



City of Hamilton Canada-Wide Early Learning and Child Care Interim Guidelines

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Last updated: August 24, 2022

Canada-Wide Early Learning and Child Care (CWELCC) Overview

On March 28, 2022, the federal and provincial governments signed the [Canada-Wide Early Learning and Child Care Agreement \(CWELCC\)](#) aimed at making child care more affordable for families and increasing the compensation for eligible child care staff.

The Ontario Ministry of Education's goals under the Canada-Wide Early Learning and Child Care agreement are similar to the [priorities for the Early Years System in Hamilton](#) — affordability, accessibility, inclusion and quality.

The following interim guidelines support the implementation of the CWELCC system in the City of Hamilton Children's and Community Services Division (CCSD) and are based on the Ministry of Education's August 2022 [CWELCC Addendum](#).

The Ministry of Education has developed the following principles for implementing CWELCC.

1. **Quality Focused:** ensuring the delivery of high-quality child care, as defined in the Child Care and [Early Years Act, 2014 \(CCEYA\)](#).
2. **Child and Family Focused:** increasing affordability for parents/guardians.
3. **Protection of For-Profit and Non-Profit Spaces:** protection of for-profit and non-profit child care spaces in the province.
4. **Efficient Administrative System:** an efficient administrative system, with collection of minimally necessary information from licensees, to support timely enrolment and implementation of the CWELCC system.

CWELCC funding

CWELCC funding is designed to fully offset the reduction in revenue from reduced base fees, while also improving compensation for eligible qualified workers.

The City of Hamilton's CCSD staff will provide funding to Licensees that participate in CWELCC to continue to operate the portion of the child care program serving eligible children based on existing cost structures while reducing base fees charged to parents. All funding parameters will apply to all Licensees and will include a financial review and reconciliation process.

The City of Hamilton's CCSD staff recognizes that each Licensees cost and governance structure is unique. Staff will work closely with all Licensees to support not only a successful implementation but also ongoing participation in CWELCC.

Hamilton's approach to opting-in

The City of Hamilton will continue a phased approach to opting-in. The following provides an overview and time line:

Key Timelines:

| | |
|----------------------------|--|
| September 2022 | Within the next 30 days: <ul style="list-style-type: none">• Opt-in application, sent to all operators in phases |
| September to October 2022 | Within 10 days of receipt of application: <ul style="list-style-type: none">• Application processed (approved or denied) by CCSD• Licensees will receive tools and resources: family rebate letter, family consent form and rebate calculation template |
| September to November 2022 | Within 30 days of approval: <ul style="list-style-type: none">• Execution of funding agreements and CWELCC Schedules |
| September to November 2022 | Within 20 days of receiving funding from CCSD: <ul style="list-style-type: none">• Licensees issue family rebates• Revenue replacement from reduced base fees for eligible children |
| October to December 2022 | <ul style="list-style-type: none">• Workforce wage compensation |

Licensees have until November 1, 2022 to opt-in to CWELCC.

Transitioning to CWELCC

As the City of Hamilton implements the CWELCC system, it will consider 2022 and 2023 as transition years. This transitional time will allow licensees to adapt to new processes and for the City of Hamilton to develop appropriate policies and practices. We will continue to work with Licensees to gather information to build an in-depth understanding of the needs of the community. Final CWELCC guidelines will be established based on information gathered, community needs and provincial guidance.

CWELCC funding will be issued in phases in 2022:

1. Fee rebates to eligible families
2. Revenue replacement from reduced base fees for eligible children
3. Workforce compensation

Additional one-time funding will be provided to support Licensees with the costs associated with implementing CWELCC.

Further guidelines, funding information and policies will continue to evolve both provincially and municipally.

CWELCC eligibility and requirements

The following requirements must be met for CWELCC system funding and enrollment:

- Licensees must demonstrate financial viability
 - More information about the definition of financial viability is outlined below.
- Licensees must operate in accordance with the Funding Agreement and corresponding schedules for the City of Hamilton, the [Child Care and Early Years Act, 2014](#) (CCEYA) and its regulations, as well as the requirements outlined by the Consolidated Municipal Service Manager (CMSM).

- Licensees must maintain existing (pre-CWELCC System announcement on March 27, 2022) licensed spaces for eligible children. Licensees may not convert any existing spaces for eligible children to other age groups (e.g., converting infant spaces to toddler, or infant spaces to kindergarten) in 2022.
- All childcare programs licensed as of March 28, 2022, are required to notify parents and staff by November 1, 2022, whether or not they intend to participate in the CWELCC System. Under [O. Reg. 137/15](#), all Licensees are subject to this requirement and must communicate one of the following to parents and staff:
 - the Licensee is choosing NOT to participate in the CWELCC System and will not be subject to terms and conditions of the CWELCC System; or
 - the Licensee will be applying to participate in the CWELCC System
- Licensees must communicate their CWELCC System enrolment status to all parents and staff within 14 days of the operator being notified by the City of Hamilton of the results of their application in accordance with [O. Reg. 137/15](#).
- The City of Hamilton's CCSD will process CWELCC Opt-in/Applications within 10 calendar days.
- The City of Hamilton's CCSD will work with each Licensee to execute a Funding Agreement and CWELCC Schedule within 30 calendar days
- Licensees must complete the annual Licensed Child Care Operations Survey, as required under section 77 of [O. Reg. 137/15](#) in order to continue receiving funding under the CWELCC system.
- Licensees must reduce and rebate base fees in accordance with [O. Reg.137/15](#).
- Licensees are required to keep an electronic or hard copy of their CWELCC agreement with the City of Hamilton at the child care centre or licensed home child care agency and make it available for an Ontario Ministry of Education inspection.
- Licensees must maintain their license in good standing in accordance with the [CCEYA](#).
- Licensees must update parent handbook with the new base fee and any non-base fees that may be charged, and whether or not the licensee is enrolled in the CWELCC system.

Non-participation in CWELCC

Given the transformational nature of CWELCC, it is expected that existing funding approaches will evolve. There may be changes to funding for child care licensees who choose not to opt-in to the CWELCC system.

For example, licensees who do not opt-in to participate in the CWELCC system may not be eligible to enrol children in receipt of a fee subsidy. Licensee eligibility for general operating for wages and other City of Hamilton funding is under review and may also be impacted.

If there are changes to funding, advance notice will be provided and a phased transition plan will be developed.

Licensees must update their parent handbooks outlining that they are not participating in the CWELCC system.

Base fees

Base fees are defined as any fee that is charged with respect to 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 licensee requires the parent to purchase from the licensee.

As part of the CWELCC process and throughout 2022/2023, we will be working directly with licensees to determine base fees and CWELCC funding to support revenue replacement from reduced base fees. Please note, that if a new base fee is established, it will not impact what the family pays. A new base fee would be determined for funding allocations only. A new base fee would also not impact Licensees profit or surplus in 2022.

As follows is an example of a 2022 fee reduction:

April 1, 2022

| | | |
|------------|---------|-----------------------------|
| Daily Rate | \$50.00 | |
| Deduction | 25% | |
| Reduction | \$12.50 | |
| New Rate | \$37.50 | Back-dated to April 1, 2022 |

January 2023

| | | |
|------------|---------|--------------------------------|
| Daily Rate | \$37.50 | |
| Deduction | 25% | Rate as April 1, 2022 |
| Reduction | \$12.50 | |
| New Rate | \$25.00 | New Rate as of January 1, 2023 |

Non-Base fees

Non-base fees are defined as 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 family and the licensee in respect of circumstances where the family fails to meet the terms of the agreement. For example, fees for picking up a child late or fees to obtain items that the parent agreed to provide for their child, as defined in the Child Care and Early Years Act ([CCEYA](#)).

Licensees are still able to charge fees for optional services such as transportation and field trips, outside the base rates as non-mandatory fees.

Please note that the inability of families to pay additional non-base fees cannot impact the ability of a family to access child care.

New Licensees (Post April 1, 2022)

Child care programs/operators that obtain their licence after March 27, 2022, will be required to set their parent fees at or below a regional maximum, as set out by age group pursuant to [O.Reg.137/15](#) of the CCEYA, unless a specific fee amount was communicated to parents before the requirement under the regulation became effective.

These regional maximum fees would apply until one of the two conditions is met:

- 1) the Licensee provides notification to the City of Hamilton, parents and staff that the Licensee is not participating in the CWELCC System, or
- 2) the Licensee receives notice from the City of Hamilton that its application for the CWELCC System has been accepted in which case the base fees must be reduced

Declining an application

The City of Hamilton's CCSD may deny a CWELCC Licensee application under the following circumstances:

- the program 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.

Appeal process

Licensees who would like to dispute a decision have the right to appeal. Licensees must make an appeal in writing via email to CWELCC@hamilton.ca.

The Director of the Children's and Community Services Division will review all appeals in a fair and equitable manner by following the guidelines and legislation determined by the Ontario Ministry of Education, alongside the policies and practices determined by the City of Hamilton. Licensees will be notified of a decision on an appeal within 14 days.

Workforce Compensation

To be eligible for an annual wage increase, staff must be employed by a Licensee that is participating in the CWELCC System. This includes staff working with children 0-12 and be in a position categorized as:

- RECE Program Staff
- RECE Child Care Supervisor
- RECE Home Child Care Visitor

In addition, to be eligible for an annual \$1 per hour wage increase, staff must be receiving wage enhancement funding, and their hourly wage including wage enhancement funding must be below the wage cap of \$25 per hour on January 1st of each eligible year (i.e., base wage plus wage enhancement funding plus annual increase must be below \$25 per hour). Benefits should not be included when determining the base wage.

Both the wage enhancement funding and the general operating funding for wages are included before applying CWELCC funding to the wage floor.

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.

Qualified staff, child care supervisors, or home child care visitors that are director approved to be employed in these positions, but do not have an RECE designation, are not eligible for the wage floor or annual wage increase supported by workforce compensation funding.

Workforce compensation encompasses statutory as well as additional benefits that are provided by the Licensee (e.g., additional vacation or personal days). Statutory benefits are benefits Licensees are required to provide their staff as determined by the law (e.g., vacation days, statutory holidays, Canada Pension Plan, Employment Insurance).

Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.

Minimum Wage Offset Eligibility

Workforce compensation funding will be provided to eligible licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.

To be eligible for the minimum wage offset, licensees must be participating in the CWELCC System and employ staff in a position categorized as:

- Non-RECE Program Staff
- Non-RECE Child Care Supervisor
- Non-RECE Home Child Care Visitor

In addition, to be eligible for a minimum wage offset, the licensee must employ staff that:

- were earning less than \$15 per hour on March 31, 2021 (not including wage enhancement), or
- were hired after March 31, 2021, and before January 1, 2022, and
- had wages below \$15 per hour (not including wage enhancement)

Staff hired after December 31, 2021, are not eligible for the minimum wage offset.