

Peel's 2024 CWELCC Funding Updates to Licensed Child Care Providers

Early Years & Child Care Services
Teleconference
April 11, 2024



Teleconference Info

- This meeting is being **recorded** and will be shared with the presentation.
- Your microphone will be muted unless called upon during the Question period.
- You can participate by using the chat function or raise your hand to ask questions.
- You can also email us at earlyyearssystemdivision@peelregion.ca or contact your Early Years Specialist.

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Questions about the collection of personal information and information collected should be directed to earlyyearssystemdivision@peelregion.ca.

Agenda

- CWELCC Funding Overview & Flexibility
- CWELCC Guideline updates
 - Cost Escalation
 - Minimum Wage Offset
- Planning Tool & Additional Supports
- Next Steps and Timelines
- Q&A Period



CWELCC Funding Overview & Flexibility



2024 CWELCC Funding Overview

#	Funding Line	Funding Purpose	Who is Eligible?
1	Fee Reduction Funding	<ul style="list-style-type: none"> Offset lost revenue from 52.75% fee reduction to support affordability of child care for families 	All CWELCC Providers
2	Workforce Compensation Funding (WCF)	<ul style="list-style-type: none"> Increase eligible staff wages and benefits to support recruitment and retention of staff 	All CWELCC Providers
	Minimum Wage Offset	<ul style="list-style-type: none"> Offset the incremental cost of eligible minimum wage increases for eligible positions (non-RECE program staff, non-RECE supervisor and non-RECE home visitor). 	Qualifying CWELCC Providers Only
3	Cost Escalation Funding	<ul style="list-style-type: none"> Offset eligible increases in non-discretionary costs due to fees being frozen since 2022 to support CWELCC provider viability. Align with cumulative inflationary increases 	All CWELCC Providers
4	Emerging Issues Funding	<ul style="list-style-type: none"> Support financial viability of CWELCC child care providers whose 2024 revenue for CWELCC eligible spaces is insufficient to cover the nondiscretionary costs for those spaces. You must use your Cost Escalation Funding first, have eligible expenses and are still projecting a deficit. 	Qualifying CWELCC Providers Only

GovGrants CWELCC Budget Flexibility






▲ Award Financials		Click 'Reset Table' under the menu icon to refresh the table's default values			☰
Budget Category ↑	Award Budget	Spent	Balance	Actions	
Staff wages and benefits	\$470.00	\$0.00	\$470.00		
Child care fees	\$142,820.00	\$0.00	\$142,820.00		
Minimum Wage Offset	\$0.00	\$0.00	\$0.00		
Cost Escalation	\$13,698.00	\$0.00	\$13,698.00		
Emerging Issues Funding	\$0.00	\$0.00	\$0.00		
Total	\$156,988.00	\$0.00	\$156,988.00		

Steps to Use Flexibility:

1. Meet the requirements outlined in the guideline.
2. Use the Planning Tool to identify if you will have a surplus or deficit in each budget line.
3. You can use funding from any budget line to meet the guideline requirements as long as you are within the total awarded amount.

Note: Allocations in the Child Care Fee line may be adjusted to reflect material changes between licensed and operating capacity

GovGrants CWELCC Budget – Flexibility Example

▲ Award Financials		Click 'Reset Table' under the menu icon to refresh the table's default values			☰
Budget Category ↑	▼	Award Budget	Spent	Balance	Actions
Staff wages and benefits		\$470.00	\$670.00	\$-200.00	
Child care fees		\$142,820.00	\$142,020.00	\$800.00	
Minimum Wage Offset		\$0.00	\$0.00	\$0.00	
Cost Escalation		\$13,698.00	\$8,698.00	\$5,000.00	
Emerging Issues Funding		\$0.00	\$0.00	\$0.00	
Total		\$156,988.00	\$151,388.00	\$5,600.00	

- You have met your requirements for the Fee Reduction using your Fee Reduction allocation.
- You need \$200 more in your WCF line to meet your WCF requirements.
- You can use your surplus funding from your Fee Reduction line to meet requirements for WCF.
- Unspent funding of \$5,600 will be recovered.

Note: Allocations in the Child Care Fee line may be adjusted to reflect material changes between licensed and operating capacity

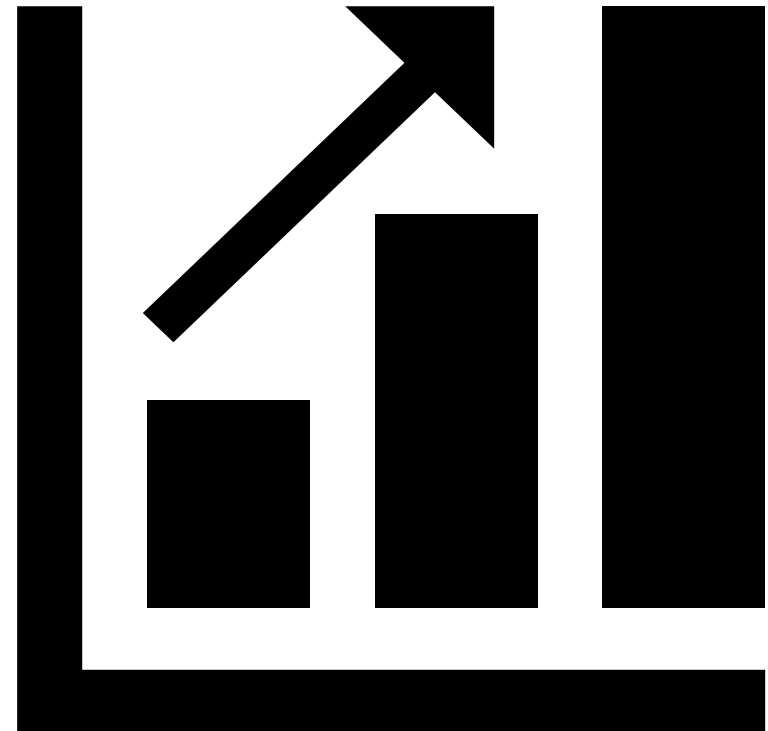
Example for illustrative purposes only

2024 CWELCC Guideline Updates Cost Escalation Funding



NEW! Cost Escalation Funding - Purpose

- Cost Escalation Funding offsets eligible cost increases due to child care fees being frozen since 2022.
 - ✓ Must be non-discretionary cost
 - ✓ Must be for 0-6 programs
- This funding supports providers to remain financially viable while participating in the CWELCC program.



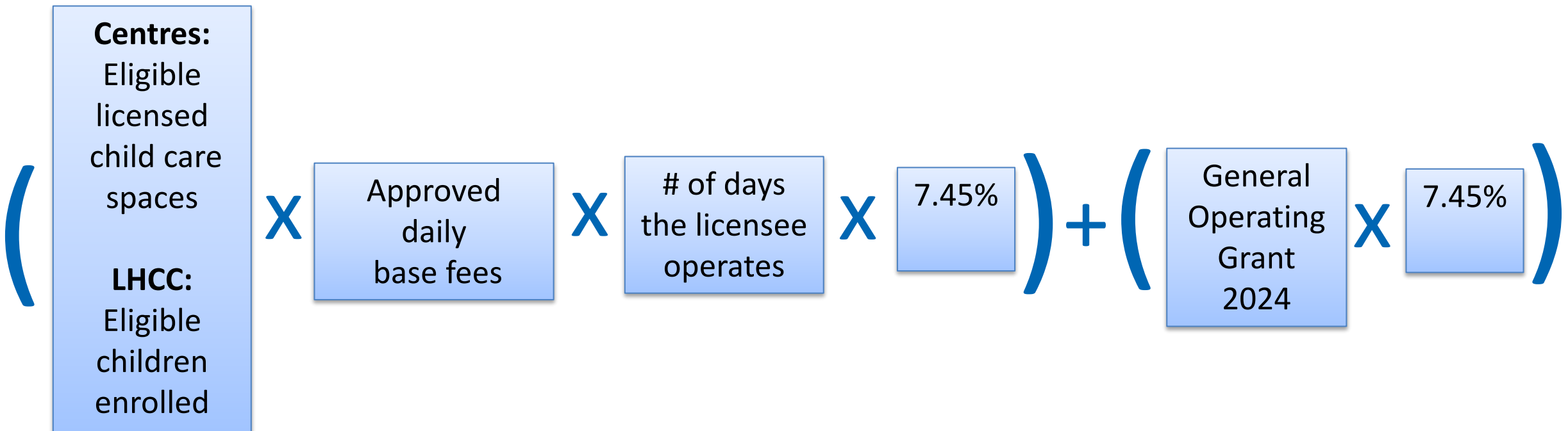
Cost Escalation Compounded Inflationary Amount 2022, 2023, 2024

CWELCC Year	Cost Escalation %
2022	2.60%
2023	2.75%
2024	2.10%
Total	7.45%

Cost Escalation - Allocation Methodology

Provincial Cost Escalation Funding Methodology: $(A \times B \times C \times 4.91\%) + (D \times 2.1\%)$

Peel's Cost Escalation Funding Methodology: $(A \times B \times C \times 7.45\%) + (D \times 7.45\%)$



Eligible Non-Discretionary Cost Increases

Non-discretionary costs are:

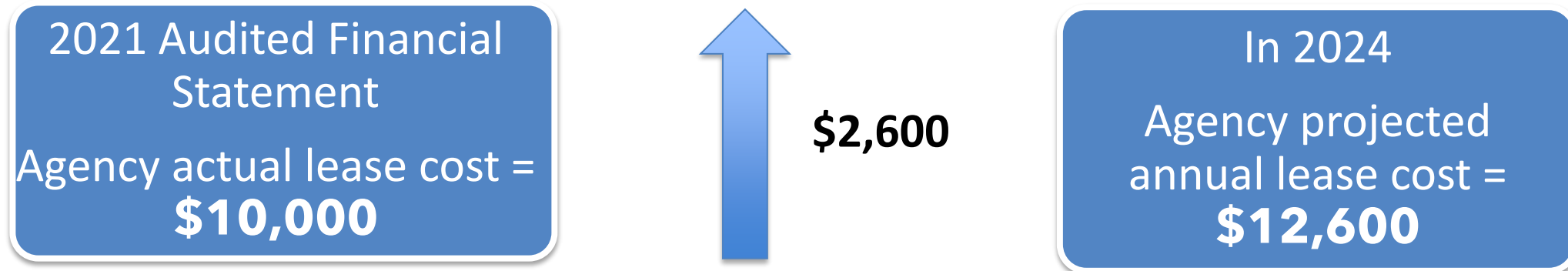
- Beyond your control (cannot be avoided)
- Necessary for the delivery of licensed child care services covered under your CWELCC base fee for children ages 0-6
- Reasonable, economical and not overinflated

Examples of eligible expenses may fall under these categories:

- Accommodations
- Salaries, wages and benefits
- Operations

Review the CWELCC guideline (section 7 pg 15) for information on eligible and ineligible expenses.

How to Use Your Cost Escalation - Example



Increase lease cost = \$2,600 funded 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.

2024 CWELCC Guideline Updates

Minimum Wage Offset



Minimum Wage Offset (MWO)

MWO helps with incremental cost pressures for eligible non-RECE staff from provincial minimum wage increases.

This funding can be used to:

- Offset the minimum wage increase from October 1, 2022 (\$15.50/hour) to October 1, 2023 (\$16.55/hour).
- Cover incremental benefit costs associated with the wage offset (up to 17.5%).
- Continue to offset minimum wage increases that happened on January 1, 2022 and October 1, 2022, if you reported expenses for positions that qualified during those years.

Minimum Wage Offset (MWO) Eligibility

1. Employ non-RECE staff (in receipt of T4) in a position categorized as:
 - Non-RECE Program Staff (for example, Director approved staff, teacher assistants, ECAs)
 - Non-RECE Child Care Supervisor
 - Non-RECE Home Visitor (LHCC)
2. Have paid eligible staff a base wage (before grants) lower than \$16.55/hour on September 30, 2023.

Important:

- Positions created after September 30, 2023, do not qualify.
- Non-program centre staff without a RECE designation who spend at least 25% of their time supporting ratios under the CCEYA only qualify for hours worked in ratio.

MWO Example: How to Calculate the Hourly Offset

Example	Eligible Wage Offset (2022/2023)	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 (2022-2024) Jan 1 - Dec 31
Example 1: Auston Matthews who was earning \$14.35 on December 31, 2021.					
1. MWO claimed in 2022 and 2023 Funding Years	\$1.15	\$15.50	\$16.55	\$1.05	Up to \$2.20
Calculation	\$15.50-\$14.35			\$16.55 - \$15.50	\$1.15 (2023) + \$1.05 (2024)
Example 2: Mitch Marner who was earning \$16.25 on September 30, 2023.					
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	

MWO Example: Applying the Offset to Hours Worked

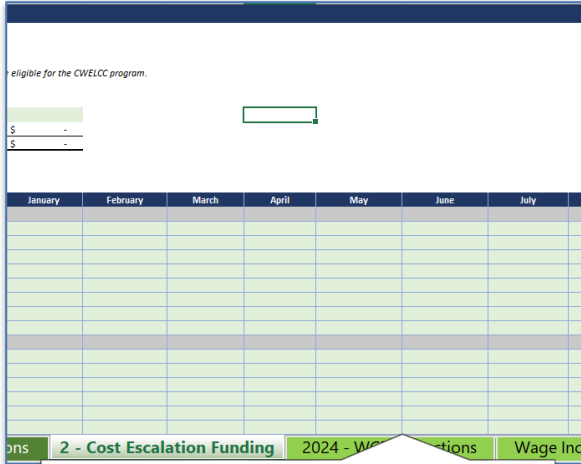
Example	Total Eligible MWO Hourly Offset (2024)	Number of Hours Worked Jan 1 – Dec 31	MWO Expense Wages	MWO Expense Benefits <small>(cannot exceed 17.5%)</small>	*Total MWO Expense 2024
1. MWO claimed in 2022 and 2023 Funding Years	\$2.20	1750	3850.00	\$577.00	\$4427.00
2. No MWO claimed in 2022/2023 with MWO claimed for 2024 Funding Year	\$0.30	1680	504.00	\$75.00	\$579.00

*The Total MWO Expense is paid to the provider and it not a payment to staff.

Planning Tool & Supports



Supports & Resources



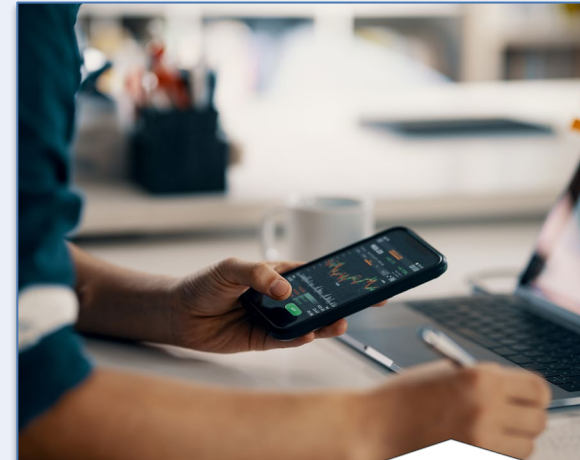
A screenshot of a spreadsheet used for planning and tracking funding. The spreadsheet has columns for months from January to July. There are some data entries in the first few rows, including values like '5' and '-'. The spreadsheet is titled 'eligible for the CWELCC program.'

Planning tool to plan and track funding



A screenshot of a website page titled 'Funding support and resources'. The page includes a navigation bar with 'Peel's transition' and 'Programs and Services'. Below the title, there is a sub-header 'Funding for licensed providers, policies, reporting, and updates.' and a section for 'Provider updates' with a bulleted list of links. At the bottom, there is a section for the 'Canada-Wide Early Learning and Child Care (CWELCC) program' with a paragraph of text.

Visit our [Website](#) for Guideline and Q&A



Contact your Early Years Specialist

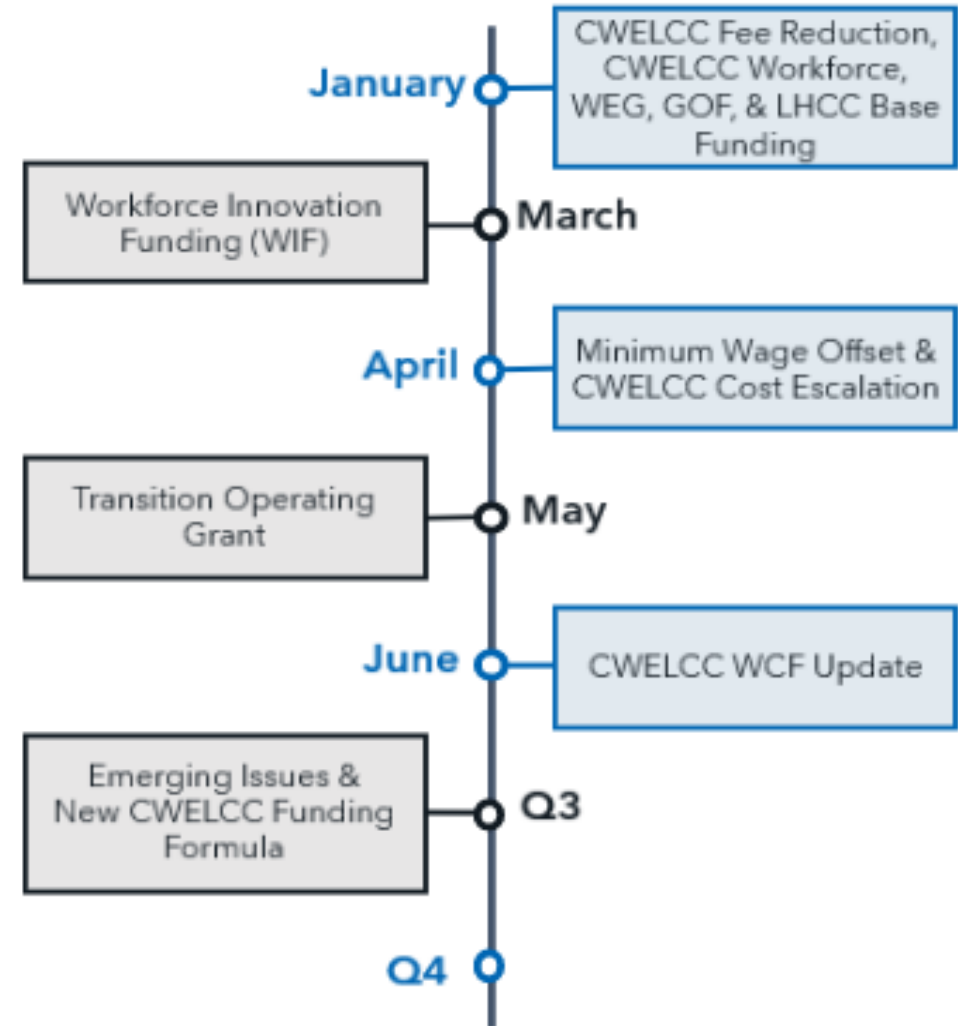
earlyyearssystemdivision@peelregion.ca

[Email us](#) if you need additional CWELCC Funding

Next Steps

1. Transition Operating Grant
2. UPDATE! CWELCC WCF Wage Floor and Wage Increase
3. Emerging Issues Funding
4. Provincial Funding Formula

2024 EYCC Funding Release





Questions?



Thank You!