

<b>To:</b>	Deputy Warden McQueen and Members of Grey County Council
<b>Committee Date:</b>	May 12, 2022
<b>Subject / Report No:</b>	SSR-CW-06-22
<b>Title:</b>	Canada-Wide Early Learning and Child Care Program Update
<b>Prepared by:</b>	Tara Cockerill, Children's Services Manager
<b>Reviewed by:</b>	Anne Marie Shaw, Director of Community Services
<b>Lower Tier(s) Affected:</b>	All
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW75-22; Endorsed by Council May 26, 2022 per Resolution CC47-22;

## Recommendation

1. That report SSR-CW-06-22 regarding updates to the Canada-Wide Early Learning and Child Care Program be received for information.

## Executive Summary

Further to report SSR-CW-05-22, the Ministry of Education released an addendum to the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines (2022). The addendum provides procedural guidance and requirements to Consolidated Municipal Service Managers (CMSM) to allow them to proceed with discussion with licensed child care operators about viability and processes to opt-in or opt-out of the Canada-Wide Early Learning and Child Care System (CWELCC).

## Background and Discussion

The addendum to the Ontario Child Care and EarlyON Child and Family Centre Service Management and Funding Guideline (2022) (Addendum) has been released to provide CMSMSs with information on the changes resulting from the new investments of the Canada-Wide Early Learning and Child Care Programs (CWELCC).

### Participation

All existing licensed child care programs serving children under the age of 6 in Grey County will be eligible to apply to participate in the CWELCC. Participation is optional and CMSMs may deny an application in limited circumstance as outlined in O.Reg 137/15 .

To be eligible to participate locally in the CWELCC system licensees will be required to adhere to municipal purchase of service agreements, legislative requirements and demonstrate financial viability to Grey County.

### Implementation

By September 1, 2022 all licensees must confirm with the Ministry of Education (EDU) and Grey County if they will choose to opt-in or opt-out of the CWELCC program. Licensees also have an obligation to notify their staff and families of their decision.

Grey County Children’s Services will be responsible to ensure:

- Licensees maintain their license to operate in good standing and are not in contravention of the Child Care and Early Years Act, 2014 (CCEYA). Funding to child care programs will be stopped if a program has its license revoked or suspended.
- Licensees maintain parent fees in accordance with O. Reg 137/15 and their purchase of service agreement with the CMSM.
- Licensees maintain the existing licensed space structure of 0–5-year-olds for which they are receiving fee reduction funding.
- Licensees complete the annual *Licensed child Care Operations Survey* as required under O/ Reg 137/15(77). CMSMs are required to withhold funding to licensees until they have received confirmation from EDU that the survey has been submitted.

As part of the implementation of the CWELCC System, the ministry is also supporting CMSMs by providing a “Purchase of Service Agreement Checklist” as a supportive tool that may assist CMSMs in drafting or amending their purchase of service agreements with Licensees participating in the CWELCC System.

Under the CWELCC System, there may be exceptional circumstances where the CMSM/DSSAB has strong concerns around entering into a purchase of service agreement with a Licensee. Exceptional circumstances include the CMSM/DSSAB having reason to believe:

- the child care centre or home child care agency is not financially viable or will not be operated in a manner that will be financially viable; or
- the Licensee will use the funding for improper purposes.

### Accountability

EDU has identified key components of accountability for the CWELCC:

- Additional accountability and parameters between CMSMs and Licensees;
- Requirement for CMSM to conduct financial compliance audits each year to ensure compliance and accountability relating to the CWELCC;
- Requirement for CMSMs to enroll Licensees where they meet eligibility requirements.

### Reporting to the Ministry

Staff will be required to track and report on service data and expenditures using CWELCC

System funding. This data will be reported separately from the 2022 service data and expenditures using provincial and ELCC funding released earlier this year.

#### Compliance Audits

The Children's Services department will be required to undertake audits on a random sample of Licensees in receipt of CWELCC System funding on an annual basis to confirm that funding has been used for its intended purpose. Audits for the directly operated Grey County Home Child Care Agency should be performed by a third-party and not by Grey County.

#### Undue Profits

In addition to the parameters outlined above, further controls are required to ensure that the ability to generate undue profit is limited where provincial and/or CWELCC System funding is being provided. The ministry requires CMSMs to ensure there is a level of consistency, where both not-for-profit and for-profit Licensees enrolled in the CWELCC System are treated in a similar manner.

For for-profit Licensees, on an annual basis, CMSMs will have the discretion to determine a reasonable profit level to be achieved from the provision of child care for the eligible children portion of a Licensee's business. Practices and levels should be consistent regardless of auspice (e.g., not-for profit, for-profit, directly operated) as part of determining an appropriate profit level for each for-profit Licensee that participates.

#### Fee Reduction

Making child care more affordable for families is a key part of the implementation of the CWELCC System. Fee reduction funding is focused on reducing parent fees for families with eligible children in licensed child care.

As the CMSM, Grey County Children's Services will have the discretion to determine that Licensees have included unnecessary fees in their base fees (e.g., fees that should be part of non-base fees) prior to providing funding to support a fee reduction. Based on this, CMSMs can adjust a Licensee's base fee, where required. This base fee should serve as a new starting point, prior to applying fee reduction requirements as set out in the section below.

#### Fee Subsidy – Parental Contribution

Fee subsidy is an essential support for many parents that helps to balance the demands of career and family and enables parents and caregivers to participate in the workforce or pursue education or training. The ministry has made amendments O. Reg. 138/15 under the CCEYA to ensure that parents accessing subsidized child care also see financial relief under the CWELCC System, through a reduction in their parental contributions.

Subsidized parents will not see a reduction in parental contribution in the case where the child occupies a space with a Licensee that is not enrolled in the CWELCC System.

#### Workforce Compensation

Workforce compensation funds are focused on supporting Registered Early Childhood Educator (RECE) staff that are low wage earners to support recruitment and retention of qualified staff. In addition, workforce compensation funding will be provided to Licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.

### Hourly Wage Floor 2022 to 2026\*

	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20	\$21	\$22	\$23	\$24

\*In addition to the hourly wage, staff are required to receive benefits.

### Staffing Impacts

The increased role of the CMSM in assessing ongoing viability and eligibility will result in an increase in workload for the Children's Services department. Additional staffing may be required to support workload and reporting requirements. There will be administrative funding available to support these positions.

## Legal and Legislated Requirements

## Financial and Resource Implications

To support CMSMs in their role as service system managers, CWELCC System administration funding is being provided as a specific allocation under the transfer payment agreement with the ministry to support administrative costs associated with the implementation of the CWELCC System.

The CWELCC System administration allocation is additional administration funding provided on top of the administration funding provided by the ministry earlier in the year. Expenditures deemed reasonable and necessary for the provision of services subsidized by the ministry are admissible in the calculation of the funding entitlement.

There will be no administration cost sharing requirements on the CWELCC System administration allocation.

Allocation breakdown for April – December 2022:

<b>Canada-Wide Early Learning and Child Care (CWELCC) System Allocation</b>	<b>2022</b>
Fee Reduction Allocation (Apr-Dec) <sup>1</sup>	\$2,015,923
Workforce Compensation Allocation (Apr-Dec) <sup>1</sup>	\$338,301
Administration Allocation (Apr-Dec)	\$136,285
<b>Total Canada-Wide Early Learning and Child Care Allocation</b>	<b>\$3,390,509</b>

CMSMs must continue to maintain their existing municipal contributions.

## Relevant Consultation

- Internal
- Social Services
  - Finance
  - Legal Services

External (list)

## Appendices and Attachments

[O. Reg 137/15 Child Care and Early Years Act](#)

[O. Reg 236/22](#)

[Addendum to Ontario Child Care and EarlyON and Family Centres Service Management and Funding Guidelines \(2022\)](#)