

2025 Canada-wide Early Learning and Child Care (CWELCC) Funding Guideline

Peel centre-based licensed child care providers



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Section 1: Overview

The <u>Canada-wide Early Learning and Child Care Agreement</u> (<u>CWELCC</u>) aims to make child care more affordable and improve workforce compensation so families have access to high-quality licensed child care.

Starting January 1, 2025, the Ministry of Education's (Ministry) new CWELCC cost-based funding takes effect. This means that in 2025, we will support CWELCC providers' eligible costs for the delivery of child care for children younger than 6 years of age up to their program cost allocation

For details on the new funding, requirements and your obligations for 2025, review this guideline, the Ministry's cost-based funding guideline, the Early Years and Child Care (EYCC) Service Provider Handbook, and your Early Years and Child Care (EYCC) Funding Agreement. Additional resources are on our website.



This guideline is subject to changes.

We do not have the Ministry's standardized financial report yet. We will update this guideline to reflect changes to provincial rules as needed.

Note: Refer to Appendix 1 for the key terms used in this guideline.

(New) Highlights of changes

Section 1: Overview

We added a highlights of changes subsection so that you know the key changes we made since January 2025 (version 2).

Section 3: Funding components, flexibility, and budget management

- Added the One-time Emergency Funding (OTEF) to the funding components subsection
- Revised the base fee revenue offset section language to provide more clarity and added the formula to calculate the 2026 base fee revenue offset so that you can plan for the change
- Updated the shortfall subsection to align the language with the March 10, 2025 memo: 2025 Early Years and Child Care (EYCC) funding updates

Section 4: You must reduce your base fees

We updated the timing of the 2025 parent handbook collection by removing "Q1" to align with our data collection plan (<u>Section 4.1</u>).

Section 5: Staff wage and benefit requirements

- Updated requirements with the increased Ontario's minimum wage that comes into effect on October 1, 2025 (\$17.60)
- Added new requirements for professional learning

Section 6: Maintain your service levels¹

We updated the <u>Section 6.1. Program closures</u> to align with direction provided on our June 2, 2025, memo "CWELCC paid closure day cap." We:

- Added a definition and classification of closure days and explained its funding impacts.
- Clarified the requirements associated with program closures, such us listing them in your parent handbook and notifying us of any planned closure day increases.
- Added details on the requirement to pay staff for closure days
- Included the 2025 transition plan for legacy centres that have more than 20 planned paid closure days.

Section 8: Use your funding to support eligible costs

For clarity, we updated <u>Section 8.2 Ineligible costs</u>.

(New) Section 9: One-time Emergency Funding (OTEF)

We added details on emergency funding and information about how to apply.

Section 10: Accountability requirements

- Added new requirements for professional learning and OTEF
- Updated the Enhanced Program Support (EPS) KPIs language. The term children with special needs was changed to children who need extra support

Appendices

We updated or added appendices as follows:

¹ This update aligns with the direction provided on our June 2, 2025, "CWELCC paid closure day cap" memo.

- We revised <u>Appendix 2</u> to reflect the spring allocation update, and the changes expected in the fall.
- We added a new <u>Appendix 4: Memo "Child care fees for children who age out of CWELCC"</u> The language on the headings of the tables were updated to reflect the that the CWELCC reduced rates may be \$22 a day or less, as noted on <u>Section 4.1</u> of this guideline.
- We added a new <u>Appendix 10</u>: Planning time and professional learning communication to eligible staff.
- We added a new Appendix 11: Professional development resources.
- We added a new Appendix 12: CWELCC cost eligibility assessment.

Section 2: Child care centre eligibility

2.1 General eligibility

To qualify for 2025 CWELCC Funding, you must:

- Be licensed to operate a child care centre(s) approved by Peel Region to participate in the CWELCC program.
- Have a signed 2025 Early Years and Child Care (EYCC) Funding Agreement.
- Demonstrate (new providers) and maintain (all providers) financial viability.
- Provide your audited financial statements and accompanying Financial Annual Information Return (FAIR) annually².
- Report your enrollment data and operating capacity in the Ontario Child Care Management System (OCCMS) monthly.
- Complete the Ministry's Annual Licensed Child Care Operations Survey. If you do not, we must put your CWELCC funding on hold.
- Comply with all CWELCC program, policies, financial, contract, and system
 planning data reporting requirements in the EYCC Service Provider Handbook,
 this guideline, and our financial policies. You must report on time under our
 Compliance Policy.

Refer to the EYCC Service Provider Handbook to learn about:

² Unless you were approved for an extension or exemption in 2024, as of January 1, 2025, you must have a December fiscal year-end and provide calendar year (January to December) audited financial statements.

- Requirements and funding implications of opting out of CWELCC.
- Impacts to your CWELCC funding and specific requirements resulting from sales, transfers, and acquisitions of child care businesses.
- Authentic participation requirements.

2.2 2025 legacy top-up eligibility

To qualify for the 2025 legacy top-up, in addition to the <u>general eligibility</u> requirements:

- You must be a legacy centre (review <u>Appendix 1: Key terms</u>):
 - Be enrolled in CWELCC in Peel before August 15, 2024; or have applied to CWELCC by that date and be approved to participate in CWELCC for spaces existing as of December 31, 2024.
 - Have continuously participated in CWELCC since your date of enrollment/application.
- Your eligible legacy costs must exceed your adjusted benchmark allocations.
- To help us assess your eligibility and finalize your legacy top-up amount, you must submit the following documents by the deadline communicated:
 - o Completed 2025 legacy data spreadsheet.
 - o Completed 2024 staff wage data (workforce supplementary schedule).
 - Proof of your 2025 fixed costs, such as a copy of your lease or rent receipts.
 - o Completed 2025 operating budget.
 - Any other documentation requested by Peel.

2.3 2025 growth top-up eligibility

To qualify for the 2025 growth top-up, in addition to the <u>general eligibility</u> requirements:

- You must be a new child care centre or an existing centre that expands with new licensed spaces approved to participate in CWELCC through <u>our</u> <u>expansion application</u>.
- The new centre/spaces must become licensed and start operations in 2025.

Section 3: Funding components, flexibility, and budget management

Important information about your funding in 2025

Your CWELCC funding is not final until the end-of-year reconciliation. This means that at the end of the year, we will compare your CWELCC funding to your actual program costs and fees you collected from eligible families at CWELCC approved centres during the calendar year to finalize your funding.

Your actual program costs cannot exceed your program cost allocation, and we will recover any unspent funding. We may require in-year reconciliations to avoid the recovery of significant overpayments at the end of the year.

Refer to <u>Program cost allocation</u>, <u>Section 8: Cost eligibility</u> and <u>Section 10: Accountability requirements</u> for details.

3.1 Funding components

In 2025, CWELCC cost-based funding includes the following components: program cost allocation; amount in lieu of profit or surplus; and base-fee revenue offset.

Review Appendix 2 to understand how your 2025 CWELCC allocation was calculated.

Program cost allocation

This amount covers eligible costs of providing child care services included in your base fee to CWELCC eligible children. It is made up of the following estimated amounts:

- Benchmark allocation: Helps cover typical costs of providing child care adjusted by Peel Region Geographic Adjustment Factor (GAF). It includes program staff, supervisor, accommodations, and operations.
- **Legacy top-up (if applicable):** helps you keep your cost structure if your eligible legacy costs are higher than your benchmark allocations.
- **Growth top-up:** Supports costs for adding new expansion-approved spaces.

At reconciliation, we will compare your program cost allocation to your <u>actual program costs</u> and actual base fee revenue:

• If your program cost allocation is more than your actual program costs, we will recover any unspent funding. We will share more information about the reconciliation process later in 2025.

• Your actual program costs cannot exceed your program cost allocation. If your actual program costs are higher than your program cost allocation, your program cost allocation stays the same.

ReviewSection 8: Use your funding to support eligible costs to learn more about eligible and ineligible costs under the CWELCC cost-based funding.

Amount in lieu of profit or surplus

Amount in lieu of profit or surplus is the allowable profit (commercial) or surplus (non-profit) that we can fund under the CWELCC program. Please note that:

- If your actual program costs at reconciliation are less than your program cost allocation, we will recalculate your amount in lieu of profit or surplus using your actual program costs.
- Commercial providers can use this amount in any way they see fit.
- Non-profit providers can reinvest this amount into their child care program based on their organization's by-laws/direction.

Base fee revenue offset

This is the portion of your base fees that families and/or the child care subsidy program continue to pay for CWELCC eligible children. Since this amount is used to offset the costs of delivering the services included in your base fees, your cost-based funding **is reduced** by this amount, as you are already collecting this revenue from families.

This amount:

- Includes your estimated base fees. Base fees include your daily fees, registration fees, and any other mandatory fees you charge according to your parent handbook.
- Excludes other revenue such as donations, fundraising (not mandatory for families), interest income, and other non-base fee revenue.
- Is consistent with the number of operating spaces and service days used to calculate your benchmark allocation.

Review Appendix 3 for examples of base fees and non-base fees for more information.

How we calculated your expected base fee revenue offset (allocation) To calculate your cost-based funding allocation in 2025, we will use your expected base fee revenue offset, which is a result of multiplying your estimated base fee revenue offset by 0.90 to account for vacancies.

We did not factor estimated revenue from registration fees or other mandatory fees in your funding allocations as we recommend you do not charge these fees beginning in 2025. Any mandatory fees charged to families will reduce your CWELCC funding at reconciliation. Review <u>Section 4.2</u>: Other mandatory fees for more information.

(New) 2026 notice. Under provincial direction, your 2026 expected base fee revenue offset will result from multiplying your estimated base fee revenue offset by 0.95. We encourage you to consider a reduced 5% vacancy rate as you plan your 2026 operations.

How we will calculate your actual base fee revenue offset at reconciliation At reconciliation, your actual base fee revenue offset is the greater of:

- The base revenue you earned for CWELCC eligible children during the calendar year.
- Your expected base fee revenue which is noted in <u>GovGrants</u>. We may adjust this amount throughout the year to reflect your operating capacity.

This means that:

- If you collect more base fee revenue than expected, we will use the higher amount to offset your allocation. You cannot use additional base fee revenue to offset costs above your program cost allocation.
- If you collect less base fee revenue than expected, we still must use your expected base fee revenue amount to offset your allocation.

We strongly encourage you to track your actual base fee revenue and keep separate track of your base fee and non-base fee revenue to avoid funding shortfalls.

One-time Emergency Funding (OTEF)

The OTEF supports one-time, unexpected, non-discretionary costs. Approvals are case-by case, subject to eligibility, and budget availability. Review <u>Section 9</u> to learn more.

3.2 Your CWELCC Funding in GovGrants

In 2025, you will receive your CWELCC funding through the following <u>GovGrants</u> funding announcements:

- 2025 CWELCC Cost-Based funding (everyone).
- 2025 CWELCC Allocation in Lieu of Profit/Surplus (everyone).
- **(New)** 2025 CWELCC One-Time Emergency Funding (only if approved).

2025 CWELCC cost-based funding announcement

Your 2025 CWELCC cost-based funding announcement includes your program cost allocation and base fee offset, using the following budget categories:

- Program staffing.
- Supervisor.
- Accommodations.
- Operating fixed.
- Operating variable.
- Legacy top-up (if eligible).
- Growth top-up (if eligible).
- Expected base fee revenue offset (which is a negative number).
- Other.

2025 CWELCC allocation in lieu of profit or surplus announcement

This announcement only includes the amount in lieu of profit/surplus budget category.

2025 CWELCC One-time Emergency Funding announcement

This announcement only applies to providers approved for OTEF.

3.3 Funding flexibility

Your CWELCC cost-based funding is flexible, which allows you to use it based on the operational needs of your CWELCC program. You can use this flexibility after you meet the funding conditions outlined in <u>Section 3.5: Things you must do if you participate in CWELCC</u> of this guideline.

Your eligible costs do not have to align with individual benchmark allocations. You can use your program cost allocation to cover any <u>eligible costs</u> based on the operational needs of your CWELCC program.

(Updated) 3.4 Budget management: surplus and shortfall

We encourage you to regularly review your CWELCC budget. Use our 2025 operating budget template to help with your budget planning. We shared a revised operating budget template for single-site providers in July 2025, and a new multisite template will be shared in August 2025.

As you implement your budget, you may face one of the following situations:

A. Balanced budget

If you plan on fully spending your funding on eligible costs without any shortfalls, no action is required.

B. Surplus

If your funding exceeds your planned eligible program costs for the calendar year you can:

- Request a funding reduction to avoid a significant recovery by emailing us with the subject line "CWELCC Funding Reduction" at <u>EarlyYearsSystemDivision@peelregion.ca</u> and copy your Early Years Specialist (EYS).
- Consider using the surplus for eligible costs that are appropriate, attributable, and reasonable, such as quality improvements. We must recover excess funding and will return it to the Ministry.

C. Shortfall

If you anticipate a shortfall, please note that your funding amounts in <u>GovGrants</u> as of January 1, 2025 are estimates. If applicable, we will update funding amounts as follows:

- Spring 2025: your allocation was adjusted using your January 2025 licensed and operating capacity and the updated data from your 2025 Legacy Worksheet. This also included a review and potential adjustment of your 0 to 6 Workforce Innovation Funding (WIF) and Enhanced Program Support (EPS) funding.
- If after this update, you still face a funding shortfall, email us with the subject line "CWELCC Funding Request" at EarlyYearsSystemDivision@peelregion.ca copying your EYS. We will review the data used to calculate your allocation and assess whether an adjustment is needed (for example, if your operating capacity increases).
- Fall 2025: We may make more updates to reflect changes to your service levels, service days, salary data, and mixed age grouping enrollment. We will also continue to review your operating capacity and enrollment trends and make further adjustments to reflect significant changes in your benchmark allocations.

If your actual program costs exceed your program cost allocation after all in-year adjustments have been made, you must cover the difference.

3.5 Things you must do if you participate in CWELCC

If you participate in CWELCC, you must:

- Reduce/maintain (as applicable) and communicate your base fees (<u>Section 4</u>).
- Meet wages and benefits requirements (<u>Section 5</u>).
- Maintain your service levels (<u>Section 6</u>).
- Use Enhanced Program Supports (EPS) appropriately (<u>Section 7</u>).
- Use funding to support eligible costs (<u>Section 8</u>).
- Meet reporting and accountability requirements (<u>Section 10</u>).
- Authentically participate. Refer to our <u>Service Provider Handbook</u>, to learn about this requirement and the supports available to you.

Review the following sections for details on these requirements.

Section 4: You must reduce your base fees

Base fees are the fees you charge families to provide licensed child care to a CWELCC eligible child. They include:

- Anything you are required to provide under the <u>Child Care and Early Years Act, 2014 (CCEYA)</u>.
- Anything families must pay or purchase from you to receive licensed child care (including any mandatory fees such as registration fees, mandatory fundraising fees, among others).

Refer to <u>Appendix 3</u>: What is included in your base fees and examples of non-base fees to learn more.

4.1 Reduce your base fees and make sure your daily base fees are \$22 a day or less

Effective January 1, 2025, or beginning the date you enroll in CWELCC (if enrolled after January 1, 2025), you must reduce³ your base fees for CWELCC eligible children

³ You must charge the reduced fee. This means that you cannot charge a higher fee and issue a credit or refund. Exception: Credits or refunds of pre-paid fees impacted by the up to \$22 a day fee cap that were to be issued by March 2, 2025. Review Requirement to issue a credit or refund for 2025 pre-paid program fees for details.

to **the lesser of** \$22 a day, or the CWELCC reduced daily base fee you were charging on December 31, 2024⁴.

For clarity, this applies to all CWELCC eligible children receiving licensed child care services in sites enrolled in the CWELCC program, even if they are enrolled in primary junior school age rooms.

2025 CWELCC regulatory updates under the CCEYA

Starting January 1, 2025, base fees for child care programs in CWELCC are capped at a maximum of \$22 a day for eligible children. Providers must include all mandatory fees that families are required to pay when checking if they meet the new fee cap. This includes not only the daily care fee, but also any other required fees such as registration fees, and other one-time or recurring fees that families must pay.

Under the CCEYA, the Ministry defines a "base fee" as any fee charged for child care services, including required services, items, and any other mandatory costs. A "non-base fee" is a fee for optional items or services, or fees charged when the family does not meet the terms of the agreement with you.

To comply with the new rules, you need to clearly explain in your parent handbook which fees are mandatory (base fees) and which fees are optional (non-base fees) that families can choose to pay.

To determine how mandatory fees impact your overall base-fee, review subsection 4.2 Other mandatory fees.

Requirement to issue a credit or refund for 2025 pre-paid program fees

If you collected pre-paid fees higher than the daily cap of \$22 (such as deposits or advanced fees), for services on or after January 1, 2025, you must issue a credit or refund for the difference by **March 2**⁵, **2025**.

Fee deposits

Fee deposits are pre-paid base fees. If you collect fee deposits for CWELCC eligible children, you must calculate your fee deposit using the new reduced daily fee (\$22 a day or less) multiplied by the number of days the deposit is required for as set out in your parent handbook.

⁴ On December 31, 2024, base fees of providers participating in CWELCC were reduced by 52.75%. If you joined CWELCC after December 31, 2024, refer to <u>Section 4.7: Daily base fees for new CWELCC</u> providers.

⁵ CORRECTION NOTICE: Date changed from March 3 to March 2 to align with the <u>Licensing Manual</u>.

If your daily base fee was more than \$22 a day in 2024, and you charged pre-paid deposits, you must issue a credit or refund to families for the difference between your 2025 and 2024 fee deposits by March 2, 2025.

Example:

Your organization typically collects a fee deposit equivalent to 2 weeks of child care when a family registers for care which is applied to their first and last week of care. In 2024, you collected a fee deposit for care beginning in 2025 calculated using your 2024 approved fee of \$40 a day. In this case you will need to refund the difference of \$18 a day \times 10 days, as the maximum you can collect for services beginning in 2025 is \$22 a day.

Fee deposits are deferred revenue. When the deposit is used to pay for the child's base fees the revenue is considered earned. Fee deposits count towards your fee offset when they are earned, even if they were collected in a prior calendar year.

You can continue to charge a deposit or advanced fees. If you choose to do so, you must calculate the deposit amount using the reduced fee of \$22 a day (or lower), effective January 1, 2025, and the length of time set on your parent handbook's fee deposit policy.

Extended day programs and other exceptional circumstances

You may offer different types of care and fees to meet the needs of families such as part-day, full-day, part-time, full-time, before, after, and before and after care. You must apply the CWELCC fee reduction to all base fees for eligible children. However, the reduction cannot lower the fee to less than \$12 a day or exceed \$22 a day for a full 24-hour period.

If a child is enrolled for care during school hours and separate extended hours (for example, 9 am to 4 pm) the maximum you can charge is \$22 a day.

If a child is enrolled for both the school hours and the extended hours, the maximum you can charge them is also \$22 a day (including both the school hours and the extended hours). Table 1 includes a few examples that show what this means to you.

Table 1. 2025 fee reduction examples.

| Service | base fee | reduced base fee by | 2025 reduced daily fee after the \$22 a day or less cap |
|---------------------------------|----------|-----------------------|---|
| Before school care only (JK/SK) | \$12 | \$12 (stays the same) | \$12 (stays the same) |

| Service | Approved base fee | December 31, 2024 reduced base fee by 52.75%, but not less than \$12/day | 2025 reduced daily fee after the \$22 a day or less cap |
|---|----------------------|---|---|
| After school care only (JK/SK) | \$14 | \$12 (as 52.75% is less than \$12) | \$12 (stays the same) |
| Before and after school care only (JK/SK) | \$24 | \$12 (as 52.75% is less than \$12) | \$12 (stays the same) |
| Full-day | \$50 | \$23.63 (52.75% reduction applied) | \$22 |
| Full-day | \$90 | \$42.53 (52.75% reduction applied) | \$22 |
| Nursery School Program | \$14 | \$12 (as 52.75% is less than \$12) | \$12 (stays the same) |

4.2 Other mandatory fees

Regulatory change under the CCEYA: You must include all mandatory fees in your base fee calculation

According to the Ministry's regulatory changes under the CCEYA, the calculation of your overall daily base fees must factor in all mandatory fees charged to families, such as registration fees and any other one-time or recurring fees families must pay.

If you charge mandatory fees, you must amortize them by your number of service days in the calendar year and use the amortized amount to determine if you are meeting the \$22 a day (or less) fee cap.

For clarity, non-refundable registration fees charged before January 1, 2025, are not included in this calculation. Exception: registration fees that according to your parent handbook are applied to future services, are fee deposits (not registration fees), and <u>Section 4.1</u> applies.

Important: To reduce administrative work for providers, we recommend that starting January 1, 2025, you stop charging registration fees and other mandatory fees to your families. This change will not affect your total revenue (CWELCC funding plus fees collected from families) as any revenue you collect from families will directly reduce your amount of CWELCC funding through the revenue offset calculation.

If your daily fees were:

- \$22 a day or more as of December 31, 2024, you cannot continue to charge any additional one-time or other mandatory fees as you will exceed the \$22 a day cap set out in regulations.
- \$22 a day or less as of December 31, 2024, you can continue to charge additional one-time or other mandatory fees if the combined amount does not exceed the \$22 a day cap set out in regulations.

If you decide to keep charging one-time or other mandatory fees to families, you must make sure that your total fees (daily fees and any one time or other mandatory charges) do not go over the \$22 a day fee cap.

Steps to determine compliance:

- 1. Pro-rate your mandatory fees by the number of service days in the calendar year.
- 2. Add the pro-rated daily mandatory fee to your daily base fee to determine the combined daily fee.
- 3. Ensure the combined daily fee does not exceed the \$22 a day cap.

Example #1: complying with the \$22 a day cap

On December 31, 2024, families were charged \$19.55 a day in base fees, and an annual mandatory registration fee of \$236.25 (after the 52.75% fee reduction), and your program operates for 261 days a year. The original registration fee before the 52.75% reduction was \$500 each year.

Calculation:

The reduced annual registration fee of \$236.25 divided by 261 service days will contribute \$0.90 a day towards the daily fee cap. The combined daily fee is \$19.55 a day plus \$0.90 a day which equals to a revised amount of \$20.45 a day, which complies with the requirement.

Example #2: mandatory fee exceeding the \$22 cap

On December 31, 2024, families were charged \$21.50 a day in base fees, and an annual mandatory registration fee of \$300 (after the 52.75% fee reduction), and your program operates for 261 service days each year.

Calculation:

The reduced registration fee of \$300 divided by 261 service days will contribute \$1.15 a day towards the daily fee cap. The combined daily base fee of \$21.50 plus \$1.15 a day equals to a revised amount of \$22.65 a day.

Since the combined daily fee exceeds the \$22 a day cap, you must reduce the fees collected from families to comply.

Adjustment required:

To meet the \$22 a day cap, you would need to reduce the annual registration fee to \$130.50 (\$22 - \$21.50, then multiply by 261 days). This ensures the combined daily fee does not exceed \$22 a day.

At reconciliation, you must report all mandatory fees collected in the calendar year, and we will reduce your CWELCC funding by that amount.

Action: If you plan to continue charging registration or other mandatory fees to families, you must email us at EarlyYearsSystemDivision@peelregion.ca before January 31, 2025. We will review with you the impacts to the fee cap and your CWELCC allocation.

To meet <u>Section 4.3</u>: Revise and communicate your fee schedule and update your parent handbook to reflect your decision. We will collect your updated parent handbook in 2025.

4.3 Revise and communicate your fee schedule

To ensure families know about the fee reduction, the \$22 a day base fee cap, and the removal of all mandatory base fees you must:

- Update your fee schedule to reflect the \$22 a day base fee cap. Your fee schedule must include your base fees, non-base fees, a description of what is included in your services, and the portion of the fees covered by Peel Region and the effective date.
- Communicate the reduced fees and the removal of other mandatory fees (if applicable) to your families through your regular communication channels, such as email, letter, and parent board in your centre.
- Make your updated fee schedule publicly available on your centre's parent board and update your parent handbook. We also recommend you post your fee schedule on your website.

4.4 Maintain the services included in your base fee

You cannot charge non-base fees for programs and services previously included in your base fees.

You cannot introduce new mandatory fees or increase existing mandatory fees. Mandatory fees are fees that families must pay to receive child care.

4.5 CWELCC eligible children

All children younger than 6 years of age who are enrolled in a participating licensed child care program (full-day or part-day) qualify for the \$22 base fee cap. Children who are 6 years of age may qualify as follows:

- 6-year-old children enrolled in a preschool, kindergarten, or family age groups:
 - If the child turns 6 years old between January 1 and June 30, they
 qualify until June 30 of that year. For example, if a child turns 6 on April
 15, the child qualifies for the base fee cap until June 30. Starting July 1,
 the child does not qualify and would pay your market fees.
 - o If the child turns 6 years old between July 1 and December 31, they qualify until the end of the month they turn 6 years old. For example, if a child turns 6 on October 5, they will qualify for the base fee cap until October 31. Starting November 1, the child does not qualify and would pay your market fees.
- 6-year-old children enrolled in primary/junior school-age or junior school-age qualify until the end of the month they turn 6 years old. For example, If the child turns 6:
 - On April 15, they would qualify until April 30 and pay market fees starting May 1.
 - On October 12, they would qualify until October 31 and pay market fees starting November 1.

Note: Camp programs not licensed under the CCEYA, are not licensed child care. Children enrolled on these programs do not qualify for CWELCC.

CWELCC children who age out of the **CWELCC** program

Review <u>Appendix 4: Memo "Child care fees for children who age out of CWELCC"</u> to learn more about:

- Fees for children who age out of the CWELCC program.
- Key things you must do as children transition out of the CWELCC program.

4.6 Fee reduction for eligible children in receipt of child care subsidy

We have updated your municipal rates in the <u>Ontario Child Care Management</u> <u>System</u> (OCCMS) to reflect the 2025 CWELCC reduced market rates effective January 1, 2025. Review <u>Appendix 5</u> to learn how this impacts your child care subsidy payments.

- Families in receipt of subsidy with children enrolled in participating programs receive a 50% fee reduction on their parent contribution paid for eligible children, even if their contribution is less than \$12 a day. The parent contribution for CWELCC eligible children has already been reduced in the confirmation of subsidy letter. This means that:
 - o You do not have to apply an additional reduction.
 - Parents must pay the parent contribution amount in the confirmation of subsidy letter.
- Municipal fees cannot exceed \$22 a day including daily base fee and other mandatory fees (for example, registration fees). Refer to <u>Section 4.2: Other</u> <u>mandatory fees</u> for more information.
- When a family receiving child care subsidy exceeds their absent day allowance, you must charge the family the same way as full fee-paying families for any remaining absent days for the year. This means that the family would pay the market rate reduced by 52.75% to a cap of \$22 a day. Any fees paid by families already collected for that day would contribute towards the remaining amount that the family must pay. For information on the absent day allowance, review the Service Provider Handbook.
- The child care subsidy program will continue to pay separately for the subsidy portion of your fees.
- Child care subsidy payments and payments by families are included on your base fee revenue offset and result in a reduction of CWELCC funding.

4.7 Daily base fees for new CWELCC providers

If you enroll in CWELCC after December 31, 2024, <u>O. Reg. 488/24</u> under the CCEYA sets your daily base fees as follows:

Table 2. Daily base fees for providers that enroll in CWELCC after Dec. 31, 2025

| Age group for CWELCC eligible children | Daily base fee |
|--|----------------|
| Infant, full-day | \$22 |
| Toddler, full-day | \$22 |
| Preschool, full-day | \$22 |
| Kindergarten, before and after school program | \$13.35 |
| Kindergarten, full-day | \$22 |
| School-age, before and after school for CWELCC eligible children | \$12.27 |
| School-age, full-day for CWELCC eligible children | \$22 |
| Family Age group, full-day for CWELCC eligible children | \$22 |

Section 5: Meet staff wage and benefit requirements

This section outlines the wage enhancement and incremental benefit/deduction requirements you must follow in 2025 for staff who care for CWELCC eligible children. Once you meet these required wage and benefit conditions, you have the flexibility to determine staff compensation within your overall program cost allocation.

Note: Providers should claim staffing expenses under CWELCC if the staff supports children younger than 6 years of age. Providers should claim staffing expenses under school-age funding if the staff supports children 6 to 12. If a staff is a floater, or serves both age groups, providers should claim the cost under the program where that staff spends most of their time. You can only claim expenses once.

Starting in 2025, regular funding for children younger than 6 years is integrated into your CWELCC cost-based funding. We used your 2023 audited financial statements and FAIR, which includes your 2023 routine funding expenses, to determine your funding eligibility and to assess your ability to meet these requirements.

To participate in CWELCC in 2025, you must:

- 1. Meet Ontario's minimum wage requirements for all your employees. From October 1, 2024, to September 30, 2025, Ontario's minimum wage is \$17.20 an hour. As of October 1, 2025, it will increase to \$17.60 an hour.
- 2. <u>Maintain 2024 regular General Operating Fund (GOF) hourly wage and benefit enhancements in 2025</u>. You must maintain the same hourly wage and incremental benefit enhancements in 2025 that were provided under the 2024 General Operating Fund (GOF). This includes staff wages and benefits, historical funding, and pay equity that was added to an eligible staff's hourly wage as of December 31, 2024. This requirement does not include one-time top-ups (<u>Section 5.4</u>).
- 3. <u>Meet 2025 Wage Enhancement Grant (WEG) requirements</u> for eligible program staff and supervisors. You must reassess staff eligibility based on the updated 2025 WEG's wage maximum of **\$32.81** an hour (<u>Section 5.5</u>).
- 4. <u>Meet the Workforce Compensation Funding (WCF) 2025 requirements</u> for eligible RECE program staff and RECE supervisors (<u>Section 5.6</u>).
- 5. Ensure eligible staff affected by the change in the order of operations are, at minimum, held to their 2024 wage (Section 5.7).
- 6. Provide one hour of paid planning time to eligible program staff working with children younger than 6 years of age (Section 5.10).

No staff should earn less than what they earned in 2024 for the same work.

The Ministry has indicated in its provincial guidelines that:

- "Base wages" for the purpose of wage enhancement funding (like WEG or WCF) must include GOF.
- Staff who no longer qualify for (or qualify for less) WEG and/or WCF due to this
 change in GOF must be held constant until they become eligible for additional
 increases. This means that hourly wages for program staff as of December 31,
 2024, must be maintained in 2025, ensuring no reduction in their pay. Review
 Section 5.7 Wage Stability of this guideline for more details.

5.1 Eligible positions and hours supported

This section applies to program staff serving children younger than 6 years, who are employed in child care centres approved to participate in CWELCC by Peel Region.

What program staff and centre supervisors qualify for⁶⁷

Program staff and centre supervisors qualify for:

- The hourly GOF wage enhancement received in 2024 (Staff Wages and Benefits, Historical and/or Pay Equity as applicable).
- 2025 WEG, if their hourly wage is eligible.
- Program staff and centre supervisors who are also RECEs (designation) qualify for the WCF, including the up to \$3 an hour RECE wage increase and the RECE wage floor if their hourly wage is eligible.

Notes:

 Director-approved staff (staff working in an eligible position without a RECE designation such as non-RECE Montessori teachers, non-RECE supervisors) only qualify for GOF and WEG.

 Assistant centre supervisors qualify for GOF, WEG and WCF only for the hours worked supporting ratio requirements for CWELCC eligible children if they

⁶ Refer to <u>Appendix 1: Key Terms</u> for definitions of program staff, supervisor, RECE, and RECE supervisor.

⁷ Program staff positions in place to support higher adult-child ratios than required under the CCEYA, qualify for these programs if they meet their additional eligibility requirements such us hourly wage eligibility, qualifications, and so on.

spend at least 25% of their time supporting ratio, and if their hourly wage is eligible.

Hours that must be supported for program staff and centre supervisors.

For program staff and centre supervisors, you must apply the wage enhancements to paid time in program supporting ratios for CWELCC eligible children, paid planning time hours, paid set-up time, and paid time spent in meetings mandated by the organization, if they meet all other requirements.

Non-program staff who spend at least 25% of their time supporting ratio

Non-program staff who spend at least 25% of their time supporting ratio qualify for hours worked supporting ratio requirements for, or supervision of, CWELCC eligible children, as follows:

- Hourly GOF wage enhancement received in 2024 (including Staff Wages and Benefits, Historical and/or pay equity as applicable).
- 2025 WEG if hourly wage is eligible.
- If they are RECEs (designation), the 2025 WCF, including the up to \$3 an hour RECE wage increase and the RECE wage floor if hourly wage is eligible.

Hours worked outside of ratio do not qualify.

For example, if a cook is scheduled to work 8 hours each day and is scheduled to work 2 of those hours to support rest time or cover program staff breaks, then that position is working in program for 25% of the time and may qualify for the enhancements above for 2 hours each day (10 hours each week).

5.2 Ineligible positions

Requirements related to 2024 GOF maintenance, 2025 WEG, 2025 WCF, Wage Stability, and planning time do not apply to the following positions:

- Non-program staff, such as bus drivers, cook/housekeeping, custodian/janitorial, clerical/administrator⁸.
- Assistant supervisors who do not qualify for the 2025 WEG or WCF.

⁸ If the position listed above spends at least 25% of their time supporting ratio requirements under the CCEYA, the position is eligible for hours worked supporting ratios and the supervision of children in the program.

- Enhanced Program Support (EPS) staff, Special Needs Resourcing resource teachers/consultants and supplemental staff⁹.
- Unpaid students and volunteers.
- Students not in a permanent position.
- Owners/Operators who do not occupy an eligible position.
- Individuals hired through a third-party such as a temp agency.
- Fee for service contracts.

Program staff and supervisors who are not Registered Early Childhood Educators (RECE) do not qualify for Workforce Compensation Funding (WCF).

Director-approved staff working in an eligible position without a RECE designation such as non-RECE Montessori teachers and non-RECE supervisors, do not qualify for WCF.

5.3 Change for 2025: order of operations

To help you determine staff financial eligibility and apply the wage enhancements, use our 2025 Staff Wages Planning Tool shared with you and follow this order of operations:

A. Program staff and centre supervisors

1. Start with your employer-paid base wage as of December 31, 2024 (include any 2023 and 2024 employer-funded wage improvements such as obligations from collective agreements, performance, cost of living and/or minimum wage increases).

Note: If staff receive an increase to their base wage between January 1 and December 31, 2025, you do not need to reassess their eligibility for workforce funding in 2025. Instead, you must include that increase when determining their 2026 workforce funding eligibility.

2. Add: 2024 General Operating Fund (GOF) staff hourly wage enhancements and related benefits for eligible staff. This includes the former Staff Wages and Benefits, historical, and pay equity regular hourly wage enhancement amounts and excludes top-up payments.

⁹ EPS funded staff cannot be counted towards ratio for supervision under the CCEYA. If you have used EPS funding to extend the hours of existing program staff, only the hours that staff supported ratio under the CCEYA can be eligible for GOF.

3. Add: Wage Enhancement Grant (WEG). Full/partial WEG is added if the total from steps 1 and 2 is less than \$32.81 an hour for eligible staff positions.

B. Program staff and centre supervisors who are RECEs¹⁰

- 4. Add: Workforce Compensation Fund (WCF) to RECE Wage if the total from steps 1, 2, and 3 is less than \$27 an hour for RECE program staff and \$30 an hour for RECE supervisor. Staff must qualify for WEG before they qualify for WCF.
- 5. Add: WCF RECE Wage Floor, if the total from steps 1 to 4 is less than \$24.86 an hour for RECE program staff or \$25.86 an hour for RECE supervisors.

C. Program staff and supervisors who are assessed at a 2025 hourly wage that is lower than their 2024 hourly wage with enhancements

6. Add: Staff who previously qualified for WEG and/or WCF in 2024 but no longer qualify in 2025 due to the change in the order of operations, must have their 2024 hourly wage held constant (including applicable wage enhancements) until they become eligible for additional increases. Add the stability amount to their wage that maintains their salary at 2024 levels. Review <u>Section 5.7: Wage Stability</u> for more details.

5.4 Maintain 2024 GOF regular wage enhancements

In 2025, you must maintain the same General Operating Fund (GOF) wage enhancement and benefit supports provided to staff in 2024. Note that:

- You must maintain wage and benefit enhancements following your distribution approach used in 2024.
- Positions supported in 2024 should not experience a decrease in their hourly wages.
- This includes hourly wage enhancement paid through the former staff wages and benefits, historical, and pay equity wage enhancements (if applicable).
 One-time top-up GOF amounts distributed to staff in 2024 are excluded from this requirement.
- As of December 31, 2024, you must apply the GOF wage enhancement on top of staff's base wage.

¹⁰ Refer to Appendix 7: How to determine if staff qualifies for WCF for more details

Pay equity

If you are eligible to receive pay equity funding by the province, you must:

- Use your funding to meet pay equity obligations under the province's pay equity plan and the <u>Pay Equity Act</u>.
- Let us know in writing when your pay equity obligations are achieved.

5.5 2025 Wage Enhancement Grant (WEG)

In 2025, WEG continues to support an increase of up to \$2 an hour, plus incremental mandatory benefits/deductions for eligible program staff.

You do not need to apply. WEG supports are already built into your program cost allocation (benchmark allocation and/or top-ups). You will not receive a separate amount.

Action required: You must submit your Workforce Supplementary Schedule by **January 31, 2025,** so that we can assess your wage enhancement and benefit costs and ensure you have enough funding to meet the requirements in <u>Section 5: Staff wage and benefit requirements</u>.

2025 WEG eligibility maximum: The WEG eligibility maximum wage for 2025 is \$32.81 an hour.

New in 2025: You must include the hourly base wage paid by you plus all former General Operating Fund wage enhancements (Staff Wages and Benefits (SWB), Historical Wage Subsidy, and Pay Equity) in the WEG wage maximum. Do not include WEG enhancements from prior years.

To determine if staff qualifies for WEG, follow the steps outlined in Appendix 6.

5.6 Workforce Compensation Funding (WCF) requirements

In 2025, the WCF is built into your program allocation and improves wages for RECEs employed in centres participating in CWELCC.

To meet your WCF requirements, you must increase the hourly wages of eligible RECE staff supporting CWELCC children by the:

• **RECE wage increase:** You must increase the hourly wage of eligible RECE program staff and supervisors by up to \$3 an hour in 2025, if their hourly wages are below the wage ceiling of \$27 an hour (including GOF and WEG) for RECE program staff and \$30 an hour (including GOF and WEG) for RECE supervisors. 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 2025.

• **RECE wage floor:** You must pay RECE program staff at least \$24.86 an hour and RECE supervisors at least \$25.86 an hour (including the base wage, GOF, WEG, and WCF wage increase). To calculate the wage increase and wage floor for RECEs, follow <u>Section 5.3: Order of operations</u>.

To determine if staff qualifies for WCF, follow the steps outlined in Appendix 7.

5.7 Wage stability for employees affected by the change in the order of operations

The Ministry has instructed us to include <u>GOF</u> in staff base wages when calculating eligibility for the <u>WEG</u> and <u>WCF</u>. Due to this change, some staff who qualified for <u>WEG</u> and/or <u>WCF</u> in 2024 may no longer qualify for all or part of these enhancements in 2025.

As required by the Ministry, you must hold constant the wage increases for these employees until they become eligible for additional increases.

This means that if staff continue to work in the same position, their 2025 hourly wage including wage enhancements cannot be less than their 2024 hourly wage with enhancements. In other words, you must hold their wages constant at 2024 levels until they qualify for an hourly wage increase in future years.

For example, Mary is a RECE working in a toddler room.

In **2024,** she earned an hourly base wage of \$22 and:

- She qualified for a full WEG enhancement (\$2) because her hourly base wage was less than the 2024 WEG wage maximum (\$30.59) = \$24 an hour.
- She qualified for a full WCF RECE wage increase (\$2) because her hourly wage with WEG was \$24, and below the 2024 wage ceiling (\$26) = \$26 an hour.
- She also received \$2.50 an hour in GOF, which was not included in the WEG or RECE wage increase calculation in 2024 = \$28.50 an hour.
- Her 2024 hourly wage with wage enhancements is \$28.50.

In 2025, the order of operations changed and her GOF wage enhancement was included in the WEG and RECE wage increase calculations. She did not get an employer paid wage increase in 2024.

- Her hourly base wage (\$22) plus 2024 GOF (\$2.50 an hour) is \$24.50 an hour.
- She qualifies for a full WEG enhancement (\$2) because her hourly base wage was less than the 2025 WEG wage maximum (\$32.81) = \$26.50 an hour.

- In 2025, the RECE wage ceiling is \$27per hour. This means that she only qualifies for a RECE wage increase of \$0.50 an hour.
- With the change in the order of operations, her total 2025 hourly wage is \$27.

Since Mary's hourly wage with enhancements is lower in 2025 due to the change in the order of operations, her employer must, at least, hold her hourly wage constant at 2024 levels. This means that in 2025, her employer must pay her at least \$28.50 an hour, until she qualifies for an additional wage increase.

Notations on pay stubs for impacted staff

Staff whose 2024 hourly wage are higher than their 2025 hourly wages under the new order of operations will get a "wage stability" amount to keep their wages constant with 2024 levels.

The wage stability amount is calculated by taking the difference between a staff's 2024 hourly wage with enhancements (as of December 31, 2024) and the 2025 hourly wage under the new order of operations. Using the example above, the wage stability amount for Mary is \$1.50 which is the difference between \$28.50 an hour (2024) and \$27 an hour (2025).

Providers must include the stability amount under the "CWELCC" notation on a staff's paystub and report the expense under WCF. A tool is available to help you calculate the wage stability amount that your staff are eligible to receive.

5.8 Benefits

You must use your program cost allocation to support mandatory benefits and deductions, and existing (before August 15, 2024) supplementary benefits under your Human Resources Policy. You may also use your program cost allocation to provide new or enhanced supplementary benefits within your program cost allocation.

A. Mandatory benefits

You must comply with your statutory obligations, including the payment of employer mandatory benefits. This includes:

- Employer contributions to the Canada Pension Plan (CPP), Employment Insurance (EI), Workers Safety Insurance Board (WSIB) and Employer Health Tax (EHT) as applicable.
- Employee benefits such as <u>vacation pay</u> and <u>public holiday</u> pay (9 statutory holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas, and Boxing Day).

You are encouraged to:

- Seek professional financial guidance regarding mandatory benefit payments to staff.
- Update your human resources policy.
- Monitor your budget to ensure that you have enough funding within your program cost allocation to meet your mandatory benefit obligations, including the incremental cost of the wage enhancement programs (former GOF, WEG and WCF).

For more information, visit the Canada Revenue Agency website <u>Employers' Guide - Payroll Deductions and Remittances</u>.

B. Supplementary benefits

You have the discretion to use your program cost allocation to support or enhance supplementary benefits or supply coverage for vacation days and sick days, group life insurance, supplementary health and dental benefits, and supplementary pension within your funding amount.

As you make the decision to provide new or enhance existing supplementary benefits, you may want to consider that:

- You are working within your program cost allocation. Your actual costs at reconciliation cannot exceed your program cost allocation.
- New or newly enhanced benefits do not result in a recalculation of your legacy amount (as applicable).
- Typical costs of supplementary benefits and supply coverage for vacation days and sick days are reflected in the provincial ancillary cost percentages (13.4% and 16.2%). These percentages are for your reference, and do not limit your discretion within your program cost allocation.
- All costs, including supplementary benefits, must be attributable, appropriate, and reasonable.

5.9 Requirements that apply for all workforce wage enhancements

The hourly wage enhancements, including 2024 GOF (staff wages and benefits, historical and pay equity), 2025 WEG, and 2025 WCF:

 Are over and above Ontario's minimum wage and in addition to your planned salary increases. You cannot use hourly wage enhancements to reduce and/or

- offset other planned compensation increases for eligible staff, including, but not limited to merit increases.
- 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 wage enhancements.
- Must be paid for statutory holidays, vacation time and paid sick days (if applicable) if staff get paid for these days.

Owner/operators employed by your agency (in receipt of a T4) qualify for the wage enhancements if they meet the position and financial eligibility requirements of the funding.

Staff communication requirements

You must share the Peel's staff memo shared with you on December 12, 2024 found in <u>Appendix 8</u> with existing program staff and supervisors, so they are aware of the wage enhancements that apply to them and the increases to the provincial RECE wage ceiling and wage floor.

Newly enrolled providers must share Peel's staff memo for new staff found in <u>Appendix 9</u> with all program and supervisor staff within 30 days after you receive your 2025 enrollment. Existing providers must also share this memo with new staff eligible for workforce funding.

Note: We may ask for proof of communication at any time.

Payments to staff requirements

You must do all the following:

- Pay hourly wage enhancements (2024 GOF, WEG, WCF, wage stability amount) and paid planning time to eligible staff with each pay cheque or payment made. This means that you must pay the wage enhancements at the same time you pay the hourly base wage they enhance.
- Include a notation for each program with the associated amounts payable on each paystub for: GOF, WEG and CWELCC (WCF).
 - Important: if your staff require stability funding, you must include this amount on the CWELCC (WCF) notation on their paystub.
- Pay hourly wage enhancements for hours worked between January 1 and December 31, 2025.
- Keep appropriate records verifying payments and distribution of GOF, WEG, WCF, wage stability, and paid planning time paid to staff.

One-time, year-end, cash, or gift card payments are not permitted.

5.10 Planning time

Planning time is dedicated time out of the classroom to perform eligible planning time activities.

Planning time is a mandatory activity between January 1 and December 31, 2025.

You have the flexibility to schedule planning time hours based on your operational needs and staff availability. You can arrange planning time in the following ways up to a maximum of four hours each month:

- Weekly, bi-weekly, or accumulated within the month.
- Two paid planning hours every two weeks or up to a maximum of four hours every month.

You must:

- Use your funding to provide at least one hour of paid planning time a week, or four hours a month, from January 1 to December 31, 2025.
- Aim to schedule planning time during staff's regular hours (where other staff
 must temporarily take their place to meet ratios) when staff who may benefit
 from an increased number of hours (such as supply, float, or part-time program
 staff) can provide coverage.

Find out which staff qualifies for planning time

<u>Program staff</u> who work a minimum of 20 hours a week supporting ratio requirements as outlined in the CCEYA in any one-week period (Monday to Sunday).

Check what activities qualify for planning time

Staff can conduct planning time activities individually or as a group based on your existing practices. Time spent in the following activities count towards the planning time requirement:

- Engaging in reflective practice, collaborative inquiry around pedagogical approaches.
- Applying learning from courses or training in the classroom.
- Preparing and documenting ongoing curriculum based on the 4 foundations of How Does Learning Happen? and observations of children's interests.
- Reviewing documentation, identifying interests, and setting goals for a group or a child.

- Researching and planning goal-oriented activities that support a child's well-being and creating the best possible conditions for learning and development.
- Reflecting and documenting the impact of current practices and approaches on children, families, and others.

How to use the funding

If **planning time occurs outside regular hours**, you can use your program cost allocation to cover one additional hour of base salary a week plus mandatory benefits. Overtime pay is not eligible.

If **planning time occurs during regular hours**, you can use your program cost allocation to pay base wages and mandatory benefits for staff covering the time (like supply, float, or part-time staff).

5.11 Professional learning

Professional Learning is a flexible expense between January 1 and December 31, 2025.

For professional learning in 2025, you must:

- Share this funding opportunity with your eligible staff by July 31, 2025, informing them that they can access up to \$500 for professional learning. You can use the communication memo to eligible staff provided in <u>Appendix 10</u>.
- Develop an internal policy that outlines how eligible staff can access professional learning, the approval and communication process, and key timelines.
 - If you already have a professional development policy, you do not need a separate one. You can update your existing policy to include this funding and make sure all staff know how to access it.
- Provide a copy of your policy which outlines how staff access professional learning opportunities upon request from us.

Important: Providers may deny staff professional learning requests if they conflict with the operational needs of the program. Providers must aim to accommodate the professional learning request at another reasonable time.

Professional learning costs

You can use the funding to reimburse or cover registration costs, fees for eligible staff to attend or participate in approved professional learning sessions, courses, or training opportunities.

Find out which staff qualifies professional learning costs

Program staff who work a minimum of 20 hours a week supporting ratio requirements as outlined in the CCEYA in any one-week period (Monday to Sunday).

Learn which topics qualify under professional learning costs

Professional learning aims to directly benefit and impact eligible staff and program quality. Professional learning opportunities must meet the following conditions:

- Be related to child care.
- Be cost-effective.
- Support staff in their work with children.

Note: Refer to <u>Appendix 11</u> for a professional development resource outlining how you may participate in professional learning and a general list of agencies or examples of eligible trainings.

Training, courses, and professional learning sessions on the following topics qualify:

- Early years and child care pedagogical practices aligned with <u>How Does Learning Happen</u>.
- Supporting children with additional needs in an inclusive class-wide model and strategies that support the inclusion of all children.
- Health, safety, and well-being of children such as nutrition, environmental health, communicable diseases, and duty to report.
- Mental health and well-being of staff such as compassion fatigue, personal resilience, addressing burnout and emotional intelligence.
- Diversity, equity, and inclusion.
- The <u>CCEYA</u>, its regulations and ministry policy.
- Early years and child care <u>leadership practices</u> to support current and aspiring leaders seeking to learn more about management, administration, and leadership.
- Business administration such as financial literacy, human resource management, policy development and business software skills.
- Training requirements under the <u>Accessibility for Ontarians with Disabilities</u> Act, 2005.
- Certification in standard first aid, including infant and child CPR, issued by a training agency recognized by the Workplace Safety and Insurance Board.

 Note for new staff: This professional learning cost is eligible only if the courses offered by CDRCP were not available at the time of their hiring.

How to use the funding

You can use the funding to reimburse or cover the registration costs or fees for eligible staff to attend and engage in eligible professional learning sessions, courses, and training opportunities. You must make the payments or reimbursement from January 1 to December 31,2025.

Paid professional learning time, release time, and extra hours

You may use program funding to encourage staff participation in eligible professional learning activities by supporting extra hours worked, staff coverage, or base salary for participating in professional development.

Find out which staff qualifies for paid professional learning time

Program staff who work a minimum of 20 hours a week supporting ratio requirements as outlined in the CCEYA in any one-week period (Monday to Sunday).

Learn what topics and activities qualify under paid professional learning time

Funding for professional learning time, release time and extra hours worked is used when eligible staff participate in the following:

- The professional learning opportunities listed above in <u>Professional Learning</u> <u>Costs</u>.
- Refer to <u>Appendix 11</u> for a professional development resource list of training and learning opportunities.
- Completing the <u>Continuous Professional Learning (CPL)</u> program of the College of Early Childhood Educators Ontario (CECE) for RECEs only.
- <u>CDRCP professional learning</u> opportunities.
- Meeting with Peel Inclusion Resource Services (PIRS) staff on Individual Program Plans (IPP).
- Adapting activities and materials to support goals or strategies outlined in a child's PIRS on IPP.

How to use the funding

You can use your funding to encourage staff participation in professional learning activities by paying for:

- **Release time:** pay supply staff base wages and mandatory benefits for hours worked covering eligible staff while they participate in eligible professional learning activities during their regular hours.
- Base wages and mandatory benefits for extra hours: pay for extra hours worked to participate in eligible professional learning activities outside of a staff's regular working hours. For example, a course from 7:00 pm to 9:00 pm for staff who work between 7:00 am to 6:00 pm.
- **Travel time:** up to one hour of travel time (round-trip) for each in-person professional learning opportunity outside of regular working hours.
 - Providers can use their program cost allocation to cover travel time hours under professional learning.

5.12 Child care staff inquiries

If one of your staff members contacts us about their staff wages and benefits funding, we will ask them to direct their question to you. If the staff member does not feel that their question was addressed, we will contact you on their behalf.

Section 6: Maintain your service levels

You must maintain all programs and services (including program quality, hours of service, availability) offered as of March 27, 2022, or as approved by Peel Region when you enrolled in CWELCC, under your base fee. Families should not experience reductions in service offerings or surcharges for services that were part of your base fees prior to CWELCC.

This means that you must maintain:

- The number of days you provide services to children. Exception: If you have less than 20 paid closed days a year, you may adjust your number of paid closure days to support staff attraction and retention. Review Changes to your number of closure days for details and requirements.
- Spaces for CWELCC eligible children (for example, a licensed infant space must remain an infant space). You must report licence revisions or the <u>use of</u> <u>alternate capacity</u> using the comments section of the OCCMS attendance reporting.
- Hours of operation. You must notify us of changes to your centre's hours of operations via email to <u>EarlyYearsSystemDivision@peelregion.ca</u> one month before the changes take place.

- The services included in your base fee. Your parent handbook must clearly
 define what services are included in your base fee (and subject to the CWELCC
 fee reduction), and what services are not. In 2025, you must continue to
 provide through your base fee, any programs and services included as part of
 your base fee on March 27, 2022 (or at the time of CWELCC enrollment).
- Changes to your service levels may result in funding adjustments and/or recoveries.

(Updated) 6.1 Program closures

In this section, you will find information about the different types of closure days, the rules that apply to them and our 2025 transitional approach for providers that had more than 20 planned paid closure days (including public holidays) in 2024.

A. Types of closure days and funding impacts

Closure days are any days in which child care services are not available to children, even if your centre is open for other activities such as professional development days, parent-teacher interviews, open houses, or other activities. Closure days can be paid or unpaid (by families) and planned or unplanned:

Planned paid closure days

These are days that you have a planned closure, and fees are paid by families. These days:

- Count towards your maximum number of paid closure days.
- Are service days and you are funded for them (following the funding formula).
- We cannot fund you for more than 20 planned paid closure days.

Unplanned paid closure days

These are days that you have an unplanned closure and fees are paid by families. These days:

- Are service days and qualify for CWELCC funding.
- Do not count towards the 20 paid closure day maximum.

How to know if a day is paid, unpaid, planned or unplanned

Paid

Paid closure days are closure days for which you charge fees to families.

Unpaid

Unpaid closure days are closure days for which you do not charge fees to families according to your parent handbook. Unpaid closure days:

- Do not count towards your maximum number of closure days.
- Are not service days. This means that we will not include unpaid days in your funding calculations.

Planned

Planned closure days are any days that the child care centre is scheduled to close (where child care services are not available), such as public holidays, staff training, planned repairs and any other days you chose to close. They include, but are not limited to:

- Closures due to provincially mandated statutory holidays (also known as <u>public holidays</u>).
- Closures due to other non-mandatory holidays (such as Civic Holiday, Easter Monday, Remembrance Day, March break, winter break, religious observances where services are not available to families).
- Closures due to other scheduled operational needs (such as professional Development (PD) days, parent-teacher interview days, routine maintenance).
- Closures that you can plan for, even if they are due to events out of your control. For example:
 - O Unplanned repair work that does not require an immediate closure. If due to an event out of your control you must perform unexpected repair work, and you can schedule the work for a long weekend or on your next scheduled closure without compromising the children's safety, the closure is planned closure because you can plan for it.
 - o Known landlord mandated closures (such as a special holiday closure, or a closure for planned repairs) that you can plan for are planned because you know when you have to close, and you can choose to either: adapt your closure calendar to align with your landlord's mandated closures or not charge families for the closure day.

Unplanned

Unplanned closure days are any days you must close due to circumstances out of your control. Both the event, and the response to the event must be out of your control and require an immediate closure.

For example, a closure due to a major snow storm where Peel school boards make the decision to close is an unplanned closure. You do not have control over the weather or the school board decision, you cannot postpone it, and it is usually communicated early morning of the day, so you cannot plan for it.

B. You can have up to 20 planned closure days paid by families each year (including statutory holidays)

You cannot close and charge base fees for more than:

- 2 consecutive weeks at a time.
- 4 weeks within a year. This is a maximum of 20 planned paid closure days a year.

Your number of planned paid closure days a year is counted as follows:

- If your program operates on a calendar year: From January 1 to December 31 of each year.
- If your program operates on an academic year: From September 1 to August 31 of the following year. This applies even if you operate a 10-month program.

C. Update your parent handbook by September 1, 2025, to meet the closure days requirements

By September 1, 2025, you must:

1. Update your parent handbook.

You must clearly document in your parent handbook:

- If your program runs on a calendar (January 1 to December 31) or on an academic (September 1 to August 31) year.
- A list of all your planned closure days for the year, where you list separately your paid and unpaid closure days.

If this information is not findable or clear, we will assume that:

- You operate on a calendar year.
- Families pay for all closure days.

To help you make these updates, we will provide you with a sample of a closure day section that meets these requirements.

2. Communicate changes to families

You must share the changes and updated parent handbook with your families as soon as the changes are made. You must provide proof of dated communication upon request.

The <u>child care centre licensing manual</u> says that:

- If something that needs to be in the parent handbook has changed, licensees must update the parent handbook **immediately.**
- Licensees must be able to demonstrate that parents are informed of any updates at the time they are made.

Changes to your number of closure days

If you plan to change your number of closure days, you must:

- **Notify us in writing** before increasing your number of closure days, because this change may affect your CWELCC funding.
 - o To notify us, email <u>EarlyYearsSystemDivision@peelregion.ca</u> or your Early Years Specialist with the subject "change to closure days" including any relevant information about the change.
 - o If you must increase your number of planned closure days, we encourage you to choose a day when attendance is historically low.
 - Changes cannot result in more than 20 planned paid closure days a year.
- Update your parent handbook and share the updated version with us and your families.
- Give families at least a 60-day-notice, so they can plan for the closure.

D. Requirement to pay staff for closure days

This section sets minimum staff payment requirements for closure days. It is not intended to reduce or limit your organization's compensation packages. Providers should seek independent legal advice on implementing these requirements.

You must pay staff for closure days as follows:

Public (statutory) holidays

On public holidays:

- You must meet at least the <u>Employment Standards Act public holiday pay</u> requirements. For clarity, you cannot ask staff who qualify for public holiday pay to take a vacation or unpaid time off instead.
- If your existing employment contract or human resources policy says you must pay more, then you must pay the higher amount.

Professional activity and development days

Time spent by an employee in training that is required by the employer or by law is counted as work time and must be paid. Thus, you must pay staff who participate in your professional activity or development days. Review the rules of <u>work time</u> under the Employment Standards Act.

Unplanned closure days (such as inclement weather when the public-school boards close)

You must pay staff who were scheduled to work, the wages they were expecting to get. As you receive funding from both Peel Region and your families, the costs associated with that day are already part of your budget. There are no exceptions.

Other closure days

Follow these rules for any other closure days not listed above:

- If you paid staff for other closure days in 2023, you must continue to pay them because we funded you based on your 2023 cost structure.
- If you did not pay your staff for closure days in 2023, we encourage you to pay staff for planned paid closure days working within your CWELCC program allocation for 2025 and beyond. Paid time off supports staff recruitment and retention, and as you have told us, attracting and retaining program staff is critical to your child care program.
- If 2023 was not a representative year and we funded you based on your 2024 costs, at a minimum you should continue to follow your 2024 staff payment practices. As noted above, we encourage you to pay staff for planned paid closure days working within your CWELCC program allocation.

E. 2025 transition plan for legacy centres that have more than 20 planned closure days paid by families including public holidays

The 2025 updated provincial guidelines included public holidays in the up to 20-day planned paid closure days maximum.

To help impacted providers transition into the provincial 20-day planned paid closure day maximum (including public holidays), we will work with providers who need extra time by keeping the 2024 paid closure day rules the same until August 31, 2025. This means that:

Calendar year programs

If your program runs on a calendar year (Jan. 1 to Dec. 31):

• From January 1 to December 31 of 2025, you have **up to 26 planned closure days paid by families**, or the number of paid closure days you had in 2024 (whichever is lower). These numbers include statutory holidays. For clarity:

- o If in 2024 you had between 20 and 26 planned paid closure days, in 2025 your number of planned paid closure days should reduce or remain the same.
- o If in 2024 you had more than 26 planned paid closure days, in 2025 you must reduce your planned paid closure days to 26 or less.
- Beginning on January 1, 2026, you must comply with the annual maximum of up to 20 planned paid closure days from January 1 to December 31.

Academic year programs

If your program runs on an academic year (Sept. 1- Aug. 31):

- From January 1 to August 31, 2025 (transition period) you can have **up to 19 planned closure days paid by families** or the number of paid closure days you had during the same period in 2024 (whichever is lower).
- Beginning on September 1, 2025, each academic year you must comply with the annual 20-day paid closure day maximum from September 1 to August 31.

You can reduce your number of planned paid closure days earlier if you do not need extra time to transition to the 20-day paid closure day maximum.

Options to comply

You can choose one of the following options to comply:

- (Recommended). Open additional days so that your number of planned paid closure days becomes 20 or less a year. For clarity, you must open for at least your typical hours of operation to comply. This means that if you are a nursery school that usually operates only 3 hours a day, then in the additional days you must open for 3 hours. If your typical hours of operation are 7:00 a.m. to 6:00 p.m., then in the additional days you must open from 7:00 a.m. to 6:00 p.m.
- Stop charging fees for any closure days that exceed the up to 20 planned paid closure days maximum. This may result in a decrease in your CWELCC funding as unpaid closure days are not service days and we must remove non-service days from your CWELCC funding formula calculation.
- A mix of the above, if your number of paid closure days is 20 or less a year.

While you can choose the option that best meets your business needs, **we cannot** fund you for more than 20 paid closure days each year, and you cannot charge families for more than 20 closure days a year.

6.2 Use of alternate capacity

You can use alternate capacity currently identified on your licence. For example, a room licensed as a toddler room may switch to a preschool room for a certain period. This means that if you are using a preschool alternate capacity:

- You must charge families the preschool rate during that time.
- You must report these children under the preschool age group in OCCMS.

Monthly OCCMS reporting

You must report the use of alternate capacity in your monthly attendance report. If you change from your licensed capacity to your alternate capacity (or vice-versa), you must report the months where alternate capacity was used, and the number of children impacted. You must report the use of alternate capacity in the comments section of your monthly attendance report.

Table 3. Example of reporting alternate capacity via OCCMS.

| Month | Licensed capacity used (# of children impacted) | • • | Reduced daily fee supported for each child |
|-----------|---|------|--|
| June | Toddler (10) | \$50 | \$22 |
| July | Preschool (12) | \$40 | \$18.90 |
| August | Preschool (12) | \$40 | \$18.90 |
| September | Toddler (10) | \$50 | \$22 |

For the purposes of calculating your funding allocations:

- The age group listed as licensed capacity applies to fixed cost components.
- We will use your reported alternate capacity to calculate your variable cost components and your anticipated revenue offset.
- If you use the same room for different age groups at different times of the day, only one service can apply for each space (as the spaces is being used in the same 24-hour period).

(Updated) 6.3 Mixed age groups

If you use mixed age groups:

• CWELCC eligible children: if CWELCC eligible children are enrolled in primary or junior school-age or junior school-age spaces and you qualify for a legacy top-up, we will include these children in your funding calculation (benchmarks and legacy top-up if applicable).

 CWELCC ineligible children: if children ineligible for CWELCC are enrolled in CWELCC spaces (preschool or kindergarten), the costs of delivering child care to these children will not qualify for CWELCC funding. We will use a reasonable methodology to split eligible costs from ineligible costs.

We have flagged the complexities of this approach to the province and are currently reviewing its impacts. In the meantime, we ask that you keep both your revenue and expenses for CWELCC ineligible children enrolled in CWELCC spaces separated.

6.4 Parent handbook requirements

Part 7 of the <u>licensing manual</u> says that your parent handbook must:

- Have current information. That means that if something that needs to be in the parent handbook change, you must update your parent handbook immediately.
- Be communicated at least when the child starts receiving care and every time it is updated.

Providers participating in CWELCC must provide a copy of their most updated parent handbook to families. In alignment with the licensing manual, we encourage you to post your most current parent handbook on your website if you have one.

Under the <u>CCEYA</u>, your parent handbook must clearly communicate:

- The times when the services are offered.
- The holidays observed. Review "<u>Update your parent handbook by September 1, 2025, to meet the closure days requirements</u>" for details.
- The base fee and any non-base fees that may be charged (and the services included), and that your centre(s) is enrolled in the CWELCC program.

Starting January 1, 2025 providers must update their parent handbook to include:

- Your fee payment approach (method of payment, such as e-transfers and cheques).
- Your fee payment schedule (for example, weekly, bi-weekly, monthly).
- If refunds or credits will be provided and when. You must clearly state which fees are refundable, and which aren't, and under which circumstances.

Section 7: Use Enhanced Program Supports

Enhanced Program Support (EPS) is short-term funding support that allows you to hire extra staff, extend the hours of existing staff, both, when needs are present in your classrooms. Program support staff that is added to the classrooms must be above child care ratio requirements. Please note that:

- The goal of EPS is to foster an environment that helps all children participate and be included in classrooms where program support is needed.
- EPS continues to be provided in 2025 and is now included in your program cost allocation. As a part of your 2025 CWELCC program cost allocation, you may add EPS to your licensed classrooms for CWELCC eligible children younger than 6 years of age. You have the flexibility to use EPS at any point in the year as an additional support based on the needs in your program.
- The EPS costs you incurred in 2023 will be factored when we determine your eligibility for a legacy top-up. We may have updated your 2025 CWELCC allocation in Spring 2025 if you did not use or receive EPS funding in 2023.
- EPS funding to support classrooms with school-aged children in licensed centre-based before and after school programs (BASP) will be funded separately through School-age (6-12) Funding.

Important: There will be no application process for EPS top-up funding in 2025. Top-up funding has been included into the overall allocation of EPS.

You are responsible for using your EPS funding appropriately and must meet the following requirements:

7.1 Minimum and maximum allowable wage

You may only use EPS funding for staff wages and benefits.

You have the flexibility to choose how you compensate your program support staff, within the limits below:

- Minimum: You must pay your program support staff at least Ontario's current minimum wage.
- Maximum: You cannot pay your program support staff an hourly wage that is higher than the hourly wage of the highest-earning non-supervisory RECE employed at your centre including wage enhancements.

For example, if the highest earning non-supervisory RECE in your centre earns \$27 an hour (including wage enhancements), the maximum hourly amount you can pay your program support staff is \$27 an hour.

7.2 Program support staff requirements

Program support staff:

1. Cannot be included in child care ratio requirements

Program support staff cannot be included in the minimum ratio requirements under the CCEYA. For this reason, program support staff are not eligible for wage enhancements, such as GOF, WEG, and WCF.

2. Cannot provide 1:1 supports

EPS is a support for the entire classroom and program support staff cannot provide 1:1 support for an individual child or support specific children only.

Program support staff and educators are expected to work together to support all children in the classrooms and must share the responsibility of providing individual support to a child.

3. Must have these qualifications

- A current police record check, including vulnerable sector screening as outlined in <u>Section 59 of O. Reg. 137/15</u> under the CCEYA
- Standard First Aid including infant and child CPR certificate following <u>section</u>
 <u>55 of O. Reg. 137/15</u> under the CCEYA

Other recommended qualifications may include:

- Previous experience working or volunteering with children with cognitive, physical, social, emotional, or communicative needs.
- Diploma in Early Childhood Education, Child and Youth, Developmental Support, Educational Assistant, or Recreation and Leisure.

7.3 Training requirements

All staff (supervisors, educators, and program support staff) working in classrooms where program support will be added must complete the <u>Together We Are One</u> training offered through Child Development Resource Connection Peel (CDRCP). We may ask you to verify that staff have taken the training.

We strongly encourage all staff to complete this training and will ask you to review the training if we update the content. Any new staff you hire must view the webinar as part of their orientation.

7.4 General inclusive practice requirements

You must be authentically participating to deliver inclusive practices in your program. Inclusive practices are evident when:

- All families have access to a child care program.
- You are not limiting days and hours of care of any children and are committed to supporting placements for all children.
- You are carrying out ongoing environmental assessments and adjustments to meet the needs of all children in your program.
- Your program staff share responsibilities of providing individual support and including other children in activities when possible.
- Your program staff are meaningfully working together with your Peel Inclusion Resource Services (PIRS) Resource Consultant, including allowing them full access to your program and engaging in discussions about classroom needs and goals for EPS support.
- Your program staff carry out strategies that your PIRS Resource Consultant recommends as it relates to using EPS support and are participating in professional development opportunities related to your program needs, goals, and inclusive practices.
- You are adjusting EPS hours and staffing in response to changing program dynamics and as you achieve goals, including a plan to fade out support.

Section 8: Use your funding to support eligible costs

In 2025, your funding is reconciled against the:

- Actual amount of eligible costs incurred to provide 0 to 6 child care reflected in your base fees for the calendar year.
- Higher of your expected or actual base fee revenue.

To avoid incurring ineligible costs that may result in year-end recoveries, you must review and understand the rules included in this section.

8.1 Eligible costs

You must spend your CWELCC funding on eligible costs. It is your responsibility to make sure all your expenses are eligible costs for CWELCC program delivery

between January 1, 2025 and December 31, 2025. Using CWELCC funding for ineligible costs may result in year-end recoveries.

The following 3 principles provide guidance to determine whether costs are eligible:

- 1. **Attributable**: Costs are directly or indirectly related to the delivery of child care for CWELCC eligible children and included in the base fee.
- 2. **Appropriate**: Costs are necessary for the delivery of child care, and/or sound and practical to meet the operating needs of a child care program; required for health and safety, and cultural or religious purposes.
- 3. **Reasonable**: The cost amount or quality of the good or service aligns with your program needs (for example, operating capacity, needs of individual children, fair market value). Costs may be eligible in full or only partially eligible.

These principles allow flexibility for the different needs of child care providers. The intention is to allow you to provide high quality services over and above licensing requirements (such as staff to child ratios, food, programming) that make sense for your child care program. <u>Appendix 12</u> provides a CWELCC cost eligibility assessment tool.

We encourage you to fully utilize your total program cost allocation on eligible costs throughout the calendar year.

Example: rising food costs

Provider "AAA" operates an Islamic child care program for children younger than 6 years of age which offers halal meals for religious purposes. Food costs have increased over the last couple of years, and recent quotes show a similar trend of increased prices among multiple food suppliers.

To determine if this cost is eligible, provider "AAA" would apply the cost principles:

- Is the cost Attributable? Yes, food costs are directly related to the delivery of child care for eligible children younger than 6 years of age.
- Is the cost Appropriate? Yes, the purchase of halal meals is required to meet the cultural or religious operating needs of the program.
- Is the cost Reasonable? Yes, although the price has increased, multiple quotes from other food suppliers show that the cost is still at fair market value.

Since all 3 cost principles are met, the cost is eligible.

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

Non-arm's length transactions

Non-arm's length transactions are between parties who have a close relationship, such as family members or friends. These transactions are ineligible unless conducted at or below fair market value (verification may be required).

Before you purchase an item or work is completed by a family member or friend, you must get a minimum of 2 quotes. You must keep all documentation, including quotes, receipts, and paid invoices as we may ask you to submit it at reconciliation.

8.2 Ineligible costs

You cannot use this funding to support:

- 1. Costs deemed to be in lieu of profits such as dividends, in-kind benefits, or perks directly or indirectly for the controlling owner.
- 2. Costs funded or reimbursed by another public source such as insurance claims, CWELCC Expansion Start-up Grant.
- 3. Major capital repair costs for existing spaces (unless it is approved by Peel for OTEF).
- 4. Costs for the delivery of child care for ineligible children ages 6 to 12.
- 5. Financing costs such as the portion of interest costs resulting from interest rates charged on loans or lines of credit that are higher than the <u>Canada Small Business Financing Program</u> rates. Loans from the federal or provincial governments are exempt from this restriction.

Under the Canada Small Business Financing Program, the maximum chargeable interest rate is the lender's:

- Prime lending rate plus 3% for floating variable rate loans.
- Single-family residential mortgage rate for the term of the loan, plus 3% for fixed-rate loans.
- Prime lending rate plus 5% for lines of credit.

This means that the portion of interest charged on the loan or line of credit over the amounts above is an ineligible expense. For example, your agency holds a line of credit with ABC Bank. Their prime lending rate is 4.5%. The interest rate on your line of credit is 11.2%. The interest you pay on the line of credit, up to 9.5%, is an

eligible expense under CWELCC, but 1.7% of the interest you pay on the line of credit is ineligible.

Loans or lines of credit do not have to be obtained through this program for interest costs to be eligible under CWELCC.

- 6. Penalties, fines, forfeitures, or liquidated damages.
- 7. Corporate and personal income tax based on the Ministry's direction.
- 8. Principal payment of third-party loans.
- 9. Vehicle financing or lease costs (exception: if the vehicle is used to transport children from school to your child care program and that transportation is included in your base fee).
- 10. Amortization and depreciation expenses unless the asset was purchased before August 15, 2024, and not paid for using previous or other government funding.
- 11. Donations and fundraising expenses.
- 12. Accrued interest on shareholder equity.
- 13. Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators.
- 14. Any expense not covered in this guideline.

This is not an exhaustive list of ineligible expenses. If you claim an ineligible expense, we reserve the right to deem the expense ineligible and recover funding in whole or in part.

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

Section 9: One-time Emergency Funding (OTEF)

9.1 Purpose

The One-time Emergency Funding (OTEF) supports eligible providers participating in the CWELCC system who are facing urgent, non-discretionary, and one-time expenses that cannot be covered through their existing CWELCC program cost allocation.

To receive OTEF, you must apply and be approved by Peel Region.

Review this section for more information on this funding and how to apply.

9.2 OTEF eligible expenses

If you are approved for OTEF, you must use the funding to support your approved OTEF expenses retroactive to January 1, 2025. Approved OTEF expenses must meet all of the following three criteria:

- One-time (cost is not ongoing or recurring annually).
- Non-discretionary (cost is necessary and unavoidable).
- Emergency or urgent (cost is related to unexpected issues that require immediate resolution).

Examples of eligible expenses include, but are not limited to:

- Cost to repair damage to the child care centre due to severe weather (for costs not reimbursed by insurance, such as deductible amounts or non-insurable damages).
- One-time operating costs related to an infectious disease outbreak at the child care centre.
- One-time operating costs to support counselling to staff, children and families related to a traumatic event at the child care centre.

You must use your CWELCC program cost allocation for routine or general repairs and maintenance expenses. These expenses have been historically covered under Special Purpose Funding and include items such as appliances. Funding to support these types of expenses is already included in your CWELCC program cost allocation.

9.3 OTEF application process

Step 1: Pre-screen discussion

If you think you qualify for OTEF, contact your Early Years Specialist (EYS) to schedule a pre-screen meeting. At the pre-screen meeting they will:

- Collect details about your emergency expense.
- Confirm that your 2025 operating budget is updated and that you cannot cover this expense.
- Confirm that you have explored other revenue sources to cover the expense such as insurance, warranty, and landlord responsibilities under your lease agreement.
- Confirm if the expense is eligible under OTEF.

• Help you with the OTEF application, if applicable.

Important: Only providers who pass the pre-screening will be invited to apply for OTEF. Passing the pre-screening process does not guarantee funding approval.

To schedule a pre-screen meeting, email your assigned EYS and copy <u>EarlyYearsSystemDivision@peelregion.ca</u>, with the subject line "OTEF funding request."

Step 2: OTEF application

If you pass the pre-screen, we will send you the OTEF Application Form and instructions on how to submit your completed application.

To be considered for OTEF, you must submit the completed OTEF Application Form and all required documents. We will review your request to determine if the expense is attributable, appropriate and reasonable and review your financial and other supporting documents to determine whether all or a portion of it should be covered through other revenue sources.

If your expense is related to an insurance claim, we will review your application only after the insurance company settles your claim and you submit proof of the claim outcome to us.

Important: To be considered for OTEF, applications must be received and approved in 2025. Applying for OTEF does not guarantee funding approval. Approval is subject to budget availability and our review process.

9.4 Required documentation

As part of your application, you must include supporting documents to prove the need for OTEF. This may include, but not limited to:

- Two detailed cost estimates and if applicable, paid invoices (if retroactive to January 1, 2025).
- 2025 operating budget updated as of the most recent month at the time of application (with actuals for all previous months and projections for remaining months). Additional supporting documentation may be requested to confirm actual expenses to date such as payroll information, lease agreement, and others.
- Previous year audited financial statements (if not already submitted to Peel Region).
- Building or playground inspection reports or reports from EDU licensing or local public health.
- Insurance and warranty claim outcomes (if applicable).

- Lease agreements.
- Other documents such as photos, if applicable.

9.5 Cost sharing

Peel Region requires child care providers to utilize money in their current allocation, prior year profits or surplus, reserves or other assets noted on the balance sheet to contribute a maximum of 20 percent of the total cost.

Cost share for major capital repairs or replacement cannot come from your current CWELCC program cost allocation as it is not an eligible expense. You may work with your landlord to meet your cost share requirement or explore other revenue sources.

We may require a reduced cost share percentage following our detailed review of a provider's financial documents such as your updated 2025 operating budget and prior years audited financial statements.

9.6 Payments and reconciliation

If we approve your OTEF request, you will receive your payment through the 2025 CWELCC One-time Emergency Funding <u>GovGrants</u> announcement. Payment(s) will be issued based on your approved OTEF allocation and reconciled based on actual paid invoices. Actual paid invoices must be submitted by the OTEF reconciliation deadline. We will recover any unused or ineligible use of OTEF funding.

You must use your OTEF received in 2025 by March 31, 2026.

Important: At reconciliation if your CWELCC program cost allocation is underspent, OTEF may be recovered, even if the expense was approved. Any underspending in your 2025 CWELCC program cost allocation could reduce your future CWELCC allocation. Providers must fully utilize their CWELCC program cost allocation to support eligible operating expenses before accessing OTEF.

9.7 Accountability and oversight

You must only use OTEF for the approved purpose and child care site listed in your application and approval memo issued by Peel Region. We may conduct site visits, request further documentation, and perform audits to confirm the OTEF expense.

Related party (like a family member or owned company) transactions must be conducted at fair market value (FMV). The FMV refers to the price of goods or services when a buyer and seller have reasonable knowledge of it and are willing to trade in the open market without pressure.

9.8 Major capital replacement eligibility

Under provincial direction, child care providers cannot use their CWELCC program cost allocation to cover major capital repairs or replacement expenses. However, as the local service system manager, Peel Region may approve these types of major capital expenses under OTEF on a case-by-case basis.

A **major capital replacement** is a significant and costly expenditure required to replace or restore a major asset or component of a facility. These are capital expenses under Generally Accepted Accounting Principles (GAAP). Examples include replacing a roof or replacing a HVAC system.

If you are a provider who owns the child care building or leases the space and are responsible for capital replacement, you may be eligible to receive OTEF for major capital expenses.

To help you plan ahead and reduce the need for emergency funding, providers should develop and maintain a capital replacement plan. If you do not have a capital replacement plan, we will share a template with you later this year to help you with this process.

Commitment to CWELCC participation for major capital replacement

If you are approved to receive OTEF for a major capital expense you will be required to commit to participating in CWELCC for seven years (until December 31, 2031). Early withdrawal, closure, or sale of the program may result in Peel Region recovering OTEF funding on a prorated basis. This long-term commitment to CWELCC ensures the prudent use of public funds and families continued access to affordable, high-quality care in Peel.

We will provide guidance in the coming the coming months on how to report major capital expenses funded by OTEF in your audited financial statements.

9.9 Appeal process

If you disagree with a decision about your OTEF application, you may request a review using the CWELCC appeal process referenced in Peel's Service Provider Handbook. In your email, use the subject line: "OTEF Appeal" and clearly state which decision you are appealing and provide a brief rationale along with any supporting documents that help explain your position. All appeal decisions made by Peel Region are final.

Section 10: Accountability requirements

10.1 Reconciliation

We will provide details of the 2025 CWELCC reconciliation after we receive and review the Ministry's Standardized Financial Report.

Once released, you must complete and submit your 2025 CWELCC reconciliation accurately and on time. We will apply the Compliance Policy to late submissions. To learn more about our updated Compliance Policy, review Appendix D of the <u>Service Provider Handbook</u>.

During reconciliation, you must report your actual eligible costs, your actual base fee revenue, and the Key Performance Indicators (KPI) needed to report back to the Ministry.

10.2 Updates to audited financial statements and the FAIR

Starting in the 2025 calendar year, for each funding received from Peel Region during the applicable calendar year, your audited financial statements must include a note disclosure of the amount(s):

- Received.
- Spent.
- Overspent/repayable to Peel Region (if applicable).

You must provide audited financial statements and any note disclosure within the prescribed deadlines regardless of changes to your fiscal year-end.

If you operate both, a child care centre and licensed home child care agency, you have to report 2 separate statements of revenue and expenditure in your FAIR: one for your child care centre operations, and another for the licensed home child care operations.

We will provide you with more details on the note disclosure and an updated FAIR template in the fall of 2025.

10.3 Actual expenditures - by program

During reconciliation, you must report actual costs for:

A. GOF

You must report the following actual GOF costs:

• GOF paid to eligible staff serving CWELCC eligible children.

• GOF incremental mandatory benefits expenses paid on behalf of staff serving CWELCC eligible children and historically approved supplementary benefit expenses paid for staff serving CWELCC eligible children.

B. WCF

You must report the following actual WCF costs:

- WCF wage floor paid out to RECE program staff serving CWELCC eligible children.
- WCF wage floor paid out to supervisors serving CWELCC eligible children.
- WCF wage increase paid out to RECE program staff serving CWELCC eligible children.
- WCF wage increase paid out to RECE supervisors serving CWELCC eligible children.
- Incremental benefits paid out on behalf of RECE program staff and RECE supervisors (because of the implementation of the wage floor and wage increase).

C. Wage stability

The amount spent keeping wages the same for staff whose enhanced hourly wages were less in 2025 due to the change in the GOF order of operations (refer to <u>5.7</u> Wage Stability for employees affected by the change in the order of operations of this guideline).

D. Planning time

You must report paid planning time actual expenditures.

E. (New) Professional learning cost

You must report your professional learning costs actual expenditures.

F. EPS

You must report your total 2025 EPS expenditures in your FAIR under a separate expense line. Note: Staff wages and benefits for staff above minimum child care ratio requirements are the only eligible EPS expense.

E. (New) One-time Emergency Funding

You must report your OTEF costs actual expenditures, if you were approved for emergency funding.

10.4 Key performance indicators (KPI)

As a part of your annual 2025 CWELCC reporting requirements, you must report the following KPIs¹¹:

A. Program closures

- Number of program closure days where parent fees are not charged including statutory holidays, as stated in your parent handbook
- Number of program closure days where parent fees are charged including statutory holidays, as stated in your parent handbook

B. Staff recruitment and retention

- Number of FTE RECE program staff and supervisors employed with the organization (as of January 1, 2025)
- Number of FTE RECE program staff and supervisors employed with the organization (as of December 31, 2025)
- Number of FTE RECE program staff and supervisors who left the organization between January 1, 2025 to December 31, 2025
- Number of FTE RECE program staff and supervisors who joined the organization between January 1, 2025 to December 31, 2025

C. GOF

Report the number of staff supported with GOF wage enhancements supporting CWELCC eligible children.

D. WEG

WEG KPIs include:

- Number of fully eligible staff FTE's eligible for WEG wage enhancements (\$2 an hour). supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year.
- Number of partially eligible staff FTE's eligible for WEG wage enhancements (less than \$2 an hour) supporting CWELCC eligible children. One FTE is equivalent to 1,754.5 hours for the year.

¹¹ If a staff member is serving CWELCC eligible children and children not eligible for CWELCC you should report them in the category where they spend more time.

E. WCF

- Total number of RECE program staff serving CWELCC eligible children supported by the WCF wage floor
- Total number of RECE program staff serving CWELCC eligible children supported by the WCF wage increase
- Total number of RECE supervisors serving CWELCC eligible children supported by the WCF wage floor
- Total number of RECE supervisors serving CWELCC eligible children supported by the WCF wage increase

F. Wage stability

For wage stability, you must report the total number of program staff and supervisors serving CWELCC eligible children whose wages were held constant in 2025 because their 2025 hourly wages were less than their 2024 hourly wages due to the change in the wage calculation order of operations (Section 5.7 of this guideline).

G. Planning time

Planning time KPIs include:

- Number of individuals who were supported using funded planning time. Each individual is counted once.
- Total number of actual planning time hours supported using funding. This includes all hours for eligible staff.

H. (New) Professional learning cost

For professional learning costs, you must report the number of individuals whose professional learning cost were supported using the funding. Each individual is counted once.

I. EPS

EPS KPIs include:

- Total number of classrooms supported with enhanced program support (cumulative): Total number of classrooms with CWELCC eligible children supported by enhanced program support staff. Each classroom is counted only once in a calendar year.
- Number of hours of enhanced program support provided (cumulative): Total number of hours of enhanced program support provided in classrooms with CWELCC eligible children. The number of hours must align with the amount of funding spent on enhanced program support.

 Number of CWELCC eligible children who need extra support¹² served (cumulative): Total number of CWELCC eligible children with cognitive, physical, social, emotional, or communicative needs that were supported by program support staff. Each child is counted only once in a calendar year.

10.5 Other accountability requirements

Review your EYCC agreement and the Service Provider Handbook for details on our accountability and recovery requirements.

You are expected to cooperate with us and our third-party auditors regarding our compliance audit mechanisms, direct engagement compliance audits, and cost reviews. This includes providing all necessary documentation related to cost-based funding, cost calculations, and service delivery.

We may implement additional reporting requirements at our discretion. We may ask for further documentation of actual expenditures to support our review.

If you receive a reduction of funds due to a past recovery or if we hold your funding due to non-compliance, you are still required to maintain the same level of quality service provisions as your overall allocation is not impacted.

Section 11: Contact us

If you have questions, email your EYS or EarlyYearsSystemDivision@peelregion.ca.

¹² Children who need extra support replaces the term "children with special needs" which is defined under the Child Care and Early Years Act, 2014 (CCEYA), as a child whose cognitive, physical, social, emotional, or communicative needs, or whose needs relating to overall development, are of such a nature that the child needs added supports.

Appendix 1: Key terms

Adjusted benchmark allocation: Is your benchmark allocation amount adjusted by the Geographic Adjustment Factor (GAF). The GAF recognizes the impact of geographic location on child care costs to reflect regional cost differences.

Actual program costs: Are the actual amount of the eligible costs incurred by an eligible child care centre to provide services which are reflected in the base fees during the calendar year. For reconciliation purposes, actual program costs cannot exceed your program cost allocation.

Alternate capacity: A Ministry approved flexible approach that allows a provider to operate a child care room to serve a different age group. If granted, the Ministry will include it in your licensing conditions. Alternate capacity counts towards your operating capacity and spaces (variable costs) but does not count towards your licensed spaces (fixed costs).

Base fee: Any fee a family must pay that is required for the delivery of child care services, such as daily fees, registration, and any other mandatory fees (one-time or recurring). Review <u>Appendix 3</u> for examples.

Note: Effective January 1, 2025, following regulatory changes made by the Ministry to the CCEYA, you must include mandatory fees, such as registration and recurring charges, in the base fee calculation to ensure compliance with the maximum daily fee of \$22. Providers must also clearly define what is included in the base fee of their parent handbook.

Base hourly wage: Is the hourly rate paid to the position by the provider before any regional funding. If the position is paid an annual salary, use an online salary calculator to convert to the hourly rate.

Benchmark allocation: The amount of program cost allocation you qualify for based on the typical costs of Ontario's licensed child care centres. It includes a program staffing benchmark, a supervisor benchmark, an accommodations benchmark, and an operating costs benchmark. The benchmark allocation is impacted by location (refer to Adjusted Benchmark Allocation) and may be supplemented by top-ups.

Child Care and Early Years Act, 2014 (CCEYA): This act, sets the rules and regulations for child care programs, including licensing requirements, staff qualifications, health and safety standards, and the types of services that you must provide to children. As a child care provider, you must follow the CCEYA to maintain your program's licence and to ensure you are meeting legal and regulatory requirements in your daily operations.

CWELCC expansion application process: The process for interested providers to apply to the CWELCC program in Peel Region.

CWELCC eligible children: Children younger than 6 years of age who are enrolled in a participating licensed child care program (full-day or part-day) qualify for the reduced fees.

Deposits / prepaid fees: A payment that a family pays upfront for child care service.

It can be used to hold a spot for the child in the program.

If the child attends the program, the deposit is deducted from the total amount owed for child care.

Eligible centre: A centre enrolled in CWELCC approved by Peel Region.

Eligible costs: Costs incurred by an eligible centre in the calendar year for the purpose of providing licensed child care for eligible children which are: attributable to the provision of child care included in the base fee for eligible children; appropriate for the provision of child care for eligible children; and reasonable in quality and amount incurred.

Enhanced Program Support (EPS): Short-term funding to hire new staff or extend the hours of existing staff to support classrooms when needs are present. Staff employed in this position cannot be included in child care ratio requirements.

Existing centre: Refers to an eligible centre that is not new to CWELCC.

Legacy centre: A child care centre that enrolled in CWELCC in Peel Region before August 15, 2024, or applied for CWELCC enrollment in Peel Region by that date and was enrolled based on their application. The centre must have continuously participated in CWELCC since its enrollment or application date.

Licensed capacity: The maximum number of children, including the number in each age category that are permitted to receive child care at one time, as set out in your licence.

Licensed space: A child care space in an eligible centre where, according to the centre's licence, is authorized to enroll a child. It does not include spaces designated for alternate capacity.

New centre: An eligible centre that is enrolling in CWELCC for the first time in a calendar year and is not a legacy centre.

Non-base fees: Any fee charged for optional items or optional services, or any fees charged when a family fails to meet the terms of their agreement with the provider. Non-base fees cannot include anything that would impede a child's participation in the program should their family choose to opt out of the service. Refer to <u>Appendix 3</u> for examples.

Non-discretionary costs: Costs that are necessary for the delivery of licensed child care services for children younger than 6 years of age in Peel covered under the

CWELCC base fee, which are beyond the provider's control and cannot be avoided. These costs must be reasonable, economical, and required to meet licensing requirements, including health and safety standards.

Operating capacity: The number of child care spaces a provider is serving based on their staffing complement and budget. The reported operating capacity must be reasonable and consistent with the provider's licensed capacity and staffing levels. It cannot exceed the licensed capacity, or the capacity supported by the provider's staffing.

Operating space: A child care space in an eligible centre where an eligible child is enrolled or could be enrolled immediately, and for which the centre charges a base fee for the enrolled children. Enrollment is only allowed if the centre meets the requirements of <u>O. Reg 137/15</u> under the CCEYA, including minimum program staff-to-child ratios for each room.

Paid planning time: Dedicated time outside of staff ratio responsibilities, during which eligible program staff are compensated to engage in reflective practice, curriculum development, and collaborative inquiry to enhance pedagogical approaches aligned with How Does Learning Happen?

Paid set-up time: Dedicated time outside of staff ratio responsibilities, during which eligible staff are compensated to support classroom transition and set-up activities (that are before, after, and in-between programs). This includes the following activities:

- Snack and food preparation.
- Classroom set-up, paperwork, and filling out forms.
- Communications to families.

Paid program closures/transition times: For the purposes of sections 5.4, 5.5 and 5.6 of this guideline, paid program closures or transition times are up to 5 days each year to support with transitions and set-up between programs that are closed and includes the following activities:

- Classroom set-up.
- Program and curriculum development.
- Communications to families.
- Professional development.
- Organizational meetings.

Peel Inclusion Resource Services (PIRS): The PIRS model connects participating licensed child care providers with a dedicated Resource Consultant who offers capacity building, brief, and ongoing consultation supports to program staff.

Prime lending rate: The prime lending rate is influenced by the Bank of Canada's target for the overnight rate. Canadian financial institutions use the prime lending rate as the base for setting the interest rates on their loans and lines of credit.

Program cost allocation: The maximum amount a provider can spend on eligible costs minus the base fee revenue. It is the sum of your adjusted benchmark allocation, plus any applicable top-ups.

Program staff: Staff employed in a position that supports child care ratio requirements as outlined in <u>O. Reg. 137/15 under the CCEYA</u>. Program staff may be Registered Early Childhood Educators (RECE) or non-RECE, depending on whether they meet the RECE definition.

RECE supervisor: A RECE who holds a supervisor position, as indicated on the licence in accordance with O. Reg. 137/15 s. <u>53.</u>

Registered Early Childhood Educator (RECE): A member in good standing of the College of Early Childhood Educators (CECE) as stated in the Early Childhood Educators Act, 2007.

Registration fee: A common mandatory fee that a family pays when registering their child to secure a spot in the program. For the purposes of this guideline, registration fees that are applied to future services (such as the first month of service) are fee deposits.

Regular funding: The funding you received in 2024 and prior years, excluding any one-time top-ups.

Service day: A 24-hour period that begins in the calendar year, starting at the time the eligible centre first accepts children into care or at the end of the previous 24-hour period, during which the centre is enrolled in CWELCC and charges a base fee as outlined in the parent handbook, even if the centre is closed, such as on a statutory holiday.

Supervisor: Staff who works in a supervisor position. A supervisor must have Director's approval and meet licensing requirements outlined by the Ministry of Education.

Statutory benefits: The benefits that you must 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.

Top-up: Is an extra-amount that supplements the benchmark allocation of providers who qualify. In 2025, there are 2 types of top-ups: a legacy top-up and a growth top-up. Review <u>Section 3: Funding components, flexibility, and budget management</u> to learn more.

Vacancy rate: The number of operating spaces in which no child is enrolled, divided by the total number of operating spaces in the eligible centre.

Wage floor: The minimum that a provider participating in the CWELCC program must pay eligible RECE staff an hour.

Wage stability: The amount of funding a staff is eligible to receive to maintain their hourly wage in 2025.

Appendix 2: 2025 CWELCC Funding allocation methodology

Your 2025 CWELCC estimated funding was calculated using the methodology described in the <u>Canada-wide Early Learning and Child Care (CWELCC) Allocation</u> <u>Guideline</u> and our October 30, 2024 and March 10, 2025 memos.

January 2025: Estimated allocation

Your January estimated 2025 CWELCC allocation was calculated as follows:

- **Estimated benchmark allocation:** Based on the licensed and operating capacity you reported in June 2024 and the provincial benchmarks.
- **Legacy top-up:** If your legacy costs exceeded your benchmark allocation, you received a legacy top-up. Your legacy costs were calculated by:
 - Taking your 2023 audited financial statements/ FAIR costs and removing any school-age components.
 - Multiplying your revised 2023 FAIR amount by the Ministry's cost escalation factor of 1.0465 (1.02 if you opened in 2024).
 - Multiplying that revised 2023 FAIR amount to reflect increases to your operating capacity from October 2023 to June 2024 (if applicable).

Spring 2025 update

In spring 2025, we revised your 2025 CWELCC funding allocations as follows:

- We updated your licensed and operating capacity data if it was higher than June 2024.
- We factored in your legacy costs calculation (as applicable):
- Your 2025 actual fixed costs (occupancy, lease, and insurance costs).
- The owner's compensation in lieu of profit data.
- WIF funding: For providers whose actual 2023 WIF expenditures at reconciliation was not enough to cover planning time and professional learning costs.
- EPS funding: For providers who did not use or receive EPS funding in 2023.

These updates **may not** result in a funding increase. Review our March 10 memo for details.

Fall 2025

In fall 2025, we will:

- Revise your 2025 CWELCC funding allocations (if applicable) to ensure your allocations reflect your service levels, service days, salary data, and mixed age grouping.
- Continue to monitor your operating capacity and enrollment and make changes as needed.

Appendix 3: What is included in your base fees and examples of non-base fees

For more details on base and non-base fees, review Ontario Regulation 137/15 s. 77.2 and part 2.3 of the Ministry's <u>licensing manual</u>.

What is included in your base fees

Base fees include any fees families must pay for anything you are required to provide under the CCEYA, and include, at a minimum, the following services:

- Supervision by an adult during operational hours noted on the Child Care Licensing System (CCLS), including extended care fees.
- Any programs or services that are included as part of your child care program and are part of the regular child care fees paid by families.
- Food and catering costs. Note: If a child receives care for 6 hours or more, you
 must ensure the food offered to the child includes 2 snacks in addition to any
 meals provided.
- Development and implementation of individualized plans such as medical, special needs and anaphylaxis.
- Key fob for families if mandatory and nonrefundable, as families need it to access your services.
- Parent apps for communication.
- Mandatory annual handling fee for pre-authorized debit. If the fee is optional because there are other suitable payment methods available, it becomes a non-base fee.
- Any other mandatory cost the family is required to pay to support the
 operation of the child care program such as registration and deposit fees. Refer
 to <u>Section 4</u> of this guideline.

Base fees are capped at \$22 a day. Review <u>Section 4</u> of this guideline to know what this means to you.

Non-base fee examples

Non base fees are fees for items or services optional to families and cannot include anything that would impede a child's participation in the program should their family choose to opt out of the service. Examples of non-base fees include:

- Late pick up fees for child care provided beyond the centre's operational hours outlined in the parent handbook. You must clearly communicate the charges are for late pick up fee and not for extended care.
- Optional transportation and field trips where a separate fee is charged and child care services are available for families who opt out.
- Not Sufficient Funds (NSF) fees in accordance with the terms of the agreement between the family and child care centre. Diapers, sunscreen (if optional).
- Refundable key-fob for families. Families receive a refund when their child leaves the centre and they return the key fob.
- Any other optional items or services where an additional fee is charged in accordance with the terms of the agreement between the family and provider such as optional French, music, or yoga classes.

(New) Appendix 4: Memo "Child care fees for children who age out of CWELCC"

June 17, 2025

Dear child care provider,

As the school year ends, some children will age out of the CWELCC program. We are writing to provide clarity on CWELCC child eligibility rules, how they affect your fees, and a few things you must do as children transition out of the CWELCC program.

Fees for children who age out of the CWELCC program

As of July 1,2025:

- The CWELCC fee reduction applies to children born on July 1, 2019, or later. You must charge children born before July 1, 2019, your market fee as they no longer qualify for the CWELCC program.
- Children born between July 1 and December 31, 2019, qualify for a CWELCC fee reduction until the end of the month in which they turn 6 years old. Review appendix 1 for details on the CWELCC eligibility of children who turn 6 in 2025.
- If a child in receipt of subsidy ages out of CWELCC:
 - Child care subsidy will pay your approved 6 to 12 municipal rate without the CWELCC fee reduction.
 - You will receive an updated confirmation of subsidy letter with the child's updated parent contribution without the CWELCC reduction.

Setting up your market fees

While setting market fees for CWELCC ineligible children are your decision, **you must** make sure that your market fees cover the cost of delivering child care services to CWELCC ineligible children. These costs do not qualify for CWELCC funding.

You may also want to consider your pre-CWELCC fees, inflationary costs, the fees charged by other providers in your area and Peel Region's 2025 EYCCS municipal rate caps communicated on June 2, 2025.

As a reminder, the 2025/26 municipal benchmarks for School Age are **\$57.69** for non-instructional days and **\$33.98** for before and after school services.

Key action items

If you have CWELCC ineligible children enrolled in CWELCC eligible spaces, you must:

- 1. **Set** a market fee for CWELCC ineligible children if you do not have one.
- 2. **Update** your parent handbook with your fees, including market fees.
- 3. **Share** your updated handbook with families.
- 4. **Provide** enough notice to families affected by the fee change. As a rule of thumb, notice should be longer than your withdrawal notice period.
- 5. **Report** your monthly enrollment in OCCMS accurately. **(New)** You must report in the comment section of your OCCMS CWELCC record of attendance using the acronyms ECIS (Eligible Child in an Ineligible Space) and ICES (Ineligible Child in an Eligible Space). Table 4 provides examples on how to report.

Table 4. How to report your CWELCC OCCMS enrollment accurately.

| eligible for | ls the space funded by CWELCC? | Use | Example |
|--------------|--------------------------------------|-----|---|
| Yes | No | | If you have two 5-year-olds enrolled in a primary junior school age room, add "2 ECIS" in the comments. |
| No | Yes | , | If you have one 6.5-year-old enrolled in a preschool space in July, add "1 ICES" in the comments. |

6. **Track** revenue and expenses separately for children over 6 (CWELCC ineligible children) enrolled in CWELCC eligible spaces. We will provide guidance on proration this summer as part of the audited financial statements and FAIR reporting requirements.

Appendix 1. FAQ

What fees do I charge children who turn 6 years of age in the current year?

It depends on the month the child turns 6 years of age. Tables 5 and 6 provide examples of what this means for children's fees.

Table 5. CWELCC eligibility of children enrolled in a preschool, kindergarten, or family age groups who turn 6

| Turns 6 between | Qualify for the \$22 a day or less CWELCC reduction fees until | Must pay market fees starting |
|-----------------------|--|---------------------------------|
| January 1 and June 30 | June 30 | July 1 |
| July 1 and 31 | July 31 | August 1 |
| August 1 and 31 | August 31 | September 1 |
| September 1 and 30 | September 30 | October 1 |
| October 1 and 31 | October 31 | November 1 |
| November 1 and 30 | November 30 | December 1 |
| December 1 and 31 | December 31 | January 1of the following year. |

Table 6. CWELCC eligibility of children enrolled in a primary/junior school age room who turn 6

| Turns 6 between | Qualify for the \$22 a day or less CWELCC reduction fees until | Must pay market fees starting |
|--------------------|--|----------------------------------|
| January 1 and 31 | January 31 | February 1 |
| February 1 and 28 | February 28 | March 1 |
| March 1 and 31 | March 31 | April 1 |
| April 1 and 30 | April 30 | May 1 |
| May 1 and 31 | May 31 | June 1 |
| June 1 and 30 | June 30 | July 1 |
| July 1 and 31 | July 31 | August 1 |
| August 1 and 31 | August 31 | September 1 |
| September 1 and 30 | September 30 | October 1 |
| October 1 and 31 | October 31 | November 1 |
| November 1 and 30 | November 30 | December 1 |
| December 1 and 31 | December 31 | January 1 of the following year. |

Review Ontario Regulation 137/15 s. 1, (1), "eligible child," and section 4.5 of Peel Region's 2025 CWELCC guideline for detailed CWELCC child eligibility.

Appendix 5: Memo "Changes to child care subsidy payments"

Updates made to meet accessibility requirements

January 29, 2025

There are 2 key changes that service providers (centre-based and home child care agencies) will experience for CWELCC-eligible children:

- 1. Service providers will notice a decrease in the overall amount of funding received from child care subsidy, as daily subsidy payment amounts (after parental contributions) will be capped at \$22/day; and
- 2. Any remaining balance above the \$22/day rate cap for CWELCC-eligible children is to be expensed from the service providers' CWELCC cost-based funding allocation.

Please note that these changes will not affect how service providers bill parents. Parents can continue to be billed for their parental contribution, as communicated by the Children's Services Workers. This will also not affect non-CWELCC eligible programs, where the new municipal rate cap of \$22/day does not apply.

The impacts of the new CWELCC daily rate cap are demonstrated in the tables below, along with some helpful examples.

Table 7. Current state (2024)

| Care code | 2024 municipal daily rate | Daily parental contribution | 2024 daily subsidy payment |
|--------------------------------------|---------------------------|-----------------------------|----------------------------|
| 2001 19 to 30 months full-time | \$50 | \$1 | \$49 |
| 3601 4 to 5 years before school | \$15 | \$1 | \$14 |
| 4011 6 to 12 years before + after | \$25 | \$1 | \$24 |

Table 8. Future state (effective January 1, 2025)

| Lara coda | 2025 municipal daily rate | | 2025 daily subsidy payment | 2025 CWELCC |
|---------------|---------------------------|-----|----------------------------|----------------|
| 2001 19 to 30 | | | | |
| months full- | \$22 | \$1 | \$21 | \$28 |
| time | | | | |

| Care code | 2025 municipal daily rate | Daily parental contribution | 2025 daily subsidy payment | 2025 CWELCC |
|---|---------------------------|-----------------------------|----------------------------|----------------|
| 3601 4 to 5 years before school | \$15 | \$1 | \$14 ¹³ | \$0 |
| 4011 6 to 12 years before + after | \$25 | \$1 | \$2414 | \$0 |

Example 1 - CWELCC-eligible children

Under the current state, the municipal daily rate to support a CWELCC-eligible child under care code 2001 is \$50. The service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$49 a day from Peel Region through a child care subsidy payment.

In 2025, the cost to support the same CWELCC-eligible child under care code 2001 remains \$50. The service provider would continue to receive a daily parental contribution of \$1, but the child care subsidy payment amount from Peel Region would change to \$21 a day (up to the \$22 a day rate cap). The remaining balance of \$28 a day is covered through the service provider's CWELCC cost-based funding allocation.

Example 2 - CWELCC-eligible children below the \$22 per day rate cap

Under the current state, the municipal daily rate to support a CWELCC-eligible child under care code 3601 is \$15. The service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$14 a day from Peel Region through a child care subsidy payment.

Since the cost to support a CWELCC-eligible child under care code 3601 is below the \$22 a day rate cap, there is no change to the manner in which service providers receive parental contributions or child care subsidy payments from Peel Region.

Example 3 - Non-CWELCC-eligible children

Under the current state, the municipal daily rate to support an ineligible CWELCC child under care code 4011 is \$25. The service provider would receive a daily parental contribution of \$1, while receiving the remaining balance of \$24 a day from Peel Region through a child care subsidy payment.

¹³ No change because current municipal rate is below the \$22 a day rate cap.

¹⁴ No change because program is not eligible for CWELCC

Since children under care code 4011 are ineligible for CWELCC, there is no change to the manner in which service providers receive parental contributions or child care subsidy payments from Peel Region.

Appendix 6: How to determine if staff qualifies for WEG

To determine if staff qualify for WEG and the amount they qualify for, follow these steps:

Step 1. Confirm staff eligibility.

Staff eligibility is based on staff position. To be eligible, staff must receive a T4 and hold one of the following positions:

- Program staff (position counted towards adult-child ratios under the CCEYA).
- RECE supervisor position serving children younger than 6 years of age at a CWELCC eligible centre.

Refer to the list of <u>eligible positions</u> and <u>ineligible positions</u>.

Step 2. Determine staff's hourly wage.

To determine if staff's hourly wage qualifies, add together (as applicable) staff's:

- Base hourly wage paid by the employer as of December 31, 2024. For clarity, this includes any employer paid wage increases that took place from January 1 to December 31, 2024.
- 2024 General Operating Fund (GOF) hourly wage enhancement. This includes the former Staff, Wages and Benefits (SWB), Historical and Pay Equity payments.

If the total is less than \$32.81 an hour, their hourly wage qualifies for WEG.

Step 3. Determine the hourly WEG amount

Using the hourly wage determined in Step 2:

- If the hourly wage is \$30.81 an hour or less, then the staff qualifies for the full WEG wage enhancement of \$2 an hour.
- If the hourly wage is between \$30.82 and \$32.80, then the staff qualifies for the incremental amount needed to bring staff's hourly wage up to \$32.81. This is called partial WEG.
- If the hourly wage is \$32.82 or more, then the staff does not qualify for WEG.

Salary increases for WEG cannot exceed \$2 an hour or the wage maximum of \$32.81 an hour.

Step 4. Apply WEG wage increase

Apply the amount assessed in Step 3 to the hourly wage calculated in Step 2. The amount must be applied to all supported hours. Review the eligible positions and hours supported section to the hours that must be supported for different staff positions.

Appendix 7: How to determine if staff qualify for WCF

To determine if staff qualify and the amount they qualify for, follow these steps:

Step 1. Confirm staff eligibility

Staff eligibility is based on staff position and qualifications. In general, <u>RECE's</u> employed (receiving a T4) in a RECE program staff or RECE supervisor position serving children younger than 6 years of age, qualify. Review the list of <u>eligible positions</u> and <u>ineligible positions</u>.

Step 2. Determine staff's hourly wage

To determine if staff's hourly wage qualifies, add together (as applicable) staff's:

- Base hourly wage paid by the employer as of December 31, 2024. This includes any employer paid wage increases that took place from January 1 to December 31, 2024.
- 2024 General Operating Fund (GOF) hourly wage enhancement. This includes the former Staff Wages and Benefits (SWB), Historical and Pay Equity payments.
- Wage Enhancement Grant (WEG): up to \$2 an hour. As a reminder, to get WCF, staff must get WEG first.

If the total is less than \$27 an hour for RECE program staff or \$30 an hour for RECE supervisors, their hourly wage qualifies for the RECE wage increase.

Step 3. Determine the amount of the 2025 RECE wage increase

Using the hourly wage determined in Step 2:

- If the wage is \$24 an hour or less for RECE; and if wage is \$27 an hour or less for RECE supervisor, then the staff qualifies for the \$3 an hour wage increase.
- If the wage is more than \$24 an hour, but less than \$27 an hour for RECE program staff; and if wage is more than \$27 an hour but less than \$30 an hour for RECE supervisor, then the staff qualifies for the incremental amount needed to bring staff's hourly wage up to \$27 an hour (for RECE program staff) or \$30 an hour (for RECE supervisor).
- If the hourly wage is \$27 an hour or more (RECE program staff) or \$30 an hour or more (RECE supervisor), then the staff does not qualify for the wage increase. No further action is required.

Note: The 2025 provincial wage ceiling for the annual wage increase is \$27 an hour for RECE program staff and \$30 an hour for RECE supervisors.

Step 4. Apply 2025 wage increase to determine staff's revised hourly wage

To calculate staff's revised hourly wage, including the annual wage increase, take the staff hourly wage from Step 2, and add the annual wage increase amount from Step 3.

Step 5. Determine staff eligibility for the RECE wage floor

The 2025 wage floor is \$24.86 an hour for RECE program staff and \$25.86 an hour for RECE supervisors. If after Step 4, the staff earns:

- Less than the wage floor: they qualify for the amount needed to bring their hourly wage to the 2025 wage floor.
- The wage floor or more: they do not qualify for the wage floor. Skip to step 7.

Step 6. Apply 2025 wage floor

Pay eligible staff at least the wage floor. To calculate the funding needed to bring up staff wages to the wage floor, subtract the staff's revised hourly wage (Step 4) from the 2025 wage floor (Step 5).

Step 7. Apply 2025 employer wage increases

Apply 2025 employer wage increases after you applied the applicable WCF wage increases. Please note that 2025 employer wage increases impact WEG and WCF calculations for 2026.

Appendix 8: Peel Region memo to existing child care staff

Updates made to meet accessibility requirements

December 12, 2024

Dear program staff,

In follow-up to the June 3, 2024 memo "Peel Region Memo to Child Care Staff - 2024 Canada-wide Early Learning and Child Care (CWELCC) Workforce Compensation Funding", we are writing to provide some important updates regarding your wage in 2025.

Here is what you need to know.

Ministry direction: On August 1, 2024, the Ministry of Education issued a memo which stated that effective January 1, 2025, General Operating Funding (GOF) must be factored into base wages before applying any additional wage enhancements, such as the Wage Enhancement Grant (WEG) and Workforce Compensation Funding (WCF).

The GOF Staff Wages and Benefits (SWB) includes historical funding and pay equity.

Potential impact: This change means that starting in 2025 GOF funding supports you currently receive may push you above the ceiling for additional wage enhancements. As a result, you may not qualify for a wage increase under the WCF.

The 2025 WCF floor and ceiling include:

- Wage floor is \$24.86 for registered early childhood educator (RECE) program staff and \$25.86 for RECE child care supervisors.
- Wage ceiling is \$27 for RECE program staff and \$30 for RECE child care supervisors.

Wage stability: If your GOF funding pushes your hourly wage to, or over, the 2025 WCF ceiling, your hourly wage as of December 31, 2024 will be held, ensuring that your pay will not decrease.

Example

To illustrate the changes, an example is provided on the next page comparing a RECE Program Staff current 2024 wage (Table 1), what the same staff would qualify for under the new 2025 approach, and how we ensure that 2024 wages are maintained (Table 2). In this example, staff must be held at the higher 2024 Total Hourly Wage.

Table 9. Example of 2024 wage calculation.

| 2024 wage item | 2024 hourly wage amount |
|---|-------------------------|
| Base wage | \$17.20 |
| Wage Enhancement Grant (WEG) | \$2 |
| Subtotal of base wage and WEG | \$19.20 |
| Workforce Compensation Fund (WCF) Annual Increase | \$2 |
| WCF Wage Floor | \$2.66 |
| Subtotal with WCF | \$23.86 |
| GOF (SWB/Historical/Pay Equity) | \$3 |
| 2024 total hourly wage | \$26.86 |

Table 10. Example of 2025 wage calculation.

| 2025 wage item | 2025 hourly wage amount |
|---|-------------------------|
| Base wage | \$17.20 |
| GOF (SWB/Historical/Pay Equity) | \$3 |
| Subtotal of base wage including GOF | \$20.20 |
| WEG | \$2 |
| WCF Annual Increase | \$3 |
| Subtotal with WEG and WCF Annual Increase | \$25.20 |
| WCF Wage Floor | \$0.00 |
| 2025 total hourly wage | \$25.20 |
| Hourly wage to be paid in 2025 | \$26.86 |

In 2025, with the addition of GOF SWB and Historical/Pay Equity to the base wage, this staff person no longer requires WCF to meet the 2025 wage floor of \$24.86.

When you compare these 2 tables, the 2025 Total Hourly Wage is \$1.66 lower than the 2024 Total Hourly Wage. However, in this example, staff must be held at the higher 2024 hourly wage until they become eligible for additional increases

Wage tool: Your employer will receive a tool that will help them estimate your 2025 wages based on the new wage approach.

Questions: If you have questions or concerns about your workforce funding amount, please speak to your employer.

If you still have concerns, please email: <u>EarlyYearsSystemDivision@peelregion.ca</u> using the subject line "Staff Workforce Compensation Inquiry" and include your employer's name.

Thank you for your continued dedication to support children and families in Peel Region.

Sincerely,

Early Years and Child Care Services

Peel Region

Appendix 9: Peel Region memo to new child care staff

January 2, 2025

Dear program staff,

Thank you for playing a pivotal role in shaping the future of children in Peel.

RECEs who work in licensed child care programs that are taking part in CWELCC, may receive higher wage increases through the 2 key provincial workforce funding sources: the Wage Floor and Wage Ceiling.

Here is what you need to know.

Wage floor

In 2025, the starting wages for eligible RECE program staff increased to \$24.86 an hour. The starting wage for eligible RECE supervisors and RECE home child care visitors is \$25.86 am hour. This means if you earn less than the wage floor (including GOF¹⁵, WEG and the annual wage increase), you will receive workforce funds to bring your pay up to the floor.

Your employer will bring up the wages of all eligible RECE staff to the amounts shown below.

Table 11. RECE wage floor from 2022 to 2026

| Wage floor 2022 to 2026 ¹⁶ | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|------|------|---------|---------|---------|
| RECE program staff | \$18 | \$19 | \$23.86 | \$24.86 | \$25.86 |
| RECE supervisors | \$20 | \$21 | \$24.86 | \$25.86 | \$26.86 |

Increase to the wage ceiling

The wage ceiling is the maximum wage that can be reached using workforce funding for the given year. The new provincial wage ceiling is in Table 12.

¹⁵ If applicable.

¹⁶ In addition to the hourly wage, staff must receive the associated benefits.

Table 12. RECE wage ceiling from 2022 to 2026

| Wage ceiling 2022 to 2026 ¹⁷ | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|------|------|------|------|------|
| RECE program staff | \$25 | \$25 | \$26 | \$27 | \$28 |
| RECE supervisors | \$25 | \$25 | \$29 | \$30 | \$31 |

In 2025, RECE staff earning less than \$27 an hour (including GOF¹⁸ and WEG) and RECE supervisor and RECE home visitors earning less than \$30 an hour (including GOF¹⁹ and WEG) will receive the workforce wage increase funding up to \$3 an hour.

Please note that this is not a wage cap. Employers can choose to pay RECE wages above the ceiling.

You will receive your wage increases through the CWELCC program as part of your regular paystubs.

Questions

Please refer to the examples below of how the provincial workforce funding is calculated for eligible staff.

If you have questions or concerns about your workforce funding amount, please speak to your employer.

If you still have concerns, please email: <u>EarlyYearsSystemDivision@peelregion.ca</u> using the subject line "Staff Workforce Compensation Inquiry" and include your employer's name.

Thank you for your dedication to support children and families in Peel Region.

Sincerely,

Early Years and Child Care Services

Peel Region

 $^{^{17}}$ In addition to the hourly wage, staff must receive the associated benefits.

¹⁸ If applicable.

¹⁹ If applicable.

CWELCC workforce funding examples for new staff

We have included some examples in this memo to show how to calculate the Workforce Compensation Funding (WCF) for different staff. These examples are for informational purposes only.

Note: Base wage does not include other wage enhancements such as the General Operating Fund or LHCC Base Funding.

Table 13. Example of a RECE program staff with a base wage of \$17.20 an hour.

| Workforce compensation | Eligibility | Amount |
|---|---|---------|
| Base wage (employer paid) | NA | \$17.20 |
| 2024 General Operating Fund (GOF) if applicable | Amounts may vary based on your employer's distribution plan which should have been shared with you. | \$2.50 |
| Subtotal | | \$19.70 |
| Provincial Wage Enhancement (WEG) | Yes, base wage plus GOF is less than the WEG maximum of \$32.81. | \$2 |
| Subtotal | | \$21.70 |
| Annual Wage Increase (WCF) | Yes, base wage plus GOF, plus WEG is \$21.70, which is less than the 2025 Wage Ceiling of \$27. | \$3 |
| Subtotal | | \$24.70 |
| Wage Floor (WCF) | Yes, base wage plus GOF, plus WEG, plus the Annual Wage Increase is \$24.70, which is less than the 2025 Wage Floor of \$24.86. | \$0.16 |
| Total | | \$24.86 |

Table 14. Example of a RECE supervisor with a base wage of \$21 an hour.

| Workforce compensation | Eligibility | Amount |
|--|--|---------|
| Base wage (employer paid) | NA | \$21 |
| 2024 General Operating Fund (GOF) if applicable | Amounts may vary based on your employer's distribution plan which should have been shared with you. | \$2.50 |
| Subtotal | | \$23.50 |
| Provincial Wage Enhancement (WEG) | Yes, Base wage plus GOF is less than the \$32.81 WEG maximum. | \$2 |
| Subtotal | | \$25.50 |
| Annual Wage Increase (WCF) | Yes, base wage plus GOF, plus WEG is \$25.50, which is less than the 2025 Wage Eligibility Ceiling of \$30 | \$3 |

| Workforce compensation | Eligibility | Amount |
|------------------------|---|---------|
| Subtotal | | \$28.50 |
| Wage Floor (WCF) | No, base wage plus GOF, plus WEG, plus the Annual Wage Increase is \$28.50, which is over the 2025 Wage Floor of \$25.86 | \$0.00 |
| Total | | \$28.50 |

(New) Appendix 10: Planning time and professional learning communication to eligible staff

<Date>

Dear early years and child care professional,

We are pleased to share that funding is available again this year to support planning time and professional learning.

As professionals supporting young children, your work is valued. This funding is one way to recognize your role and support your professional growth.

Planning time available from January 1 to December 31, 2025

Eligible staff will receive one hour of planning time each week. This can be scheduled weekly, bi-weekly, or monthly. This time is meant to support you in planning thoughtful and engaging activities based on the interests and needs of the children in your care and can include reflective practices.

(New) Professional learning available from January 1 to December 31, 2025

Your organization's funding includes up to \$500 for each eligible full-time staff member to support professional learning, based on your organization's discretion. You can use this funding to cover the cost of sessions, courses, or training that are relevant to your work and professional interests in the child care field.

Who is eligible staff for this funding?

Program staff who work a minimum of 20 hours a week supporting ratio requirements as outlined in the CCEYA in any one-week period (Monday to Sunday) are eligible for this funding. Professional learning funding is prorated based on whether you work full-time or part-time.

IMPORTANT: Before signing up or paying for any professional learning activity, you must first get approval from your employer.

If you have any questions regarding the information in this letter, please contact your <add Supervisor Name>.

(New) Appendix 11: Professional development resources

There is flexibility to participate in eligible professional learning in a format that best suits your needs. Staff can complete the session individually or in groups, either in person or online. Examples of ways to engage in professional learning include (but not limited) to:

- Continuing educations courses.
- Online learning such as courses, webinars, videos, presentations or articles.
- Facilitator-led training sessions.

Below is a general list of agencies and/or examples of eligible training, that offer professional learning in the forms of live events, pre-recorded events, publications, documenting articles, news, and podcasts. Offerings change occasionally. You must ensure that the training or learning that you engage in is aligned with the topics in the guideline.

Note: This is not an exhaustive list, you may in engage in other eligible learning opportunities that meet guideline criteria.

- Child Development Resource Connection Peel (CDRCP).
- College of Early Childhood Educators of Ontario: <u>The Continuous Professional Learning (CPL) Program | Welcome to the College of Early Childhood Educators.</u>
- Canada Child Care Federation (CCCF): <u>ELCC Professional Development</u> <u>Canadian Child Care Federation</u>.
- Association francophone a l'education des services a l'enfance (AEFESO):
 <u>Learning Activities | Services | AFESEO</u>.
- Association of Early Childhood Educators of Ontario (AECEO): <u>Professional Learning Association Early Childhood Educators Ontario</u>.
- Atkinson Centre for Society and Child Development: <u>Atkinson Centre for Society & Child Development | Ontario Institute for Studies in Education.</u>
- Child Care Resource and Research Unit: About CRRU | childcarecanada.org.
- Metis Nation of Ontario: <u>Education & Training Métis Nation of Ontario</u>.
- Harvard Business Review: <u>Harvard Business Review Ideas and Advice for</u> Leaders.
- Geneva Centre: <u>Learning Geneva Centre for Autism</u>.
- The Hanen Centre: <u>The Hanen Centre</u>.

- Ontario Aboriginal Head Start Association: <u>Professional Development Ontario Aboriginal Head Start Association</u>.
- Big Ideas for the Care of Tiny Humans: <u>A Resource for Early Childhood</u> Educators on Infant Mental Health.
- Our Early Years Specialist (EYS), Quality Initiatives Mentor or Resource Consultant feedback.
- Training aligned with your "Raising the Bar" goals.
- Meeting with Peel Inclusion Resource Services (PIRS) staff on Individual Program Plans (IPP) Adapting activities and materials to support goals or strategies outlined in a child's PIRS IPP.
- Physical literacy, like Sports for Life:
 - o On-Demand Learning
 - o Certifications

(New) Appendix 12: CWELCC cost eligibility assessment

To determine if a cost is eligible for CWELCC funding, follow this step-by-step decision framework:

1. Was the cost incurred in 2025?

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

2. Is this cost on the ineligible list?

If the answer is yes, the cost is ineligible.

If the answer is no, proceed to the next question.

3. Is the cost attributable to the provision of child care included in the base fee for eligible children? Attributable means that the cost is directly or indirectly tied to providing child care to CWELCC eligible children.

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

4. Is the cost appropriate to the provision of child care for eligible children?

Appropriate means that the cost is necessary and fitting for the circumstances?

If the answer is yes, proceed to the next question.

If the answer is no, the cost is ineligible.

5. Is the cost (or a portion of it) reasonable? In addition, is the quality and amount consistent with Fair Market Value? Fair Market Value is the price an item would sell for under current market conditions, assuming both the buyer and seller are seeking the best possible price).

If the answer is yes, the cost is eligible.

If the answer is no, the cost is ineligible.

This framework ensures that only costs that are appropriate, attributable and reasonable are considered eligible for funding.

Figure 1 is an illustrative format of the decision matrix described above. This will aid in guiding you through each decision point to determine cost eligibility under the 2025 CWELCC Funding guidelines.

Figure 1. CWELCC cost eligibility assessment.

Cost Eligibility Assessment for CWELCC Funding

