

2024 Canada-Wide Early Learning and Child Care (CWELCC) Funding Guideline

Peel Region
Licensed Home Child Care Agencies

Early Years and Child Care Services
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Highlights of Changes

Section 4: 2024 CWELCC Funding Components and Flexibility (Updated)
<ul style="list-style-type: none">Updated with information on Cost Escalation and additional funding flexibility
Section 6: CWELCC Workforce Compensation Funding WCF (Updated)
<ul style="list-style-type: none">Included new information on Minimum Wage Offset (MWO)
Section 7: Cost Escalation (New)
<ul style="list-style-type: none">Included new section on Cost Escalation Funding
Section 9: Reporting, Reconciliation, Audit and Recoveries (Updated)
<ul style="list-style-type: none">Included reporting requirements for Cost Escalation and Minimum Wage Offset
Appendix 2: Key Terms
<ul style="list-style-type: none">Added definition for non-discretionary costs

Refer to **Appendix 1** for the changes that were communicated when the 2024 CWELCC guideline was released in December 2023.

Section 1: Overview

The [Canada-Wide Early Learning and Child Care Agreement \(CWELCC\)](#) aims to reduce child care fees to make child care more affordable and improve workforce compensation so that families have access to high-quality licensed child care.

This guideline contains information for Licensed Home Child Care (LHCC) Agencies who are approved by Peel Region to participate in the CWELCC program.

Please review this guideline, the Early Years and Child Care (EYCC) [Service Provider Handbook](#), and your Early Years and Child Care (EYCC) Funding Agreement to understand the funding requirements and your obligations for 2024. We will post additional resources on our [website](#).

This guideline is subject to provincial updates.

- In September 2023, the Ministry of Education communicated that the existing CWELCC revenue replacement approach will remain in place for at least the first eight months of 2024. To minimize impacts to service providers, Peel will issue funding announcements for the full 2024 calendar year (January to December).
- Once the Ministry confirms the date and details of the new funding formula or any other policy changes, we will make the necessary updates. This may include changes to these guidelines, allocations, and length of time of funding announcements.

Section 2: LHCC Agency Eligibility

To be eligible for the 2024 CWELCC Funding you must:

1. Be licensed home child care agency approved by Peel Region to participate in Peel's CWELCC program.
2. Have a signed 2024 Early Years and Child Care (EYCC) Funding Agreement.
3. Be in good standing in Peel; and comply with all legislative and regulatory and regulatory requirements under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).

To qualify for the Workforce Compensation Funding (WCF) under CWELCC you must also:

1. Have applied and be in receipt of 2024 Wage Enhancement Grant (WEG).
2. Have at least one staff who meets the eligibility criteria for any of the WCF components.

You do not need to apply for the CWELCC program annually. The terms of the Agreement and opting-in will automatically be rolled over into the next year unless you or Peel provides a notice of termination. Annual agreements will be executed in [GovGrants](#).

Check our [website](#) for available CWELCC expansion application opportunities in Peel.

Section 3: Funding Conditions

You must meet the following funding conditions:

1. As of January 1, 2024 (if you were already enrolled in CWELCC in 2023) or beginning the date you enrolled in CWELCC (if you enroll on or after January 1, 2024) you must:
 - a. Reduce your approved base fee by 52.75%:**
 - If you were licensed before March 27, 2022, your market fees for eligible children (base fees and non-base fees) are capped at the amount charged on March 27, 2022 (unless a fee increase was communicated to families on or before March 27, 2022).
 - If you were licensed on or after March 27, 2022, we will work with you to establish your base fees for eligible children within the [regional maximums](#) set in [O. Reg. 137/15](#).

Note: You must inform your home providers of their obligation to cap fees for privately placed children as per the regulations and have collected fee information.
 - b. Reduce your registration fee by 52.75%:** Registration fees are capped at the amount charged on March 27, 2022 (if applicable), for eligible children.
 - c. Meet the CWELCC wage requirements** as per [O. Reg. 137/15](#) to:
 - Increase the wages of eligible RECE home visitors who earn less than \$25/hour by an additional \$1/hour, plus benefits. This increase is added to the 2023 increase and will result in supports of up to \$2/hour.
 - Pay eligible RECE home visitors at least \$22/hour (2024 RECE wage floor).

As required by the province, we will monitor your compliance with the communication and

payments to staff requirements of annual wage increase and the wage floor, and your alignment with the minimum wage compensation requirements.

2. Demonstrate (new agencies) and maintain (all agencies) financial viability to continue to receive CWELCC funding.
3. Use your CWELCC funding to support eligible child care operations licensed under the [Child Care and Early Years Act \(CCEYA\)](#) approved to participate in Peel's CWELCC program. With the exception of Workforce Compensation Funding (WCF), CWELCC can only be used to support costs related to the care of eligible children. Costs related to the care of children who are not eligible, don't qualify.
4. Maintain your approved rates for eligible children until you notify the Peel Region and your families that you are not participating in the CWELCC.
5. Comply with all CWELCC programs/policies, financial, contract, and/or system planning data reporting requirements in the [EYCC Service Provider Handbook](#) and this guideline on or before the assigned timeline. Failure to comply with CWELCC reporting requirements and other service provider requirements including [financial policies and reporting](#), may result in the recovery of CWELCC funding or your agency being ineligible for this funding.
6. Complete the Ministry of Education's *Annual Licensed Child Care Operations Survey*. If you do not complete this survey your CWELCC funding will be put on hold.
7. Report monthly attendance for CWELCC in OCCMS as part of Record of Attendance (ROA).
8. On a monthly basis, report the number of active homes you have (where there is at least one child enrolled) in the comments section of the attendance record in OCCMS.
9. Provide Audited Financial Statements.
 - If you're considering changing your fiscal year-end please email us at EarlyYearsSystemDivision@peelregion.ca before you make this change.
10. Complete or participate in evaluations, surveys and any other information requested by Peel. This may include in-person visits, staff, and voluntary parent surveys, focus group sessions and other opportunities to provide feedback on the CWELCC program.
11. If you choose to end your participation in the CWELCC program, you must:
 - Provide Peel Region and Ministry with notice as per your Early Years and Child Care (EYCC) Funding Agreement (at least 60 business days); and
 - Communicate this decision to your families and staff/home providers at least 30 calendar days before the effective termination date. This requirement also applies if Peel ends your participation.
12. Home child care agencies who are participating in Peel's CWELCC program must:

- Accept and include children in receipt of child care subsidy;
- Accept and include children with special needs by authentically participating in [Peel Inclusion Resources Services](#) (PIRS); and
- Participate in continuous quality enhancement initiatives like Raising the Bar in Peel and professional learning opportunities.

To support these requirements, eligible agencies will receive:

- Child care subsidy funding to cover cost of care for families in receipt of child care subsidy
- Access to Resource Consultant supports
- Access to Early Years Specialist staff supports
- Access to continuous quality enhancement initiatives, like Raising the Bar in Peel, and professional learning through [Child Development Resource Connection Peel](#); and
- Other EYCCS funding supports (subject to funding availability)

13. **Sales and acquisitions of child care businesses:** Agencies are permitted to sell their business. Please refer to the “Change of business operations or documents” section of the [EYCC Service Provider Handbook](#) for specific requirements on changes in ownership and requirements to provide notice to families and Peel.

Note: Refer to **Appendix 2** for definitions of key terms used in this guideline.

Section 4: 2024 CWELCC Funding Components and Flexibility (Updated)

If you qualify for CWELCC funding, the funding components include:

- 1. Fee Reduction Funding:** to reduce your approved base fees and registration fees by 52.75% for families with eligible children in licensed child care.
- 2. Workforce Compensation Funding (WCF):** to provide an increase of up to \$2/hour to eligible RECE staff who earn less than \$25/hour by an additional \$1/hour, plus benefits.
- 3. Cost Escalation Funding:** to offset eligible non-discretionary cost increases due to fees being frozen since 2022 with the introduction of CWELCC and support financial viability.

If you are eligible, you will receive an allocation for each of these CWELCC funding components. They will be noted as separate budget categories in GovGrants. There is flexibility between the GovGrants budget categories.

You must meet the funding requirements of each component. You can use unspent funding from any of these CWELCC funding components to support your needs.

Example: you anticipate having a surplus in your Fee Reduction line of \$200, however you anticipate needing \$150 more in your WCF line. You can use the surplus from your Fee Reduction line to meet your requirements in the WCF line.

Participating in CWELCC should not result in a loss of your agency’s revenue. Refer to

Section 11 to learn how to request funding for these funding components.

If you are newly enrolled in the CWELCC program, your allocation will reflect the portion of the year between your enrollment date and December 31, 2024, if you meet all other eligibility requirements.

Section 5: CWELCC Fee Reduction Funding

LHCC agencies enrolled in Peel's CWELCC program receive Fee Reduction Funding under the "Child Care Fees" GovGrants budget category. Refer to **Appendix 3** to learn how your funding was calculated. This section outlines the requirements of the CWELCC Fee Reduction Funding.

Eligible Children - Agency Placed & Privately Placed

All children under 6 years old and enrolled in a participating licensed child care program (full-day or part-day) are eligible for the CWELCC fee reduction. This includes agency placed and privately placed children.

- If the child turns 6 years old between January 1 and June 30, they are eligible until June 30 of that year. Example: if a child turns 6 on April 15, the child would be eligible for the CWELCC fee reduction until June 30. Starting July 1, the child would not be eligible.
- If the child turns 6 years old between July 1 and December 31, they are eligible until the end of the month they turn 6 years old. Example: if a child turns 6 on October 5, the child would be eligible for the CWELCC fee reduction until October 31. Starting November 1, the child would not be eligible.

Reduce and Maintain your Base Fees - Agency Placed Children

You must use your 2024 CWELCC Fee Reduction Funding to:

- **Reduce your approved base fees by 52.75%** (but not less than a fee of \$12 per day) for eligible agency placed children. Your approved base fee is your market rate, less any non-base items, as indicated in the letter issued to you through the CWELCC application process.
 - You may have a variety of fees to meet the needs of families such as part day, full day, part time, full time, before, after, and before and after*. The fee reduction must be applied to all base fees for eligible children but not be less than fee of \$12/day.
 - See **Appendix 4** for a list of examples of base fees and non-base fees.
- **Reduce your registration fees and fee deposits** collected in 2024 by 52.75%.
- Maintain your reduced base fees until you must reduce it again following provincial direction.

***Before or/and after school programs**

Programs that offer parents multiple options such as before school only, after school only, before and after school, and full day would have different fees to reduce and must apply the rules to each fee.

Example:

Service	Approved Base Fee	Reduced Fee - After Enrolling in CWELCC
Before School Care Only	\$12	\$12 (stays the same)
After School Care Only	\$14	\$12 (as 52.75% is less than \$12)
Before + After School Care	\$24	\$12 (52.75% is less than \$12)
Full Day	\$50	\$23.63 (52.75% reduction applied)

In addition to reducing your fees, you must:

- Revise and post your updated fee schedule for your base fees and non-base fees to inform parents about the reduced rates through your regular communication channels, such as email, letter, etc. Your fee schedule must note what is included in your services and the portion of the fees covered by Peel, as well as the effective date.
- Make your fee schedule publicly available in your Parent Handbook. We recommend you post your fee schedule on your website.

Any home that is contracted with the participating LHCC agency and that is providing care for at least one child (agency placed or privately placed) qualifies to receive the CWELCC funding to reduce fees for eligible children receiving care in the home.

Reduce and Maintain Base Fees - Privately Placed Children

- You must work with your home child care providers to reduce their fees by 52.75% (but not less than a fee of \$12 per day) for eligible privately placed children.
- If your agency contracts with home providers who accept privately placed children, you will be responsible for establishing a process for issuing CWELCC funding to the home provider to support 52.75% of child care fees for privately placed children, once fees are reduced.
- CWELCC funding issued to home providers to cover 52.75% of child care fees must be issued at least monthly based on actual enrolment and fees charged to privately placed children.

If a home child care provider is contracted with two or more agencies and serve privately placed children, you are required to work together to determine how the CWELCC fee reduction will be implemented for privately placed children. We recommend the agency with the earlier licence date reduce fees to privately placed children.

As a reminder, registration fees and fee deposits collected in 2024 must also be reduced by 52.75%.

Fee Reduction for Eligible Children in Receipt of Child Care Subsidy

- Families in receipt of subsidy with children enrolled in participating programs will receive a 50% fee reduction on their parent contribution paid for eligible children, even if their contribution is less than \$12/day.
- This reduction is applied directly by the child care subsidy program. Parents are expected to pay the amount stated on their "confirmation of child care subsidy" letter.
- If you charge registration fees, you can use your CWELCC funding to support a 52.75% reduction on registration fees for eligible children paid by families in receipt of subsidy.

Section 6: CWELCC Workforce Compensation Funding (WCF)

Upcoming Updates Notice:

- The provincial WCF changes announced on November 16, 2023 are not reflected in these guidelines as the details have not been released by the Ministry. We will update this guideline and allocations once we have more details.
- We will share an updated Planning Tool to help you determine how much WCF you need, if staff qualify, and how much they qualify.

The Workforce Compensation Funding (WCF) includes supports for the:

1. RECE Wage Increase (\$2/hour = \$1/hour in 2023 and \$1/hour in 2024)
2. RECE Wage Floor (\$22/hour for RECE Home Visitors)
3. Minimum Wage Offset

This section outlines the requirements for these components. Refer to **Appendix 3** to learn how your WCF was calculated.

Wage Increase and Wage Floor (RECE) Requirements

To calculate the wage increase and wage floor for RECE home visitors, follow this order of operations:

1. Start with: employer paid base wage as of January 1, 2024 (include any 2023 employer-based wage improvements such as obligations from collective agreements, cost of living increases, minimum wage increases, etc.).
2. Add: Wage Enhancement Grant (WEG) - Staff must qualify for WEG before they qualify for WCF.
3. Add: WCF RECE Wage Increase - if total from steps 1 and 2 is less than \$25/hour.
4. Add: Wage Floor - if total from steps 1-3 is less than \$22/hour for RECE home visitors

Important:

- Eligible staff can receive up to \$2/hour for the wage increase for 2024. This includes staff continuing in their existing positions, newly filling an existing position (for example replacing a previous staff member) or filling a newly created position in 2024.
- Do not include Base Funding wage enhancements in the calculation (as applicable).
- Refer to section “How to Determine if Staff Qualifies” for more details.

You must:

1. Use your WCF to support the following eligible expenses:

Eligible Expense	Wage Increase	Wage Floor
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a) Wages	<ul style="list-style-type: none"> • Increase the hourly wage of eligible RECE home visitors by up to \$1/hour on January 1 of each year, compounded from the previous year, from 2023 to 2026. • In 2024, this means an increase of up to \$2/hour. • The eligibility ceiling for this program is \$25/hour (including WEG). 	<ul style="list-style-type: none"> • Cover the incremental amount needed to bring eligible RECE home visitor wages (including home visitor’s base wage, WEG, and WCF Wage Increase) to the wage floor. • In 2024, the wage floor is \$22/hour for RECE home visitors.
b) Benefits	<ul style="list-style-type: none"> • Support the incremental benefit costs that result from the wage increase and the wage floor. Refer to page 12 for details on how to use WCF funding to support benefits. 	

2. Communicate to eligible staff by December 31, 2023 (or within 30 days after you receive your 2024 CWELCC announcement) and when you hire new staff.
 - You must share written information about the RECE wage increase and wage floor with eligible staff 30 days after you receive your 2024 CWELCC announcement and as new staff are hired. You may use the sample template provided in **Appendix 5**. We may ask for proof of communication at any time.

3. Issue wage increase and wage floor payments to eligible staff.
 - You must ensure that eligible RECE home visitor staff receive the correct workforce compensation funding payments, which are to be made on time as per this guideline.
 - Follow steps under [how to determine if staff qualifies](#) to determine staff eligibility.
 - You must pay the wage increase and the wage floor to eligible staff with each staff pay cheque or payment made. You must include a “CWELCC” notation with the associated amounts payable on each paystub.
 - Pay WCF for hours worked between January 1 and December 31, 2024. Hours worked include paid program hours, paid professional learning hours, paid planning time hours, paid set-up time, and paid time spent in meetings mandated by the organization.
 - You may implement the payments on January 1, 2024 or on the first staff payment date after January 1, 2024 to align with your payment schedule.
 - One-time, year-end, cash and/or gift card payments are not permitted.

How to Determine if Staff Qualifies

Follow these steps to determine if RECE home visitor staff qualify and the amount they qualify:

Step	Action
1. Staff Eligibility Confirm if the staff/position qualifies.	To qualify, staff must: <ul style="list-style-type: none"> • Be a RECE employed (receive a T4) in a position categorized as RECE home child care visitor • Note: Non-program staff who have a RECE designation and spend at least 25% of their time in a home visitor position, qualify for hours worked in that position. • Receive the Wage Enhancement Grant (WEG). Refer to page 12 for a list of ineligible staff/positions .

<p>2. Wage Eligibility Calculate staff hourly wage including grants to confirm if wage is less than \$25/hour.</p>	<p>Add together (as applicable):</p> <ul style="list-style-type: none"> Base hourly wage paid by the employer as of January 1, 2024. For clarity, this includes the base hourly wage paid by the employer on January 1, 2023 plus any employer paid wage increases that took place from January 1 to December 31, 2023. Wage Enhancement Grant (WEG): up to \$2/hour <p>Note: Do not include Base Funding wage enhancements in the calculation.</p>
<p>3. Determine Amount of 2024 Wage Increase Determine financial eligibility for the up to \$2/hour wage increase (up to \$1 for 2023 plus up to \$1 for 2024).</p>	<p>Using hourly wage determined in Step 2:</p> <ul style="list-style-type: none"> If wage is \$23/hour or less, then staff qualifies for the \$2/hour wage increase. If wage is more than \$23/hour, but less than \$25/hour, then staff qualifies for the incremental amount needed to bring staff's hourly wage up to \$25/hour. If hourly wage is \$25 or more, then staff does not qualify for the wage increase. No further action required. <p>Note: Provincial eligibility ceiling for annual wage increase is \$25/hour.</p>
<p>4. Apply 2024 Wage Increase Apply annual increase to determine revised staff hourly wage.</p>	<p>To calculate staff's revised hourly wage inclusive of the annual wage increase, take the:</p> <ul style="list-style-type: none"> staff hourly wage from Step 2, and add the annual wage increase amount from Step 3
<p>5. Wage Floor Eligibility Determine staff's financial eligibility for wage floor.</p>	<p>The 2024 wage floor is \$22/hour for RECE home visitors. If after Step 4, staff earns:</p> <ul style="list-style-type: none"> less than the wage floor → then they qualify for the amount needed to bring their hourly wage to the 2024 wage floor. the wage floor or more → then they do not qualify for the wage floor. Skip to step 7.
<p>6. Apply Wage Floor Determine amount of funding to bring staff to 2024 wage floor.</p>	<p>Pay eligible staff at least the wage floor. To calculate the funding needed to bring up staff wages to the wage floor:</p> <ul style="list-style-type: none"> Subtract the staff's revised hourly wage (Step 4) from the 2024 wage floor (Step 5).
<p>7. In year salary changes (January 1 - December 31, 2024)</p>	<p>Apply Base Funding wage enhancements paid to staff and 2024 employer-based wage increases after you apply the applicable WCF wage increases.</p>

The following table provides you with examples on how these steps and grants work together*:

Position: RECE Home Visitor	Example	2024 Hourly Base Wage (employer paid**) Step 2	WEG Step 2	Hourly Wage Step 2	WCF Wage Increase (up to \$2/hr. increase) Step 3	Wage with WCF Increase Step 4	2024 Wage Floor Steps 5 and 6	Total Wage Step 6	Total Interim WCF***
2024 Wage Floor \$22/hour	1	\$17/hr.	\$2/hr.	\$19/hr.	\$2/hr.	\$21/hr.	\$1/hr.	\$22/hr.	\$3/hr.
	2	\$17.80/hr.	\$2/hr.	\$19.80/hr.	\$2/hr.	\$21.8/hr.	\$0.2/hr.	\$22/hr.	\$2.2/ hr.
	3	\$22/hr.	\$2/hr.	\$24/hr.	\$1/hr.	\$25/hr.	N/A over floor	\$25/hr.	\$1/hr.
	4	\$23/hr.	\$2/hr.	\$25/hr.	N/A at eligibility ceiling	\$25/hr.	N/A over floor	\$25/hr.	N/A

* These examples are for information purposes only and may vary according to each staff base salaries,

employer wage increases policies, grant eligibility, etc.

** Includes employer-paid wage increases that occurred after January 1 and until December 31, 2023.

*** Plus, up to 17.5% of incremental benefits associated with WCF.

Rules Applicable to WCF Components - Wage Increase, Wage Floor, MWO

Funding Conditions

- WCF funding, including Wage Increase, Wage Floor and MWO is available to all eligible staff as per this guideline. This includes eligible staff serving CWELCC-eligible children 0-6, as well as children who are not eligible for CWELCC ages 6-12.
- You must consider WCF in addition to, and not to reduce other, planned compensation increases for eligible staff. For example, WCF components cannot be used to reduce or offset planned merit increases for eligible staff. WCF should not interfere with your salary and compensation decisions or practices, including obligations under collective agreements.
- If you are subject to the terms of a collective agreement, you must seek independent legal advice on the implementation of the WCF.
- Owner/operators employed by your agency (in receipt of a T4) qualify if they meet the staff eligibility requirements of the funding.

Benefits: Your WCF includes up to 17.5% in benefits to help you meet the incremental statutory benefit requirements associated with the wage increase, the wage floor and MWO.

- You must meet all WCF related incremental statutory benefit requirements first.
- Then, you may use any remaining funding within the 17.5% to fund other incremental costs to existing benefits provided by the employer on behalf of the employee (such as incremental pay for already supported vacation or personal days).
- You cannot use more than 17.5% of your WCF wage expenditures on benefits.
- You can only claim actual incremental benefit costs up to 17.5% of your actual incremental wage costs.

Ineligible Staff

The following positions/staff do not qualify for the wage increase or the wage floor:

1. Director-approved staff (staff working in an eligible position without a RECE designation such as non-RECE Home Visitor)
2. Staff employed in a position categorized as:
 - Non-RECE program staff
 - Non-program staff
3. Staff hired through a third party such as a temp agency.

Ineligible Expenses

You cannot use the WCF to:

- Increase ineligible staff wages.
- Increase eligible staff wages beyond what is required by the by the workforce compensation funding requirements.
- Reduce other planned compensation increases (including merit increases) for eligible staff or to reduce a position's planned compensation.
- Pay professional organization fees on behalf of staff for membership in professional

- organizations.
- Cover administration costs.

NEW! Minimum Wage Offset (MWO)

MWO helps with incremental cost pressures for eligible non-RECE staff from provincial minimum wage increases. This funding offsets the minimum wage increase from October 1, 2022 (\$15.50/hour) to October 1, 2023 (\$16.55/hour). You can also use MWO to cover 17.5% in benefits to cover your actual incremental benefit costs associated with the wage offset.

If you reported expenses for positions that qualified for MWO in 2022 and 2023 then you may continue to use MWO to offset up to an additional \$1.15/hour for the minimum wage increases on January 1, 2022 and October 1, 2022.

You can find your MWO allocation in your GovGrants CWELCC announcement under the budget category "Minimum Wage Offset".

MWO Eligibility

To get the MWO, you must:

1. Employ non- RECE Home Child Care Visitor (in receipt of T4)
2. Have paid the eligible non-RECE Home Child Care Visitor(s) a base wage (before grants) lower than \$16.55/hour on September 30, 2023.

Note: Positions created after September 30, 2023 do not qualify.

What is Covered Through the MWO?

The MWO helps you with:

1. The difference between MWO eligible staff wages as of October 1, 2022 (\$15.50/hour) and the new minimum wage of \$16.55/hour that came into effect on October 1, 2023.
2. For providers that qualified for MWO in 2022 and/or 2023:
 - The difference between MWO eligible staff's 2021 base wages and \$15.00/hour (January 1, 2022 minimum wage increase); and/or
 - The difference between MWO eligible staff's 2022 base wages and \$15.50/hour (October 1, 2022 minimum wage increase).
3. Incremental benefits associated with the wage increases. Review the Rules Applicable to WCF Components - Wage Increase, Wage Floor, MWO Benefit section to learn how to use WCF funding to support benefits.

Important:

- All employers must meet mandatory provincial minimum wage requirements.
- When determining eligibility for the MWO, staff base wages should not include regional grants such as WEG (up to \$2/hour) and/or Base Funding (as applicable).
- The MWO does not result in staff payment since the cost offset by the MWO is already

incurred by providers to meet minimum wage requirements under the [Employment Standards Act](#).

- The provincial minimum wage increase planned to take effect in October 2024 is not eligible under MWO. You may use your Cost Escalation funding to support this requirement.

Examples

1. LHCC agencies that Reported MWO in 2022 and 2023 Funding Years:

Examples are for information only. MWO covered the difference between the actual base wage and the new minimum wages.

Base Wage Dec. 31, 2021 3. F	Minimum Wage Jan. 1, 2022	Eligible Wage Offset April 1 - Dec 31, 2022	Base Wage Sept. 30, 2022	Minimum Wage Oct. 1, 2022	Eligible Wage Offset Oct. 1 - Dec. 31, 2022	Total MWO in 2022 and 2023.
\$14.35	\$15.00	\$0.65	\$15.00	\$15.50	\$0.50	Up to \$1.15 per hour*
Calculation		\$15 - \$14.35			\$15.50 - 15.00	\$0.65 + \$0.50

2. LHCC agencies that have MWO eligible positions in 2024 Funding Year:

Examples are for information only. MWO cover the difference between the actual base wage as of September 30, 2023 and minimum wage as of October 1, 2023.

Example	Base Wage as of Sept. 30, 2023	Minimum Wage as of Oct. 1, 2023	Eligible Wage Offset (2024) Jan. 1 - Dec. 31	Total Eligible MWO Hourly Offset (2022-24) Jan 1 - Dec 31
1. MWO claimed in 2022 and 2023 Funding Year	\$15.50	\$16.55	\$1.05	Up to \$2.20
Calculation			\$16.55 - \$15.50	\$1.15 (2023) + \$1.05 (2024)
2. No MWO claimed in 2022/2023 with MWO claimed for 2024 Funding Year	\$16.25	\$16.55	\$0.30	\$0.30
Calculation			\$16.55 - \$16.25	

Section 7: Cost Escalation Funding (NEW)

Cost Escalation Funding offsets eligible non-discretionary cost increases beyond your control due to child care fees being frozen since 2022. This funding supports agencies to remain financially viable while participating in CWELCC program.

This funding has been calculated using the compounded inflationary amounts year over year (from 2022, 2023, 2024) to participate in CWELCC. Refer to **Appendix 3** to learn how Cost Escalation funding was calculated and for an example of the methodology used. You can find your Cost Escalation allocation in the GovGrants CWELCC announcement, under "Cost Escalation" budget category.

Example: In 2021 your agency's actual lease cost was \$10,000. Today, your projected 2024 annual lease cost is \$12,600. You can offset the \$2,600 in increased lease cost through cost escalation. Note: the original \$10,000 in lease costs is covered through your parent revenue and the fee reduction component of CWELCC funding.

Eligible Expenses

Use your Cost Escalation funding to support non-discretionary cost increases to your agency, such as accommodation costs, salaries and wages, benefits, and other operational expenses to deliver child care for CWELCC eligible children.

This funding must be spent on the proportion of the eligible expenses that supports children aged 0-6 years for programs approved to participate in Peel's CWELCC program.

A few examples of non-discretionary cost increases include:

1. Accommodation costs (agency costs) may include:

- Increases to your rent or lease costs
- Increases to your mortgage payments due to higher interest rates
- Increases to your utilities

2. Salaries, wages, and benefits may include:

- Increases in salaries and wages above workforce requirements:
 - Cost of living increases
 - Increases in wages according to collective agreement, or previously established compensation policy framework for child care staff who receive a T4 (such as pay for performance increases)
 - Increases to meet the provincial minimum wage requirements planned to take effect October 1, 2024, along with associated incremental benefits. You should use MWO under WCF to offset costs associated with the provincial minimum wage requirement in 2022 and 2023.
 - Increases to mandatory benefits (incremental benefit costs as outlined in your existing Human Resources policy) associated with the wage increase.

3. Operational costs may include:

- Increases to nutrition or food costs (if applicable)
- Increases to insurance policies
- Increases to loan payments due to higher interest rates as a result of non-discretionary decisions (if applicable)
- Reasonable increases on interest costs (aligned to [Canada Small Business Financing Program](#))
- Other increasing costs that are reasonable and incurred for daily operation
- Payments to home child care providers - to support the home providers with the increasing costs to deliver child care
 - LHCC agencies should distribute their cost escalation funding to the home provider, based on the existing payment policy already agreed upon between the agency and the home provider.

Note: If your LHCC agency head office is located outside of Peel and you have been approved through Peel's CWELCC Expansion Application Process to open new active homes in Peel, you may be eligible for Cost Escalation. Refer to **Appendix 3** for CWELCC Funding Requests.

- You should only use this funding to support your new home providers in Peel with the increasing costs to deliver child care.
- Do not use it for agency expenses which should be supported through CWELCC cost escalation funding issued from the service system manager where your agency head office is located.

This list is not exhaustive. If you have questions email earlyyearssystemdivision@peelregion.ca

Ineligible Expenses

You cannot use your Cost Escalation to support the following costs:

- Expenses supported by other funding or grant (public or private) including funding issued by another service system manager (if your agency head office is outside of Peel)
- Expenses not required to deliver 0-6 licensed child care services/programs approved by Peel, or expenses associated with the delivery of non-eligible programs (EarlyON, school age programs, children enrolled in unlicensed rooms, authorized recreation programs, camps)
- Non-base fees
- In-kind benefits, perks, pay for performance bonuses, gifts, cash, honoraria
- Donations to charitable organizations and fundraising
- Costs claimable under your insurance policies
- Repayment of reverse mortgages (provincial direction)
- Disbursement of dividends (provincial direction)
- Replenishment of reserves (provincial direction)
- Non-cash expenses such as depreciation/amortization or bad debt expenses (provincial direction)

- Prior year’s costs or losses
- Principal payments on debt costs related to capital loans and operating loans
- Debt costs (operating or capital loans) including interest payments for discretionary decisions (e.g. purchasing of business)
- Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators
- Fundraising costs
- Meal expenses unless related to staff training or overtime
- Travel expenses and vehicle costs not needed for the transportation of children
- Personal expenses (vehicles, assets, or services)
- Costs associated with addressing wage compression (situations where there is only a small difference in pay between employees regardless of their qualifications, skills, experience or seniority)
- Increases in owners’ compensation and/or management fees
 - Exception: Owners/operators employed by the child care agency (in receipt of a T4) may claim a reasonable cost of living salary increase if all program staff employed by the agency receive a comparable employer-paid increase.
- Franchise Fees
- Costs incurred for the creation of new spaces
- Non-arm’s length transactions. Exceptions may be made for transactions made at or below fair market value (verification required).

This list is not exhaustive. If you have questions, email EarlyYearsSystemDivision@peelregion.ca

Section 8: Program Closures

LHCC agencies participating in the CWELCC program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year where families are charged fees. This includes agency directed closures or closure of homes.

If your agency **does not charge fees** for the closure period, the days of closure do not need to be counted in these limits. For example, if you typically collect fees during the two-week winter break, you can use CWELCC funding to reduce those fees. If you close in the summer, and do not collect fees during this time, you cannot use CWELCC funding during that closure period and these weeks do not count towards the annual four-week closure limit.

If you **charge fees** for closed days:

- Families are eligible for the 52.75% fee reduction if they paid fees for closed days.
- Where fees are collected from families for service closure days, Peel’s expectation is that staff and home child care providers are paid for those days.
- These days may count towards your maximum limit. Refer to the table below for examples.

Examples of closure days that do not count towards your maximum closure limit	Examples of closure days that count towards your maximum closure limit, if fees are charged
Statutory holidays	Non-statutory holidays/closures

Closures due to events outside of an agency and/or HCC provider control such as natural disaster or inclement weather	Professional Development (PD) days
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As per the CCEYA, your Parent Handbook must disclose the times when services are offered, the holidays observed, the base fee and any non-base fees that may be charged, and whether or not your agency is enrolled in the CWELCC program.

Section 9: Reporting, Reconciliation, Audit & Recoveries

You must follow the Records and Reports section in your 2024 Early Years and Child Care (EYCC) Funding Agreement and the Accountability Framework and CWELCC Attendance reporting sections of the EYCC [Service Provider Handbook](#). Additional reporting requirements may be implemented at the Region’s discretion.

Reconciliation Report:

You must submit your completed 2024 CWELCC Reporting Reconciliation Template through GovGrants. We will share the template and provide direction on the due date before the end of 2024. The template will collect:

1. Actual expenditures for the following 2024 CWELCC funding components:

- **Fee Reduction** - full fee families and number of children enrolled by age group by month.
*any underfunding in fee reduction is subject to review and reimbursement
- **Reductions of Registration Fees** (registration fees are eligible for the 52.75% reduction, but will not be included as part of agency’s approved base fees, as it is being considered one-time cost to families)
- **Workforce Compensation Funding (WCF)** paid to eligible staff as follows*:
 - Wage floor paid out to RECE home visitors (wages)
 - Wage increase paid out to RECE home visitors (wages)
 - Minimum wage offset for non-RECE home visitors (wages)
 - Incremental benefits paid out on behalf of RECE home visitors (as a result of the implementation of the wage floor and wage increase)
 - Incremental benefits paid out on behalf of non-RECE home visitors (as a result of the wages offset by MWO)

*any underfunding in WCF is subject to review and reimbursement

*Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serve both categories, choose the one where they work most.

- **Cost Escalation Funding** expenditures spent within the following eligible categories separated by CWELCC eligible children or non-CWELCC children as specified in the reconciliation template:
 - Accommodation costs (incremental increases to eligible costs)
 - Salaries and wages & staff benefits (incremental increases to eligible costs)

- Operational costs (incremental increases to costs where applicable)

Note: This funding will be reconciled and unused funding will be recovered.

2. Key Performance Indicators which include the following information:

- Program closure dates where parent fees are not charged, as per your Parent Handbook
- Program closure dates where parent fees are charged, as per your Parent Handbook
- Total number of*:
 - RECE home visitors supported by the wage floor
 - RECE home visitors supported by the wage increase
 - Non-RECE home visitors supported by the minimum wage offset

* Data must be reported separately for staff serving CWELCC eligible children and children not eligible for CWELCC. If staff serve both categories, choose the one where they work most.

3. Annual Attestation: An officer with appropriate signing authority on your organization must attest that CWELCC funds were used for intended purpose and according to the requirements of these guidelines, your EYCC Funding Agreement and the EYCC [Service Provider Handbook](#).

Audit and Recoveries:

Review the Accountability and Reporting section in your 2024 Early Years and Child Care (EYCC) Funding Agreement and the Accountability Framework section of the EYCCS [Service Provider Handbook](#) for audit and recovery requirements.

Section 10: Appeal Process

To dispute a decision related to your participation in the CWELCC program, you must make an appeal in writing by email to EarlyYearsSystemDivision@peelregion.ca. All appeals will be handled in a fair and equitable manner by following the guidelines, dispute resolution process outlined in the EYCC Funding Agreement and legislation by the Ministry, alongside the policies and practices determined by Peel Region.

Section 11: CWELCC Additional Funding Requests

If you do not have adequate funding to meet the objectives outlined in this guideline and/or if your agency requires additional CWELCC funding, email us with the subject line "CWELCC Funding Request" at EarlyYearsSystemDivision@peelregion.ca. Your request will be reviewed to determine the reasonability of the funding request, and you may be asked to submit additional information to demonstrate your funding need.

Section 12: Contact Us

If you have questions, email us at EarlyYearsSystemDivision@peelregion.ca

Appendix 1: 2024 CWELCC Guideline Changes (December 2023 Release)

LHCC Agency Eligibility
<ul style="list-style-type: none">Streamlined and updated language to reflect the new Early Years and Child Care (EYCC) Funding Agreement.
Funding Conditions
<ul style="list-style-type: none">Added notice of Workforce Compensation Funding compliance monitoring.Added provincial requirement to demonstrate (new providers) and maintain (all providers) financial viability as a condition to receive CWELCC funding from Peel.Added that funding can only be used to support costs related to the care of eligible children.Added requirement to participate in child care subsidy, Peel Inclusion Resources Services (PIRS), continuous quality enhancement initiatives like Raising the Bar in Peel and professional learning opportunities.Removed "Sales and Acquisitions of Child Care Business" already covered in your Early Years and Child Care (EYCC) Funding Agreement and the EYCC Service Provider Handbook.
2024 CWELCC Funding Components and Flexibility
<ul style="list-style-type: none">Increased funding flexibility between the fee reduction funding and the workforce compensation funding components.
CWELCC Fee Reduction Funding
<ul style="list-style-type: none">Updated language for "Fee Reduction for Eligible Children in Receipt of Subsidy" to reflect existing process.
CWELCC Workforce Compensation Funding
<ul style="list-style-type: none">Increased RECE wage floor to \$22/hour for RECE home visitors.Clarified the application of the 2024 RECE annual wage increase: As of Jan 1, 2024 the hourly wage of eligible RECE staff earning less than \$25/hour increases is to increase by \$1/hour on January 1 of 2024. This increase is in addition to the up to \$1/hour 2023 wage increase.
Reporting, Reconciliation, Audit and Recoveries
<ul style="list-style-type: none">Removed requirements already covered in your Early Years and Child Care (EYCC) Funding Agreement and the EYCC Service Provider Handbook.Added requirement to submit an annual attestation with your reconciliation.
Appendix: Sample Staff Communication
<ul style="list-style-type: none">Updated the language to reflect 2024 Workforce Compensation Funding requirements.

Appendix 2: Key Terms

- **Active Homes:** Homes child care providers contracted by a licensed home child care agency that have one child enrolled or more (including privately placed children but excluding the provider's own children).
- **Base Fees:** The fee that families must pay for a child to receive child care that meets the requirements under [O. Reg. 137/15 s. 1](#) and [77.1](#).
- **Base Hourly Wage:** Hourly rate paid to the position by the agency excluding any funding subsidies and previous year WEG. If the position is paid an annual salary, use an online salary calculator to convert to hourly rate.
- **CWELCC Expansion Application Process:** Peel's process for interested providers to apply to the 2024 CWELCC program.
- **Expression of Interest (EOI):** Region's process for agencies to learn more about the CWELCC program, and what it will mean for their business before making an official decision to opt-in.
- **Home Child Care Visitor or Home Visitor:** A person described in [O. Reg. 137/15 s. 56](#), who provides support at and monitors each premises where the licensee oversees the provision of home child care, and who shall be responsible to the licensee. For the purposes of the Workforce Compensation Funding the Home Child Care Visitor person must also be employed by the home child care agency.
- **Non-Base Fees:** Any fee for optional items or optional services, in accordance with the terms of the agreement between the licensee and parent.
- **Non-discretionary costs:** costs that are beyond your control (cannot be avoided) and necessary for the delivery of licensed child care services covered under your CWELCC base fee for children ages 0-6 in Peel; are reasonable and economical and not overinflated; required to meet licensing requirements, including health and safety standards.
- **Opt-In:** LHCC agencies who provide formal notice to the Region in writing that they will participate in the CWELCC program after the Region's EOI process is complete.
- **Opt-Out:** LHCC agencies who do not wish to participate in the Region's CWELCC program, who complete the 'CWELCC Opt-Out Form' and indicate in the Ministry's Child Care Licensing System (CCLS) that they are not going to enroll in the CWELCC program.
- **Registered Early Childhood Educator (RECE):** A member in good standing of the [College of Early Childhood Educators](#) (CECE) as outlined on the [Early Childhood Educators Act, 2007](#). Review this link to [learn more about the use of the title](#).
- **Wage Floor:** The minimum that LHCC agencies participating in the CWELCC program must pay eligible RECE home visitors (per hour).
- **Statutory Benefits:** The benefits that you are required to provide to your staff by the law such as: up to 2 weeks of vacation days, 9 statutory holidays, Canada Pension Plan (CPP), Employment Insurance (EI), Employer Health Tax (EHT) if applicable, Workforce Safety and Insurance Board (WSIB) if applicable, etc.

Appendix 3: CWELCC Funding Methodology

Peel reserves the right to adjust funding allocations during the year based on major fluctuations in funding methodology assumptions.

CWELCC Fee Reduction Funding Allocation Methodology:

Peel has calculated the 2024 CWELCC funding allocations to support the 52.75% fee reduction to eligible families using variables such as the average daily enrolment or agency reported enrollment, which included privately placed families, and your approved rates.

CWELCC Workforce Compensation Funding (WCF) Allocation Methodology:

To support continuity of Workforce Compensation Funding for child care providers, we are calculating your 2024 funding allocation for Wage Increase and Wage Floor using your latest WEG application data as of 2023. These funding amounts were based on the number of positions that qualify for the Wage Increase and/or Wage Floor, the increase and/or wage gap that needs to be covered, and the estimated number of program hours to be worked in a calendar year, plus 17.5% benefits.

Your 2024 funding allocation for Minimum Wage Offset is also based on 2023 WEG application data. The allocation is calculated from your number of eligible non-RECE staff, the offset needed for those staff to meet minimum wage (including 17.5% benefits) and the estimated number of program hours worked in a calendar year.

Note: LHCC agencies with head office outside of Peel that have been approved through Peel’s CWELCC Expansion Process to open new homes in Peel, WCF is dependent on your Expansion application review and verification from the service system manager where your head office is located.

CWELCC Cost Escalation Funding Methodology

Cost Escalation funding has been calculated using the compounded inflationary amounts year over year (from 2022, 2023, 2024) due to fees being frozen to participate in CWELCC. This compounded inflationary amount is calculated based on your total approved base rate and 2024 General Operating Funding (GOF) allocation.

This table is an example of how Cost Escalation funding would be applied on an approved base rate of \$100/space.

Inflationary Amount	Total Approved Base Rates \$ 100.00	\$
2022 @ 2.6%	\$2.60	\$ 102.60
2023 @ 2.75%	\$2.82	\$ 105.42
2024 @ 2.1%	\$2.21	\$ 107.63
	\$7.63	

	GOF Allocation \$ 10.00	\$
2022 @ 2.6%	\$ 0.26	\$10.26
2023 @ 2.75%	\$ 0.28	\$10.54
2024 @ 2.1%	\$ 0.22	\$10.76
	\$0.76	
Total Cost Escalation Amount	\$7.63 + \$0.76 = \$8.39	

Note: LHCC agencies with head office outside of Peel must open a minimum of 10 new active homes in Peel (approved through Peel’s CWELCC Expansion Process) to be eligible to receive Cost Escalation funding. Email EarlyYearsSystemDivision@peelregion.ca to find out if you’re eligible for this funding.

Provincial Funding Methodology - cost escalation funding allocation is calculated as follows:

$$(A \times B \times C \times 7.45\%) + (D \times 7.45\%)$$

Cost Escalation- CWELCC	(A x B x C x 7.45%)
	A is for home child care: <ul style="list-style-type: none"> the number of eligible children enrolled as of December 31, 2023. New licensed home childcare agencies, this represents the number of eligible children enrolled on the date of CWELCC enrolment with consideration to changes in enrolment during the year
	B is the: <ul style="list-style-type: none"> the capped daily base fees (that is, as of March 27, 2022 for licensees enrolled in 2022 and licensees who opted out in 2022 and enroll in 2023, or regional maximum for new licensees enrolled after 2022 (where applicable)
	C is the number of days the licensee operates in a year <ul style="list-style-type: none"> 7.45% is the cost escalation factor necessary to bring the capped daily base fees from 2022 to 2024
Cost Escalation- GOF	D is the licensee’s General Operating Grant for 2024 to support children aged 0 to 5 years old only, where applicable

Appendix 4: Examples of Base Fees/Non-Base Fees

COLUMN A: BASE FEE (Include mandatory fees parents would pay)	COLUMN B: NON-BASE FEE (OPTIONAL items/services not supported under CWELCC)
Play materials, equipment and furnishings such as cots, cribs, bedding	Late pick up fees for child care provided beyond operational hours outlined in the parent handbook
Supervision by adult during operational hours	Optional transportation where a separate fee is charged.
Lease/occupancy costs	Optional field trips where a separate fee is charged
Food / catering costs Note: under the CCEYA if a child receives care for <u>six hours or more</u> , Providers are to ensure the food offered to the child includes 2 snacks in addition to any meals provided	Not Sufficient Funds (NSF) fees in accordance with the terms of the agreement between the parent and licensee
Development and implementation of individualized plans (medical, special needs, anaphylaxis)	Diapers, sunscreen (if optional)
Any other mandatory cost the parent is required to pay to support the operation of the child care program (e.g. administration costs such as deposit fees)	Uniforms
Any programs or services that are included as part of the core day programming and is included as part of the regular child care fee paid by families.	Any other optional items/services where an additional fee is charged in accordance with the terms of the agreement between the parent and provider (e.g. optional classes such French, music, yoga, etc.)
<p>REGISTRATION FEES: Registration Fees are frozen at March 27, 2022 levels. In 2024, the Region will support a 52.75% fee reduction to eligible families who must pay a registration fee for eligible children. Both full fee families and families in receipt of child care subsidy are eligible to receive the reduction in registration fees. Example: if your registration fee is \$100, providers must collect \$47.25 from families and can claim the remaining \$52.75 through CWELCC.</p>	
<p>DEPOSIT FEES: Participating agencies must reduce their fee deposit by 52.75% for eligible children (i.e., children under 6 years of age). LHCC agencies cannot claim the remaining 47.25% from CWELCC as an upfront deposit, as the deposit collected from families must be applied against the reduced fee when the family leaves child care. Example: if the regular fee deposit is \$1000 (equivalent to 2 weeks of care), it must be reduced to \$472.50. When the family gives notice that they are leaving, the deposit of \$472.50 can be applied to their last two weeks of care. At that time, agencies can claim the CWELCC portion of the fee for the last two weeks.</p>	

Appendix 5: Sample Staff Communication

The Ontario Government is providing funding for improved compensation through a wage increase and a wage floor for Registered Early Childhood Educators (RECEs). This funding is for RECE home child care visitors employed by Licensed Home Child Care Agencies participating in the CWELCC program in Peel.

RECE Wage Increase

From 2023 to 2026, eligible RECE home child care visitors will receive an annual wage top-up of up to \$1/hour, plus benefits, to a cap of \$25/hour. To receive an annual wage increase, you must be receiving Wage Enhancement Grant (WEG) funding, and your hourly wage (including employer paid wages and WEG) must be below \$25 per hour.

RECE Wage Floor

Eligible RECE home child care visitors should earn at least the hourly wage floor in the table below plus benefits:

RECE wage floor* (Amounts include employer paid wages, WEG, and the RECE wage increase)			
Position	2024	2025	2026
RECE Home Child Care Visitors	\$22	\$23	\$24

*Plus, up to 17.5% benefits.

On November 16, 2023, the Ontario Government [announced](#) changes to the a new child care workforce strategy. This communication will be updated once the provincial strategy is implemented.