



## BOARD REPORT

REPORT No.: 2022-44

MEETING DATE: JULY 21, 2022

SUBJECT: CANADA WIDE EARLY LEARNING CHILD CARE PLAN AND POLICY

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### RECOMMENDATION

THAT with respect to Report No. 2022-44, (Integrated Social Services Division) we, The District of Thunder Bay Social Services Administration Board, approve the Canada Wide Early Learning Child Care System Plan (CWELCC) for 2022 as presented;

AND THAT we approve the CWELCC Policy as presented;

AND That the Chief Administrative Officer be authorized to amend the CWELCC Policy with respect to housekeeping items, as may be required from time to time.

### REPORT SUMMARY

To present The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with the Canada Wide Early Learning Child Care (CWELCC) System Plan and related Policy for review and consideration.

### BACKGROUND

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

Through its 2021 budget, the federal government committed to investing in a national child care system with all provinces and territories as well as with Indigenous organizations.

In April 2022, the Ministry of Education release the Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022) for Consolidated Municipal Service Managers and District Social Services Administration Boards (Addendum). This Addendum was released to provide Service Managers across Ontario with information on the recent changes related to the new investments through the CWELCC Agreement.

The Addendum outlines the parameters under which the Ministry of Education (the Ministry) will flow funding to CMSMs/DSSABs in 2022 under the CWELCC System and describes the requirements of the funding including obligations for CMSMs and DSSABs.

Funding under the CWELCC will be used to build on and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability, and inclusivity in early learning and child care towards achieving the objectives of:

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

## COMMENTS

TBDSSAB, has developed a CWELCC System Plan for implementation as per the Ministry's guidelines and expectations. A related CWELCC Policy has also been developed to guide the process.

All Licensees with programs serving children under the age of 6 (or turning 6 before June 30) in Ontario are eligible to apply to participate in the CWELCC System. Participation in the CWELCC System is optional; however, Licensees have been encouraged to participate and to enroll so that families can benefit from fee reductions.

The Ministry has taken a phased in approach to the CWELCC System, with the goal to reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces. This will involve several steps to reduce current fees to this target level.

Over the past several weeks, Administration has met with all Licensees individually to review the 2022 objectives under the CWELCC System and to address any questions brought forward.

The TBDSSAB CWELCC Plan will be updated on an annual basis as future service agreements between the Ministry of Education and TBDSSAB are released, and will revise goals, objectives and operations as required.

## STRATEGIC PLAN IMPACT

This report relates to the Board's strategic direction of Financial Stewardship, with a focus on ensuring accountability of TBDSSAB resources. Further, this initiative addresses the Practical Vision of providing Flexible Inclusive Services through Enhanced Early Year and Child Care.

## FINANCIAL IMPLICATIONS

The new funding for the CWELCC system is 100% funded through the federal and provincial governments. TBDSSAB's 2022-23 allocation is as follows:

<b>TBDSSAB CWELCC 2022 Funding</b>			
<b>Fee Reduction</b>	<b>Workforce Compensation</b>	<b>Administration</b>	<b>Total 2022 CWELCC Funding</b>
\$3,462,782	\$178,312	\$140,135	\$3,781,229



TBDSSAB cannot exceed the CWELCC funding allocated for 2022. Where workforce compensation is not spent, TBDSSAB may allocate this to the fee reduction funding line. All unspent CWELCC funding will be recovered by the Ministry at the end of each funding year.

## CONCLUSION

It is concluded that this report provides the Board with information on the Canada Wide Early Learning and Child Care System Plan and Policy for 2022 and should be approved as presented.

**REFERENCE MATERIALS**

- Attachment #1 [Canada Wide Early Learning Child Care System Plan](#)
- #2 [Canada Wide Early Learning Child Care Policy \(DRAFT\)](#)

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SUBMITTED BY:	William (Bill) Bradica, Chief Administrative Officer The District of Thunder Bay Social Services Administration Board

# **Canada Wide Early Learning and Child Care System Plan (2022)**



**THE DISTRICT OF THUNDER BAY  
SOCIAL SERVICES ADMINISTRATION BOARD**

## Canada Wide Early Learning and Child Care System Plan

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

In early 2022, the Provincial and Federal Governments signed the Canada Wide Early Learning and Child Care (CWELCC) Agreement. Funding under the CWELCC will be used to build and leverage the success of Ontario's existing Early Learning and Child Care System by increasing quality, access, affordability, flexibility and, inclusivity in early learning and child care.

The District of Thunder Bay Social Services Administration Board (TBDSSAB) is committed to ensuring that the CWELCC System is planned and implemented in accordance with the agreement and guidelines through a process that is fair, accountable, and transparent.

### **Definitions**

The words and phrases in this plan have the following meaning ascribed to them:

**“Agreement”** means a service agreement between TBDSSAB and a Child Care Service Provider.

**“Actual Cost”** means funding to support the costs incurred in the portion of the Service Providers' child care business for eligible children, net of fee generated revenues received by the Service Provider from Base Fees, any provincial and current ELCC funding, municipal funding, and other revenues provided to a Licensee to support the costs associated with Base Fees for eligible children.

**“Auspice”** means not-for-profit or for-profit child care agencies and program.

**“Base Rate”** means any fee or part of a fee that is charged in respect of a child for child care, including anything a licensee is required to provide under the *Child Care and Early Years Act* (CCEYA), or anything a Service Provider requires the parent to purchase from the Service Provider, but does not include a non-Base Fee.

**“Board”** means the Board of Directors of The District of Thunder Bay Social Services Administration Board.

**“Business Days”** means any working day, Monday to Friday inclusive, excluding Statutory or other holidays, namely: New Year's Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Christmas Day, Boxing Day, and any other day which TBDSSAB has elected to be closed for business.

“**CCEYA**” means the *Child Care and Early Years Act, 2014* and its regulations.

“**CWELCC**” means the Canada-Wide Early Learning and Child Care System.

“**Eligible Child**” means any child under 6 years old, and up until June 30 in a calendar year, any child who:

- a) turns 6 years old between January 1 and June 30 in that calendar year, and
- b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care, as defined in the CCEYA.

“**Funding or Funds**” means the money the TBDSSAB provides to the Service Provider related to the provisions under the CWELCC System.

“**Licensed Child Care**” means an agency who provides centre based or home child care for one or more children and has a licence issued by the Ministry of Education under the *Child Care and Early Years Act, 2014*.

“**Minimum Wage**” means the lowest hourly rate of pay that a Child Care Service Provider can pay an employee.

“**Ministry**” means Ministry of Education for the Province of Ontario or any successor ministry, department, or government body.

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

“**Service Provider(s)**” means an independent agency providing licensed child care services.

“**WEG**” means Wage Enhancement Grant.

### **Goals and Objectives Of CWELCC**

- Offer financial relief through lower licensed child care fees to families with children under 6 years old.
- Strengthen and stabilize the early learning and child care workforce.
- Create additional high quality and affordable licensed child care spaces.
- Address barriers to providing inclusive early learning and child care services.

- Ensure a fair, equitable, transparent, and consistent approach to the implementation of the CWELCC System.

All licensed child care centres and home child care agencies, no matter the auspice, are eligible to apply for CWELCC regardless of participation in the local quality initiatives, or in the current purchase of service status with TBDSSAB.

Families with children 6 years of age and are enrolled in a licensed child care program in the District of Thunder Bay are eligible for child care fee reduction.

### **Eligibility Criteria**

- To receive CWELCC funding, the Service Provider must opt into the program and have a fully executed agreement with TBDSSAB.
- Service Providers must demonstrate financial viability to qualify for funding under the CWELCC System.
- Service Providers must maintain a clear license to operate and remain in good standing in accordance with the CCEYA.
- Service Providers must complete the annual Licensed Child Care Operations Survey, as required by a ministry director.
- Service Providers participating in the CWELCC System must maintain existing licensed spaces for children from infancy up to and including 5 years of age.
- Funding provided through the CWELCC System is specific to meeting the CWELCC System's objectives.
- Service Providers entering into a new purchase of service agreement for the CWELCC System are not eligible to access 2022 Child Care, EarlyON and Workforce Allocations (with the exception of the Wage Enhancement Grant) if they are not already in receipt of this funding.

### **Processing CWELCC Applications**

- TBDSSAB will review and process the Service Provider's application within 15 business days following receipt to ensure that the Service Provider is able to make the required parent refunds in a timely fashion.
- CWELCC applications will be received on an annual basis in accordance with Ministry of Education Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022) for Consolidated Municipal Services Managers and District Social Services Administration Boards.



### **Declining CWELCC Applications**

- In exceptional cases, TBDSSAB may deny a Service Provider's enrollment in the CWELCC System where the Service Provider is not able to demonstrate financial viability or if TBDSSAB has strong concerns that the funding will be used for improper purposes.
- When declining a Service Provider's CWELCC Application, TBDSSAB will provide circumstances and rationale in writing to the Service Provider and Ministry within 5 business days.

### **CWELCC Funding Allocation**

- To be eligible for CWELCC funding, Service Providers must apply to TBDSSAB to enroll in the CWELCC System and to enter into an Agreement with TBDSSAB.
- To ensure consistent financial management practices across all Service Providers and that adequate funding is available as Service Providers enroll in the program throughout the year, TBDSSAB will not provide funding to reduce Base Fees for eligible children in excess of what is required to meet the CWELCC initiatives.
- To support fee reductions in child care for eligible children, CWELCC funding will be provided by TBDSSAB to Service Providers to support the Actual Cost associated with a mandated reduction in a Service Provider's Base Fee.
- Non-Base Fees charged by the Service Provider to parents for things that are not included in the Base Fee, as well as their associated costs, will be omitted by TBDSSAB when determining the funding amounts to be flowed to enrolled Service Providers.
- TBDSSAB will ensure that funding provided to Service Providers supports inflationary costs associated with Base Fees for a Service Provider's child care operations for eligible children, including inflationary compensation increases for staff in accordance with Ministry Guidelines.
- CWELCC funding amounts to Service Providers will be determined in accordance with the Procedures and Guidelines and at the discretion of TBDSSAB.

### **Ineligible Expenses for CWELCC System**

Expenses that do not directly support the CWELCC System goals and initiatives (i.e., expenses that are not related to the provision of child care for eligible children and

mandated compensation increases for eligible staff), are ineligible and include the following:

- Child care management compensation (outside of regular salaries and benefits received in a calendar year) including, but not limited to, transportation, meals, management bonuses, retirement packages, deferred compensation.
- Reimbursement for transportation such as mileage is an eligible expenditure if reasonable, as determined by TBDSSAB.
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans.
- Professional organization fees paid on behalf of staff for membership in professional organizations.
- Bonuses (including retiring bonuses), gifts and honoraria paid to staff are ineligible expenses except in the case that they are provided as a retroactive wage increase that will be maintained in the following year.
- Donations to charitable institutions or organizations.
- Fundraising expenses.
- Property taxes.
- Personal expenses (i.e., vehicles, assets, or services for personal use only).
- Expenditures arising from transactions not conducted at arms-length, unless conducted at fair market value.
- Any expenditure that is not used to support the provision of child care services (at the discretion of TBDSSAB).

### **Determining the Base Rate**

- TBDSSAB will work with Service Providers to determine base rates in accordance with Guidelines.
- Base rates will be determined using a consistent approach for all Service Providers.
- Funding allocations that support the variances between the calculated base rate and actual parent fee will be paid in accordance with Guidelines and within TBDSSAB's CWELCC Funding allocations.

- If TBDSSAB's CWELCC Funding allocation is not sufficient to support with 100% of the variance, the funding will be distributed to all eligible Service Providers by utilizing an equitable percentage (for example, 50% instead of 100%).
- Any funding shortages will be brought forward to the Ministry for review and consideration.

### **Administration**

- Service Providers may spend up to 10% of the CWELCC System funding received on administration (which includes administration staffing costs and costs for audited financial statements).
- TBDSSAB will review the administration costs for reasonableness as part of the annual reconciliation process.

### **Reporting and Reconciliations**

- On an annual basis, Service Providers are required to reconcile all CWELCC funding entitlements with actual expenditures, in the prescribed format provided by TBDSSAB.
- TBDSSAB will collect appropriate and detailed financial and program information from Service Providers related to the operations of child care for eligible children, fee reduction, as well as staff supported with workforce compensation.
- TBDSSAB will review all financial components including cost and expense line items for reasonability and eligibility, while ensuring CWELCC System objectives will be achieved.
- Any adjustments and recoveries of funding will be determined at the discretion of TBDSSAB's CWELCC reconciliation process.

### **Random Audits and Additional Reports**

- On annual basis, TBDSSAB will conduct random audit/reviews of CWELCC funding to ensure that Service Providers adhere to established Policies and Guidelines as well as the terms and conditions set out in the Agreement with TBDSSAB.
- The Service Provider, for the provision of CWELCC, shall permit TBDSSAB to observe and evaluate the distribution of CWELCC funding provided or audit/review the financial records and books of account.

- Any unused or misused CWELCC Funds shall be recovered by TBDSSAB.
- Non-compliant Service Providers may be deemed ineligible to receive future CWELCC funding.

### **Appeals**

- TBDSSAB will ensure that a dispute resolution process is in place to allow Service Providers to bring forward issues regarding CWELCC System eligibility and funding decisions.
- Individuals with concerns will be asked to bring forward their concerns in a letter to ensure adequate and appropriate follow-up.
- When received, TBDSSAB will review and respond to the Service Provider's appeal within 10 business days.

### **Inquiries**

- Individuals inquiring about the CWELCC System must complete the "Canada-Wide Early Learning and Child Care System Inquiry Form" to ensure adequate and appropriate follow-up.
- The "Canada-Wide Early Learning and Child Care System Inquiry Form" will be made available on the TBDSSAB's website along with the information related to the CWELCC System.
- When received, TBDSSAB will review and respond to inquiries within 2 business days.

### **Annual Policy Update**

- The CWELCC Plan will be updated on an annual basis to reflect updates and addendums made to the Ministry's Ontario Child Care and EarlyON Child and Family Service Management Funding Guideline for Consolidated Municipal Managers and District Social Service Administration Boards.

### **2022 CWELCC Implementation Timelines**

#### **June 27, 2022: Post Opt In/Out Form**

This is the first indication of whether a Service Provider is interested in participating in the CWELCC program. Service Providers may access the opt in/out form on the TBDSSAB website and indicate whether they are opting in or out. For those that opt in, the next step will be to complete an application form. Licensees who choose to opt out, would continue to operate their programs under the existing CCEY agreements,

including support provided through TBDSSAB but will not be receive any CWELCC System funding and may continue to set their own parent fees.

#### **July 4, 2022: Post Application Form**

For Service Providers who opt in to the CWELCC program, they would complete the application form available on the TBDSSAB website. This application will provide TBDSSAB with the required detail to determine the viability prospects of the Service Provider.

#### **July 11, 2022: CWELCC Reporting Form**

This reporting form will be posted prior to approval for Service Providers to populate their program attendance. TBDSSAB will send Service Providers a CWELCC Reporting template to be completed. This template will be an attendance record of all eligible children enrolled in the child care program and will calculate the 25% fee reduction per child per month, retroactive to April 1, 2022. This will assist with expediting funds to Service Providers once approval has been communicated.

#### **August 16 to 26, 2022: Determine Approval or Denial of Applications**

Following receipt of the Service Provider applications, TBDSSAB will review the information and determine whether the applicant meets the requirements of eligibility and demonstrates the ability to operate under the CWELCC System. For those applications that are not approved, TBDSSAB is required to report to The Ministry within 5 business days and the reason for denial. Denial would be determined as highlighted in this plan under “Declining and Application.”

Service Providers, under the CWELCC have 2 weeks from time of approval or denial to communicate to families and staff. The communication to families and staff would include that they have been approved or denied for CWELCC funding. TBDSSAB will have 60 days to get funding to parents from the date of approval.

This plan will continue to be updated as annual Service Agreements are received by the Ministry of Education.

<b>POLICY</b>	CATEGORY/SECTION <b>INTEGRATED SOCIAL SERVICES – CHILD CARE AND EARLY YEARS</b>
	SUBJECT <b>CANADA WIDE EARLY LEARNING CHILD CARE PROGRAM</b>

**AUTHORITY**

*Child Care Early Years Act, 2014 (CCEYA)*

*Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022)*

**INTENT OF POLICY**

It is the responsibility of The District of Thunder Bay Social Services Administration Board (TBDSSAB) as a Service System Manager for Child Care and Early Years under the *Child Care Early Years Act, 2014* to plan and administer the Canada Wide Early Learning and Child Care System (CWELCC).

**DEFINITIONS**

“**Base Fee**” means any fee or part of a fee that is charged in respect of a child for child care, including anything a licensee is required to provide under the *Child Care and Early Years Act, 2014* (CCEYA), or anything a licensee requires the parent to purchase from the licensee, but does not include a non-base fee.

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

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

“**Eligible Child**” means any child currently under six years of age until June 30 in a calendar year, any child who:

- a) turns six years of age between January 1 and June 30, and
- b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care as defined in the CCEYA.

“**Funds**” means the money the Ministry of Education provides to the CMSM/DSSAB to allocate pursuant to the CWELCC System.

IMPLEMENTATION / BOARD APPROVAL DATE:

**July 21, 2022**

REVISION DATE(S):

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<p>CATEGORY/SECTION</p> <p><b>INTEGRATED SOCIAL SERVICES – CHILD CARE AND EARLY YEARS</b></p>	<p>SUBJECT</p> <p><b>CANADA WIDE EARLY LEARNING CHILD CARE PROGRAM</b></p>
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“**Licensee**” means a home child care agency or child care center-based operator as defined in the CCEYA.

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

#### **POLICY**

In accordance with the Ministry of Education, *Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines (2022) For Consolidated Municipal Service Managers and District Social Services Administration Boards*, TBDSSAB will plan and implement the Canada Wide Early Learning Child Care System for Child Care Centres that choose to participate.

#### **STANDARDS OF APPLICATION**

Any Service Provider delivering licensed child care in the District of Thunder Bay can apply to participate in the CWELCC program.

TBDSSAB will provide CWELCC funding to approved eligible Service Providers, as determined in accordance with the Procedures and Guidelines and at the discretion of TBDSSAB, to ensure the maintenance of child care spaces and the viability of operations.

Any families utilizing licensed child care in the District of Thunder Bay through a Service Provider receiving CWELCC funding would be subject to the established base rate for child care services, following the guidelines.

#### **RELATED POLICIES**

n/a

#### **RELATED PROCEDURES**

n/a

#### **FORMS**

n/a

IMPLEMENTATION / BOARD APPROVAL DATE:

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