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## Haldimand-Norfolk Health and Social Services Advisory Committee

June 26, 2023 9:30 a.m. Council Chambers

			Pages	
Disclosure of Pecuniary Interest				
Additions to Agenda				
Prese	entations	s/Deputations		
Adop	tion of A	Advisory Committee Meeting Minutes		
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Upda	te on Re	eports		
Cons	ent Item	IS		
Close	ed Sessi	on		
7.1	<ol> <li>Update on Canada Wide Early Learning and Child Care Program (CWELCC)</li> <li>Pursuant to section 239(2)(b) of the <i>Municipal Act, 2001,</i> as amended, as the matter pertains to an identifiable individual, including municipal or local board employees.</li> </ol>			
Staff	Staff Reports			
8.1	Social	Services and Housing		
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	8.1.2	Community Paramedic and Social Service and Housing Outreach Pilot - HSS-23-033	82	
8.2	Public	Health		
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Sub-Committ	ee Reports	
Communicati	ons	
Other Busine	SS	

12. Next Meeting

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- 12.1 Monday July 24, 2023 Virtual Microsoft Teams
- 13. Adjournment



## Haldimand-Norfolk

## Health and Social Services Advisory Committee

## May 29, 2023 9:30 a.m. Council Chambers

Present:	Chris Van Paassen, Linda Vandendriessche, Alan Duthie, Shelley Ann Bentley, John Metcalfe
Also Present:	Christina Lounsbury, Syed Shah, Stephanie Rice, Sarah Titmus, Nicole Los, Jessica Horton, Louise Lovell, Medical Officer of Health Dr. Joyce Lock. Lori Friesen, Megan Jamieson and Heidy VanDyk

- 1. Disclosure of Pecuniary Interest
- 2. Additions to Agenda
- 3. **Presentations/Deputations**

## 4. Adoption/Correction of Advisory Committee Meeting Minutes

## 4.1 Health and Social Services Advisory Committee - April 24, 2023

The Minutes of the Health and Social Services Advisory Committee meeting dated March 27, 2023, having been distributed to all Committee Members and there being one error reported. 7.2.1 Dr Lock update is missing the motion. Staff will update accordingly and are adopted and sign by Chair Bentley..

Moved By: John Metcalfe Seconded By: Linda Vandendriessche

Carried.

## 5. Update on Reports

Stephanie Rice, Acing General Manager of Health and Social Services advised that there are no updates from April 24, 2023 Health and Social Services Advisory Committee meeting and all reports have been approved as presented.

### 6. Consent Items

### 7. Staff Reports

7.1 General Manager

### 7.2 Public Health

## 7.2.1 Acting Medical Officer of Health Dr. Joyce Lock's Update

Moved By: Linda Vandendriessche Seconded By: Alan Duthie

THAT Dr. Joyce Lock's May update, be received as information.

Carried.

## 7.2.2 2023- Annual Service Plan and Budget Submission, HSS-23-025

Moved By: Alan Duthie Seconded By: John Metcalfe

THAT report HSS-23-025 be received as information;

AND THAT the Board of Health endorse the submission of the 2023 Annual Service Plan and Budget Submission to the Ministry of Health.

Carried.

## 7.2.3 Healthy Babies Healthy Children Program Update, HSS-23-017

Moved By: Linda Vandendriessche Seconded By: John Metcalfe

THAT report HSS-23-017, Healthy Babies Healthy Children Program Update, be received for information.

## Carried.

## 7.2.4 Infectious Disease Program - HSS-23-021

Moved By: Linda Vandendriessche Seconded By: John Metcalfe

THAT the Information Memo regarding the Infectious Disease Program be received as information.

This information memo provides an overview of the Infectious Disease Program at Haldimand Norfolk Health Unit (HNHU). The key areas of case, contact and outbreak management, surveillance and trend identification, communication and health promotion, infection prevention and control (IPAC), IPAC complaint and lapse investigations and the mandatory blood-testing act (MBTA) are discussed. This memo highlights some of the challenges and trends within infectious diseases and the public health interventions required to address them.

Carried.

## 7.3 Social Services and Housing

7.3.1 Homeless Prevention Program (HPP) Update and Funding 2023-24, HSS-23-026

Moved By: John Metcalfe Seconded By: Alan Duthie

THAT Council receive report HSS-23-026 as information;

AND THAT Council accept the Homeless Prevention Program (HPP) funding from the Ministry of Municipal Affairs and Housing, in the amount of \$3,610,300;

AND THAT Council approve the per program area allocations as outlined in the report and authorize staff to communicate this to the Ministry of Municipal Affairs and Housing through the Investment Plan; AND THAT Council authorize a single source supply as outlined in Norfolk County Purchasing Policy CS-02, section 4.8.4 for Emergency Solutions and Transitional Housing services in Haldimand County;

AND THAT Council approve the addition of the following permanent full time (PFT) FTE's within the Homeless Prevention Team, to be fully funded by the HPP funding:

- 1.0 Intake / Diversion Worker
- 1.0 Housing Support Worker
- 1.0 Housing Resource Coordinator
- 1.0 Housing Program Support Assistant
- 1.0 Homeless Prevention Services Program Supervisor;

AND FURTHER THAT the Approved 2023 Levy Supported Operating Budget be amended as outlined within the report.

## Carried.

## 7.3.2 10 Year Housing and Homelessness Plan – Year 8: 2022, HSS-23-029

Moved By: Alan Duthie Seconded By: Chris Van Paassen

THAT Staff Report HSS-23-029 10-Year Housing and Homelessness Plan Year 8, be received as information;

AND THAT staff be directed to forward the 10-Year Housing and Homelessness Plan – Year 8 Report to the Ministry of Municipal Affairs and Housing in accordance with the *Housing Services Act, 2011*;

AND FURTHER THAT staff be directed to post the 10-Year Housing and Homelessness Plan – Year 8 Report on the appropriate link of the Health and Social Services Division website.

Carried.

#### 8. Sub-Committee Reports

- 9. Communications
  - 9.1 May alPHa InfoBreak
  - 9.2 Hamilton Board of Health Correspondence: 2023 PHS Annual Service Plan & Budget Submission Support for Sufficient, Stable, and Sustained Funding for Local Public Health Agencies
  - 9.3 Declaration of Emergency Jones Tibollo
- 10. Other Business
- 11. Closed Session
- 12. Next Meeting
  - 12.1 Monday June 26, 2023
- 13. Adjournment

11:32 a.m.

Moved By: Alan Duthie Seconded By: John Metcalfe

Carried.



## Information Memo

## Council-In-Committee Meeting July 11, 2023

#### Advisory Committee Meeting – June 26, 2023

Division:	Haldimand- Norfolk Health and Social Services
Department:	Children's Services
Subject:	Update on Canada Wide Early Learning and Child Care Program
	(CWELCC)
Report Number:	HSS-23-041

#### Recommendation(s):

THAT the Information Memo regarding the Canada Wide Early Learning and Child Care Program be received as information.

#### Background

The purpose of this Information Memo is to provide Council with an update following the implementation of Canada-Wide Early Learning and Child Care in Haldimand and Norfolk counties.

Norfolk County is the Consolidated Municipal Service Manager (CMSM) for the two counties, and Children's Services is responsible for planning, management and delivery of quality and affordable child care in our communities.

On March 28, 2022, the provincial and federal governments reached an agreement on a national child care plan for Ontario. The new Canada-Wide Early Learning and Child Care (CWELCC) Agreement goal is to lower child care fees for parents/caregivers, and provide more accessible, high-quality, inclusive child care in Ontario.

The families of Haldimand and Norfolk benefited from the program effective April 1, 2022, provided that their child care operators opted into CWELCC. Families whose children were eligible under the CWELCC guidelines, received 25% fee reduction in 2022 towards their base fees. Effective December 31, 2022, fees were further reduced by an additional 37% (but no lower than \$12/day) for a total reduction of 52.75% (relative to March 2022 levels). Parents receiving fee subsidy also experienced a further reduction in their parental contribution amount and are not subject to the \$12/day floor. Example illustrated below of how the fee reduction is applied.

### **Example Fee Reduction Calculations**

2022 Base Parent Fee Prior to CWELCC	2022 Reduction of 25%	2022 New Fee	2023 Reduction of 37%	2023 New Fee
\$50.00	\$12.50	\$37.50	\$13.88	\$23.63
Total Reduction amount fr	om the 2022 Base	Parent Fee	\$12.50 + \$13.88	\$26.38
Total Percent reduction from	om the 2022 Base	Parent Fee	\$26.38 ÷ \$50.00	52.75%

#### **Definitions:**

Auspice –not-for-profit or for-profit

**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 (CCEYA),* or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.

Eligible Children – any child:

- Under six years old
   OR
- If a child turns 6 between January 1 and June 30<sup>th</sup> of the calendar year, they are eligible until June 30<sup>th</sup>
- If a child turns 6 between July and December of the calendar year, they are eligible until the end of their birth month
   AND
- Enrolled in licensed infant, toddler, preschool, kindergarten, family age group, or home child care

**Non-Base Fee** – means any fees charged for optional items or optional services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent and the licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g., fees for picking up a child late, fees to obtain items that the parent agreed to provide for their child but failed to provide), as defined in the CCEYA.

**Operator/Provider/Licensee** – used interchangeably to refer to Licensed Child Care providers

## **RECE's** – Registered Early Childhood Educators

### Discussion:

## **CWELCC and Child Care Provider Participation**

The funding issued to operators for fee reduction replaces a portion of revenue from parent fees, providing financial relief to families. The CWELCC program also includes a cap on fees, which prevents child care operators from raising fees after they've entered into a CWELCC agreement, as such the fees are capped at March 27, 2022 levels.

#### **Operators Opted-In – 13**

Status	Number of Operators	Number of Spaces	% of the Total
Opted-In	13	2,312	90.6 %
Opted-Out	5	192	7.5 %
Denied	1	*	1.9 %
Total	19	2,552	100%

\*Omitted to remove potentially identifiable information

Out of the total 19 Operators in Haldimand and Norfolk, six are non-CWELCC participants.

## **Operators Opted-Out – 5**

Providers were given until November 1, 2022, to indicate whether or not they intended to participate in CWELCC. Those who chose to opt-out could continue to operate under their existing licensing and regulatory guidelines. Non-participants would not receive CWELCC funding, and could continue to set their own fees. They were required to indicate in their parent handbook that they were not participating in CWELCC and include their fee amounts.

Common themes that emerged when asked to provide rationale for opting out included:

• Increased administration burden associated with the program, specifically financial management and difficulty recruiting and retaining experienced staff

- Operators were required to issue refunds (retroactive to April 1, 2022) within 20 calendar days of receiving funds from Norfolk County
- CWELCC System does not include funds for administration of the program
- Some not-for-profit providers do not have dedicated staff for administrative duties as such, the responsibilities are shared amongst program staff, which would result in negative impacts on programming by diverting staff to administration.
- Concerns with increased costs and inability to financially support the operational needs with a base fee freeze

#### **Denied Applications – 1 Operator**

One application was denied based on the <u>Canada-Wide Early Learning and Child Care</u> <u>System Guidelines.</u> Breakdown of Child Care Providers Not Participating in CWELCC



Breakdown of Licensed Child Care Providers Participating in CWELCC



## 2022 Funding from Ministry of Education

As outlined in a report brought forward to the Advisory Committee on May 30, 2022, <u>Canada-Wide Early Learning and Child Care Agreement Funding – Budget</u> <u>Amendment, HSS-22-019</u>, and subsequently to the Council Meeting on June 14, 2022, the CMSM was granted the approval to enter into a Funding Agreement with the Ministry of Education. The total funding received is as follows:

Canada-Wide Early Learning and Child Care (CWELCC) System Allocation For the time period of April 1 – December 31, 2022		
Allocation Type	2022	
Fee Reduction Allocation	2,208,955	
Workforce Compensation Allocation	180,958	
Administration Allocation	125,949	
Total Canada-Wide Early Learning and Child Care Allocation	2,515,862	

As per the agreement, any unused monies, are to be recovered by the by the ministry at year end.

## Funding Area's

Fee Reduction Allocation

> This is funding issued to CMSM, which is then distributed to Child Care Providers

A graduated approach to fee reduction began April 1, 2022:

- A fee reduction of 25% (to a minimum of \$12 per day) for eligible children
- A 50% reduction on average for eligible children for 2023
- The goal is to provide \$10 per day average for eligible children by end of fiscal year 2025-2026

#### Workforce Compensation Allocation

This is funding issued to CMSM, which is then distributed to Child Care Providers

CWELCC aims to support the recruitment and retention of Ontario's child care workforce through improved compensation for low wage earners through wage floor and an annual wage increase for eligible RECE's and minimum wage offset for non-RECE employees.

#### Administration Allocation

▶ This funding is issued to CMSM for the administration of the CWELCC System

The CWELCC Administration Allocation is intended to support service system managers with administrative capacity to implement the goals of the CWELCC. CWELCC administration involves comprehensive financial monitoring, reporting and review, to ensure the guidelines of the CWELCC System are being met. In 2022 upon a thorough review of the CWELCC Guidelines, it was decided that a Senior Financial Analyst position would be best suited to support the financial accountability requirements associated with CWELCC. Recruitment took place fall of 2022, with an incumbent commencing in the position January 2023.

#### 2022 CWELCC Allocation

Funding Type	Amount (\$)
Interdepartmental Charges – Admin*	7,853
Fee Subsidy	140,812
Rate Reduction	1,253,788
Minimum Wage Offset	35,987
Wage Floor	978
Total	\$ 1,439,418

\* Funding allocated specifically to Norfolk County under Administration Allocation

#### **Reporting Requirements**

2022 CMSM Reporting Requirements to Ministry of Education

#### 1. Licensed Child Care Providers CWELCC Participation and Statistics

The Ministry of Education requires all CMSM's to submit CWELCC System reporting. Norfolk County is required to provide data to the ministry such as:

- A list of operators that chose to participate in the CWELCC System
- Total number of applications submitted from operators
- Total number of operators who have signed the service agreement for the CWELCC system
- List of operators whose application was denied, and rationale for rejection by the CMSM.
- Expenditures to support administration, implementation, transition, and IT costs associated with supporting the CWELCC system.

#### 2. Financial Information Reporting – Submitted to Norfolk County by Operators

The Ministry of Education requires that all Child Care Operators in receipt of CWELCC funding submit the following information to Norfolk County to ensure that the CWELCC funding issued to operators adheres to Ministry of Education guidelines:

- a. Audited Financial Statements
- b. Financial Information
  - There are two collection points of financial information that are submitted by the operators on a quarterly basis:
    - 1st. Financials regarding the distribution of the Workforce Compensation to their employees and
    - 2nd. Financials regarding the Fee Reduction portion of CWELCC that allows families to benefit from lower daily base fees

To reconcile and verify use of funding, as well as to minimize administrative burden for child care operators, Norfolk County has created a **Quarterly Report** workbook that is provided to operators for use in calculating the eligibility of Workforce Compensation for their employees and the Fee Reduction portion for service receiving families. Data received by Norfolk County is reviewed by the Senior Financial Analyst for accuracies, eligibility verification, and financial accountability.

Quarterly data submissions is an approach that was implemented to reduce risks caused by unintentional errors and minimize negative financial impact to operators as well as Norfolk County. As such, should discrepancies be found, they are communicated with the provider for further clarification and correction and if needed, provide further training and guidance to the operators.

## QUARTERLY REPORTS

## 1. Workforce Compensation

Contains staffing information and eligibility calculations for workforce compensation

## 2. Fee Reduction Tracking

Contains attendance, programming and fee reduction calculations for eligible children

## AUDIT

Norfolk Country, as a system services manager under the CWELCC System guidelines, is required to undertake audits on a random sample of child care providers that receive CWELCC funding. The purpose of the audit is to confirm, on an annual basis, that the funding has been used for its intended purpose.

The Audit Program will focus on compliance to ensure CWELCC system goals are being achieved such as:

- 1. Fee Reduction funding is consistently and correctly applied
- 2. Ensure compliance with workforce compensation eligibility

## 3. Ministry Reporting – Submitted by Norfolk County

Norfolk County is responsible for the funding that is provided to Licensed Child Care Operators, as such, it is within the county's role to ensure the funds are being used in accordance with the Provincial policies, procedures and guidelines.

Collecting quarterly data from the operators allows Norfolk County to have a comprehensive reconciliation process in place to reconcile actuals against allocations, as well as report on the service data.

Norfolk County is required to report expenditures and service data to the ministry for the following:

• Expenditures that reflect the fee reductions

As well as service data for the fee reduction portion of CWELCC:

- Number of Children served through fee reductions (excluding fee subsidy children)
- Average number of children served through fee reductions by age groups (ex. infant, toddler, preschool, school age)
- Number of licensed child care spaces supported by fee reductions by age group and type of setting, whether it's centre or home based
- Number of child care centres and home based providers supported by fee reduction funding by auspice, ex. not-for-profit, for-profit

## Challenges in 2022

The CWELCC enrolment date of November 1, 2022 for providers did not allow sufficient time for Norfolk County Children Services to provide one on one guidance for operators to issue refunds to eligible children, retroactive to April 1, 2022.

#### Timing:

- Once an application was received, Norfolk County had 10 calendar days to process and provide eligibility response to operators of their application status
- Norfolk County had 30 calendar days from the date of the received application to issue funding
- After receiving funds, operators had only 20 calendar days, revised from the initial 60 days, to issue refunds to families

The timing and the roll out of the program created administrative challenges for operators and CMSM's that experienced post-pandemic staff shortages. In addition, the time of the year, mid to end of December, also created pressures with planned closures for both operators and service system managers.

### **Revision of Guidelines:**

The Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline released in April 2022, was amended August 2022. The amendment included:

- Enrollment date revision from September 1, 2022 to November 1, 2022
- Revisions as to what is considered "eligible child"
- Addressing clarification for licensee enrolment, withdrawal from CWELCC system, issuance of refunds process, addressing concerns in regards to capped fees and increased operational costs

The timing and the revisions to the guidelines were stressors to both, operators and service system managers, in making sure CWELCC goals and timelines were being met.

#### Attachment(s):

 Attachment A: <u>Addendum to: Ontario Child Care and EarlyON Child and Family</u> <u>Centres Service Management and Funding Guideline (2022) - Released August</u> <u>2022</u>

#### Conclusion:

2022 was the first operational year for the Canada Wide Early Learning and Child Care System, with the deadline of November 1<sup>st</sup>, 2022 for enrollment, it is still in its infancy, and as with any new program, various unknowns are anticipated to arise.

As the system enters its second year in 2023, Norfolk County is able to better address challenges related to very specific scenarios that could not have been foreseeable by the guidelines provided by the Ministry and to provide efficient, timely customer service and guidance to the child care operators of Haldimand and Norfolk counties.

The Ministry of Education has also announced a revision to the funding formula for 2024, however the impacts are not known at this time, and will be released at a later date in 2023.

## Approval:

Approved By: Stephanie Rice Director, Social Services and Housing Haldimand-Norfolk Health and Social Services

Review By: Michelle Balint Program Manager, Children Services Haldimand-Norfolk Health and Social Services

Prepared By: Anna Mroz Senior Financial Analyst Norfolk County



# **Ministry of Education**

# 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)

For Consolidated Municipal Service Managers and District Social Services Administration Boards

Released August 2022

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## HIGHLIGHT OF CHANGES

#### **Terminology**

- CWELCC System service agreement formerly "purchase of service agreement"
- Changed enrolment date for licensees to November 1, 2022

#### **Overview & Key Principles**

• Added: Key Principles for Service System Managers when interpreting and implementing these guidelines

#### Section 1 – Participation

- Clarified: licensees applying to the CWELCC System may withdraw their application at any time, or terminate their participation in the System, subject to the terms of their CWELCC System service agreement. CMSMs/DSSABs must not impose any penalties on licensees for terminating their contract.
- Added: CMSMs/DSSABs must make every effort to ensure Licensee applications are processed to confirm eligibility within 10 calendar days of the date of the application, and both parties would be required to execute an agreement within 30 calendar days of date of an application. Licensees would be required to provide rebates to families within 20 calendar days of receiving refunds from the service system manager.
- Added: CMSMs/DSSABs with child care funding available in 2022 may enter into a service agreement for 2022 child care funding with Licensees who have opted out of the CWELCC System
- Added: CMSMs/DSSABs are able to provide Special Needs Resourcing funding to support children and families in the CWELCC program through their regular Purchase of Service process.
- Added: CMSM/DSSAB to develop a plan to increase access for children in receipt of fee subsidy and children with special needs to the Licensee's child care programs.
- Clarified: reporting on November 14 is to list Licensees who have opted in to the CWELCC System as
  opposed to a list of Licensees who have opted out

#### Section 2 - Accountability

- Clarified: meaning of CMSMs/DSSABs maintaining their existing municipal investment in child care for 2022
- Clarified: purpose of CWELCC funding
- Added: as base fees continue to be reduced as part of this phased approach to implementing CWELCC, the ministry will develop a new long-term, sustainable funding model for the CWELCC System
- Clarified: Information collected from Licensees to support implementation should be kept to the minimum
  amount necessary to meet the reporting requirements outlined in the CWELCC Guidelines while ensuring
  financial accountability for public funds is maintained.
- Added: The ministry understands that a Licensee's cost structure may vary depending on the service and unique care being provided.
- Added: licensees operating as for-profit corporations or individuals can continue to earn profit and licensees
  operating as not-for-profit corporations will be permitted a surplus amount to build reserves or re-invest in the
  organization
- Removed: Additional parameters for expenditure categories
- Removed: Ineligible expenditures for CWELCC System
- Added: licensees opting into the CWELCC agreement without an existing service agreement with their municipalities will not be required to submit audited financial statements.
- Removed: Undue profits

#### Section 3 – Administrative Spending Guidance

• Clarified: Ineligible expenditures incurred by a CMSM/DSSAB

#### Section 4 - Fee Reduction

- Clarified: eligibility for children in home child care (both agency and privately placed), and fee capping for home child care providers
- Clarified: until a decision on participation is made by the home child care agency, fees for eligible children must be capped at March 27, 2022 levels. This includes fees set by the agency as well as fees set by the provider.
- Clarified: duration of program closure periods for licensees in receipt of full funding for fee reduction

- Clarified: a fee reduction of up to 25% on base parent fee will apply regardless of program type or duration. An example is provided of the calculation for fee reduction depending on fee structure
- Clarified that licensees are only required to reduce and refund base fees and not non-base fees.
- Added a section under "Funding" to clarify how fee reduction funding can be provided to Licensee as part of a two-step process
- Removed: Eligible expenses for licensees
- Added the examples of age groups for service data required for fee reduction reporting under "Average monthly number of children"

Section 5 - Fee Subsidy Parental Contribution

- Added: information on eligibility for recipients of Ontario Works, including LEAP participants and Ontario Disability Support Program recipients in approved employment assistance activities, as well as temporary guardians
- Added: CMSMs/DSSABs projecting costs below the 2019 fee subsidy expenditure threshold for children 0-5 years, less 25%, have the discretion to approve fee subsidies within the threshold to respond to community needs

Section 6 – Workforce Compensation

- Added: in a definition of statutory benefits
- Clarified: eligibility of staff serving children 0-12 and 6-12 for workforce compensation; the former via the CWELCC System and the latter via direct application to the CMSM/DSSAB
- Clarified: wage floor and annual increases are not a wage cap, and identifies the minimum wage that RECEs can earn under the CWELCC System

<u>CWELCC – Technical Paper</u>

• Clarified that CWELCC funding for home child care was allocated to CMSMs/DSSABs based on the location of the home child care agency.

## DEFINITIONS

In this guideline, the following terms will have the following meanings:

**"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 (CCEYA),* or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.

"**CMSM/DSSAB**" means a Consolidated Municipal Service Manager/District Social Services Administration Board (CMSM/DSSAB) designated as a Service System Manager as defined in the CCEYA.

"**CWELCC System**" means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in an agreement entered into by the Province of Ontario and the Government of Canada.

**"eligible child"** means any child under six years old; and up until June 30 in a calendar year, any child who (a) turns six years old between January 1 and June 30 in that calendar year, and (b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care, as defined in the CCEYA.

"**Funds**" means the money the ministry provides to the CMSM/DSSAB to allocate pursuant to the CWELCC System.

"**Licensee**" means a home child care agency or child care centre-based operator as defined in the CCEYA.

"**Non-base fee**" means any fees charged for optional items or optional services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent and the licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide for their child but failed to provide), as defined in the CCEYA.

## **OVERVIEW & KEY PRINCIPLES**

This document is to be used as a technical document for Service System Managers to administer the Canada-Wide Early Learning and Child Care (CWELCC) agreement between the Province of Ontario and the Government of Canada in 2022.

This addendum to the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022) ("CWELCC Guidelines") will provide CMSMs/DSSABs with information on recent changes arising from the new investments through the Canada-Wide Early Learning and Child Care (CWELCC) Agreement.

It also outlines the parameters and general principles under which the Ministry of Education (the ministry) will flow funding to CMSMs/DSSABs in 2022 under the CWELCC System, and describes the requirements of the funding, including obligations for CMSMs and DSSABs.

Please note that previous direction outlined in the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022) continues to remain in place, with the exception of the new investments described below, until they are superseded or replaced by a revised guideline. In the event of a conflict between this document and the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022), this document will prevail.

When interpreting and implementing these CWELCC Guidelines, the following overarching principles should be kept in mind:

- 1. <u>Quality Focused:</u> A primary focus in implementing the agreement and these CWELCC Guidelines must be on ensuring the delivery of high-quality child care, as defined in the *Child Care and Early Years Act, 2014 (CCEYA)*.
- <u>Child and Family Focused</u>: A focus on increasing affordability for parents/guardians with a goal of processing applications on an ongoing basis and getting rebates and cost reductions to parents as quickly as possible.
- 3. <u>Protection of For-Profit and Non-Profit Spaces</u>: Commitment to the protection of forprofit and non-profit child care spaces in the province, helping to support predominantly female entrepreneurs across the province to meet the varying child care needs of Ontarians.
- <u>Efficient Administrative System</u>: Commitment to an efficient administrative system, with collection of minimally necessary information from licensees, to support timely enrolment and implementation of the CWELCC system.

## CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

The Government of Canada has identified child care as a national priority to enhance early learning and childhood development, support workforce participation and contribute to economic recovery.

Through its 2021 Budget, the federal government committed to investing in a national child care system with all provinces and territories, as well as Indigenous organizations. As part of this agreement, Ontario will receive \$13.2 billion over six years beginning in 2021-22.

Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability, and inclusivity in early learning and child care, towards achieving the objectives of:

- a) Providing a 25% fee reduction retroactive to April 1, 2022, building to a 50% reduction in average parent costs (based on 2020 levels) for licensed early learning and child care by the end of calendar year 2022 and reaching an average fee of \$10 a day by 2025-26 for licensed child care spaces;
- b) Creating 86,000 new high-quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care;
- c) Addressing barriers to provide inclusive child care; and
- d) Valuing the early childhood workforce and providing them with training and development opportunities.

## **Initial Transition**

The ministry understands that 2022, the initial year of roll-out for the CWELCC System, will be a year of transition and adjustment for the early years and child care sector. Ontario is taking a phased approach to implementing the CWELCC System, with a focus on the immediate objectives of affordability for families and system stability, before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term.

This phased approach will allow the ministry to engage with service system managers and the broader early years and child care sector, provide the time for sector partners to align with the terms and conditions of the CWELCC System, and enable the ministry to make the necessary implementation adjustments as the early years and child care landscape evolves.

## Implementation

Ontario will provide funds to CMSMs/ DSSABs to support the objectives for licensed child care programs under the CWELCC System. These CWELCC Guidelines and the funds detailed in Budget Schedule D4 of its associated 2018 Child Care and EarlyON Transfer Payment Agreement (amended April 2022), is provided specifically in support of the objectives under the CWELCC System and is separate and distinct from Budget Schedules D1, D2 and D3 2022 Child Care, EarlyON and Workforce Allocations.

Nothing in these CWELCC Guidelines detracts from the Licensee's obligations under the *Child Care and Early Years Act*, 2014 (CCEYA) or any other legislation and to the extent of a conflict the legislative requirements will govern. The CWELCC Guidelines are made up of the following parts:

Section 1: Participation Section 2: Accountability Section 3: Administrative Spending Guidance Section 4: Fee Reduction Section 5: Fee Subsidy – Parental Contribution Reduction Section 6: Workforce Compensation Appendix A: 2022 CWELCC Funding Formula Technical Paper

Appendix A: 2022 CWELCC Funding Formula Technical Paper Appendix B: CWELCC Funding Formula Tip Sheet Appendix C: 2022 CWELCC System Service Agreement Checklist Appendix D: Sample CWELCC Application Form Appendix E: Template Letter from Licensees for Parents

## **SECTION 1: PARTICIPATION**

## 1.1: PURPOSE

All Licensees whether they provide home child care or centre-based programs serving children under the age of 6 (or turning 6 before June 30) in Ontario are eligible to apply to participate in the CWELCC System through their CMSM/DSSAB.

Participation in the CWELCC System is optional; however, Licensees are encouraged to participate and CMSMs/DSSABs are encouraged to enrol Licensees so that families can benefit from fee reductions.

Licensees who wish to provide rebates to parents and reduced fees by December 31, 2022 must indicate their intention to opt in to the CWELCC System by November 1, 2022.

If a Licensee decides not to proceed with their application at any time, they may withdraw the application. Once enrolled in the CWELCC System, if a Licensee no longer wishes to continue to participate, they may withdraw from the CWELCC system and, subject to the terms and conditions of their CWELCC service agreement, they may terminate their CWELCC System service agreement with the CMSM/DSSAB. CMSMs/DSSABs must not impose any penalties on licensees for terminating their contract.

## 1.2: CONTEXT

The CWELCC System provides Ontario with an opportunity to leverage federal investments to address the priorities important to Ontario's children, families, workers, and businesses.

## **1.3: ELIGIBILITY CRITERIA**

- Licensees participating in the CWELCC System must have a CWELCC System service agreement with the CMSM/DSSAB in the areas they provide care.
- CMSMs/DSSABs must enter into a CWELCC System service agreement with Licensees who apply for participation in the CWELCC System, and meet all the criteria below, regardless of whether the Licensee is a for-profit or not-for-profit operator, unless the CMSM/DSSAB has evidence of an exceptional circumstance (see Declining an Application below); Licensees must work with the CMSM/DSSAB to operate under the terms and conditions of the agreement.
- The ministry has provided CMSMs/DSSABs with a checklist of recommended parameters (Appendix B) to be considered for inclusion in their CWELCC System service agreement with the Licensee.
- Licensees participating in the CWELCC System will need to demonstrate financial viability to the CMSM/DSSAB. For example, CMSMs/DSSABs may look for where a licensee has accumulated arrears, has not serviced their debt, or are approaching bankruptcy.

- All Licensees, regardless of participation in the CWELCC System, must maintain current parent fees for eligible children unless a fee increase was communicated to families/parents on or before March 27, 2022. All licensed child care programs serving eligible children are subject to the fee freeze until one of two conditions is met:
  - The Licensee notifies the CMSM/DSSAB, staff and the parents of eligible children in writing that they are NOT participating in the CWELCC System this year and will not be subject to terms and conditions of the System; or
  - The Licensee participates in the CWELCC System and is subject to the regulatory rules for base and non-base fees in participating programs (pursuant to O. Reg. 137/15 (s.77.4) made under the CCEYA).
- Licensees participating in the CWELCC System must maintain existing (pre-CWELCC System announcement on March 27, 2022) licensed spaces for children ages 0-5 (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the CMSM/DSSAB and the CMSM/DSSAB should determine whether this may result in a funding adjustment or recovery from the Licensee.
- Licensees must complete and submit an application to the CMSM/DSSAB to demonstrate that they meet the stipulated criteria in order to be eligible to participate in the CWELCC System. The ministry has provided CMSMs/DSSABs with a sample application form for reference (Appendix C).

## **1.4: IMPLEMENTATION**

As service system managers, CMSMs and DSSABs are required to have a policy and plan in place for the intake and administration of funding to Licensees that express interest in participating in the CWELCC System.

For the initial transition year of the CWELCC System, all child care programs licensed as of March 28, 2022, are required to notify parents and staff by November 1, 2022, whether or not they intend to participate in the CWELCC System. Under O. Reg. 137/15, all Licensees are subject to this requirement and must communicate one of the following to parents and staff:

- the Licensee is choosing NOT to participate in the CWELCC System and will not be subject to terms and conditions of the CWELCC System; or
- the Licensee will be applying to a CMSM/DSSAB to participate in the CWELCC System.

Licensees applying to participate in the CWELCC System are required under O.Reg.137/15 to communicate to all parents and staff when a decision is made by the CMSM/DSSAB within 14 days of the CMSM/DSSAB's notification of their approval or denial.

CMSMs/DSSABs must make every effort to ensure Licensee applications are processed and eligibility is confirmed within 10 calendar days of the date of the application, and both parties would be required to execute an agreement within 30 calendar days of date of an application. Licensees would be required to provide rebates to families within 20 calendar days of receiving refunds from the service system manager. (See Section 4: Fee Reduction)

Regional quality assessment programs/tools must not be used as qualifying criteria by the CMSM/DSSAB in CWELCC System application and funding approvals and must not be used as a condition of participation in the CWELCC System.

Funding provided through the CWELCC System is specific to meeting the CWELCC System's objectives. Licensees entering into a new CWELCC System service agreement are not by default eligible to access 2022 Child Care, EarlyON and Workforce Allocations (with the exception of the Wage Enhancement Grant) if they are not already in receipt of this funding.

CMSMs/DSSABs are able to provide Special Needs Resourcing funding to support children and families in the CWELCC program through their regular Purchase of Service process.

Ontario is working toward developing an inclusion plan that supports increased access to child care for children of low-income families, vulnerable children, children from diverse communities, children with special needs and Francophone and Indigenous children. As part of the initial roll out of the CWELCC System, Licensees entering into new CWELCC System service agreements are encouraged to work with their CMSM/DSSAB to develop a plan to increase access for children in receipt of fee subsidy and children with special needs to the Licensee's child care programs.

## 1.4.1: New Licensees Post April 1, 2022

Child care programs/operators that obtain their licence after March 27, 2022, will be required to set their parent fees at or below a regional maximum, as set out by age group pursuant to O.Reg.137/15 of the CCEYA, unless a specific fee amount was communicated to parents before the requirement under the regulation became effective.

These regional maximum fees would apply until one of the two conditions is met: 1) the Licensee provides notification to CMSM/DSSAB, parents and staff that the Licensee is not participating in the CWELCC System, or 2) the Licensee receives notice from the CMSM/DSSAB that its application for the CWELCC System has been accepted in which case the base fees must be reduced (see Section 4: Fee Reduction).

## 1.4.2: Operating the CWELCC System

CMSMs/DSSABs must ensure that for the duration of the CWELCC System service agreement:

- Licensees maintain their licence to operate in good standing in accordance with the CCEYA and are not in contravention of the CCEYA. CMSMs/DSSABs are required to stop funding a child care program that has its licence revoked or suspended by the ministry (director).
- Licensees reduce and set parent fees in accordance with O. Reg. 137/15. Licensees are required per O. Reg.137/15 (s.77.3(4)) to keep a copy of their CWELCC System service agreement, in electronic or hard copy format, on the child care premises, and available for ministry inspection.
- Licensees maintain the aged 0-5 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 the CMSM/DSSAB and CMSMs/DSSABs should determine whether this may require adjusting or recovering funding from the Licensee.

Licensees complete the annual *Licensed Child Care Operations Survey*, as required by a ministry director, under O. Reg. 137/15 (s.77). CMSMs/DSSABs are required to withhold funding to Licensees until the CMSM/DSSAB has confirmed that the survey has been submitted. CMSMs/DSSABs will receive confirmation from the ministry upon the Licensee's submission of the survey.

## 1.4.3: Non-Participation

Licensees that have notified their CMSM/DSSAB that they will not participate in the CWELCC System may continue to run their operations under the existing provincial licensing and regulatory framework. Licensees can also continue to participate through their existing purchase of service agreements with their local CMSM/DSSAB (if applicable). Licensees that do not participate will not receive CWELCC System funding and may continue to set their own parent fees.

Licensees are required to indicate in their parent handbook that they are not participating in the CWELCC system and must include their fee amounts.

Unlicensed child care programs, including unlicensed home child care, authorized recreational programs and school board-operated extended day programs, are not eligible to participate in the CWELCC System. Unlicensed providers that wish to participate in the CWELCC System may want to consider applying to the ministry for a licence under the CCEYA to operate a child care centre or home child care agency, or reach out to a local home child care agency to begin providing child care that is overseen by the home child care agency.

The ministry may make an adjustment to the Fee Reduction and Workforce Compensation allocations provided to CMSMs/DSSABs to account for Licensees that opt-out and do not participate. Where the number of Licensees opting out exceeds 2% of the total Licensees within the CMSM's/DSSAB's region, the ministry will adjust CWELCC allocations prior to the Financial Statement reporting cycle between the ministry and CMSMs/DSSABs as outlined in the 2022 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines.

## 1.5: REPORTING

CMSMs and DSSABs will be required to report to the ministry on the following data for Licensee participation in the CWELCC System for 2022:

- By November 14, 2022, a list of Licensees that have indicated they have chosen to participate in the CWELCC System, by the November 1 deadline.
- Total number of Licensees submitting an application to participate in the CWELCC System.
- Total number of Licensees who have signed a new CWELCC System service agreement with the CMSM/DSSAB, including auspice.
- List of Licensees whose applications have been declined, and the rationale for denying enrolment in the CWELCC System.

 CMSM/DSSAB expenditures to support administration, implementation, transition, and IT costs associated with supporting the CWELCC System (see Administrative Spending Guidance section).

## 1.5.1: Targets

The ministry is taking a phased approach to implementing the CWELCC System by focusing on the immediate objectives of affordability and wage improvements, before moving on to develop a new funding formula and addressing the objectives of increasing access and inclusion over the longer term.

The ministry will negotiate with CMSMs and DSSABs the contractual service targets associated with accessibility (child care space creation and/or expansion), quality (workforce professional development), and inclusion prior to 2023.

## 1.5.2: Appeals

CMSMs/DSSABs are required to have a local dispute resolution process in place to allow for Licensees to bring forward issues regarding CWELCC System eligibility and funding decisions.

## 1.5.3: Declining an Application

Under the CWELCC System, there may be exceptional circumstances where the CMSM/DSSAB has strong concerns around entering into a CWELCC System service agreement with a Licensee. Exceptional circumstances include the CMSM/DSSAB having reason to believe:

- the child care centre or home child care agency is not financially viable or will not be operated in a manner that will be financially viable; or
- the Licensee will use the funding for improper purposes.

CMSMs/DSSABs are required to report to the ministry within five business days all Licensees whose applications have been declined due to such exceptional circumstances and the rationale. The ministry reserves the right to discuss with the CMSM/DSSAB on a case-by-case basis the decision to decline an application and may work with the CMSM/DSSAB to develop public messaging around such decisions. CMSMs/DSSABs are encouraged to contact their <u>Early Years</u> Advisor to discuss a funding decision regarding a Licensee.

## **SECTION 2: ACCOUNTABILITY**

The framework and parameters described in this section are applicable to the portion of the Licensee's child care business for eligible children to support fee reduction, as well as funding for eligible staff to support workforce compensation (see Sections 4 and Section 6 for further information on eligibility).

Funding to support the objectives of the CWELCC System will be provided as operating grants from CMSMs/DSSABs to Licensees.

CWELCC funding does not displace existing provincial operating funding currently being provided to a Licensee. CWELCC funds support the objectives of the CWELCC System and are provided in addition to any provincial and ELCC funding being provided to Licensees.

In accordance with section 4.11.6 of the Canada-Ontario CWELCC agreement, CMSMs/DSSABs must also continue to maintain their existing municipal investments in child care. CMSMs/DSSABs will not use CWELCC Funds to displace municipal spending on child care and early years programs and services that are already approved and in place for 2022.

Note that any requirements related to existing provincial and ELCC funding based on the 2022 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines must continue to be met.

To provide further clarity on funding to Licensees, the purpose of the CWELCC System is not to limit or standardize a Licensee's current operations nor is it intended to come at a cost to Licensees themselves, as enrolment in the CWELCC System should not require fundamental changes to program delivery.

The ministry understands that a Licensee's cost structure may vary depending on the service and unique care being provided. As a result, CMSMs/DSSABs will provide funding to Licensees that participate in CWELCC so they can continue to operate the portion of the child care program serving eligible children based on existing cost structures while reducing their base fees charged to parents.

CWELCC funding is designed to fully offset the reduction in revenue from reduced base fees, while also improving compensation for eligible qualified workers.

To ensure consistent financial management practices across all Licensees and to ensure that adequate funding is available as Licensees enrol in the program throughout the year, CMSMs/DSSABs should not provide funding to reduce base fees for eligible children in excess of what is required to meet the CWELCC initiatives.

Non-base fees charged by the Licensee to parents for things that are not included in the base fee, as well as their associated costs, must be omitted by CMSMs/DSSABs when determining the funding amounts to be flowed to enrolled Licensees.

For mandated increases related to workforce compensation, funding should be provided to Licensees for all eligible staff in accordance with the parameters set out in the section on Workforce Compensation of the CWELCC Guidelines.

CMSMs/DSSABs must have policies and procedures in place as part of their financial review and reconciliation process with Licensees. Any unspent funding provided to Licensees during the funding year, or funding not used for its intended purpose, must be recovered by the CMSM/DSSAB and returned to the ministry.

Note that all funding parameters and controls described will apply to all Licensees regardless of whether they are a not-for-profit, for-profit, or directly operated by the CMSM/DSSAB. The ministry recognizes the valuable role all operators play in providing affordable and high-quality child care for families.

## 2.1: FUNDING AND ACCOUNTABILITY CONSIDERATIONS

CMSMs/DSSABs should follow the below guidance as part of their new funding framework with Licensees:

- Licensees operating as for-profit corporations or individuals can continue to earn profit and licensees operating as not-for-profit corporations will be permitted a surplus amount to build reserves or re-invest in the organization.
- Licensees may be subject to changing costs (for example, rent changes) and this may impact their capacity to participate in CWELCC. CMSMs and DSSABs should work with licensees to manage such cost changes to support their continued participation in CWELCC.
- As base fees continue to be reduced as part of the phased approach to implementing CWELCC, the ministry will develop a new long-term, sustainable funding model for the CWELCC System with further information to be provided.
- Information collected from Licensees to support implementation should be kept to the minimum amount necessary to meet the reporting requirements outlined in the CWELCC Guidelines while ensuring financial accountability for public funds is maintained.
- CMSMs/DSSABs should review the Licensee's child care operations for eligible children for long term vacancies that continue to remain unfilled and whether adjustments to the funding are required where long term vacancies are identified and not mitigated.
- CMSMs/DSSABs must also verify that any 2022 increases to parent fees in child care for eligible children were permitted in accordance with the requirements set out in O. Reg. 137/15, (i.e., a fee increase must have been communicated to families/parents prior to March 27, 2022).
- CMSMs/DSSABs will be provided with specific allocations under a transfer payment agreement with the Province to support base fee reductions for eligible children and workforce compensation in accordance with the requirements under this CWELCC Guidelines.
- CMSMs/DSSABs may use the funding provided from their fee reduction allocation to support Workforce Compensation, and vice versa, where needed, as long as the CMSMs/DSSABs ensure that adequate funding is available to meet each specific objective.
- CMSMs/DSSABs are fully responsible for budgeting to ensure that the allocated funds are prioritized for each respective initiative first, and that adequate funding is available to support these priorities.
- Excess funding, if any, cannot be used to support fee subsidies, additional administration funding for CMSMs/DSSABs beyond the specified administration allocation provided, expenditures supporting 6-12 age groups, lowering daily base fees beyond what is required under O. Reg. 137/15, fee holidays (i.e., a period where parents pay no fees to Licensees as CMSMs/DSSABs are covering the fees), and enhancing wages beyond what is mandated as part of workforce compensation funding.
- During the term of the CWELCC System funding agreement, a licensed child care program 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. CMSM/DSSAB has the discretion to further restrict the period of closure (i.e., may not exceed 10 consecutive days) and/or to allow the calculation of closure days to be based on the school year as opposed to a calendar year, as long as the total number of days does not exceed the allowable amount as determined by the province and the CMSM/DSSAB.
- If a program does not charge fees for the closure period, the days of closure do not need to be counted in the limits set out above. In accordance with O. Reg. 137/15 under the CCEYA, Licensees must disclose in their parent handbook the times when the services are offered and the holidays observed, the base fee and any non-base fees that may be charged, and whether or not the licensee is enrolled in the CWELCC System.
- If a Licensee that is a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make a change to the corporation's board of directors, the Licensee would remain enrolled in the CWELCC System and must maintain the applicable base fee.
- If a Licensee sells substantially all its assets and the purchaser obtains a new licence to operate a child care centre or as a home child care agency, to continue operating the child care program, the purchaser must:
  - Charge base fees in accordance with O. Reg. 137/15 for newly issued licences described above under Cap on Fees (i.e., set base fees at or below a regional maximum). Refer to O. Reg. 137/15 for further details.
  - Apply to participate in the CWELCC System in accordance with the process set out by the CMSM/DSSAB or notify the CMSM/DSSAB and parents that they do not wish to participate.

### 2.2: FINANCIAL REPORTING PROCESS

As part of the year-end financial review and reconciliation process with licensees, CMSMs/DSSABs must have policies and procedures in place to ensure that CWELCC System funding was used to support the actual cost incurred by a licensees associated with a mandated reduction in a licensee's base fee as defined under O. Reg. 137/15 as well as support for mandated wage increases for eligible staff.

CMSMs and DSSABs must have policies and procedures in place with Licensees to fulfill all reporting requirements to the ministry. CMSMs/DSSABs should take reasonable and progressive corrective actions where a Licensee does not comply with reporting requirements.

All child care Licensees in receipt of CWELCC funding must submit financial information as well as audited financial statements to the CMSM/DSSAB to verify that the funding provided was used for the purpose(s) intended.

For 2022, licensees opting into the CWELCC agreement without an existing service agreement with their municipalities will not be required to submit audited financial statements.

For the period where a Licensee charged a base fee that was higher than the applicable maximum base fee, funding should be provided to support retroactive refunds to parents for that period.

Similar to child care licensees, for home child care providers, funding will be provided to fully offset the reduction in revenue from reduced base fees.

### 2.3: REPORTING TO THE MINISTRY

CMSMs/DSSABs will be required to report back to the ministry in accordance with the ministry's established reporting processes and timelines as set out in the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline 2022.

For each CWELCC System funding initiative (i.e., fee reduction, workforce compensation etc.), CMSMs/DSSABs will be required to track and report on service data and expenditures using CWELCC System funding, separately from the 2022 service data and expenditures using provincial and ELCC funding released earlier this year.

### 2.4: COMPLIANCE AUDITS

CMSMs/DSSABs will be required to undertake audits on a random sample of Licensees in receipt of CWELCC System funding on an annual basis to confirm that funding has been used for its intended purpose. Note that where a CMSM/DSSAB directly operates child care, audits for those directly operated programs should be performed by a third-party and not the CMSM or DSSAB.

Audit strategies for local implementation should be designed by the CMSM/DSSAB and should include a review of the Licensee for compliance related to the policies, parameters and directives as set out in this guideline.

The audit program must focus on compliance to ensure that the goals of the CWELCC System are being achieved, including reduced base fees being implemented consistently, and to ensure compliance with the workforce compensation requirements including increasing wages to support a mandated wage floor and annual wage increase.

Where the CMSM/DSSAB determines that funding was not used as intended or where the Licensee did not meet the terms and conditions set out in the CWELCC System service agreement between the CMSM/DSSAB and Licensee, the CMSM/DSSAB may recover funding and the Licensee may be deemed ineligible to receive future funding.

### **SECTION 3: ADMINISTRATIVE SPENDING GUIDANCE**

### 3.1: PURPOSE

In their role as service system managers, CMSMs/DSSABs will be required to work with Licensees that wish to enrol in the CWELCC System, which includes entering into new CWELCC System service agreements and working with Licensees to implement the goals of the CWELCC System.

To support CMSMs/DSSABs in their role as service system managers, CWELCC System administration funding is being provided as a specific allocation under the transfer payment agreement with the ministry to support administrative costs associated with the implementation of the CWELCC System.

Funding provided to support other CWELCC programs (i.e., Fee Reduction, Workforce Compensation) must not be used to support a CMSM's/DSSAB's administrative costs. Administration funding to support CWELCC is restricted to the specific administration allocation provided in the transfer payment agreement.

### **3.2: ELIGIBILITY CRITERIA**

All CMSMs/DSSABs receiving funding under the CWELCC System are eligible to receive CWELCC System administration funding.

### 3.2.1: Eligible Expenses

The CWELCC System administration allocation is additional administration funding provided on top of the administration funding provided by the ministry earlier in the year.

Expenditures deemed reasonable and necessary for the provision of services subsidized by the ministry are admissible in the calculation of the funding entitlement. These expenditures must be supported by acceptable documentation that is retained for a period of no less than seven years.

There will be no administration cost sharing requirements on the CWELCC System administration allocation.

CWELCC System administration expenses must represent actual expenses incurred for program administration and may not be expressed solely in terms of a percentage of program expenditures.

CMSMs/DSSABs may use administration expenditures to support costs related to implementation, transition and IT costs associated with supporting the CWELCC System.

For more information on eligible expenditures please refer to the Administration section of the 2022 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline, which defines the range of administrative expenditures that are eligible for administration funding.

### 3.2.2: Ineligible Expenditures

Expenses incurred by a CMSM/DSSAB that do not directly support the administration of the CWELCC System are ineligible and include the following:

- Costs associated with administering regional quality assessment programs/tools
- Professional organization fees paid on behalf of staff for membership in professional organizations

### 3.3: REPORTING

The CWELCC System administration expenditures are to be tracked separately from other child care administration funding for reporting purposes.

CWELCC System administration expenditures will be reported and monitored through financial submissions. CMSMs/DSSABs will also report on the following administrative service data in their Financial Statements submissions:

- Number of full-time equivalent staff by position;
- Number of staff (head count);
- Total salaries associated with each position type; and
- Total benefits for all staff.

Data and expenditures reported as part of administration in the child care core service delivery should not be reported as part of the CWELCC System.

### **SECTION 4: FEE REDUCTION**

### 4.1: PURPOSE

Making child care more affordable for families is a key part of the implementation of the CWELCC System.

CMSMs/DSSABs will work with child care licensees who choose to enrol in the CWELCC System in their regions to provide operating grants that will enable the base fee reduction for families.

This section of the guideline provides an overview of the objectives, eligibility, implementation, expenditures and reporting requirements related to the Fee Reduction Funding.

### 4.2: OBJECTIVES

A graduated approach to fee reductions will begin in Spring 2022 as follows:

- A fee reduction of up to 25% (to a minimum of \$12 per day) for eligible children retroactive to April 1, 2022.
- A 50% fee reduction on average for eligible children by the end of calendar year 2022.
- \$10 per day average child care fees for eligible children by the end of fiscal year 2025-26.

### 4.3: ELIGIBILITY CRITERIA

Funding under the CWELCC System is intended to support children under the age of 6 (0-5 year olds), with some exceptions for children with birthdays early in the year who are 6 years of age but are still enrolled in kindergarten. Eligible children for whom fees must be reduced are defined under O. Reg. 137/15:

- Any child, until the last day of the month in which the child turns 6 years old (irrespective of the type of licensed child care program in which they are enrolled); and
- Up until June 30 in a calendar year, any child who,
  - o turns six years old between January 1 and June 30 in that calendar year; and
  - is enrolled in a licensed infant, toddler, preschool, or kindergarten group, a licensed family age group, or home child care (all eligible children receiving home child care at a premises overseen by an agency are eligible for the fee reduction - both agency placed and privately placed).

### 4.4: IMPLEMENTATION REQUIREMENTS

### 4.4.1: Overview

Amendments to O. Reg.137/15 have been made to support the implementation of the CWELCC System. CMSMs/DSSABs must review the updated regulation to ensure adherence and compliance in support of the implementation of the fee reduction for Licensees participating in the CWELCC System.

For definitions of Base Fees and Non-Base Fees, please refer to the Definition section at the beginning of this CWELCC Guidelines.

### 4.4.2: Cap on Fees

In order to prevent Licensees from raising fees after the agreement between Canada and Ontario was executed, but before the Licensee enters into the CWELCC System, in accordance with O. Reg. 137/15, a cap on all base fees and non-base fees in child care for eligible children must be maintained by a Licensee at a child care centre it operates or at a home child care premise that it oversees.

For home child care providers, until a decision on CWELCC System participation is made by the home child care agency, fees for eligible children must be capped at March 27, 2022 levels. This includes fees set by the agency as well as fees set by the provider. While the cap on fees has been communicated publicly by the Ministry, agencies may wish to inform providers of their obligation to cap fees in accordance with the regulation and begin collecting fee information in preparation for the enrolment process.

Note that the cap on fees does not apply to fees charged to parents for children who are not eligible (i.e., school age children over 6 years), as these children are not entitled to funding under the CWELCC System.

Licensees will continue to be subject to the capped fee until one of two conditions is met:

- The Licensee notifies their CMSM/DSSAB and parents of eligible children in writing that they are NOT participating in the CWELCC System in 2022; or,
- The Licensee receives notice from the CMSM/DSSAB of the results of its application to enrol in the CWELCC System.

### 4.4.3: Additional Information

If a Licensee was licensed on or before March 27, 2022, the cap on the base fee and on non-base fees for child care for eligible children is the amount charged on March 27, 2022, and the Licensee must not charge a parent a higher base fee or non-base fees after that day unless a specific fee increase had already been communicated to parents/families on or before that day. Where a Licensee chooses to participate in CWELCC, CMSMs/DSSABs must review the fee increase for reasonability, which must be specific to 2022.

In some cases, CMSMs/DSSABs may need to work with Licensees to determine an initial base fee, in the case where the fee charged to parents does not include all required elements (e.g., parents are charged separately for meals, which is a requirement under regulation), or to exclude elements that should not be included in a base fee.

If a Licensee becomes licensed after March 27, 2022, the cap on the base fee is based on a regional maximum as set out in O. Reg 137/15, which provides a table of capped fees by program and CMSM/DSSAB. These regional maximum fees would also apply to any new age groups that a Licensee starts to operate after March 27, 2022 (e.g., they apply to revise their licence to add an infant room), or where a Licensee begins operating an age group after March 27, 2022 that it had

not operated for at least two years (e.g., a licensee wishes to use an alternate capacity that has not been used recently or re-open a room that was closed during the pandemic). See O. Reg. 137/15 for further details. The Licensee must not charge a parent a higher daily base fee after that day, unless a specific fee increase had already been communicated to parents on or before that day based on the conditions noted above.

Regardless of the maximum fees set out in O. Reg. 137/15, CMSMs/DSSABs should determine whether the maximum fee is a reasonable base fee for new Licensees who are subject to these maximums (e.g., it may not have been reasonable for a new licensee who is operating in an area with significantly lower than average costs to have charged the regional maximum fee).

### 4.4.4: Fee Reduction

For Licensees that enrol in the CWELCC System, O. Reg. 137/15 sets out rules regarding what Licensees will be permitted to charge parents as part of their daily base fee.

Licensees enrolled in the CWELCC System must ensure that parents of an eligible child are charged a base fee determined as follows:

If the Licensee's base fee, based on the section above, is more than \$11.99 per day, the Licensee's new base fee once in the CWELCC System will be the greater of:

- \$12 per day; and,
- the amount of the capped base fee, less 25 percent.

Note that if this base fee is less than \$12 per day, the fee should be maintained.

To support the applicable fee reduction, service system managers will provide funding for licensees. As an example of how this funding should be provided to Licensees, see the table below.

	Prior to Enrolment	After Enrolment (once base fees are reduced)
Base fee charged to parents	\$100	\$75
CWELCC funding to offset the revenue reduction to Licensees		\$25
Total Revenue received by Licensee	\$100	\$100

The fee reduction on base fees will apply regardless of program type or duration and should be based on the total amount paid per day. In the case of a before and after school program, if parents pay for only before school care, or only after school care, each individual fee must be reduced by 25% provided that it does not go below \$12/day. If parents pay for both before and after school care, the overall combined fee must be reduced by 25%.

For example:

	Before CWELCC – per day	After Enrolment – per day
Before School Care Only	\$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12
Before and After School Care (as a single fee)	\$26	Reduced to \$19.50

Licensees are also required to reduce the cost of a full fee space that is occupied by an eligible child receiving fee subsidy. Please refer to Section 5 of the CWELCC Guidelines for further details.

If a home child care agency is enrolled in the CWELCC System, home child care Licensees must also charge the parent of an eligible child a base fee determined based on the above. The base fee would apply to children who are agency placed and those children that are privately placed in the provider's care. CMSMs/DSSABs should work with agencies to ensure that parents of eligible privately placed children also receive a fee reduction.

Licensees are permitted to continue charging the higher base fees as of March 27, 2022, for 20 calendar days after the CMSM/DSSAB notifies them that they are enrolled in the CWELCC system. On and after the 21st day after the Licensee is notified by a CMSM/DSSAB of the enrolment date, Licensees cannot charge a base fee that is higher than the reduced base fee to parents of an eligible child.

CMSMs/DSSABs are not permitted to provide fee holidays (i.e., a period where parents pay no fees as CMSMs/DSSABs cover the fees) with CWELCC System funding.

Once Licensees are enrolled in the CWELCC System and reduce their fees to the new base fee, the Licensee is required to maintain its new base fee until they are either required to reduce them again, or they are no longer participating in the CWELCC System.

Where a Licensee chooses not to participate in the CWELCC System, they will not be subject to requirements to reduce base fees.

Non-base fees are not eligible for CWELCC funding and are not subject to the parameters set out above; however, they must meet the definition of non-base fee set out in O. Reg. 137/15. Anything that a parent is required to pay (i.e., mandatory fees) must be included as part of the base fee.

Fees for children who are not eligible children (e.g., school age children) are not subject to the requirements above regarding child care for eligible children.

### 4.4.5: Retroactive Refunds

In the first year of implementation, the ministry understands that there may be unforeseen circumstances where the process of enrolment for Licensees requires additional time, particularly for organizations without a current funding relationship with CMSMs/DSSABs.

To allow for this, while also ensuring that financial relief is provided to parents, CMSMs/DSSABs must back-date a Licensee's enrolment for the CWELCC System.

CMSMs/DSSABs who receive an application from a Licensee on or before December 31, 2022, must specify an enrolment date that is backdated to:

- April 1, 2022 if the licensee was licensed as of April 1, 2022; or
- the date the Licensee's licence was issued, in any other case.

Where a base fee that is higher than the base fee determined as per the previous section is charged in respect of an eligible child, the Licensee who enrolled will be required to issue a retroactive refund to the parent for the difference.

Any programs that apply after December 31, 2022, will not be eligible for retroactive enrolment and will only be expected to reduce fees on a go-forward basis.

Licensees are only required to reduce and refund base fees (i.e., mandatory fees) and do not need to reduce or refund non-base fees (i.e., optional fees).

### 4.4.6: Funding

CWELCC System funding should be provided by CMSMs/DSSABs to Licensees to allow Licensees to provide refunds to parents of eligible children.

CMSMs/DSSABs should work with Licensees to ensure that refunds are provided back to parents within 20 calendar days of receiving funding.

Fee reduction funding can be provided to Licensees as part of a two-step process:

### Step 1: Funding for Fee Reduction Rebates for Parents retro to April 1, 2022

CMSMs/DSSABs flow funding to the CWELCC enrolled Licensees in the amount required to cover the cost of the 25% rebate to parents on the base fees retroactive to April 1 or the date the Licensee was licensed – whichever is later.

## Step 2: Funding for the 25% reduction in Base Fees Charged by Licensees to parents in 2022

CMSMs/DSSABs flow funding to the CWLECC enrolled Licensees to support the 25% reduced base fees in 2022.

Note: Neither Step 1 or Step 2 require CMSMs/DSSABs to work through a budgeting process with Licensees.

Refer to Section 2 of the CWELCC Guidelines – Financial Reporting for more information.

### 4.5: CMSMs/DSSABs REPORTING

As part of the regular reporting processes and timelines as described in the 2022 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines, CMSMs/DSSABs are required to report expenditures and service data to the ministry as indicated below:

- Expenditures to support fee reduction (exclude expenditures related to mandated reductions to parental contributions see Fee Subsidy section below).
- Expenditures to support refunds to parents.

Service data required for Fee Reduction funding includes the following:

- Number of children served through fee reductions (exclude fee subsidy children).
- Average monthly number of children served through fee reductions provided by age group i.e., infant, toddler, preschool etc, (exclude fee subsidy children).
- Number of licensed child care spaces supported with fee reduction by age group and type of setting (i.e., centre or home-based), including full fee spaces occupied by children receiving subsidies.
- Number of child care centres and home providers supported with fee reduction funding (by auspice i.e., for-profit, not-for-profit, directly operated by the CMSM/DSSAB).
- Number of children in receipt of required refunds.

All expenditure and data requirements noted above must be submitted by type of setting (i.e., centre or home-based) and by auspice (not-for-profit, for-profit, directly operated by the CMSM/DSSAB).

### **SECTION 5: FEE SUBSIDY – PARENTAL CONTRIBUTION REDUCTION**

### 5.1: PURPOSE

Fee subsidy is an essential support for many families that enables parents and caregivers to participate in the workforce or pursue education or training. The ministry has made amendments to O. Reg. 138/15 under the CCEYA to ensure that parents accessing subsidized child care also see financial relief under the CWELCC System, through a reduction in their parental contributions.

As the CWELCC System is implemented in Ontario, the fee subsidy model will continue to be an option for families who require financial assistance. O. Reg 138/15 sets out an income test formula that CMSMs/DSSABs must use to calculate the amount of subsidy that can be provided for a family, as well as the amount of money that a family must contribute to the cost of child care (the parent contribution).

No changes have been made to eligibility for access to fee subsidies for recipients of Ontario Works, including Learning, Earning and Parenting (LEAP) participants and Ontario Disability Support Program recipients in approved employment assistance activities. Access for fee subsidy recipients to the parental contribution reductions will depend on whether the eligible child is enrolled with a licensed child care centre or home child care provider that is participating in the CWELCC System. If applicable, refunds are to be provided to the parent/guardian or temporary caregiver who paid fees to the licensed child care provider.

### **5.2: IMPLEMENTATION**

To ensure an equivalent fee reduction is applied to families receiving child care fee subsidy (who do not pay the full cost of a licensed space), amendments have been made under O. Reg 138/15, which require CMSMs/DSSABs to reduce the parent contribution for eligible children (as defined under O. Reg. 137/15 (General)) by 25% (with no floor of \$12 for families receiving subsidy).

If a parent has at least one eligible child, as defined in O. Reg. 137/15 (General), who is enrolled in a child care centre or home child care that is part of the CWELCC System, the CMSM/DSSAB is to reduce the parental contribution amount calculated via the income test, as follows:

where,

A is the total parental contribution calculated via the income test,

B is the total number of children that the calculated parental contribution pertains to,

**C** is the number of eligible children, who hold a space with a provider that has enrolled in the CWELCC System, that the parent is required to pay a parental contribution for.

For example, if a fee subsidy family has two children aged 7 and 4, the 25% parental contribution reduction would only apply to the 4-year-old. The 25% reduction would then be reduced by half, as it only applies to one of the two children.

As noted in Section 4, licensees are required to reduce the cost of a full fee space that is occupied by an eligible child receiving fee subsidy. Please note CWELCC System fee reductions may be reduced by less than 25% in light of the \$12 floor. However, fee subsidy recipients will benefit from a full 25% parental contribution reduction.

CMSMs and DSSABs are required to calculate the parental contribution reduction for fee subsidy families and ensure the refund is provided to the parents as applicable.

Subsidized parents will not see a reduction in parental contribution in the case where the child occupies a space with a Licensee that is not enrolled in the CWELCC System.

CWELCC funding is to be used for reducing parental contribution and cannot be used to support fee subsidy. Additionally, CWELCC funding does not replace existing provincial operating funding being provided.

CWELCC funding will reduce the cost of a full fee space that is currently occupied by an eligible child receiving fee subsidy by 25% in 2022. As a result, less provincial funding will be required to support the space. The excess provincial funding, previously used to support the fee subsidy space, may not be used to further expand fee subsidy spaces, but may be reinvested in other child care expenses such as general operating costs.

CMSMs/DSSABs must adhere to the following requirement for provincial funding related to supporting fee subsidies.<sup>[1]</sup> Provincial funding used to support fee subsidies must be the greater of:

• The CMSM/DSSAB's total 2019 fee subsidy expenditure for children 0-5 years, less 25%

Or

• The corresponding expenditures associated with the number of fee subsidy children 0-5 years, based on the CMSM/DSSAB's contractual service targets in their 2022 transfer payment agreement.

For CMSMs and DSSABs who are projecting costs that are below the 2019 fee subsidy expenditure threshold for children 0-5 years, less 25%, where there is an identified need for fee subsidy placements with a new CWELCC Service Agreement Licensee, the service system manager has the discretion to approve those fee subsidies within the threshold stated above to respond to the urgent needs of families in their communities.

### 5.3: REPORTING

CMSMs/DSSABs are required to report on expenditures and service data to the ministry as indicated below:

• Expenditures to support the reduction of parental contributions

<sup>&</sup>lt;sup>[1]</sup> Please note this requirement supersedes the direction on fee subsidy expenditures as outlined in the 2022 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline.

• Number of children served through the reduction of parental contributions

All expenditure and data requirements noted above must be submitted by type of setting (i.e., centre or home-based) and by auspice (not-for-profit, for-profit, directly operated).

### **SECTION 6: WORKFORCE COMPENSATION**

### 6.1: PURPOSE

CMSMs/DSSABs will support recruitment and retention of Ontario's child care workforce through improved compensation for low wage earners by introducing a wage floor, and an annual wage increase for eligible RECEs.

In addition, workforce compensation funding will be provided to Licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.

### 6.2: WAGE FLOOR AND ANNUAL WAGE INCREASE ELIGIBILITY

Where a Licensee is participating in the CWELCC System and eligibility is met based on the criteria set out in this section, workforce compensation funding must be provided by the CMSM/DSSAB to the Licensee.

### 6.2.1: Wage Floor

To be eligible to have their wage raised to the wage floor, staff must be employed by a Licensee that is participating in the CWELCC System and be in a position categorized as:

RECE Program Staff RECE Child Care Supervisor RECE Home Child Care Visitor

In addition, to be eligible for the wage floor, staff must be receiving wage enhancement funding, and their hourly wage including wage enhancement funding must be below the wage floor. Benefits should not be included when determining the hourly wage (i.e., benefits are in addition to the hourly wages identified in this section).

### 6.2.2: Annual Increase

To be eligible for an annual wage increase, staff must be employed by a Licensee that is participating in the CWELCC System and be in a position categorized as:

RECE Program Staff RECE Child Care Supervisor RECE Home Child Care Visitor

In addition, to be eligible for an annual \$1 per hour wage increase, staff must be receiving wage enhancement funding, and their hourly wage including wage enhancement funding must be below the wage cap of \$25 per hour on January 1<sup>st</sup> of each eligible year (i.e., base wage plus wage enhancement funding plus annual increase must be below \$25 per hour). Benefits should not be included when determining the base wage.

### 6.2.3: Ineligible Positions

Non-RECE Program Staff Non-program staff

The wage floor and annual increase will not apply to non-program staff such as:

- Cook, custodial and other non-program staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.
- Staff hired through a third party (i.e., temp agency).

The only exception to the first two positions noted above is if the staff is an RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in the CCEYA, in which case the staff would be eligible for the wage floor and annual wage increase for the hours that they are supporting the ratio requirements.

### 6.2.4: Director approved staff

Qualified staff, child care supervisors, or home child care visitors that are director approved to be employed in these positions, but do not have an RECE designation, are not eligible for the wage floor or annual wage increase supported by workforce compensation funding.

### 6.2.5: Alignment with Child Care Wage Enhancement Grant

The child care Wage Enhancement Grant will continue to be provided to support the retention of qualified professionals to deliver affordable, high quality services.

Licensees will be required to apply for the Wage Enhancement Grant to be eligible for the wage floor or annual wage increase under the CWELCC System. Wage enhancement funding will be added to the base wage of staff when considering eligibility for the wage floor and annual wage increase plus benefits.

*Wage floor examples*: Wage floor of \$18 per hour and wage enhancement funding of \$2 per hour.

Example 1: RECE program staff with base wage of \$15 per hour would qualify to have their wage increase to \$18 per hour (\$15+\$2=\$17 per hour which is below \$18 per hour). Workforce compensation funding of \$1 per hour must be provided.

Example 2: RECE program staff with a base wage of \$16 per hour or higher would not qualify to have their wage increase (\$16+\$2=\$18 per hour which is equivalent to the wage floor.) Workforce compensation funding is not required.

*Annual wage increase examples*: Wage enhancement funding of \$2 per hour, annual wage increase of \$1 per hour and wage cap of \$25 per hour.

Example 1: RECE program staff with a base wage before wage enhancement funding of \$19 per hour would qualify for a wage increase of \$1 per hour (\$19+\$2+\$1=\$22 per hour which is under the \$25 per hour wage cap). Workforce compensation funding of \$1 per hour must be provided.

Example 2: RECE program staff with a base wage before wage enhancement funding of \$23 per hour or higher would not qualify for an annual wage increase (\$23+\$2+1=\$26, which is above the wage cap). Workforce compensation funding is not required.

### 6.3: IMPLEMENTATION

CMSMs/DSSABs are required to develop a method to determine wage floor and annual wage increase entitlements within their region. In addition, CMSMs/DSSABs are required to monitor compliance of Licensees to the wage floor and annual wage increase requirements.

### 6.3.1: Information to Staff

Upon receiving confirmation of participation in the CWELCC System from their CMSM/DSSAB, and as new staff are hired, Licensees are required to share, in writing, information about the wage floor and annual wage increase with eligible staff. The information must provide eligible staff with an understanding of upcoming annual changes to their wages as a result of workforce compensation funding. At a minimum, the information about wages must include the wage floor and required annual wage increase for each year up to and including 2026.

### 6.3.2: Protecting a Sustainable Public Sector for Future Generations Act

Child care staff employed by Licensees with maximum wage increases specified under the *Protecting a Sustainable Public Sector for Future Generations Act,* 2019 (PSPSFGA) may not be eligible for an increase in compensation to the wage floor or to the \$1 per hour annual wage increase. Licensees are required to meet any applicable obligations under the PSPSFGA.

### 6.3.3: Alignment with collective agreements

Some Licensees may be subject to the terms of a collective agreement. Licensees should seek independent legal advice on implementing the wage floor and annual wage increase.

### 6.3.4: Payments to Staff

Licensees must include workforce compensation payments in each pay cheque or payment made. Workforce compensation may not be paid at the end of the year as a lump sum payment.

### 6.3.5: Payment to Licensees

Workforce compensation funding must first be directed to eligible licensed child care centre staff and home child care visitors to increase wages and benefits as described below. Once these requirements are met, CMSMs/DSSABs will have flexibility with respect to the use of their workforce compensation funding to address other CWELCC System requirements.

It is important to note that CMSMs/DSSABs are not permitted to use workforce compensation funding to provide compensation to staff over and above what is mandated based on the parameters set out in this section of the guideline without approval from the ministry.

### 6.3.6: Other Compensation Increases

Workforce compensation funding must be considered in addition to and not reduce other planned compensation increases for eligible staff. For example, the wage floor and annual wage increase cannot be used to reduce planned merit increases for eligible staff.

### 6.3.7: Wage Floor

Licensees are required to bring the wage of all eligible staff up to the wage floor identified in the table below, plus benefits. All eligible staff hired during the identified years must earn at least the wage floor identified for that year, plus benefits as defined below.

The wage floor for 2022 will come into effect April 1, 2022. For all following years, the wage floor will come into effect on January 1 of each year.

Licensees will be permitted to continue to pay eligible staff below the wage floor for thirty-one calendar days after the CMSM or DSSAB notifies them that they are participating in the CWELCC System. On and after the 32<sup>nd</sup> day after the Licensee is notified by a CMSM or DSSAB of the participation date, the Licensee would be required to pay eligible staff at least the wage floor.

Licensees would then be given one additional month (for a total of 60 calendar days from the day they were notified by the CMSM or DSSAB) to provide staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date of their confirmed participation in the CWELCC System.

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

### Hourly Wage Floor 2022 to 2026\*

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

Workforce compensation funding must be used to fund the incremental amount required to bring the staff wages to the wage floor. For example, in 2022 a RECE program staff with a base wage of \$15 per hour and wage enhancement funding of \$2 per hour, would receive workforce compensation funding of \$1 per hour.

### 6.3.8: Retroactive Wage Payments up to December 31, 2022

In the first year of implementation, the ministry understands that the process for Licensees to participate in the CWELCC System will require time, particularly for organizations without a current funding relationship with CMSMs or DSSABs.

To allow for this while also ensuring wage increases are provided to eligible staff, CMSMs/DSSABs must back-date a Licensees participation in the CWELCC system.

CMSMs/DSSABs who confirm a Licensees participation on or before December 31, 2022 must specify a participation date that is backdated to:

- April 1, 2022, if the Licensee was licensed as of April 1, 2022; or
- the date the Licensee's licence was issued in any other case.

Where staff were paid lower wages than specified by the wage floor, the Licensee who participated in the CWELCC System will be required to issue a retroactive payment to the eligible staff of the difference retroactive to the later of the two dates noted above. If there was an increase to wages during this period, workforce compensation should be decreased to reflect the change. Retroactive payments must be paid to eligible staff for the hours worked, regardless of whether they are employed by the Licensee at the time that their participation in the CWELCC System is confirmed.

Any Licensee participating in the CWELCC System after December 31, 2022, will not be eligible for a retroactive payment for wage compensation and will only be expected to implement the wage floor and annual wage increase on a go forward basis.

### 6.3.9: Annual Wage Increase

Licensees are required to increase the hourly wage of eligible staff by \$1 per hour plus benefits (as described below), on January 1<sup>st</sup> of each year from 2023 to 2026, inclusive, up to the \$25 per hour wage cap. To be eligible for the \$1 per hour annual increase, the staff's wage must be equal to or greater than the wage floor and less than \$25 per hour. Staff earning at or above \$25 per hour are not eligible for the annual \$1 per hour increase. Staff making \$24.00 to \$24.99 per hour are to have their wages increased to \$25 per hour.

### 6.3.10: Benefits Funding and Flexibility

Workforce compensation funding includes up to 17.5 per cent in benefits. Benefits of up to 17.5 per cent must support Licensees in meeting their statutory benefit requirements.

Workforce compensation encompasses statutory as well as additional benefits that are provided by the Licensee (e.g., additional vacation or personal days). Statutory benefits are benefits Licensees are required to provide their staff as determined by the law (e.g., vacation days, statutory holidays, Canada Pension Plan, Employment Insurance).

Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

CMSMs/DSSABs are required to develop a method to allocate the wage floor and annual wage increase funding to include up to 17.5 per cent in benefits. Any residual benefits funding can be used to support funding flexibility for expenses.

### 6.4: REPORTING

CMSMs/DSSABs will report expenditure and service data through regular reporting processes. This data will be used in part to support Ontario's reporting requirements to the Government of Canada under the CWELCC System. Reporting includes:

- Total number of RECE program staff, total number of RECE supervisors and total number of RECE home child care visitors supported by the wage floor.
- Total number of RECE program staff, total number of RECE supervisors and total number of RECE home child care visitors supported by the annual wage increase (starting 2023).
- Actual total expenditure on the wage floor paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Actual total expenditure on the annual wage increase (starting 2023) paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Actual total expenditure on benefits paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Number of child care centres or sites supported by the wage floor and/or wage increase.
- Number of home child care agencies receiving funding for wage floor and/or wage increase.

All data requirements noted above must be reported by the not-for-profit/for-profit/ directly operated Licensee and separately for staff serving the following age groups: eligible children (i.e., children under 6 years old), children aged 6 to 12 who are not eligible.

In terms of reporting on number of staff, if a staff is serving both categories, they should be included in the category where they mostly work. In terms of actual total expenditures related to these staff, CMSMs/DSSABs should determine an appropriate methodology that proportionately allocates the expenditures between time spent serving under 6 years old eligible children, and time spent serving children aged 6 to 12 who are not eligible under the CWELCC System.

### 6.5: MINIMUM WAGE OFFSET ELIGIBILITY

Where a Licensee is participating in the CWELCC System and eligibility is met based on the criteria set out in this section, workforce compensation funding must be provided by the CMSM/DSSAB to the Licensee.

To be eligible for the minimum wage offset, Licensees must be participating in the CWELCC System and employ staff in a position categorized as:

- Non-RECE Program Staff
- Non-RECE Child Care Supervisor
- Non-RECE Home Child Care Visitor

In addition, to be eligible for a minimum wage offset, Licensees must employ staff that were earning less than \$15 per hour (not including wage enhancement) on March 31, 2021, or were hired after March 31, 2021, and before January 1, 2022, and had wages below \$15 per hour (not including wage enhancement) Staff hired after December 31, 2021, are not eligible for the minimum wage offset.

### 6.5.1: Ineligible Positions

The minimum wage offset will not apply to non-program staff such as:

- Cook, custodial and other non-program staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.
- Staff hired through a third party (i.e., temp agency).

The only exception to the first two positions noted above is if the staff is a non-RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in the CCEYA in which case the staff would be eligible for the minimum wage offset for the hours that they are supporting the ratio requirements.

### 6.6: IMPLEMENTATION

CMSMs/DSSABs are required to develop a method to determine minimum wage offset entitlements within their region. In addition, CMSMs and DSSABs are required to monitor compliance of Licensees to the minimum wage offset requirements.

### 6.6.1: Payment to Licensees

Workforce compensation funding must first be directed to licensed child care centre staff and home child care visitors to increase wages and benefits as described below. Once these requirements are met, CMSMs/DSSABs will have flexibility with respect to the use of their workforce compensation funding to address other CWELCC System requirements. Please see Section 2: Accountability section for more details.

It is important to note that CMSMs/DSSABs are not permitted to use workforce compensation funding to provide compensation to staff over and above what is mandated based on the parameters set out in this section of the guideline without approval from the ministry. Licensees were required to comply with minimum wage legislation and bring the wages of their staff to \$15 per hour as of January 1, 2022. To offset the minimum wage increase, CMSMs/DSSABs are required to provide workforce compensation funding to Licensees to cover the incremental amount needed to bring wages for eligible staff to \$15 per hour.

For example, if an eligible staff was earning \$14.50 on April 20, 2021, the Licensee would receive workforce compensation funding of \$0.50 per hour plus benefits (as described below) to support that staff's wages. Workforce compensation funding for the minimum wage offset must be provided to Licensees starting the date of participation in the CWELCC System up to and including 2026.

### 6.6.2: Benefits Funding and Flexibility

Workforce compensation funding includes up to 17.5 per cent in benefits. Benefits of up to 17.5 per cent must support Licensees in meeting their statutory benefit requirements.

Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

CMSMs/DSSABs are required to develop a method to allocate the minimum wage offset funding to include up to 17.5 per cent in benefits. Any residual benefits funding can be used to support funding flexibility for expenses.

### 6.7: REPORTING

CMSMs/DSSABs will report expenditure and service data through regular reporting processes. This data will be used in part to support Ontario's reporting requirements to the Government of Canada under the CWELCC System. Reporting includes:

- Total number of non-RECE program staff, total number of non-RECE supervisors and total number of non-RECE home child care visitors supported by the minimum wage offset.
- Actual total expenditure on the minimum wage offset paid out to Licensees for non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.
- Benefits paid out to Licensees for non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.
- Number of child care centres or sites supported by the minimum wage offset.
- Number of home child care agencies receiving funding for minimum wage offset.

All data requirements noted above must be reported by not-for-profit/for-profit/directly operated Licensees and separately for staff serving the following age groups: eligible children (i.e., children under 6 years old), children aged 6 to 12 who are not eligible under the CWELCC System but can still receive Workforce Compensation funding – see below.

In terms of reporting on number of staff, if a staff is serving both categories, they should be included in the category where they mostly work. In terms of actual total expenditures related to these staff, CMSMs/DSSABs should determine an appropriate methodology that proportionately allocates the expenditures between time spent serving under 6 years old eligible children, and time spent serving children aged 6 to 12 who are not eligible children.

### 6.8: PROGRAMS SERVING CHILDREN AGED 6-12 ELIGIBILITY

Ontario is contributing funding as part of the workforce compensation allocation which will be used for compensation for staff in licensed child care programs serving children aged 6 to 12, who are currently ineligible to apply for participation in the CWELCC System, to ensure equity of wages across staff serving different age groups, and to avoid these increases being passed onto parents through higher fees.

Licensees with programs serving children who are not eligible children (i.e., aged 6-12) may apply separately to the CMSM/DSSAB for workforce compensation funding.

For Licensees with programs serving any eligible child, including programs serving children 0-12, the Licensee must be a participant in the CWELCC System in order to access workforce compensation (funded through the CWELCC System) for eligible staff and home child care visitors, and will be required to adhere to all the parameters of the CWELCC System.

### **6.9: IMPLEMENTATION**

For all staff and home child care visitors meeting the workforce compensation (wage floor, annual increase, minimum wage offset) eligibility requirements detailed above, CMSMs/DSSABs are required to develop an application process to enrol Licensees for workforce compensation entitlement within their region. This process can mirror current Wage Enhancement processes.

CMSMs/DSSABs must adhere to the compensation funding parameters detailed above for wage floor, annual increase, and minimum wage offset increases to eligible staff.

CMSMs/DSSABs are required to manage public inquiries related to workforce compensation. To manage these inquiries, CMSMs/DSSABs may wish to post information regarding workforce compensation along with contact information on their website.

Funding provided to Licensees for workforce compensation supports staff serving the following age groups: eligible children and children aged 6 to 12 who are not eligible under the CWELCC System.

APPENDIX A - CANADA-WIDE EARLY LEARNING AND CHILD CARE (CWELCC) FUNDING FORMULA TECHNICAL PAPER

**Ministry of Education** 

# CWELCC Funding Formula: Technical Paper 2022

### Purpose

To support greater transparency for system users, this paper contains details of the underlying formulae and criteria used in calculating the 2022 Canada-Wide Early Learning and Child Care (CWELCC) Allocations to CMSMs/DSSABs.

### **Overview of the CWELCC Funding Formula**

The CWELCC funding formula includes three main allocation categories: Fee Reduction, Workforce Compensation, and CWELCC Administration.

### CWELCC Funding in 2022 (\$ Millions)

Category	Preliminary CWELCC Funding (\$M)
Fee Reduction	\$734
Workforce Compensation	\$33
CWELCC Administration	\$18
Total to CMSMs/DSSABs in 2022	\$785

Funding was provided for inflation. This includes inflation for both compensation and noncompensation costs. In 2022 this was captured through the Fee Reduction Allocation as well as the increased child care funding in 2022 through the Canada-Ontario Early Learning and Child Care (ELCC) allocation. Information regarding operating funding to support space expansion will be released later this year.

### **Fee Reduction Allocation**

Fee reduction funding is being provided to CMSMs/DSSABs to support parents, families and communities by reducing fees for eligible children in licensed child care.

CMSMs/DSSABs will work with child care licensees who choose to participate in the CWELCC System in their regions to provide operating grants that will enable the base fee reduction for families.

The 2022 Fee Reduction Allocation is intended to support the first step of fee reduction: all Ontario families with eligible children in participating licensed child care will see a fee reduction of up to 25% (to a minimum of \$12 per day), retroactive to April 1, 2022.

The Fee Reduction Allocation funding totals \$734 million in 2022. The following data elements are used to calculate the allocation:

Fee Reduction Allocation Data Elements	Source
Parent Fees for eligible children	2021 Child Care Operator Survey
Number of Licensed Child Care Spaces	2021 Child Care Licensing System
Number of eligible children enrolled in Licensed Home Child Care	2021 Child Care Operator Survey

### **Centre-Based Child Care Fee Reduction Formula**

The Fee Reduction formula calculates the amount of fee reduction required at the child care centre level and for each age group within each centre. For each eligible age group, where there are licensed spaces, the fee reduction is determined as described below:

2022 Estimated Fee (2021 fee as reported + inflation)	Fee Reduction Formula
> \$16	(2021 parent fee x inflation x 25% fee reduction) x number of licensed spaces
Between \$16 and \$12	(2021 parent fee x inflation - \$12 floor) x number of licensed spaces
< \$12	\$0 fee reduction

This is calculated for each eligible age group and child care centre and rolled up to the CMSM/DSSAB level. Age groups included in the calculation include infants, toddlers, preschool and kindergarten. Note, kindergarten spaces are assumed to charge a before and after school fee on instructional school days and a full day fee on non-instructional school days. An adjustment is also applied on the centre level for kindergarten spaces that do not operate in the summer months.

### Home-Based Child Care Fee Reduction Formula

The Fee Reduction formula for licensed home child care follows the same approach as the centre-based formula. Enrolment data is used as a proxy for the number of spaces in home child care. Age groups included in the calculation include under 2 years, 2-3 years and 4-5 years. Aged 4-5 enrolment is treated the same as the kindergarten age group in centre-based child care as described above regarding before and after school fee vs full day fee however, all homes are assumed to operate year round.

Note that CWELCC funding for home-based child care was allocated to CMSMs/DSSABs based on the location of the home child care agency.

### Workforce Compensation Allocation

Workforce compensation funding is focused on supporting Registered Early Childhood Educator (RECE) staff that are low wage earners. In 2022, there will be a wage floor of \$18 for RECE program staff, and \$20 per hour for RECE supervisors and RECE Home Child Care Visitors. In 2022, Non-RECE program staff, Supervisors and Non-RECE Home Child Care visitors should have a wage floor of \$17 per hour (\$15 minimum wage plus \$2 Wage Enhancement). Funding is being allocated to RECE staff to raise their wages to the new floor and allocated to Non-RECE staff to cover the increased minimum wage that came into effect January 1, 2022, and therefore support the \$17 per hour existing wage floor.

The Workforce Compensation Allocation funding totals \$33 million in 2022 which was derived by:

- Using the wage brackets and number of staff in each bracket, assuming a normal distribution within the bracket.
- Growing wages by inflation.
- For each bracket below the floor the following was calculated:
   o Floor avg for the bracket x number of staff in the bracket

This results in the following proportional distribution by type of staff for each floor:

Proportion	Workforce Compensation Allocation Data Elements	Source
55%	Number of RECE program staff that have wages under \$18	2019 Child Care Operator Survey
12%	Number of RECE supervisors and home visitors that have wages under \$20	2019 Child Care Operator Survey
33%	Number of Non-RECE program staff and supervisors that have wages under \$17	2019 Child Care Operator Survey

Funding is also provided for an inflationary increase, but is included in the Fee Reduction allocation (the assumption being that this wage increase was reflected in the fees already) while the \$33 million reflects the additional funding for the wage floors.

### **CWELCC** Administration Allocation

The CWELCC Administration Allocation is intended to support service system managers with administrative capacity to implement the goals of the CWELCC.

The allocation for CWELCC Administration totals \$18 million in 2022 and is comprised of the following components:

Administration Allocation Data Elements	Benchmark
Base allocation for each CMSM and DSSAB	\$65,600 x (1+17.5% benefits) x 75%
Number of Licensed Child Care Spaces as of March 31, 2021 per Child Care Licensing System (infant, toddler, preschool and kindergarten)	\$70.32 per space x 75%
Home Child Care Enrolment per 2021 Child Care Operator Survey (0-5 years)	\$70.32 per enrolment x 75%

The allocations above have been pro-rated for the 9 months from April to December by 75%.

### Appendix B: CWELCC Funding Formula: Tip Sheet

This tip sheet is intended to provide tips to CMSMs and DSSABs to assist them in allocating Canada-Wide Early Learning and Child Care (CWELCC) funding to the licensees that choose to participate in their regions.

### **General Tips**

- Refer to the CWELCC Funding Formula Technical Paper for details on how funding was allocated from the province to CMSMs and DSSABs.
- CMSMs/DSSABs can leverage the province's allocation methodology, in order to allocate funding to licensees where appropriate.
- CMSMs/DSSABs should allocate CWELCC funding to licensees that choose to participate to ensure they can provide retroactive rebates to parents within 20 calendar days

### **Fee Reduction**

- Gather information from licensees on base fees as of March 27, 2022 for eligible children and operating capacity.
- Calculate fee reduction funding based on a 25% reduction to base fees as of March 27, 2022 to a floor of \$12 per day.
- Funding to licensees for fee reduction should cover the full fee reduction to base fees.

### Workforce Compensation

- Gather information from licensees on number and type of staff working in each centre, their wages, and estimated hours they will work April to December 2022.
- Allocate funding to licensees to support the wage floor of \$18 per hour for RECE program staff and \$20 per hour for RECE supervisors and home child care visitors.
- For example, if a RECE program staff has a wage of \$17 currently (\$15 wage + \$2 wage enhancement), then they should be allocated \$1 per hour for the estimated hours they will work April to December 2022, to ensure they receive the floor of \$18 per hour.
- Funding has been provided to offset the minimum wage increase for non-RECE staff that took
  effect January 2022. Please ensure that Licensees are not receiving double funding for this
  (for example, if they have already raised fees to reflect the increase, then the funding would
  flow to the Licensee for Fee Reduction and CMSMs/DSSABs should exercise flexibly between
  funding lines to account for this).

### APPENDIX C: 2022 LICENSED CHILD CARE CWELCC SYSTEM SERVICE AGREEMENT CHECKLIST

This "Licensed Child Care CWELCC System Service Agreement Checklist" is a supportive tool that may assist CMSMs/DSSABs in drafting or amending their CWELCC System service agreements with child care Licensees participating in the Canada-Wide Early Learning and Child Care (CWELCC) System. The checklist is not intended to be an exhaustive list of considerations from the ministry, and CMSMs/DSSABs should consult the CCEYA, the CWELCC Guidelines as well as their legal counsel in developing CWELCC System service agreements.

The checklist covers, at a high level, the criteria the province requires of the CMSM/DSSAB and Licensees in order to access CWELCC System funding.

This checklist includes the following:

- Part 1: Licensed Child Care Operator Participation
- Part 2: Funding Consideration
- Part 3: Fee Reduction
- Part 4: Workforce Compensation
- Part 5: Reporting
- Part 6: Records and Audit
- Part 7: Withholding and Recovery of Payments and Right to Set Off

### Part 1: Licensed Child Care Operator Participation

Participation in the Canada-Wide Early Learning and Child Care System is optional; however, child care Licensees are encouraged to participate so that families can benefit from reduced fees.

The following requirements must be met by the Licensee for enrolment into the CWELCC System:

- □ Licensee must demonstrate financial viability to the CMSM/DSSAB. For example, CMSMs/DSSABs may look for where a licensee has accumulated arrears, have not serviced their debt, or are approaching bankruptcy.
- □ Licensee must operate in accordance with the CWELCC System service agreement, the *Child Care and Early Years Act*, 2014 (*CCEYA*) and its regulations, as well as the requirements outlined by the CMSM/DSSAB.
- □ Licensees must maintain existing (pre-CWELCC System announcement on March 28, 2022) licensed spaces for eligible children. Licensees may not convert any existing spaces for eligible children to other age groups (e.g., converting infant spaces to toddler, or infant spaces to kindergarten) in 2022.
- □ Licensees must communicate their CWELCC System enrolment status to all parents and staff within 14 days of the licensee being notified by CMSM/DSSAB of the results of their application in accordance with O. Reg. 137/15.
- □ Licensees must complete the annual *Licensed Child Care Operations Survey*, as required under section 77 of O. Reg. 137/15 in order to continue to receive funding under the CWELCC System.
- □ Licensees must reduce and refund base fees in accordance with O. Reg.137/15. Licensees are required to keep an electronic or hard copy of their CWELCC System service agreement at the child care centre or home child care agency, and make it available for ministry inspection.
- □ Licensees must maintain their licence in good standing in accordance with the CCEYA.

### Part 2: Funding Considerations

Please see below examples of requirements relating to CWELCC System funding that a CMSM/DSSAB may want to consider in developing terms and conditions to include in its CWELCC System service agreement with a Licensee governing CWELCC System funding. CMSMs/DSSABs may also want to refer to the ministry's Guideline Addendum to assist them in developing additional terms and conditions governing this funding:

□ Licensees are required to use CWELCC System Funds to support CWELCC System objectives in accordance with the CWELCC System service agreement, applicable legislation, regulations and applicable guideline requirements provided to Licensees.

- □ Licensees are required to return CWELCC System Funds to the CMSM/DSSAB where funds are not used in accordance with the requirements established by the CMSM/DSSAB that apply to Licensees.
- □ Licensees are required to provide sufficient financial or other information related to their child care operations as required by the CMSM/DSSAB for review.
- Information submitted by the Licensee will be subject to review as part of the CMSMs/DSSABs funding and reconciliation process. CMSMs/DSSABs may consider including terms and conditions in their CWELCC System service agreements that provide for the following rights:
  - □ The right to review and to confirm that the Licensee did not charge fees for eligible children higher than the fees at which it was capped after March 27, 2022 (unless the fees were communicated to parents prior to March 27, 2022).
  - □ The right to determine if a Licensee's operation in child care for eligible children is sustainable and financially viable. For example, CMSMs/DSSABs may look for where a licensee has accumulated arrears, have not serviced their debt, or are approaching bankruptcy.
  - □ The right to verify that increases to base and non-base fees for the care of eligible children were permitted in accordance with O. Reg. 137/15, (e.g., a fee increase must have been communicated to families/parents prior to March 27, 2022).
  - □ The right to verify that Licensees are maintaining the spaces for eligible children for which they are receiving funding to reduce base fees (e.g., a licensed infant space must remain an infant space) along with the right to recover funding from the Licensee as determined by the CMSM/DSSAB.
- □ The requirement for Licensees to report to the CMSM/DSSAB any revisions to capacity or use of alternate capacity for child care spaces currently licensed for ages 0-5.
- □ Requirement that Licensees do not close for more than 2 consecutive weeks and do not close for more than 4 weeks within a calendar year while the licensee is receiving full funding from the CWELCC System.
- □ Requirement that full base fees cannot be charged by the Licensee for any closure beyond these timelines. CMSMs/DSSABs may further limit the allowable period of closure (e.g., closures may not exceed 10 consecutive days).

### Part 3: Fee Reduction

Fee reduction funds are to be used by CMSMs/DSSABs to support parents, families and communities by reducing base fees for eligible children.

The *Child Care and Early Years Act,* 2014 (CCEYA) sets out the rules regarding what participating Licensees will be permitted to charge parents as part of their base fee (as defined by the CCEYA).

In working towards achieving the required base fee reduction for eligible children, below is a highlevel summary of terms and conditions to consider when enrolling a Licensee into the CWELCC System.

CMSMs/DSSABs should refer to O. Reg 137/15 for full details on the fee reduction requirements and should refer to the ministry's CWELCC System funding Guideline Addendum to assist in developing additional terms and conditions to include in their CWELCC System service agreements with participating Licensees.

- □ Licensees' base fees must be determined in accordance with the requirements set out in O. Reg. 137/15 under the CCEYA. (CMSMs/DSSABs can refer to the regulations and the Guideline Addendum for further details on base fees).
- □ Licensees must reduce base fees for eligible children only. The term 'eligible children' is defined in O. Reg. 137/15.
- □ Licensees are required to provide a refund to parents where a base fee higher than the reduced base fee is charged for an eligible child, retroactive to the Licensee's CWELCC System enrolment date and for any period after the CWELCC enrolment date where excess base fees has been prepaid for. CMSMs/DSSABs can refer to the Guideline Addendum for further details.
- □ Licensed home child care agencies participating in the CWELCC System must ensure that home child care providers charge parents of eligible children a base fee determined in accordance with O. Reg. 137/15, which applies to children who are agency placed and those children that are privately placed in the provider's care.
- □ Licensees are permitted to continue charging the base fees as of March 27, 2022, for 20 calendar days after the CMSM/DSSAB notifies them that they are enrolled in the CWELCC system. On and after the 21st day after the Licensee is notified by a CMSM/DSSAB of the enrolment date, Licensees cannot charge a base fee that is higher than the reduced base fee to parents of an eligible child.
- □ CMSMs/DSSABs have the right to determine an initial base fee, in the case where the capped fee does not include all of the components required to be included in a base fee under O. Reg. 137/15, or to exclude components that should not be part of a base fee at the discretion of the CMSM/DSSAB.
- □ Licensees must ensure that components that should be captured by the definition of nonbase fees under O. Reg. 137/15 should not be included as a component of base fees.
- □ Licensees are required to maintain the reduced base fees until they are either required to reduce them again, or if they are no longer participating in the CWELCC System.

- In the case where a Licensee transfers shares of the corporation the licensee continues to be bound by the requirements in O. Reg. 137/15 relating to base fees and non-base fees. In the case where a Licensee sells all of its assets and ceases to be licensed, the purchasing corporation must apply for a licence under the CCEYA and may submit an application to enrol in the CWELCC System, in which case the base fee and non-base fee rules in O. Reg. 137/15 apply to the applicant (CMSMs/DSSABs see regulation and Guideline Addendum for further details).
- □ CMSMs/DSSABs have the right to verify the timeliness and accuracy of refunds and fee reductions made by Licensees.

### Part 4: Workforce Compensation

The commitment, knowledge and experience of Ontario's diverse range of child care and early years professionals is a key factor in the implementation of the CWELCC System. Workforce compensation funding is focused on supporting Registered Early Childhood Educator (RECE) staff that are low wage earners. Increased compensation for low wage earners will help support the recruitment and retention of RECEs working in the child care sector as part of the provincial strategy to achieve system growth and ensure increased access to high quality licensed child care in Ontario.

Ontario will support the recruitment and retention of Ontario's child care workforce by providing improved compensation for low wage earners through the implementation of a wage floor and an annual wage increase for eligible RECE staff.

In addition, workforce compensation funding will be provided to Licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.

The following are examples of requirements that apply to Licensees in respect of workforce compensation funding that CMSMs/DSSABs may want to consider in developing terms and conditions to include in their CWELCC System service agreements with Licensees that govern this funding. For additional information relating to workforce compensation funding, CMSMs/DSSABs are encouraged to refer to the Guideline Addendum.

### Wage floor and Annual Wage Increase

- □ Licensees are required to bring the wage of all eligible RECE staff up to the wage floor plus benefits as identified in the ministry's Guideline Addendum.
- □ Licensees are required to increase the hourly wage plus benefits of all eligible RECE staff annually as described in the ministry's Guideline Addendum.
- Workforce compensation funding is provided to eligible RECE staff employed by a Licensee that is participating in the CWELCC System regardless of the age of the children they are supporting (e.g., not limited to staff supporting children under the age of 6).

- □ Licensees subject to the *Protecting a Sustainable Public Sector for Future Generations Act,* 2019 (PSPSFGA) are required to meet any applicable obligations under the PSPSFGA.
- □ Licensees that are subject to the terms of a collective agreement should seek independent legal advice on implementing the wage floor and annual wage increase.
- □ Licensees will be required to apply for the Wage Enhancement Grant to be eligible to receive workforce compensation funding.
- □ Licensees participating in the CWELCC System prior to December 31, 2022, must issue retroactive payments to eligible RECE staff for any period after the Licensee is notified by the CMSM/DSSAAB that they are enrolled in the CWELCC System during which Licensees paid eligible RECE staff wages lower than the wage floor.
- □ Licensees participating in the CWELCC System after December 31, 2022, will not receive funding to issue retroactive payments to eligible RECE staff for wage compensation funding and will only be expected to implement the wage floor and annual wage increase on a go forward basis.
- □ Licensees will be permitted to continue to pay eligible RECE staff below the wage floor for thirty-one calendar days after the CMSM/DSSAB notifies them that they are enrolled in the CWELCC System. After 31 days, the Licensee would be required to pay eligible RECE staff at least the wage floor. Licensees would then be given one additional month (for a total of 60 days from the day they were notified by the CMSM/DSSAB) to provide eligible RECE staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date their enrolment in the CWELCC System was confirmed by the CMSM/DSSAB.
- □ Licensees are not permitted to use workforce compensation funding to provide compensation to eligible RECE staff over and above what is mandated based on the requirements set out in the Guideline Addendum without approval from the ministry.
- □ Workforce compensation funding must be considered in addition to and not reduce other planned compensation increases for eligible staff. For example, the wage floor and annual wage increase cannot be used to reduce planned merit increases for eligible staff.
- □ Licensees must include workforce compensation payments in each pay cheque or payment made to eligible RECE staff.
- □ Upon receiving confirmation of enrolment in the CWELCC System from their CMSM/DSSAB, and as new eligible RECE staff are hired, Licensees are required to share in in writing, information about the wage floor and annual wage increase with eligible RECE staff.
- □ Licensees must report on data for meeting wage floor and annual wage increase requirements as determined by the CMSM/DSSAB and the reporting parameters set out in the ministry's Addendum to the Funding Guideline.

### Minimum Wage Offset

- □ Licensees must provide eligible non-RECE staff that were earning less than \$15 per hour (not including wage enhancement) on March 31, 2021, or were hired after March 31, 2021 and before January 1, 2022 and had wages below \$15 per hour (not including wage enhancement), minimum wage offset funding.
- Licensees must report on data for meeting minimum wage offset requirements as determined by the CMSM/DSSAB and the reporting parameters set out in the ministry's Addendum to the Funding Guideline.

### Part 5: Financial Reporting

As part of the CMSM/DSSAB's financial review process with Licensees at year end, the Licensee will be required to submit financial information to the CMSMs/DSSABs to verify that the funding provided was used for the purpose(s) intended.

Below are examples of requirements for CMSMs/DSSABs to consider related to the financial reporting process when developing terms and conditions to include in their CWLECC System service agreements with Licensees. CMSMs/DSSABs may wish to refer to the CWELCC System Guideline Addendum for additional information:

- □ Financial reports are prepared and submitted by the Licensee in accordance with the CMSM/DSSAB's reporting requirements and timelines.
- □ Licensees are required to provide all financial and other information based on CMSM/DSSAB requirements.
- □ Licensee will work with CMSM/DSSAB to reconcile all CWELCC System funding annually according to the reporting and reconciliation documentation provided by the Ministry.
- □ CMSM/DSSAB have the right to follow up with Licensee on any CWELCC System expenditures reported to determine reasonability of variances.
- □ The CMSM/DSSAB will take reasonable and progressive corrective actions on the Licensee who does not comply with reporting requirements.
- □ Adjustments and recoveries of funding provided will be determined at the discretion of the CMSM/DSSAB based on the CMSM/DSSAB's reconciliation process.

### Part 6: Records and Audit

CMSMs/DSSABs will be required to undertake audits on a random sample of Licensees in receipt of CWELCC System funding on an annual basis to confirm that CWELCC System funding has been used for its intended purpose.
See below for examples of requirements for CMSMs/DSSABs to consider in developing terms and conditions to include in their CWELCC System service agreements with Licensees related to the maintenance of proper financial and service records. CMSMs/DSSABs may wish to also refer to the CWELCC System Guideline Addendum for additional information:

The Licensee:

- Must maintain complete financial and service records of accounts of expenditures related to the CWELCC System, for each site where CWELCC System funding is being provided, for at least 7 years.
- □ Cannot dispose of any records related to the services provided under the CWELCC System without prior consent from the CMSM/DSSAB, even when the Licensee is no longer operating.
- □ Must permit the CMSM/DSSAB to audit financial and service records related to the CWELCC System at any reasonable time.
- □ Must ensure its staff are available for consultation by the CMSM/DSSAB as required.

#### Part 7: Withholding and Recovery of Payments and Right to Set Off

CMSMs/DSSABs should consider including terms and conditions in their CWELCC System service agreements with licensee that provide them with the right to withhold payment or to reduce funding provided to a Licensee when the Licensee does not meet the obligations relating to the use of CWELCC System funds or other related CMSM/DSSAB funding requirements. See below for examples of requirements for CMSMs/DSSABs to consider in developing terms and conditions for their CWELCC System service agreements.

The CMSM/DSSAB will reserve the right to withhold or recover funding based on the following:

- □ Funding spent on expenditures unrelated to the objectives of CWELCC.
- □ Licensee not meeting deadlines relating to request for information, documentation and reporting.
- □ Licensee not meeting the requirements under the CWELCC System, applicable guidelines or any other specific deadlines noted by the CMSM/DSSAB.
- □ CWELCC System funds not in used in accordance with the requirements and any applicable guidelines provided by CMSMs/DSSABs to Licensees.
- □ Licensee did not complete their annual *Licensed Child Care Operations Survey*, as per O.Reg.137/15 (77).

# **Appendix D: Application Form: CWELCC Enrolment**

CMSMs/DSSABs may provide this sample application form to Licensees in their region who wish to enrol in the Canada-wide Early Learning and Child Care (CWELCC) System. Service system managers may modify the form as they see fit, with the assistance of their legal counsel, for their purposes.

# Canada-Wide Early Learning and Child Care (CWELCC) System

Funding under the Canada-Wide Early Learning and Child Care (CWELCC) System will be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, access, affordability, flexibility and inclusivity in early learning and child care. This will be accomplished by:

- Reducing base fees for eligible children by 25% (to a minimum of \$12 per day), retroactive to April 1, 2022, providing a 50% reduction in average base fees for eligible children by the end of December 2022, and reaching an average of \$10 a day child care fees for eligible children by September 2025 for licensees enrolled in the CWELCC System (Note: The average of \$10 a day is calculated including fee subsidies paid to families. As a result, the rates charged by operators to families will be approximately \$12 a day by September 2025 to achieve a \$10 a day average);
- Creating 86,000 new licensed child care spaces, including more than 15,000 licensed child care spaces created since 2019, with capital start-up grants targeting growth in communities with populations who need them most;
- Ensuring space expansion plans and programming are informed by, and support the needs of, vulnerable and diverse populations in communities; and
- Strengthening the early childhood workforce through enhanced compensation, training and professional learning opportunities.

To be eligible for CWELCC funding, child care operators must apply to their local CMSM/DSSAB to enrol and have or enter into a CWELCC System service agreement with [insert name of the CMSM/DSSAB] and agree to operate under the criteria outlined in the [insert CMSM/DSSAB] Guideline] in order to receive this funding to reduce base fees for eligible children.

Licensees that wish to enrol in the CWELCC System must confirm their intent to participate and agree to the conditions outlined in the "Terms of Application" section to the [insert name of the CMSM/DSSAB] by November 1, 2022.

#### Definitions

In this form, the following terms will have the following meanings:

"CMSM/DSSAB" means the Service System Manager (SSM) as designated under the *Child Care* and *Early Years Act*, 2014 (CCEYA).

"Licensee" means the licensed home child care agency or child care centre.

"**CWELCC System**" means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in an agreement entered into by the Province of Ontario and the Government of Canada.

**"Eligible child"** means any child under six years old; and up until June 30 in a calendar year, any child who (a) turns six years old between January 1 and June 30 in that calendar year, and (b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care.

**"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 CCEYA, or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.

# Section 1: Child Care Licensee Basic Information

Licensee Name:	Application Date: yyyy-mm-dd
Licence Number:	Agency/Centre Name:
Location Address: Street Number, Street	Location Address: City / Town, Postal
Name, Unit / Suite Number	Code
Type of Licensee: Please check one.	Auspice: Please check one.
□ Corporation	Not-for-profit
□ Individual	□ For-profit
□ First Nation	
Contact Name: First, Last	Position Title:
Business Telephone Number:	Business Email:
Type of Organization:	Type of Program (if applicable): <i>Please</i>
Child Care Centre	check all that apply.
□ Home Child Care Agency	Indigenous (off-reserve)
	□ Francophone
Request Type: Please check one	

Request Type: Please check one.

New Service Agreement (for those who do not currently have a purchase of service agreement with the service system manager and who want to participate in CWELCC).

□ Change to Existing Service Agreement (for those with an existing purchase of service agreements and who want to participate in CWELCC).

# Section 2: Child Care Licensee Site Information

Hours of Operation:										
Types of Service Provided and hours of	operation per service: Check all that apply.									
□ Full-day child care	hours									
□ Part-time child care	child care hours									
□ Before and/or after school programs (6-12 yrs)										
$\square$ Before and/or after school programs (	(4-5 yrs) hours									
□ Licensed home child care	hours									
Licensed Capacity: As indicated on your S	Schedule 1 Ministry of Education licence.									
Number of Home Child Care Sites:										
Number of Rooms:										
Room # 1: Copy and paste the table above to provide	Licensed (L) & Operating Capacity (O)   Space:   Infant: L:   O:   Toddler: L:   D:   Pre-school: L:   Vindergarten: D:   School-age: L:   Total: D:   e the information for each room in your site.									
Total Licensed Capacity:										
Total Operating Capacity:										

# Section 3: Base Fees

Base fees are any fee or part of a fee that is charged in respect of a child for child care (i.e., if the Licensee requires parents to pay for something and it is not optional, then it has to be included in base fee). This includes anything the Licensee is required to provide under O. Reg. 137/15, or anything the Licensee requires the parent to purchase from the Licensee, but does not include a non-base fee.

Base fee information should be the fees as of March 27, 2022. All base fee information should be calculated on a daily basis even if your fees are typically calculated on an hourly, weekly, bi-weekly, monthly, or annual basis. Include your standard fees for children in each age group who are not receiving a fee subsidy.

Licensed Age Group	Base Fee (\$)	Not Applicable
Full Day (6 hours or mo	ore)	
Infant (Younger than 18 months)		
Toddler (18 months to 29 months)		
Preschool (30 months to 6 years)		
Kindergarten (44 months to 7 years)		
Family Age Grouping (Schedule 4)		
Half Day (fewer than 6 ho	ours)	
Infant (Younger than 18 months)		
Toddler (18 months to 29 months)		
Preschool (30 months to 6 years)		
Kindergarten (44 months to 7 years)		
Family Age Grouping (Schedule 4)		
Before School Only (Kindergarten	& School Age)	
Kindergarten (44 months to 7 years)		
Family Age Grouping (Schedule 4)		
After School Only (Kindergarten &	& School Age)	
Kindergarten (44 months to 7 years)		
Family Age Grouping (Schedule 4)		
Before and After School (Kindergarte	en & School Ag	e)
Kindergarten (44 months to 7 years)		
Family Age Grouping (Schedule 4)		

# Section 4: Staffing Information

Please indicate the number of staff in each designation.

Do not include staff such as:

- Cook, custodial and other non-program staff positions.
- Special Needs Resource-funded resource teachers/consultants and supplemental staff.
- Staff hired through a third party (i.e., temp agency).

Note that qualified employees, supervisors, or home child care visitors that are not Registered Early Childhood Educators (RECEs) but are otherwise approved by a director under the Child Care and Early Year Act, 2014 (CCEYA) are not eligible for the wage floor or annual wage increase.

Staff Type	Wage (/Hr) & Benefits	Full-time	Part-time	Total
Non-RECE Program				
Staff (Non-RECE)				
Non-RECE Child Care				
Supervisor				
Non-RECE Home				
Child Care Visitor				
RECE Program Staff				
RECE Child Care				
Supervisor				
RECE Home Child				
Care Visitor				
Total				

# **Section 5: Attached Documents**

In addition to submitting an application form and signing a CWELCC System Service Agreement, the following documentation must be provided by the Licensed Child Care Service Provider, as applicable:

- Letters patent / articles of incorporation
- Licence issued by the director under the CCEYA (Ministry of Education)
- Certificate of Insurance (confirms a minimum \$2,000,000 liability insurance)
- [Insert any other documents required by the CMSM/DSSAB] to verify applicant eligibility

# **Section 6: Terms of Application**

Please check if you agree and understand that:

- □ I understand this is an application to determine eligibility to enrol in CWELCC System funding and to enter a CWELCC System Service Agreement with [Name of CMSM/DSSAB].
- □ Reg 137/15. I understand that, as the licensee, upon approval of my application for enrolment in the CWELCC System, the following terms and conditions apply to my enrolment:
  - Licensees must ensure that, after March 27, 2022, it does not charge a fee higher than its capped fee for any eligible children enrolled at the child care centre it operates or at a home child care premises it oversees unless the fee had already been communicated to parents. See O. Reg 137/15 for additional information about the cap on fees. Licensees are subject to the cap on fees until either the Licensee notifies the CMSM/DSSAB, staff and parents of eligible children in writing they are not applying to enrol in CWELCC in 2022, or the until the Licensee is notified by the CMSM/DSSAB of the decision about enrolment in CWELCC System.

- Licensees are required to reduce their base fee, provide refunds to parents where applicable, in accordance with O. Reg. 137/15, and to increase the wages of Registered Early Childhood Educators to support a mandated wage floor and an annual wage increase as well as any other requirements set by the CMSM/DSSAB.
- Licensees must maintain the age 0-5 spaces for which they are receiving funding to reduce base fees for eligible children. (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the [insert name of the CMSM/DSSAB] and CMSMs/DSSABs may determine whether this may require recovering funding from the Licensee.
- As part of the initial roll out of the CWELCC System, Licensees are encouraged to work with their CMSM/DSSAB to develop a plan to ensure eligible children who receive fee subsidy and children with special needs have access to the Licensee's child care programs by January 1, 2025.
- CWELCC funding amounts to Licensees will be determined at the discretion of [insert name of the CMSM/DSSAB].
- Licensees may need to demonstrate financial viability (For example, CMSMs/DSSABs may look for where a licensee has accumulated arrears, have not serviced their debt, or are approaching bankruptcy) to [insert name of the CMSM/DSSAB]. In exceptional cases where the Licensee is not able to demonstrate financial viability, or if the CMSM/DSSAB has strong concerns that the funding will be used for improper purposes, the CMSM/DSSAB may deny a licensee's enrolment in the CWELCC.
- Licensees must maintain existing cost structures in child care for eligible children, subsequent to March 27, 2022.
- Licensees acknowledge that [insert name of the CMSM/DSSAB] has the right to review a Licensee's base fee and may require Licensees to make adjustments to the base fee as determined by [insert name of the CMSM/DSSAB].
- Licensees must provide sufficient financial information for review in accordance with the funding, accountability and reconciliation process as determined by [insert name of the CMSM/DSSAB].
- For 2022, licensees opting into the CWELCC agreement who don't already have an existing service agreement with their municipalities are not required to submit audited financial statements as part of the year end reconciliation process with [insert name of the CMSM/DSSAB]. Other Licensees must submit audited financial statements and other financial information as determined by the CMSM/DSSAB to verify that the funding provided was used for the purpose(s) intended. Where a Licensee fails to meet this requirement, funds may be recovered, or the Licensee may be ineligible to receive future funding.
- Any adjustments and recoveries of funding will be determined at the discretion of [insert name of the CMSM/DSSAB] based on the CMSM's/DSSAB's reconciliation process.
- Licensees will be required to apply for the Wage Enhancement Grant to be eligible to receive funding to implement the wage floor and wage increase for Registered Early Childhood Educators employed by the Licensee. See the [insert name of the CMSM/DSSAB] Funding Guidelines for further details.
- During the term of the CWELCC funding agreement, the licensed child care program may not exceed [insert minimum duration] of closure, and not more than [insert maximum duration] weeks of closure in a calendar year while still receiving full funding from the CWELCC System. Base fees cannot be charged for any closure above and beyond these timelines.

- Licensees must permit the CMSM/DSSAB to audit financial and service records related to the CWELCC System at any time.
- Licensees must adhere to all requirements as set out in applicable legislation, regulation and local requirements as provided in the [insert name of CMSM/DSSAB] Guidelines.
- □ I hereby attest that the information included in the application form is accurate at the time of submission.

# Notice of Collection of Personal Information

[CMSM/DSSAB may populate this section with language about the rules regarding collection of personal information.]

If you have any questions about the collection or use of the personal information as collected on this form, you may contact: [Insert CMSM/DSSAB contact name, position, and email address].

Authorized Signing Officer Name: First, Last	Signature:	Date: yyyy-mm-dd

# Appendix E: Template Letter from Licensees for parents

Date:	
То:	Enrolled Families
From:	[Name of Licensee Point of Contact]
	[Position of Licensee Point of Contact]
	[Name of Licensee]
Subject:	Canada-Wide Early Learning and Child Care Agreement between the Province of Ontario and the Government of Canada

I am pleased to share that [Insert Name of Licensee] has enrolled in the Canada-wide Early Learning and Child Care (CWELCC) System between the Province of Ontario and the Government of Canada.

We believe that child care provides a strong foundation for early childhood development and well-being of children while parents work and we are committed to providing child care services that meet the needs of your children and families. Participating in the CWELCC System will help us continue to provide high quality child care that is accessible, affordable, inclusive, and sustainable.

As a first step, we will be reducing child care base fees<sup>1</sup> to <mark>\$XX a [day/month (insert applicable base fee per</mark> <mark>age group)</mark>.

Fee reduction through the CWELCC is for children under six years old (and any child who turns six years old between January 1 and June 30 in that calendar year), retroactive to April 1, 2022. This means that we will be providing you with a rebate on your fees equal to the amount of the decrease to which you are entitled between April 1 and [Insert today's date].

The Ontario child care fee subsidy program will also continue to be available for eligible families. As we move forward, we will continue to communicate more details to you. If you would like more information about the CWELCC System, please visit the <u>The Canada-wide Early Learning and Child Care (CWELCC) system</u>.

I want to personally thank all of you for your patience as we have worked through the process required for reducing child care fees. If you have any questions, please contact us at [Insert email address and phone number]

Sincerely,

[Name of Licensee Point of Contact] [Position of Licensee Point of Contact] [Name of Licensee]

<sup>&</sup>lt;sup>1</sup> "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* (CCEYA), or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.



# **Information Memo**

## Advisory Committee Meeting – June 26, 2023 Select Meeting Type – July 11, 2023

Division:	Health and Social Services
Department:	Social Services & Housing
Subject:	Community Paramedic and Social Services and Housing
	Outreach Pilot
Report Number	HSS-23-033

#### Recommendation(s):

THAT Council accept the information report HSS-23-033 regarding the Community Paramedic and Social Services and Housing Outreach Pilot as information.

#### Background

In 2021, as the COVID-19 pandemic continued to challenge service delivery to vulnerable populations, the Community Paramedic Programs from both Haldimand and Norfolk came together with the Social Services and Housing Department to discuss ways to assist with health and homelessness outreach in the community.

One-time funding initiatives were available, and all parties wished to maximize and harness existing human resources with short term funding for positive outcomes in the community. A report was brought to Council in May 2021 approving the project for one year.

#### **Discussion:**

Homeless Prevention Services (HPS) is a small staff team of three Housing Support Workers and one Intake Diversion Worker delivering three homelessness prevention programs daily, including the Emergency Housing Program, Intake Diversion Program, and the Housing Support Program. The Ontario Works program has three staff who assist clients in receipt of Social Assistance with life stabilization and housing stability in the community day-to-day. This role falls within the Intake and Community Support worker position. These are the positions, including 7 staff, within the Social Services & Housing department that participated in this pilot program.

On a day-to-day basis, the HPS team receives calls to attend various encampments throughout both counties to assist individuals living unsheltered in addition to their regular program delivery. The Community Paramedic Programs in both Haldimand and

Norfolk in 2021 were awarded funding to expand existing services for a 3-year duration and the Homeless Prevention Program had one-time funding to utilize for service enhancements during COVID-19.

Initial discussions acknowledged that all four staff teams had sector specific subject matter expertise, service mandates, and resources to service their respective area of services. It was also recognized that each staff team on their own, could not provide all assessments or services and that a collaborative approach was required. For example, Community Paramedics could identify many patients with at risk housing in the community; however, they did not have the resources to assist with these barriers which subsequently impact their patients physical and mental health. Conversely, the Ontario Works and Homeless Prevention staff could identify housed and unsheltered clients with many health barriers impacting their ability to remain stably housed, however lacked access to health supports. Through discussion, it was identified that several service access barriers might be addressed with a collaboration across the four teams.

An Outreach Program was proposed for the collaboration, for one year in both Haldimand and Norfolk Counties. The pilot was based on the premise that health, homelessness, and housing stability are intertwined and the ability to address all in an integrated approach was a better service delivery model than siloed services. Many logistics were considered and accounted for across four different staff groups with varying policies, procedures, service mandates, and capacities. For instance, in Haldimand, part-time paramedic staff were assigned to this outreach program to ensure that 911 service remained the priority.

The deliverables identified for the project were:

- a) Increased connection between the 4-partner programs. Knowledge and relationships gained by cross-sector teams delivering the service weekly would be invaluable for future referrals and basic understanding of services available in the community.
- b) Increased ability to connect individuals experiencing homelessness with the programs and services they most need. Encounters with the community would be more fulsome, allowing for extended service availability.
- c) Develop external relationships between the four partner programs with community agencies involved in supporting individuals who are experiencing homelessness.
- d) Data obtained from the project would help inform the demand for outreach services and evaluate future need or identify gaps in current outreach services available.

Norfolk's Pilot Program included a repurposed ambulance that had exceeded its life span as a functional ambulance in the fleet. The vehicle was re-wrapped with signage and images for the purpose of community outreach and was supplied with a stretcher and homelessness resources for community members in need of paramedic and/or homelessness services. Haldimand's Program utilized a regular street vehicle for the same purpose, except for the stretcher. Each vehicle had homelessness supplies that included brochures for community services, backpacks with supplies including socks, phone chargers, snack bags with non-perishable food, water, hygiene supplies, etc. Vehicles were outfitted with regular community paramedic supplies to treat basic and common health issues including diabetes, wound care, COVID-19 vaccines, and to take vitals. A logbook was created to record community interactions specific to the pilot project and the health unit Epidemiologist was enlisted to help with a data collection and analysis strategy.

Each week in both counties, on a designated day, one each of a Community Paramedic and Social Services & Housing staff would go out together in the community from 9:30 a.m. to 3:30 p.m. Tuesdays were Haldimand's designated day and Wednesday was Norfolk's.

The team of two would go out to various locations either known to have encampments or people congregating and/or locations reported by the public or other County departments with sightings of suspected homelessness. When no encampments were present and/or no locations reported for visits each week, teams visited other social services and health community partners to engage and familiarize them with the pilot program and educate them on how they could assist as partners in the day-to-day struggle for those experiencing homelessness.

In addition, Haldimand visits included local businesses within the downtown core where individuals frequent at night. For example, banks with vestibules open 24 hours were provided resources to leave out and information on the program and local homelessness resources was provided.

The Haldimand project launched in February 2022. Norfolk launched in April 2022. A community media announcement was released June 1, 2022. Teams were out weekly through December 2022. See Attachment A.

The evaluation plan had two components for gathering of both quantitative and qualitative data. The Health Unit epidemiologist conducted three staff surveys. The first was completed in July 2022 evaluating recall knowledge and beliefs prior to the launch of the pilot.

The second survey also in July 2022 evaluated knowledge and beliefs after 4-6 months of implementation, and the last survey was completed in late September 2022 after 6+ months of participation in the pilot. A client survey of four questions was conducted through September 2022 for all individuals assisted by the pilot who consented.

Unfortunately, there were zero client surveys completed. In the month data collection of client surveys was completed, there were no interactions with clients. GIS maps were constructed to analyze the locations of encounters and frequency, see Attachment B. Lastly, 152 client interaction session notes were reviewed and debrief sessions were conducted with the teams individually in November 2022 and feedback provided to the

epidemiologist for inclusion in data analysis and potential recommendations going forward for outreach services. The Epidemiologist presented the evaluation findings of the pilot to the pilot project leads November 30, 2022

#### Attachment(s):

- Attachment A: Media Release
- Attachment B: GIS map

#### **Conclusion:**

As a result of data analysis including staff surveys, and logbook/key indicator review, several themes emerged and were summarized.

- 1. Consistent staffing across the teams was important for engagement and quality service delivery.
- 2. Job satisfaction would increase if staff participation was voluntary versus mandated.
- 3. Workload was noted as an issue as this pilot was additional to regular duties for all involved.
- 4. Safety for staff meeting with individuals in remote areas was noted as a concern.
- 5. More housing was needed for deep core financial and supportive housing needs and/or temporary options for those unable or unwilling to use existing emergency housing services, which included only one singular program for both counties at the time of the pilot.
- 6. Frequency of weekly outreach could be decreased to monthly or on demand, based on the number of interactions.
- 7. Improved communication amongst Haldimand and Norfolk staff and community support groups / resources to share information to maximize approach in finding and assisting those experiencing homelessness.

Based on the data collected the evaluation found that:

- There was high engagement across the 4 participating programs in the project throughout the duration and there was high confidence throughout that the service brought value to those experiencing homelessness.
- Respondents answered it was likely or highly likely the pilot would achieve the intended goals when surveyed at the three junctions.
- The highest single day interaction was 6 for Haldimand and 8 for Norfolk.
- Haldimand had 5 dates with no client interactions and Norfolk had zero.
- Haldimand County had a total of 49 client interactions and Norfolk had 103.
- Key themes that emerged from the client interaction analysis included regular concern for mental health and referrals to other resources, and provision of items for basic needs including gift cards for food, water, etc., were almost always needed.

The last part of the analysis was a simple vote amongst staff participating for consideration of continuation of the program, based on the pilot experience. The majority of staff voted to continue an outreach program of some type, with changes and improvements based on data collected and analyzed.

At this time the program has ended, as funding to support the program was fully utilized. Staff are working on deeper analysis of the data received and considering options for changes to any future program implementation should funding be available to support an ongoing version of the program.

With respect to the goals of the pilot, based on the data analysis it can be concluded that:

- 1. The goal of increasing staff awareness of each other's programs and services for future client support was achieved, based on the qualitative data collected and response to the question "how familiar are you with the programs offered by the other partner programs?"
- 2. The goal of being able to provide a more fulsome service at the first point of contact was achieved. In the 152 total interactions across the two counties, all were helped, where needed in the individual interaction, with housing and homelessness supports, health supports, and financial supports, as well as a breadth of referrals to other services if needed, in a single interaction.
- 3. There was no qualitative measure to assess any increase or decrease in the community partners awareness of services based on the pilot as time did not permit, however, as can be seen on the mapping of interaction, there was significant partner engagement.
- 4. Data analysis is not complete; however, the pilot achieved the goal of providing evidence to understand and inform the need and frequency required for outreach services in each municipality, and future planning will rely on this data to ensure there is an efficient use of any available resources for any outreach programming.

The pilot team was thankful for the opportunity to explore service delivery in a way that was collaborative and integrated and maximized both financial and human resources in a meaningful way for the two-county service manager area. In a geographical area as large as Haldimand and Norfolk it will always be challenging to meet people where they are in a safe, efficient, and timely way where there isn't critical mass. There were many lessons learned and knowledge gained for all involved in the project. At this time, we offer this report as information and follow up to an approved initiative that was highly successful. With the recently announced increase of Homelessness Prevention Program funding the project team leads will continue to dialogue and brainstorm opportunities to provide integrated outreach services for those experiencing homelessness in Haldimand and Norfolk.

### Approval:

Approved By: Stephanie Rice Director Social Services and Housing

Reviewed By: Stephanie Rice Director Social Services and Housing

Prepared By: Louise Lovell Program Manager, Homeless Prevention Services



# Collaboration Between Social Services and Community Paramedics Serves to provide Street Outreach to Vulnerable Residents

June 1, 2022 — Haldimand-Norfolk Housing and Homelessness Prevention services has teamed up with the community paramedic programs in both Haldimand and Norfolk to provide street outreach and housing-related follow-up support to assist people who are experiencing homelessness. A new collaboration between community paramedics in both counties and specialized outreach workers reduces barriers to care faced by vulnerable, underserved, and hard-to-reach residents. The goal is to connect people to services they may require, including housing and health care. "We recognized this as an opportunity to be proactive and meet people where they are, making the services more accessible and responsive," said Louise Lovell, program manager for Haldimand-Norfolk Homeless Prevention Services. "Combining a social services staff member and a community paramedic offers a wider range of services to more people."

Sarah Page, chief of Norfolk Paramedic Services, and Jason Gallagher, fire chief and manager of Haldimand Paramedic Services, both expressed praise for this partnership. "Expanding our community paramedicine programs to provide access across our counties to those in need of care outside our normal health care system is what we are striving to accomplish," said Sarah Page. "Both Chief Gallagher and I recognize that this partnership with Haldimand-Norfolk Social Services highlights our regions' ability to collaborate and find innovative solutions in rural areas for health care delivery and access to support."

The pilot began early in 2022 and is expected to continue through the end of the year. The teams are deployed in Haldimand on Tuesdays and Norfolk on Wednesdays. Members of the general public or agencies that have clientele that might be served by a visit can call the following numbers: in Norfolk: 519-426-6170 or 519-582-3579 or in Haldimand: 905-318-6623 at Ext. 3134 and a team can be deployed. Callers are asked to provide a specific location or a description of where they have seen people.

-30-

Joanna Cornish Communications Officer Corporate Communications and Customer Service 185 Robinson Street, (Simcoe) Norfolk, Ontario, Canada, N3Y 5L6 519-426-5870 x. 3803 Mobile: <u>226-931-6712</u> Community Paramedic & Social Services & Housing Outeach Pilot Mapping - 2022





## Board of Health Meeting – July 04, 2023

## Advisory Committee Meeting – June 26, 2023

Subject:	Association of Local Public Health Agencies 2023 Annual
General Meeting Reso	olutions
Report Number:	HSS-23-043
Division:	Health and Social Services
Department:	Public Health
Purpose:	For Information

#### **Discussion:**

The Association of Local Public Health Agencies (alPHa) is a not-for-profit organization that provides leadership to Ontario's Boards of Health. The Board of Directors consists of representatives of its two sections (Board of Health and Council of Medical Officers of Health) and a representative for the seven Affiliate sections<sup>1</sup>. The Association collaborates with governments and other health organizations, advocating for strong, effective, and efficient public health systems in the province. Through policy analysis, discussion, collaboration, and advocacy, alPHa acts to promote public health policies.

One method to shape healthy public policy is the use of resolutions. Yearly, at alPHa's annual general meeting (AGM), members submit resolutions for endorsement. Resolutions are submitted to Boards of Health (BsOH) well in advance of the AGM, permitting members to review and provide input into the resolution. BsOH vote on the resolutions with the number of votes per BOH determined by health unit size and population. At the June AGM, the following resolutions, with some edits, were passed:

Title: Toward a Renewed Smoking and Nicotine Strategy in Ontario. Sponsor: Simcoe Muskoka District Health Unit. The resolution encourages Ontario to renew its smoking and nicotine strategy, to target less than 5% commercial tobacco use by 2035; and that the pursuit of health equity be the foundation of the strategy.

Title: Improving Indoor Air Quality to Prevent Infections and Promote Respiratory Health. Sponsors: Niagara Region and Peterborough Public Health. The resolution calls on Federal and Provincial governments to update building codes by incorporating higher standards of air quality such that respiratory infections can be sustainably prevented in new buildings; for Municipal and First Nation governments to improve indoor air quality in their regions, particularly in their own public facilities; for Federal and Provincial governments to create funds and incentives for small business and other organizations to upgrade their HVAC systems and/or otherwise to improve indoor air quality; and that alPHa members liaise with other sectors to understand how changes could be implemented and to explore opportunities for improvement.

Title: Ending Underhousing and Homelessness in Ontario. Sponsor: alPHa Boards of Health Section. The resolution called on alPHa to support the Association of Municipalities of Ontario (AMO) to support their <u>Call to Action on Housing and</u> <u>Homelessness</u> and that alPHa call on the Provincial Government to acknowledge that housing is a health issue and a human right; acknowledge that homelessness in Ontario is a social, economic, and health crisis; commit to the goal of ending underhousing and homelessness in Ontario; work with alPHa, AMO and a broad range of community, health, Indigenous and economic partners to develop, resource; and implement an action plan to achieve this goal

Title: Monitoring Food Affordability in Ontario and Inadequacy of Social Assistance Rates. Sponsor: Ontario Dieticians in Public Health. The resolution directed alPHa to call on the Province of Ontario to utilize food affordability monitoring results from Public Health Units (PHUs) in determining the adequacy of social assistance rates to reflect the current costs of living and to index Ontario Works rates to inflation going forward; and that alPHa call on the Province of Ontario to acknowledge the impact of rising food costs, particularly for individuals living on social assistance incomes, and legislate targets for reduction of food insecurity as part of Ontario's plan for poverty reduction

Title: Advocating for a National School Food Program in Canada. Sponsor: Kingston, Frontenac, Lennox & Addington Board of Health. The resolution directs alPHa to call on the Federal Government to

Follow through on its commitment from 2021 and allocate \$1 billion over five years in Budget 2024 to establish a National School Nutritious Meal Program as a key element of the evolving Food Policy for Canada; enter discussions with Indigenous leaders to negotiate agreements for the creation and/or enhancement of permanent independent distinctions based First Nation, Métis and Inuit school meal programs; create a dedicated school food infrastructure so they can reliably and efficiently serve healthy food in adequate volumes; and that alPHa endorse the work of the <u>Coalition for Healthy</u> <u>School Food</u>.

#### Notes

- 1. Affiliates:
  - OPHNL Ontario Association of Public Health Nursing Leaders
  - Association of Ontario Public Health Business Administrators (AOPHBA)
  - Association of Public Health Epidemiologists in Ontario (APHEO)
  - Association of Supervisors of Public Health Inspectors of Ontario (ASPHIO)
  - Health Promotion Ontario (HPO)
  - Ontario Association of Public Health Dentistry (OAPHD)
  - Ontario Dietitians in Public Health (ODPH)

# Approval:

Approved By: Syed Shah Director, Public Health

Reviewed By: Syed Shah Director, Public Health

Prepared By: Dr. Joyce Lock Acting Medical Officer of Health



## Board of Health Meeting – July 04, 2023

## Advisory Committee Meeting – June 26, 2023

Subject:	Board of Health Orientation and Education Sessions
Report Number:	HSS-23-044
Division:	Health and Social Services
Department:	Public Health
Purpose:	For Decision

#### Discussion:

The Ontario Public Health Standards requires that, "the board of health shall ensure that members are aware of their roles and responsibilities and emerging issues and trends by ensuring the development and implementation of a comprehensive orientation plan for new Board members and a continuing education program for Board members." To meet this requirement, staff are interested in organizing and developing an orientation and education program for Board members may like to consider the following factors: that educations sessions be spread over several months, that session allow for informal and relaxed discussion between staff and Board members; that, as appropriate, an outside content expert (e.g., legislation) be invited; that staff be engaged to reflect on their areas of responsibility; and that these education sessions be held outside of regular BOH meetings. Since the Health and Social Services Advisory Committee also plays a role in leadership, we recommend including them in the education sessions.

#### Approval:

Approved By: Syed Shah Director, Public Health

Prepared By: Dr. Joyce Lock Acting Medical Officer of Health



## Board of Health Meeting – July 04, 2023

# Advisory Committee Meeting – June 26, 2023

Subject:	Haldimand-Norfolk Health Unit Risk Management Registry Update
Report Number:	HSS-23-042
Division:	Health and Social Services
Department:	Public Health
Purpose:	For Information

#### Recommendation(s):

THAT the Information Memo regarding the Haldimand Norfolk Health Unit (HNHU) Risk Management Registry Update HSS-023-042 be received as information.

#### **Executive Summary:**

The Risk Management strategies presented at the January, 2023 Board of Health meeting were based on the assessment sent to the Ministry of Health in Q3, 2022. This report provides the Board of Health with an update on how the strategies implemented have mitigated the identified risks.

#### **Discussion:**

In order to meet the Ontario Public Health Standards (OPHS) requirement on risk management, the HNHU launched the Risk Management program in 2019. As part of this program, a risk management framework was designed and integrated into the strategic and operational planning processes of the Health Unit. All staff, employed at the health unit at that time, were trained on the risk management framework and its implication on the delivery of programs and services by the HNHU. As business shifted back and the health unit moves forward, risk management has been incorporated into the work.

With the integration of risk management into the operational planning process, staff are identifying and assessing risk events that will impact the HNHU's ability to meet its operational objectives. This enables each program team to develop action plans to respond to the identified operational risks. The Health Operational Leadership Team identified and assessed risks associated with moving the health unit forward as strategic planning occurs. In addition, the Health Operational Leadership Team also identified risks associated with the underlining assumptions related to HNHU's overall service delivery. Nine high risk events were identified through this process.

A review of Appendix A shows the updated HNHU Risk Management Registry. HNHU continues to implement strategies to mitigate all the currently identified risks. It is the expectation that the action plans proposed will minimize the impact of the identified high risks on the ability of the HNHU to meet its strategic and operational objectives.

As part of the risk management program, all action plans are monitored throughout the year with progress being recorded and modifications made where necessary. All high risks and the progress in managing them will continue to be communicated to the Board of Health (BOH).

#### **Financial Services Comments:**

#### Norfolk County

While there are no direct financial implications within the report as presented, the risks outlined in Appendix A could lead to substantial impacts if not mitigated. Identifying the risk, impact and mitigation strategy is a sustainable corporate practice where proactive planning reduces the financial requirements of reactive consequences.

#### Haldimand County

N/A

Interdepartmental Implications:

#### Norfolk County

#### Haldimand County

Implementation of a risk management strategy with integration in the day to day work is a positive step to mitigate and address possible areas of risk – in this case, information, resources; and program deliverables.

Sound risk mitigation strategies also aid in mitigating short and long-term negative fiscal impacts. This strategy aligns with Haldimand's Corporate Strategic Pillar – Corporate Image & Efficient Government.

#### Consultation(s):

None

#### Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priority of Serving Norfolk -Ensuring a fiscally responsible organization with engaged employees who value excellent service.

#### Explanation:

#### **Conclusion:**

The continuation of risk identification and mitigation strategies allows the BOH to meet an operational mandate of the OPHS and empowers staff to consider events that could impact their ability to meet their operational objectives. At the strategic level, HNHU continues to identify potential risks, develop and implement plans to mitigate them. At the program team level, further steps are being taken to identify, assess and manage operations risks. HNHU will continue to build its risk management program and thus strengthen organizational resiliency. This will help HNHU ensure effective service delivery as well as the safety of staff and other stakeholders.

#### Attachment(s):

• Attachment: Risk Management Registry

#### Approval:

Approved By: Syed Shah Director, Public Health

Reviewed By: Syed Shah Director, Public Health

Prepared By: Marcia Annamunthodo Program Manager, Professional Practice/Quality Assurance and Chief Nursing Officer

# **Risk Register**

Date of development:

#### January 9, 2023

Date of last review:

Jan 9, 2023; May 22, 2023

Number	Identification	Description of Risk and Resources	Impact	Likelihood	Overall Rating	Impact	Likelihood	Overall Rating	Strategies	Risk Owner	Timeline	and Status	l Status		
											Q1	Q2	Q3	Q4	
1 Handling of personal health information (eg. Receiving, transporting, storing, sharing etc.)	Municipal Freedomof Information and Protection of Privacy Act (MFIPPA) https://www.ontario.ca/laws/statut e/90m56								Program Manager, Professional Practice/Quality Assurance; Privacy Committee	In Progress	In Progress				
	https://www.ontario.ca/document/ freedom-information-and-privacy- manual/introduction-act Personal Health Information							Review relevant policies and processes	Program Manager, Professional Practice/Quality Assurance; Privacy Committee	In Progress	In Progress				
	Protection Act (2004) https://www.ontario.ca/laws/statut e/04p03 https://www.ipc.on.ca/	5	3	High	High 5	2		Develop policies where necessary;	Program Manager, Professional Practice/Quality Assurance; Privacy Committee	Not started	In Progress				
									Implement training and education for staff to attempt to mitigate risk of a privacy breach	Practice/Quality	In Progress	In Progress			
									Recruit Privacy Committee	Program Managers	Not started	Completed			
2														$\square$	
2									procedures being updated;	Program Manager, Professional Practice/Quality Assurance; Nursing Practice Council	In Progress	In Progress			

	Lack of an electronic client Leadership system	5	2	Moderate	5	2	Moderate		Program Manager, Professional Practice/Quality Assurance; Health Promoter; Administrative Assistants; Team Program Assistants	In Progress	Completed	
								for electronic client Leadership system	Program Manager, Professional Practice/Quality Assurance	Not started	In Progress	
3	Retention and recruitment of qualified	4	5	High	4	4	High	Train staff to increase	Human Resources Health Operational	In Progress	In Progress	
	people to fill staffing gaps.							their knowledge, skills, abilities and capacity	Leadership Team	In Progress	In Progress	
4								Provide staff, who	Health Operational			 
	Failure to develop a comprehensive	3	4	Moderate	3	3	Moderate		Leadership Team	Not started	In Progress	
	succession plan	5	-	Moderate	5			Incorporate question regarding leadership in performance appraisals and other meetings	Health Operational Leadership Team	Not started	In Progress	
	Uncertainty regarding public health							available;	Leadership Team	In Progress	In Progress	
5	restructuring affecting funding requests and staff morale.	5	5	High	5	3		Listen to staff concerns and provide support whenever possible	Health Operational Leadership Team	In Progress	In Progress	

6	Lack of comprehensive staff scheduling system to ensure coverage of program needs.		4	5	High	2	3	Moderate	spreadsheets and	Health Operational Leadership Team; Program Assistants; Administration Assistant	In Progress	In Progress	
									Continue to recruit for positions needed;	Health Operational Leadership Team; Human Resources	In Progress	In Progress	
7	Staffing changes due to new staff orientation and staff moving to other programming area			5 5	High	3	3	Moderate	comprehensive orientation plan for new staff;	Administration Assistant; Program Manager, Professional Practice/Quality Assurance	In Progress	In Progress	
		1 5							training and development plan for staff to continue to build their knowledge,	Administration Assistant; Program Manager, Professional Practice/Quality Assurance; Health Operational Leadership Team	Not started	In Progress	
8	Increasing COVID cases and potential for remobilizing staff again		5	3	High	5	3	High	being developed;	Program Manager, COVID Response; Health Operational Leadership Team	In Progress	In Progress	
									Potential impact on "regular" programming being assessed	Program Manager, COVID Response; Health Operational Leadership Team	In Progress	In Progress	

9	Lack of emergency preparedness resources to address local environmental health hazards (e.g. gas well leaks of H2S and Methane)	4	2	Moderate	4	3	Moderate	Health Operational Leadership Team	In Progress	In Progress	



# Board of Health Meeting – July 04, 2023

# Advisory Committee Meeting – June 26, 2023

Subject:	Seasonal Housing Update 2023
Report Number:	HSS-23-035
Division:	Health and Social Services
Department:	Environmental Health
Purpose:	For Information

#### Recommendation(s):

THAT report HSS-23-035, Seasonal Housing Update 2023, be received for information.

#### **Executive Summary:**

The Haldimand Norfolk Health Unit (HNHU) has one of the largest numbers of seasonal housing units in the province to inspect, due to the legislated requirement that housing utilized by seasonal farm workers, must be inspected by Public Health Inspectors; and that Norfolk is known as "Ontario's Garden".

In 2022, 665 compliance inspections and 41 follow-up inspections were completed. The estimated cost for an inspection was \$212.25 and for a re-inspection, \$154.90. The County currently charges \$114.00 per 911 address regardless of the number of housing units to be inspected, which increases the financial burden of conducting these inspections on the tax levy. This fee structure also creates inequities for smaller agrifood operators.

Incorporating a fair Seasonal Housing Inspection Fee per unit instead of per 911 address and a re-inspection fee, would improve the cost recovery for the Seasonal Housing Program and assist to reduce the burden on the municipal tax levy, as well as improve inequities created by solely determining fees based upon 911 address alone, rather than number of housing units.

#### **Discussion:**

Haldimand and Norfolk Counties have a long history in agriculture, with Norfolk County being dubbed as "Ontario's Garden". Being rural communities with over 2800 square kilometers shared between the two counties, farming is a large part of everyday life for many of our residents, including International Agricultural Workers (IAWs). Every year, the communities of Haldimand and Norfolk welcome more IAWs than almost every

other region in the province. For 2022, the Haldimand Norfolk Health Unit approved housing for 5,914 IAWs.

The HNHU has one of the largest numbers of seasonal housing units in the province to inspect. Service Canada requires housing inspections by Public Health Inspectors (PHIs) to be included within the Labour Market Impact Assessment (LMIA). Farmers must submit the assessment to request workers for all agricultural stream programs where the employer is providing housing for these workers.

In 2022 the following were completed: 665 compliance inspections; 41 follow-up inspections; 2 complaint inspections; 1 pre-operational inspection, and 33 isolation unit inspections. Total inspections: 742.

Year	Compliance	Follow-up	Demand/Pre-	Isolation Unit	Total
	Inspections	Inspections	operational	Inspections	
2019	589	37	0	0	626
2020	532	42	20	0	594
2021	737	182	6	273	1,198
2022	665	41	3	33	742

Increases in compliance inspections can be attributed to numerous factors: farm expansion requiring more workers and therefore more housing; different layouts of housing units to reduce the number of workers per bedroom or per unit to give workers more space and protect them against viruses/illness such as COVID-19; and changes in the Service Canada program. Service Canada requires agrifood businesses to submit their LMIA applications, along with housing units being outdated requiring a second inspection for the year.

For 2023-2024 it is anticipated that additional inspections will be required due to pending changes to the Ministry's housing guidelines. These are anticipated to include changes to how many workers may be allowed to live within a housing unit and/or bedroom which could cause renovations and/or new builds to accommodate the changing guidelines.

In 2021, Norfolk Finance staff completed an analysis to investigate the direct and indirect costs of seasonal housing inspections and re-inspections. Per Schedule A calculations, with 3 hours as an average time to complete an inspection, the estimated cost for an inspection was \$210.67 and a re-inspection, \$155.48. The cost analysis included salaries, benefits, mileage and administrative costs. Due to found budget efficiencies, the cost for 2023 has remained close to the 2021 calculations at \$212.25 and \$154.90 respectively.

The current Seasonal Housing Inspection Fee is intended as a partial cost recovery for the Haldimand and Norfolk Counties to recuperate direct and indirect costs associated with the Seasonal Housing Program. The County currently charges \$114 per 911

address regardless of the number of housing units to be inspected, which increases the financial burden of conducting these inspections on the Health Unit and Norfolk County; and also creates inequities for smaller agrifood operators by charging the same fee regardless of number of housing units per 911 address.

Currently there is no fee for re-inspections; however, the indirect and direct cost of these inspections are calculated to be \$155.48 per re-inspection. In 2022, the Haldimand Norfolk Health Unit performed 41 follow up inspections. The most common reasons for follow-up inspections include adverse water sample results and housing units not being in full compliance with the housing guidelines. In consideration of the associated costs, staff are proposing a fee associated with a follow-up inspection that would incentivize operators to ensure they are prepared in advance for housing inspections and that housing units are ready for use by workers at the time of the inspection. This fee would decrease the financial deficit incurred by the HNHU.

Agrifood operators are aware of what is necessary for a seasonal housing inspections and approval from the health unit to prevent unnecessary re-inspections. In a proactive approach to reducing the numbers of re-inspections, the HNHU will communicate with operators the requirements of the annual seasonal housing guidelines.

The Haldimand Norfolk Health Unit is proposing a change to the seasonal housing fee to address the inequities inadvertently created using the current fee schedule and to improve cost neutrality for the Seasonal Housing Program.

The Seasonal Housing Program has a significant impact on the workload of PHIs and the HNHU due to the sheer volume of inspections required. The HNHU for 2022 inspected 742 seasonal housing units, more than most other jurisdictions in the province. Being a rural health unit, this volume of inspections impact the overall workload of PHIs. The HNHU currently has 10 inspectors on staff who are assigned to geographical work areas and are required to address all Environmental Health concerns, inspections, and enforcement related to seasonal housing, food safety, safe water, healthy environments, vector-borne diseases and infection prevention and control of personal service settings, daycares, and congregate living settings such as group homes and long-term care homes.

To be mindful of the hardships imposed by the COVID-19 pandemic on our agricultural food businesses, and to continue to support and improve the HNHUs relationship with agrifood operators, while reducing inequities caused by the current fee on smaller operators and financial burden on Haldimand and Norfolk Counties, staff are proposing a change the Seasonal Housing Inspection fee from \$114 per 911 address to \$95 per unit, and a re-inspection fee of \$45 for the 2024 growing season. While it is recognized this proposal does not reach full cost recovery, it is an enhancement that can be re-evaluated when necessary. Regular evaluations of costs of

enhancement that can be re-evaluated when necessary. Regular evaluations of costs of the Seasonal Housing Program and local socioeconomic factors will assist to improve cost neutrality and reduce negative impact on the levy.

In conclusion, incorporating a fair Seasonal Housing Inspection Fee per unit instead of per 911 address and a re-inspection fee would improve the cost recovery for the Seasonal Housing Program as well as minimize inequities created by solely determining fees based upon 911 address alone, rather than number of housing units.

Smaller agrifood business operators incur a greater charge relative to the services they receive from the health unit, while larger agrifood operators receive these services for less. Both small and large operators currently pay the same \$114 fee per 911 address for seasonal housing inspections, even though some of these inspections take Public Health Inspectors 3 hours to complete, versus 2-3 days for some larger operations.

#### **Financial Services Comments:**

#### Norfolk County

The Approved 2023 Board of Health Operating Budget includes \$1,763,800 for the Environmental Health Team, funded from the Ministry of Health's Mandatory Programs, Norfolk and Haldimand Counties and external recoveries. Of the external recoveries, \$60,600 is budgeted to be collected for seasonal housing inspections. The budget was developed based on the Approved 2023 User Fee By-Law, analysis of historical actuals and current trends. As discussed, the By-Law includes one fee for this program, a per address charge of \$114.

Staff are recommending that the Proposed 2024 User Fees include removal of the \$114 charge for Seasonal Housing (per address) and replacing it with a \$95 charge for Seasonal Housing (per unit) and a \$45 charge for Seasonal Housing Re-Inspection (per unit). The actual recoveries from the current fee structure in 2022 were \$48,709. The expected recoveries from the proposed changes can be found in Table 1, using the number of units inspected in 2022.

Classification	Fee	Occurrences	Total
Initial Inspection	\$95	666	\$63,270
Re-Inspection	\$45	41	\$1,845
Total			\$65,115

#### Table 1 – Seasonal Housing (per unit) Expected Recoveries

The net result would be additional revenue of \$16,406 (65,115 - 48,709).

Table 2 outlines full cost recovery for the two proposed fees, as calculated through a Schedule A.

Table 2 – Seasonal Housing (per unit) Full Cost Recovery									
Classification	Full Cost	Occurrences	Total						
Initial Inspection	\$212.25	666	\$141,359						
Re-Inspection	\$154.90	41	\$6,351						
Total			\$147,710						

#### Table 2 – Seasonal Housing (per unit) Full Cost Recovery

Staff are recommending the \$95 and \$45 price points as a transition from the current per address to a per unit recovery method. These price points, while not close to full cost recovery, are an initial step that changes the recovery method while not being a large financial burden to users of this program. Should Council wish to adapt this change in 2024, an incremental transition towards full cost recovery would be recommended by staff (i.e. increase 20% per year to reach full cost recovery).

These recommendations will be included in the Proposed 2024 User Fees & Service Charges report to Norfolk County Council.

#### Haldimand County

Haldimand Finance staff have reviewed this report and agree with the information provided by Norfolk Financial Services. Potential proposed changes to the User Fees structure in 2024 will impact the levy, and subsequently the costs subject to the cost sharing agreement with Haldimand. Based on the tables above, that impact is expected to be a reduction.

#### Interdepartmental Implications:

#### Norfolk County

#### Haldimand County

User fees are a method of collecting revenue to offset some of the burden of the general taxpayer for services provided by the municipality for a particular purpose; and typically, solely for the benefit of the user receiving the service. Staff support the transition in increasing the user fee for this service as this will aid in off-setting some of the tax burden allocated for this program.

Although inspections of housing utilized by seasonal farm workers is a legislated requirement, it also aligns with Haldimand's Strategic Pillar – in the promotion and contribution of a healthy community.

#### Consultation(s):

None

#### Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priority Serving Norfolk -Ensuring a fiscally responsible organization with engaged employees who value excellent service.

HSS-23-035

Explanation: Changing the Seasonal Inspection Fee structure from \$114 per 911 address to \$95 per bunkhouse is fiscally responsible and would decrease the deficit incurred by the HNHU to address mandatory seasonal housing inspection obligations.

#### **Conclusion:**

In conclusion, adjusting the Seasonal Housing Inspection fee from \$114 per 911 address, to \$95 per unit and implementing a re-inspection fee of \$45 would improve the cost recovery of the Seasonal Housing Program and eliminate inequities in the current fee schedule and improve collaboration and cooperation in the delivery of the Seasonal Housing Program with agrifood operators. Regular evaluations of costs of the Seasonal Housing Program and local socioeconomic factors will assist to improve cost neutrality and reduce negative impact on the levy.

#### Attachment(s):

None

#### Approval:

Reviewed and Approved By: Syed Shah Director, Public Health

Prepared By: Alexis Atkinson Program Manager Environmental Health

Contributions By: Kelsey Lutzi Public Health Inspector

	SCHEDUL FEES AND CHARGES EST			
	2021			
Service/Activity to be calculated	t: Seasonal Agricultural W	orker Housing Inspection	ns	65011-6518-0742
Description of Service/Activity:	ACTIVITY - inspection cost per bunkhouse			
Input required in yellow cells only.				
	se highlighted in yellow. This sheet is a summary tab of all of the i	input completed on the	subsequent tabs and is used to calculate t	he final costs for the fee to be charged.
	elow which will bring you directly to the tab where the input is rea			
	vice/Activity to be calculated and Revenue Account # along with	a description of the fee	under Description of Service/Activity	
Include <u>Supply costs</u> if specific to service being put If the fee is to be offset by a revenue source (i.e.	rovided (Not a part of administration supplies) Subsidized by levy, grant funding, etc), enter the percentage or the	e dollar value of the red	uction under Ancillary Revenues on this	tab
	e will be calculated in cell <u>G59.</u> If you plan on adjusting the fee (i.e.			
	Applicable Taxes. If you are unsure what applies here, please cont		ces Advisor for assistance.	
COSTS:	DESCRIPTION OF COSTS/SERVICES:		HOURS/UNITS:	ESTIMATED COSTS:
DIRECT COSTS: WAGES & BENEFITS:				
Staffing Costs:	Hours x Hourly Rate		3.00	\$120.57
				• • •
Staffing Benefit Costs:	County Average Benefit Percentage		45%	\$54.26
Currentian Casta			0.00	<u>ćo oo</u>
Supervisor Costs:	Hours x Hourly Rate		0.00	\$0.00
Supervisor Benefit Costs:	County Average Benefit Percentage		45%	\$0.00
VEHICLE COSTS:	Vehicles Used:	Vehicle Rate/hr	Operating Hours:	
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1	SELECT	\$0.00 \$0.00	0.00	\$0.00 \$0.00
	SELECT	\$0.00	0.00	\$0.00
	SELECT	\$0.00	0.00	\$0.00
	SELECT	\$0.00	0.00	\$0.00
SUPPLY COSTS:	Supplies Used:	Cost Per Unit:	Unite	1
SUPPLY COSTS:	Mileage	\$5.37	Units:	\$5.37
	Hedgehog Software	\$2.24	1	\$2.24
	PPE	\$5.08	1	\$5.08
	Operating Supplies for bunkhouse inspections	\$4.53	1	\$4.53
				\$0.00 \$0.00
				\$0.00
				\$0.00
				\$0.00
ADMINISTRATIVE COSTS:	Number of Chaffer Haussey Hausle Date		0.00	<u> </u>
Inspection Costs:	Number of Staff x Hours x Hourly Rate		0.00	\$0.00
Benefits:	County Average Benefit Percentage		45%	\$0.00
Photocopying	Cost of Photocopying & Paper			\$0.00
Mailing	Cost for Regular Mail			\$0.00
Mailing				\$0.00
Filing	Copying & Filing Internal Copies			\$0.00
OTHER COSTS:	Description:	Cost Per Unit:	Units:	10.00
		\$0.00 \$0.00	0	\$0.00 \$0.00
		\$0.00	0	\$0.00
TOTAL DIRECT COSTS:				\$192.05
INDIRECT COSTS:				
Department Overhead Allocation	Allocation to Department of Allocation (%)			\$10.21
County General Admin Overhead	Council, CAO, Finance, Clerk's & General Overhead (%)			\$8.35
TOTAL INDIRECT COSTS:				\$18.56
TOTAL COSTS:				\$210.61
BACKUP DOCUMENTATION				
Less: Ancillary Revenues:	Grants & Offsetting Revenues	Percentage:		\$0.00
		\$ Amount:		\$0.00
CALCULATED USER FEE				
Per Unit Breakdown	Volume of Users/Annual Number etc.	1	USER FEE PER UNIT	\$210.61 \$210.61
		-		<i>\$210.01</i>
ADJUSTED USER FEE APPROVED BY COUNCIL				
		Applicable Taxes	3 - Taxes Included (13%)	1
			Final Hear Foo Includie - T	<u> </u>
Comments:	7		Final User Fee Including Taxes	\$0.00
		7 of 400		
	Page 107			

	SCHEDUI FEES AND CHARGES EST			
	2021			
Service/Activity to be calculated	: Seasonal Agricultural Wo	rker Housing Re-Inspecti	ons	65011-6518-0742
				Revenue Account #
Description of Service/Activity:	ACTIVITY: re-inspections per bunkhouse			
Input required in yellow cells only.				
	se highlighted in yellow. This sheet is a summary tab of all of the i		subsequent tabs and is used to calculate	e the final costs for the fee to be charged.
	elow which will bring you directly to the tab where the input is required.		under Description of Service (Activity	
Include Supply costs if specific to service being p	vice/Activity to be calculated and Revenue Account # along with rovided (Not a part of administration supplies)	a description of the ree	under Description of Service/Activity	
	Subsidized by levy, grant funding, etc), enter the percentage or th	e dollar value of the red	uction under <u>Ancillary Revenues</u> on th	.is tab.
	will be calculated in cell G59. If you plan on adjusting the fee (i.e			
	Applicable Taxes. If you are unsure what applies here, please con	tact your Financial Servi		
COSTS: DIRECT COSTS:	DESCRIPTION OF COSTS/SERVICES:		HOURS/UNITS:	ESTIMATED COSTS:
WAGES & BENEFITS:				
Staffing Costs:	Hours x Hourly Rate		2.25	\$85.90
Staffing Benefit Costs:	County Average Benefit Percentage		45%	\$38.66
Supervisor Costs:	Hours x Hourly Rate		0.00	\$0.00
Supervisor costs.	Hours & Hourry Nate		0.00	\$0.00
Supervisor Benefit Costs:	County Average Benefit Percentage		45%	\$0.00
VEHICLE COSTS:	Vehicles Used:	Vehicle Rate/hr	Operating Hours:	<u> </u>
	SELECT SELECT	\$0.00 \$0.00	0.00	\$0.00 \$0.00
1	SELECT	\$0.00	0.00	\$0.00
	SELECT	\$0.00	0.00	\$0.00
	SELECT	\$0.00	0.00	\$0.00
	SELECT	\$0.00	0.00	\$0.00
	Supplies Used:	Cost Dog Units	Linite.	11
SUPPLY COSTS:	Mileage	Cost Per Unit: \$5.37	Units: 1	\$5.37
	Hedgehog Software	\$2.24	1	\$2.24
	PPE	\$5.08	1	\$5.08
	Operating Supplies for bunkhouse inspections	\$4.53	1	\$4.53
				\$0.00
				\$0.00 \$0.00
				\$0.00
				\$0.00
ADMINISTRATIVE COSTS:				
Inspection Costs:	Number of Staff x Hours x Hourly Rate		0.00	\$0.00
Benefits:	County Average Benefit Percentage		45%	\$0.00
benents.	county Average Benefit i electrage		43%	30.00
Photocopying	Cost of Photocopying & Paper			\$0.00
Mailing	Cost for Regular Mail			\$0.00
Filing	Copying & Filing Internal Copies			\$0.00
·g	copying & ning internal copies			\$0.00
OTHER COSTS:	Description:	Cost Per Unit:	Units:	]
		\$0.00	0	\$0.00
		\$0.00	0	\$0.00
		\$0.00	0	\$0.00
TOTAL DIRECT COSTS:				\$141.78
INDIRECT COSTS:				+
Department Overhead Allocation	Allocation to Department of Allocation (%)			\$7.54
County General Admin Overhead	Council, CAO, Finance, Clerk's & General Overhead (%)			\$6.16
TOTAL INDIRECT COSTS:				\$13.70
TOTAL COSTS:				\$15.48
BACKUP DOCUMENTATION				
Less: Ancillary Revenues:	Grants & Offsetting Revenues	Percentage:		\$0.00
		\$ Amount:		\$0.00
1				
CALCULATED USER FEE				\$155.48
Per Unit Breakdown	Volume of Users/Annual Number etc.	1	USER FEE PER UNIT	\$155.48
ADJUSTED USER FEE APPROVED BY COUNCIL				
		Applicable Taxes	3 - Taxes Included (13%)	1
		Oppicable Taxes	- Tures included (13/0)	
			Final User Fee Including Taxes	\$0.00
Comments:	1			
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