Questions & Answers Licensed Home Child Care Agencies

2025 EYCC Funding

These Q&As are intended for LHCC agencies and includes the questions received from the EYCC teleconferences that took place on December 18, 2024, January 20, 2025 (Part 1) and January 27, 2025 (Part 2).

Refer to the 2025 CWELCC guideline for more information. Contact your Early Years Special (EYS) or email us at EarlyYearsSystemDivision@peelregion.ca if your question is not on here.

Contents

CWELCC

Base Fees vs. Non-Base Fees

1. **During the teleconference, we received questions on how to classify certain fees. You must update your Parent Handbook to clearly outline which fees are considered base fees and which are non-base fees:**
   - **Base fee:** any fees you charge families with respect to providing licensed child care to a CWELCC eligible child. They include:
     - Anything you are required to provide under the CCEYA, and
     - Anything families must pay or purchase from you to receive licensed child care (including any mandatory fees such as registration fees, one-time or recurring etc.) but does not include a non-base fee.

     Beginning January 1, 2025, the maximum base fee is $22 per day, inclusive of all base fee costs a family must pay. This means that if your daily fee is at $22/day, you cannot charge any additional mandatory fees to families.

- **Non-base fee:** Any fee charged for optional items or services, or any fees charged when a family fails to meet the terms of their agreement with the provider. Non-base fees should not include anything that would prevent a child from participating in the program if the family chooses to opt out of the service.

Fee Example	Base Fee/Non	Does it count towards $22/day CWELCC cap?
Parent app for communication	Base fee	Yes. If the parent app is mandatory for all families, its cost should be included in the $22/day base fee.
Annual handling fee for pre-authorized debit	Depends: Yes, if mandatory No, if optional	Depends. If all families are required to pay the handling fee for pre-authorized debit, it is considered a base fee. If it's optional, and other payment methods are available for families, it is a non-base fee.
Backup Care Fees	Base fee	Yes. Such fees charged to families are considered base fees. This cannot be a non-base fee as families do not have the option to not pay the fee. As well if they choose to not pay the fee it cannot prevent families from receiving care when their home provider returns. We recommend agencies do not charge backup fees to reduce the administration of these fees. Charging these fees to families reduces the amount of CWELCC funding you receive from the Region as

Fee Example	Base Fee/Non	Does it count towards $22/day CWELCC cap?
		they will be part of the revenue offset calculation. Agencies that charge this fee must update their parent handbooks to classify back up care fees as base fees.
Extended care fee	Base fee	Yes. Extended care, even if additional hours are needed, must be included in the $22/day base fee. Additional fees cannot be charged for extended hours beyond the base fee.
Late pick-up fees	Non-base fee	No. Late pick fees are typically charged when families pick up their children after the designated time as per your policy outlined in your Parent Handbook. These are considered non-base fees as they are not part of the mandatory service. You must clearly communicate the charges are for late pick up fee and not for extended care.
Registration fee	Base fee	Yes. Registration and mandatory fees must be included in the $22/day cap. If your daily fee is already $22/day, you cannot charge any additional mandatory fees like registration fees to families. Whether the family shows up for care or not, the costs were incurred, and the fees were paid. Peel strongly recommend that providers do not charge registration fees as any fee collected directly reduces the amount of CWELCC funding you receive from the Region.
Non-refundable deposits for families who do not enroll after registering OR provide insufficient notice of withdrawal	Base fee	Deposits are prepaid base fees that are applied against the cost of care at a later date. In cases where deposits are collected and the family does not show up for care, and the deposit is non-refundable, it is counted towards your base fee revenue offset. Similarly, when a family withdraws without the required notice, the deposit is applied to the regular notice period to support the costs of the vacant space. This is considered revenue and counts towards your base fee revenue offset.

Registration Fees vs. Prepaid Deposit Fees

2. **What's the difference between a registration fee and a prepaid deposit fee?**
   We recognize that agencies may use different terminology, but we have defined registration fees and prepaid deposit fees as follows:
   - **Registration fee:** a common mandatory fee that a family pays when registering their child to secure a spot in the program.
   - **Prepaid/deposit fee:** 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.

3. **How should one-time mandatory fees (like registration fees) be handled under CWELCC for 2025, given the changes to the CCEYA?**
   All mandatory fees, including registration and other one-time or recurring charges, must be included when calculating the overall base fee to ensure compliance with the $22/day cap.

   To reduce administrative burdens and avoid changes to CWELCC funding, we strongly recommend you stop charging registration and other mandatory fees including one-time fees. If you continue charging them, you must prorate it across the year to ensure that the total base fee does not exceed $22/day. See section 4.2 of the guideline for more details.

4. **If my program's registration fees are a refundable deposit upon withdrawal, does it still need to be included in the calculation?**
   Fee deposits are considered to be pre-paid base fees. They do not need to be prorated across the year, as they are deferred revenue earned when used by families. For CWELCC-eligible children, the base fee should not exceed $22/day.

   If you collected prepaid 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 3, 2025. Your Parent Handbook must include information about when the pre-payment will be applied to the child's account.

5. **Can we charge fee deposits to families in receipt of fee subsidy?**
   We strongly recommend that families receiving a fee subsidy not be charged deposit fees, or there be consideration to set these fees low as charging deposits may create a barrier to access child care. If the family does not provide at least two weeks notice, Peel will pay you the approved daily rate minus any parent contribution (i.e. the municipal contribution) for up to 10 business days.

6. **Do we need to refund pre-paid fees collected in 2024 for 2025 enrolment above the $22/day cap?**
   If you collected pre-paid fees in 2024 for 2025 enrolment above the $22/day cap, you are not required to refund them. Pre-paid fees are an upfront payment made to secure a child's spot in your program. These fees are typically applied to the family's total cost later on and

may either be refundable or non-refundable, as outlined in your Parent Handbook. Be sure to include details in your Parent Handbook about when these pre-payments will be applied to the child's account.

Note: If you collected prepaid fees higher than the daily cap of $22 on or after January 1, 2025, you must issue a credit or refund for the difference **by March 3, 2025.** Be sure your Parent Handbook includes information about when the pre-payment will be applied to the child's account.

7. **Do we need to refund registration fees collected in 2024 for 2025 enrolment above the $22/day cap?**
   If you collected a registration fee in 2024 for 2025 enrolment above the $22/day cap, you are not required to refund it. This is because the work to register the child was completed in 2024, prior to the regulatory changes that took effect on January 1, 2025.

8. **Can we add or change our withdrawal notice period and deposit requirements under the CWELCC program?**
   Yes, you can change your policies, but you must update your parent handbook and inform both new and existing families. Do not set deposit amounts too high, as this could limit access for families. The Region will be monitoring high deposit amounts [to ensure compliance with the authentic participation requirements].

Staff Wages & Benefit Requirements

9. **If I give my staff a cost-of-living increase on January 1, 2025, do I need to factor the cost-of-living increases when determining eligibility for WCF?**
   No, eligibility for WCF and WEG for 2025 is based on staff wages as of December 31, 2024. You are not required to recalculate their eligibility for WCF and WEG for 2025 if staff receive a cost-of-living increase in 2025. However, increases to base wages may be factored into the calculation of WCF and WEG eligibility for future years (e.g., 2026).

10. **How will pay stubs for home visitors look for 2025? Should the breakdown be the same as in 2024?**
    In 2025 the pay notation breakdown on pay stubs will be the same as in 2024 for home visitors. This means the pay stubs for home visitors include notations for WEG, LHCC Base Funding, and CWELCC (WCF), just like in 2024.

11. **As an owner, how can I pay myself for my time worked at the agency?**
    Salaries, wages, and benefits paid to owners must be reflected in their T4. These are eligible expenses, like compensation for any other employee, and are not capped at a specific amount, however it must be attributable, appropriate, and reasonable to child care.

Changes to Closure Days

12. What is the change to closure days starting in 2025?

If you charge fees for a statutory holiday, it now counts as part of the 20-day maximum closure limit. We recognize that this change will impact some programs. Your parent handbook must clearly outline the days your program is closed and whether fees are charged.

Note: Days for which fees are charged and families do not access child care count towards your maximum number of closure days. This includes when back-up care fees are charged.

13. What if I already communicated my closure days to my families and staff? When do I need to adhere to the new changes?

If you have already communicated your closure days for the year, you do not need to make any changes at this time. We will share our transition plan as soon as it is available.

One-Time Emergency Funding

14. When can agencies expect to receive information about the one-time emergency funding?

We are in the process of developing the CWELCC Emergency Funding policy and plan to share information with all agencies in the Spring. Please stay tuned for details.

Parent Handbook Requirements

15. Why is Peel collecting parent handbooks and when will it be collected?

We are collecting your parent handbook in the Spring because it is a provincial guideline requirement, and it is required for us to get your funding right. Your parent handbook includes information important to the administration of the CWELCC program, such as:

- The services included in your base fee.
- The times and dates child care services are available, the days you are closed and whether fees are charged for closed dates.
- Your fees, including your updated base and non-base fees.
- If refunds or credits will be provided and when.

It is your responsibility to ensure your parent handbook is updated as per section 45 under O. Reg.137/15. Please refer to this regulation for a fulsome list of requirements.

Fee reduction for children receiving subsidy

16. Do I need to reduce the parent contribution by 50% for families receiving a partial fee subsidy?

Please refer to direction below for CWELCC-eligible children and for school age children:

- **For CWELCC-eligible children:** The parent contribution has already been reduced in the 'Confirmation of Subsidy' letter, so families should pay the amount specified in the letter. No further reductions are needed. For example, if the letter shows a $3/day contribution, the family would pay $3/day.

- **For school-age children (6 to 12):** These children are not eligible for CWELCC, so the parent contribution is not reduced in the confirmation letter. Eligible agencies must use their School Age child care fee funding to reduce the parent contribution for families in receipt of child care subsidy by 50% for eligible children in before and/or after school programs. For example, if the letter shows a $3/day contribution, the family would pay $1.50/day.

17. **Have the rate updates in OCCMS changed the daily fees for families with CWELCC eligible children?**
The municipal rates in OCCMS have been updated to the cap of $22 per day. You will see the $22 cap reflected in OCCMS when you complete your January attendance. Refer to the email shared with you on January 29, 2025, for more information.

Operating Budgets

18. **Will there be an opportunity to update our operating budget if the 2025 operating budget is due at the end of March?**
Agencies are encouraged to update their budget throughout the year, regardless of whether you are required to submit the operating budget. This will help ensure that you are monitoring your budget throughout the year.

    If you think that you will have a shortfall, please email us. We will share more information on our process to support agencies with budgeting and how to maximize your allocation.

19. **How will my CWELCC funding be reconciled if I have homes in multiple regions?**
If you operate homes in multiple regions, you will be required to reconcile your 2025 Cost-Based CWELCC funding through your overseeing SSM. More information about the reconciliation process will be shared after the Ministry releases their Standardized Financial Report template.

20. **How is the vacancy rate applied to LHCC agency cost-based funding allocations?**
For 2025 CWELCC allocations to home child care agencies, Peel is using enrolment data to calculate the base fee revenue offset, not active home seats. This means the LHCC allocations did not apply the maximum vacancy rate of 10% in the base revenue offset part of the calculation. More information on this can be found on our website (refer to slide 23 from the September 27, 2024 teleconference to LHCC agencies).

2025 School Age (6 to 12) Funding

21. **Is there any discussion about extending reduced fees for School Age programs during the summer?**
    No, reduced school age fees for summer programs will not happen in 2025 due to budget limitations.

22. **Will the BASP pilot continue for the 2025-2026 school year?**
    In 2024, we completed an evaluation of the BASP pilot program, and now we're reviewing the results. We're looking at how we can shift the BASP program from a pilot to a regular funding program for the 2025-2026 school year. We will share more details in late Spring.

23. **What is the age eligibility for a child to qualify for BASP fee reduction in 2025?**
    Children not eligible for CWELCC qualify for the BASP fee reduction. More specifically, children born in 2018 or earlier are eligible for the BASP fee reduction in 2025 (January to June).

24. **Our billing structure for BASP fee reductions makes it difficult to issue refunds to families on the same day fees were paid, especially for the last day of service. For example, fees paid between January 3 and March 31, 2025, must be refunded by March 31. Is there any flexibility in the refund schedule?**
    We will update the guidelines to give agencies time to process the refunds as follows:
    - For fees paid January 3, 2025 through March 31, 2025, you must issue a refund by April 15, 2025.
    - For fees paid April 1, 2025 through June 27, 2025, you must issue a refund by July 14, 2025.

25. **Are school-age children eligible to receive a reduction to their registration fees?**
    No, families will pay 100% of the registration fee and only the child care fee portion will be reduced by 50%.