWELCC guidelines:

“...to be eligible for a minimum wage offset, licensees must employ eligible non-RECE staff in positions that were earning: • below \$15.50 per hour immediately before October 1, 2022 (not including WEG funding); and/or • below \$16.55 per hour immediately before October 1, 2023 (not including WEG funding)”

- Detailed eligibility requirements can be found in Section 6 of the [Ministry of Education Guidelines](#)

TCS will review the required documentation and determine the eligibility for Minimum Wage Offset funding.

Record Keeping and Reporting

Operators are responsible for managing the fee reduction 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 use of funds. The documentation is necessary to meet the financial reporting and the audit requirements of TCS.

Financial Reporting Requirements

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

The specific audit requirements are detailed in the [TCS Audit Guidelines](#). Audits are due 4 months after the Agency’s fiscal year end.

Meeting the financial reporting requirements is a critical component of CWELCC compliance and maintaining a Service Agreement with TCS.

Records and Compliance Audits

As per the Ministry of Education requirements, TCS has 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.

- 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.

Budget Submission

Agencies with a Service Agreement for Fee Subsidy (Schedule 1.1) and/or Canada Wide Early Learning & Child Care (CWELCC) (Schedules 17), are required to complete a 2024 annual budget and data collection submission. This is a key step in determining the annual funding that the agency receives and provides funding information for the child care system in Toronto. More information and requirements can be found in the [2024 TCS Budget Guidelines](#).

Sanctions and Service Agreement Termination

Agencies have the responsibility to meet standard business, legislative and Toronto Children's Services agreement requirements to comply. If an Agency is not in compliance with its contractual obligations or at risk of non-compliance, actions will be taken to ensure all contractual requirements are met. When a risk of non-compliance is identified, City of Toronto staff will take action to mitigate that risk. This process could include sanctions, up to and including termination of the Service Agreement. Some of the steps Children's Services may take to mitigate compliance risk and remediate noncompliance are:

- Meet with the Child Care Agency's Board and the Agency's staff
- Written notice to the Agency
- Recovery of funding
- Hold to funding increases
- Hold of all funding payments
- Change frequency of payments from Quarterly to Monthly
- Terminate the Service Agreement

It is the responsibility of the Agency to report any changes to its operations that may affect the funding. Failure to report changes will result in action that may include recovery of funding and/or imposing sanctions up to and including termination of the Service Agreement.

Submitting documentation within the timeframe requested is critical to meeting the obligations of the Service Agreement. Agencies that fail to submit required documents in a timely basis may be subject to the following sanctions and penalties:

- Forfeit their funding increases or grant eligibility if no submission is received by budget/grant deadlines;
- Changes to the payment schedule, i.e., stop quarterly advance payments and pay based on monthly actuals;
- Payments suspended until issue is resolved; and/or
- Further sanctions, including but not limited to the termination of the Service Agreement between the City of Toronto and the Agency, the holding and/or recovery of funds, and no consideration for expansions of locations or service levels.

In accordance with City policies and applicable Provincial guidelines, all centres with a Service Agreement must provide TCS with audited financial statements within four months of the organization's

fiscal year end. For more information on audited financial statement requirements, visit the Audit Guidelines for Agencies. For the City to effectively maintain financial reporting obligations, TCS will be implementing sanctions and penalties for non-compliance with business deadlines.

2024 Expansion and Start-up Application

The 2024 Application for CWELCC Expansion and Start-up Grants was open May 8, 2024, to June 6, 2024.

For Francophone Agencies the 2024 Application for CWELCC Expansion and Start-up Grants was open May 22, 2024, to 19, 2024.

All CWELCC Expansion and Start-up Grant applications are reviewed and approved based on Toronto Children's Services eligibility criteria, priorities, and space and funding allocations that align with the Ministry of Education's Access and Inclusion Framework and Toronto Children's Services Growth Strategy. Other eligibility requirements may be developed and applied by the City of Toronto related to Directed Growth.

Further to the expansion criteria, the Ministry of Education has directed the City of Toronto to maintain its current proportion of not-for-profit child care spaces. In Toronto, a minimum of 80% of the new spaces approved must be not-for-profit spaces. This will be monitored and actioned by Children's Service throughout the expansion process.

Child Care Agencies that met the following criteria were welcomed to apply:

- Not-for-Profit Agencies
- Indigenous Agencies
- Francophone Agencies
- Commercial Agencies with child care centres located in a City of Toronto High Priority Ward¹

Types of Requests for the CWELCC 2024 Expansion & Start-up Grant application:

- Eligible Agency requesting to enroll a child care centre into the CWELCC program (may include Start-up Grant)
- Eligible Agency with a child care centre currently enrolled in the CWELCC program and requesting to revise their current Provincial license and receive CWELCC funding for the proposed capacity changes (may include Start-up Grant).
- Not-for-Profit Agency with a child care centre currently enrolled in CWELCC requesting a Service Agreement for Child Care Fee Subsidy.

Eligible Licensed Child Care Agencies:

- Not-for-Profit Agency with a child care centre located in Toronto
- Indigenous or Francophone Agency

¹ For more information on the Toronto Children's Services' approach to enhance access and inclusion for priority areas and target populations see the June 14, 2023 [City of Toronto Council approved report](#) page 9 for the Priority Levels for CWELCC Expansion by Toronto Wards map. To lookup the location's ward, please visit the [Ward Profiles – City of Toronto webpage](#)

- Commercial Agency with a child care centre located in a [High Priority Ward in Toronto](#)
- In addition to the above, for Agencies that currently receive City of Toronto funding: Agencies must be in compliance with current audits and financial recoveries, all requirements have been met on time (including, but not limited to submitted budget, survey, and information requests), so that they are in financial compliance with the Service Agreement

Child Care Centre Requirements:

- New child care spaces are operational in 2024 (*See exception related to Start-up Grant*).
- Child care program provides [Full-time Access to Service](#), have efficient room size(s), adequate next age-group room sizes, and sustainable planned enrollment.
- New or expanded Kindergarten Before & After School only (*Full-day kindergarten is a publicly funded service in the Province of Ontario's education system. Only Kindergarten Before and After School programs not located in publicly funded schools will be considered*).
- Confirmation of Zoning Approval permitted use for Child Care (*if applicable*).
- Clear documentation indicating that the property or space has been leased/procured for a new child care centre or a Letter of Intent for Accommodation from building owner.
- Letter of support /no objection from Lessor (if leased) or building owner to proceed with proposed renovations / alterations (*if applicable*).
- If the child care centre is currently licensed, the license is in good standing with the Ministry of Education.
- Ministry of Education license revision or new license application has been submitted on the Child Care Licensing System-CCLS (*if applicable*).

Other eligibility requirements may be developed and applied by the City of Toronto related to Directed Growth.

Eligibility for CWELCC Start-up Grant

The Start-up Grant is available to not-for-profit and commercial Licensed Child Care Agencies enrolled in CWELCC.

Applicants for Start-up Grants must commit to the following:

- Utilize the funds to support the creation of new licensed child care spaces, outside of a school, for children 0 to 4 years of age.
- Participate in the CWELCC system for the remainder of the current CWELCC agreement (March 31, 2026).
- If approved, expense the Start-up Grant by March 31, 2026, on eligible expenses only.
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For additional information on the Start-up Grant, including eligible expenses, please see the [Ministry of Education CWELCC Guidelines, March 2024](#)

Home Child Care Expansion and Start-up

Home Child Care Agencies that met the following criteria were welcomed to apply:

- Home Child Care Agencies with a minimum of 7 active/assigned homes. Active means the HCC Agency has a minimum of 7 Home Child Care providers that are ready to accept enrollment.
- Indigenous Home Child Care Agency
- Francophone Home Child Care Agency

Types of Requests for Home Child Care CWELCC 2024 Expansion & Start-up Grant:

- Home Child Care (HCC) Agencies who are requesting enrollment into the Canada Wide Early Learning Child Care System (CWELCC)
- Home Child Care Agencies that are currently enrolled in the CWELCC system and want to increase the total number of homes on the Provincial license (capacity) and receive CWELCC funding for the proposed increased capacity.
- Not-for-Profit Home Child Care Agencies currently enrolled in CWELCC requesting a Service Agreement for Child Care Fee Subsidy.

Eligibility Criteria for 2024 CWELCC

- Home Child Care Agency with a Head Office located in the City of Toronto.
- Assigned Providers Homes will be located in areas to meet Toronto Children's Services' approach to enhance access and inclusion for priority areas and target populations. Please review the [June 14, 2023 City of Toronto Council approved report](#) which includes a map of high-priority areas on page 9.
- Home Child Care Agency provides [Full-time Access to Service](#) (*Full-time access refers to both the number of hours throughout the day and number of days throughout the year*).
- Sustainable Enrollment: Agency's policies and enrollment practices will strive to maintain the provider to child ratio according to the Child Care and Early Years Act (CCEYA). (*For example, 1 provider for every 6 children. Please refer to the [Home Child Care Budget Guidelines](#)*).
- Kindergarten Before & After School only service offerings will provide care before and after school and full day on non-instructional days.
- If the Agency is currently licensed, the license is in good standing with the Ministry of Education.
- For Agencies that currently receive City of Toronto funding: No overdue audits or outstanding recoveries, all requirements have been met on time (including, but not limited to submitted budget, survey, and information requests), and no outstanding financial compliance issues.
- For applicants not enrolled in CWELCC, fees have been reviewed and meet the Provincial cap on fees as outlined in the [Child Care and Early Years Act \(CCEYA\)](#). Audited Financial Statements are required to be submitted annually for all agencies in receipt of CWELCC funding.
- Other eligibility requirements may be developed and applied by the City of Toronto related to Directed Growth.

Eligibility for CWELCC Start-up Grant

The Start-up Grant supports the creation of new licensed full day childcare spaces for children 0-4 in targeted regions for underserved communities and populations. High need populations include vulnerable children, including those living in low income, children with extra support needs, and Indigenous and Francophone communities.

To support the creation of new spaces approved Home Child Care Agencies will be able to receive grants of up to \$1,200 per new CWELCC space created, to a maximum of \$7,200 per provider.

Glossary of Terms

CCEYA: Is the abbreviation of the *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

Service Agreement: The legal contract that the City of Toronto enters into with Agencies that provide child care services for families and their children.

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 income-based 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 / Frozen Fee: Fee used to calculate the reduced fee paid by families and based on the fee as of March 27, 2022 (or the provincial cap), and "frozen" since that time. Fee Freeze Rates must not include any non-base fees.

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.

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.

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

Annual Wage Increase:

Online Services: The technology portal Toronto Children’s Services uses to collect information from child care operators (e.g., submitting budgets).

Revenue Replacement: The funding that will replace the revenue that the frozen fee is to be reduce by based on the percent determined by the Ministry of Education. This funding is to be used to replace the

portion of the fees that families are not paying (percent determined by the Ministry of Education) when children are enrolled and attending a child care in the CWELCC system.

Licensed Capacity means:

- For a child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care at one time as set out in the licence of that child care location
- For home child care, the maximum number of children permitted to be receiving child care in the home at one time as set out in the agreement between the licensed home child care agency and home child care provider

Operating Capacity: the number of children the centre/home child care is planning to serve as per the licensee's staffing complement and budget, to a maximum of the licensed capacity.