

SERVICE DESCRIPTION SCHEDULE “A”

of the Funding Agreement dated _____ between the City of Hamilton and the Recipient (the “Funding Agreement”)

Legal Name: «Agency Legal Name» (the “Recipient”)

Program Name: «ProgramName»

Service Type: 1. Cost-Based Funding under the Canada-wide Early Learning and Child Care System; and
2. Local Priorities Funding for School-Age Programs serving children aged 6-12

Service Location (s): Refer to Appendix “A” to the Schedule “A”

Effective Date: January 1, 2025

The Recipient shall comply with the terms as set out in this Schedule A, the Funding Agreement, City of Hamilton Child Care and Early Years Operating Guidelines, and all applicable legislation.

1. Definitions

“**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, 2014* S.O. 2014, c. 11, Sched. 1, as amended or anything a licensee requires the family to purchase from the licensee but does not include a non-base fee.

“**[Child Care and Early Years Act, 2014](#)**” is Ontario legislation that establishes rules for child care and early years programs and services, focusing on the health, safety, and well-being of children, while also providing oversight for providers and information for parents.

“**City of Hamilton Child Care and Early Years Operating Guidelines**” refers to the guidelines published by the City on its website, as amended from time to time, to provide guidance to the Recipient regarding proper child care operations and expenditures of funding in order to comply with relevant legislation, this Agreement and various City policies and procedures.

“**Canada-wide Early Learning and Child Care**” is the early years and child care initiatives that are funded through an agreement made between the Province of Ontario and Government of Canada.

“**Canada-wide Early Learning and Child Care eligible child**” means (a) any child, until the last day of the month in which the child turns six years old, and (b) up until June 30 in a given calendar year, any child who, (i) turns six years old before July 1 of that calendar year, and (ii) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care.

“City” means the City of Hamilton

“Daily Base Fees” means the maximum daily fee charged for eligible children. Licensees are required to set daily fees in accordance with O. Reg. 137/15 under the *Child Care and Early Years Act, 2014*

“Effective Date” this Schedule shall commence on the Effective Date, as written above and shall continue until terminated pursuant to the Funding Agreement.

“Eligible centre/agency” means a child care centre/home child care agency that is:

- (a) enrolled in Canada-wide Early Learning and Child Care; and
- (b) eligible for funding under Canada-wide Early Learning and Child Care (for example, the licensee maintains financial viability)

“Eligible Costs” means costs incurred in respect of an eligible centre/agency in the calendar year for the purpose of providing licensed child care for eligible children, and which are:

- (a) attributable to the provision of child care for eligible children;
- (b) appropriate for the provision of child care for eligible children; and
- (c) reasonable in quality and amount incurred, having regard to all the relevant circumstances.

“Funding Agreement” means the core funding agreement between the Recipient and the City.

“Funding Appendix” means the summary of eligible Funds the Recipient is entitled to receive based on the information provided to the City by the Recipient and in accordance with the regulations and contractual requirements regarding the Funding.

“Funds” or “Funding” means the money the Ministry provides to the City to allocate to the Recipient pursuant to the Canada-wide Early Learning and Child Care System and the Funding Agreement.

“General Operating Funding” refers to the Local Priorities Funding provided by the City for school-age programs serving children ages 6-12 to support ongoing eligible costs attributable to child care and wages to enhance staff salaries.

“Licensed Capacity” refers to the maximum number of children, including the number in each age category, if applicable, permitted to be receiving child care in the location at one time, as set out in the licence of the child care centre or the agreement between the licensed home child care agency and home child care provider. Aligns with “*licensed space*” – definition provided below.

“Licensed space” means a child care space in an eligible centre, in which, pursuant to the centre’s licence, the centre is authorized to enrol a child (not required to be an “operating space”) and charges a base fee for enrolled children. Alternate capacity is not considered for the purpose of counting licensed spaces.

“Licensee” or “Recipient” means a home child care agency or child care centre-based operator as defined in the *Child Care and Early Years Act, 2014* who has executed a Funding Agreement with the City and who has also agreed to be bound by this Schedule “A” and is referred to by the Legal Name written above.

“Ministry Guidelines” means the annual Ontario Child Care and Early Years Funding Guidelines by the Ministry of Education which provides information about the funding parameters and related program requirements that apply to Consolidated Municipal Service Managers and District Social Service Administration Boards.

“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 family and the licensee in respect of circumstances where the family fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the family agreed to provide for their child but failed to provide), as defined in the *Child Care and Early Years Act, 2014*.

“Operating Capacity” means the number of children the centre/home child care is planning to serve as per the licensee’s staffing complement and budget, to a maximum ceiling of the licensed capacity.

2. Funding and Service Objectives

- Support participation in the Canada-wide Early Learning and Child Care program by providing appropriate funding for eligible operating costs in respect to children aged 0-5;
- Provide wage enhancement and workforce compensation, including benefits, for highly skilled and qualified educators to support the retention of qualified staff;
- Support the availability of high-quality licensed child care programs that contribute to children’s learning, development, sense of belonging, health, and well-being;
- Support a system of service that is sustainable and increasingly accessible and seamless experience for all children and families including those with special needs;
- Ensure equity of access to licensed child care through the provision of fee subsidy for eligible families.

3. Funding and Service Description

(a) Canada-wide Early Learning and Child Care Cost-Based Funding (in respect to children aged 0-5):

Cost-based funding is only provided to licensees participating in the Canada-Wide Early Learning and Child Care system to support the delivery of child care to children 0 to 5 years of age.

This singular funding allocation is provided to eligible licensees and includes Benchmark funding allocations to support all eligible operating costs as well as wage compensation increases such as the Provincial Wage Enhancement / Home Child Care Enhancement, Annual Increase and Wage Floor increases for eligible staff.

Refer to the City of Hamilton Child Care and Early Years Operating Guidelines for details about the funding calculations, eligibility criteria, Recipient responsibilities and reporting requirements.

The Recipient must meet all eligibility and reporting requirements related to the Canada-wide Early Learning and Child Care funding provided as outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

The Recipient will receive Special Needs Resourcing and Fee Subsidy supports as outlined in the Local Priorities Funding section below.

(b) Local Priorities Funding:

The Recipient, if eligible, may receive any of the following Funding or Services:

i. General Operating Funding (in respect to children aged 6-12)

General Operating funding is only provided to eligible licensees for programs serving children aged 6-12 to support eligible costs of providing high-quality child care to contribute to healthy child development.

The Recipient must meet all eligibility and reporting requirements related to General Operating funding provided as outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

ii. Provincial Wage Enhancement Funding (in respect to children aged 6-12)

Where eligibility is met, Wage Enhancement funding is provided to licensees serving children aged 6-12 and will support access to stable, high-quality child care programs for children in Ontario.

Funding is provided for eligible licensed child care program staff and eligible home child care providers as follows:

- **Provincial Wage Enhancement Grant** supports wage increase of up to \$2 per hour plus 17.5% benefits for eligible Registered Early Childhood Educator ("RECE") and other child care program staff.
- **Home Child Care Enhancement Grant** supports an increase of up to \$20 per day for eligible home child care providers contracted with an eligible home child care agency.

The Recipient must submit an application to the City and meet the eligibility criteria as outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

iii. Workforce Compensation Funding (in respect to children aged 6-12)

Workforce compensation funding supports recruitment and retention of Ontario's child care workforce through improved compensation for lower-wage earners. Where eligibility is met, wage compensation funding is provided to licensees serving children aged 6 to 12.

The workforce compensation funding includes the following:

- **Workforce Compensation Annual Increase** supports an annual wage increase for eligible Registered Early Childhood Educator (“RECE”) staff earning less than the wage eligibility ceiling for that year.
- **Workforce Compensation Wage Floor** supports a wage increase to bring the wage of all eligible Registered Early Childhood Educator (“RECE”) staff up to the designated wage floor for the corresponding year.
- **Minimum Wage Offset Funding** is provided to offset the cost of increasing minimum wage for eligible non-RECE positions. The incremental funding amount will continue to be funded for 2025 for Licenses that received the funding in 2024. No funding above 2024 amounts will be provided.

The Recipient must submit an application to the City and meet the eligibility criteria as outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

Wage Compensation General Requirements (in respect to children aged 0-12):

All licensees are required to ensure all eligible staff receive the applicable wage compensations including the Provincial Wage Enhancement, Annual Increase and Wage Floor increases.

- For licensees participating in Canada-wide Early Learning and Child Care serving children aged 0 to 5, all wage compensation funding is built into the benchmark allocations under the Canada-wide Early Learning and Child Care cost-based funding. No application is required to be submitted by licensee.
- For licensees serving children aged 6-12, an application is required for the Provincial Wage Enhancement and Workforce Compensation funding.

The Recipient is required to adhere to all the parameters of the workforce compensation requirements for the Provincial Wage Enhancement, Home Child Care Enhancement, Annual Increase and Wage Floor Workforce Compensations and ensure mandated wage increases are provided to Eligible Staff in accordance with the Ministry Guidelines.

Details of the requirements are outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

iv. Fee Subsidy (in respect to children aged 0-12)

Financial support for child care costs for children ages 0 to 12 years is available to eligible families who require financial assistance. Recipients cannot limit the number of fee subsidy families in their program(s).

O. Reg 138/15 of the *Child Care and Early Years Act, 2014*, S.O. 2014, c. 11, Sched.1 sets out an income test formula that the City must use to calculate the amount of subsidy that can be provided for a family, as well as the amount of money that a family must contribute to the cost of child care.

The Recipient shall honour the rate of subsidy according to the applicant's eligibility determination by the income test and not collect any further fees from the eligible Applicant.

Recipients shall submit an accurate attendance record using the Ontario Child Care Management System (OCCMS) Record of Attendance within the first five (5) business days of the calendar month after the month in which child care services were provided for subsidized children and adhere to all requirements outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

The Recipient will ensure wait list policies align with the City of Hamilton's Access and Inclusion Framework and the City of Hamilton Child Care and Early Years Operating Guidelines.

v. Pay Equity (in respect to children aged 6-12)

For licensees in receipt of pay equity funding, such funding is to be used only to meet their outstanding pay equity obligations to comply with the May 2003 Proxy Pay Equity Memorandum of Settlement under the *Ministry of Community and Social Services Act*.

Funding is available only for programs serving children ages 6-12 with a proxy order from the Pay Equity Commission and have current or outstanding proxy obligations. To be eligible to receive funding, the Recipient is required to submit an attestation confirming they have unmet proxy pay equity obligations.

Please note: Pay Equity funding for licensees serving only children ages 0-5, who had a proxy pay equity order as a result of the May 2003 Memorandum of Settlement has now been embedded into the Cost-Based funding allocation.

The Recipient will ensure that all payments to employees are reflected in the job rates used by the Recipient in pay equity calculations and distributions are consistent with achievements of the Recipient's pay equity plan. Additional details of the requirements are outlined in the City of Hamilton Child Care and Early Years Operating Guidelines

vi. Special Needs Resourcing (in respect to children aged 0-12)

Special needs resourcing supports are provided to support children with special needs through a third-party contract with the City of Hamilton. These supports ensure that licensed child care programs across the City of Hamilton can deliver the appropriate level of service for children with special needs, including staff, adaptive equipment, and resources.

These resources are available to all licensees with a Funding Agreement. The Recipient must follow all requirements in the City of Hamilton Child Care and Early Years Operating Guidelines.

vii. Hamilton Early Years Quality Program (in respect to children aged 0-12)

The Hamilton Early Years Quality Program is a framework and process that guides continuous quality assurance for organizations providing early years programs through funding agreements with the City of Hamilton. The Recipient is required to participate in

the Hamilton Early Years Quality Program to ensure high quality care in our early years system and to adhere to the expectations and reporting requirements outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

4. On-going Obligations for the Recipient

Recipients shall at all times operate in accordance with the *Child Care and Early Years Act*, 2014, its regulations, Ministry Guidelines and City of Hamilton Child Care and Early Years Operating Guidelines.

Signed Agreement: The Recipient must have a signed Funding Agreement with the City of Hamilton and meet the requirements outlined in the agreement and City of Hamilton Child Care and Early Years Operating Guidelines for Canada-wide Early Learning and Child Care participation and funding.

Financial Viability: The Recipient will need to demonstrate Financial Viability/Sustainability to the City during the Term (items for consideration are if the Recipient has accumulated arrears, has not serviced their debt, or are approaching bankruptcy).

Maintain Existing aged 0-5 spaces: The Recipient must maintain existing (pre- Canada-wide Early Learning and Child Care announcement on March 28, 2022) licensed spaces for children ages 0-5 (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the City and the City will determine whether this may result in a funding adjustment or recovery from the Recipient. Any changes in information will be reflected in writing in the Funding Appendix.

Provincial License in Good Standing: The Recipient shall maintain their license to operate in good standing in accordance with the *Child Care and Early Years Act*, 2014 and shall not contravene the *Child Care and Early Years Act*, 2014. If the Recipient's license is revoked or suspended by the Ministry of Education (or "the Ministry"), the City shall stop the funding.

Annual Survey: The Recipient shall complete the annual Licensed Child Care Operations Survey, as may be required pursuant to section 77 of O. Reg. 137/15 under the *Child Care and Early Years Act*, 2014. The City is required to withhold funding to the Recipient until the Recipient provides confirmation to the City that the survey has been submitted.

Daily Base Fees: The Recipient shall reduce and set daily fees in accordance with O. Reg. 137/15. The Recipient shall not charge a family a higher daily base fee during the Term, unless in compliance with O. Reg. 137/15.

Parent Handbooks: At the request of the City of Hamilton, the Recipient will provide a copy of the current parent handbook which must include the required information outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

Long Term Vacancies: The City of Hamilton will monitor vacancy rates that are three months or longer in operating and licensed capacity. The City of Hamilton will work with licensees to develop a plan to fill these spaces to ensure they are accessible and inclusive to meet the needs of Hamilton's families. Refer to the City of Hamilton Child Care and Early Years Operating Guidelines for details of the process.

Program Closures: During the term of the Funding Agreement, programs may not exceed two consecutive weeks of closure, and not more than four weeks of closure (20 days) within a calendar year where family are charged full fees. This also applies to statutory holidays. If a licensee charges fees to families for a statutory holiday closure, the statutory holiday would count towards the closure limits. All closure dates must be clearly outlined in the parent handbook (O. Reg. 137/15).

For closures due to events outside a licensee's control (i.e., natural disaster/weather event, pandemic, school board strike) the days of closure are not counted towards the closure limits set above.

Agreement on Site: The Recipient shall keep a copy of the Funding Agreement and this Schedule in electronic or hard copy format on the child care premises and available for City and Ministry inspection.

Hamilton Early Years Quality Program (HEYQP): The Recipient shall participate in the Hamilton Early Years Quality Program. The Recipient shall meet all requirements outlined in the City of Hamilton Child Care and Early Years Operating Guidelines regarding participation in HEYQP including the submission of the HEYQP template. The Recipient will collaborate with the City of Hamilton to review and approve annual goals.

City of Hamilton Policies: The Recipient shall comply with the roles and responsibilities of the "Recipient" as defined in the City of Hamilton Child Care and Early Years Operating Guidelines. This includes, but not limited to the [City of Hamilton's Early Years System Equity, Diversity, Inclusion and Belonging Policy](#) and the [City of Hamilton Canada-wide Early Learning and Child Care Access and Inclusion Framework](#).

5. Eligibility Requirements, Funding Conditions and Responsibilities

To qualify for funding, Recipients are required to maintain valid licenses for all locations operating throughout the term of this agreement and operate in accordance with:

- The *Child Care and Early Years Act, 2014* and its regulations (O. Reg. 137/15, O. Reg. 138/15)
- Ontario Child Care and Early Years Funding Guidelines, issued by the Ministry of Education
- The Funding Agreement;
- Service Description Schedule A and,
- The City of Hamilton Child Care and Early Years Operating Guidelines

(a) **Canada-wide Early Learning and Child Care Cost-Based Funding (in respect to children aged 0-5):**

Canada-wide Early Learning and Child Care Cost-based funding is only available to licensees enrolled in Canada-wide Early Learning and Child Care and serving children aged 0 to 5. This funding can only be used to support eligible operating costs, while also improving compensation for Eligible Staff. Further details of eligible and ineligible costs

are set out in the Guidelines issued by the Ministry of Education and City of Hamilton Child Care and Early Years Operating Guidelines.

Once the Recipient is enrolled in the Canada-wide Early Learning and Child Care System and reduce their fees to the new base fee, the Recipient is required to maintain its new base fee until they are either required to reduce them again, or they are no longer participating in the Canada-wide Early Learning and Child Care System.

Fees continue to be collected to provide child care as reflected in Base Fees, with restrictions on the amounts that can be charged, as set out in O. Reg. 137/15 of the *Child Care and Early Years Act, 2014*.

The Recipient will utilize funding to support eligible operating costs for eligible children and adhere to the cost-based funding parameters in the accountability framework which states that all costs must be attributable, appropriate, and reasonable. All requirements are outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

The Recipient may withdraw from the Canada-wide Early Learning and Child Care system. Refer to the applicable provisions outlined in O. Reg. 137/15 for more details. To terminate their Canada-wide Early Learning and Child Care service agreement with the City of Hamilton, the licensee must adhere to the 90-day written notice requirement outlined in the Funding Agreement.

(b) General Operating Funding (in respect to children aged 6-12):

General Operating Funding is only available to licensees' serving children aged 6-12. The Recipient will utilize general operating funding to improve the salary and benefit levels of employees working in licensed child care programs serving children aged 6-12. Funding must be distributed only to eligible staff and adhere to the funding parameters and requirements as outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

(c) Operating Details and Vacancies:

The Recipient will report to the City of Hamilton any revisions to operating capacity or use of alternate capacity by following the reporting process outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

(d) Funding Payments:

Funding payments will be provided as operating grants from the City to the Recipient as further detailed in the Funding Appendix.

As part of the City of Hamilton's reconciliation process, the Recipient shall comply with the parameters to ensure that the Funds are used based on the parameters in the Guidelines issued by the Ministry of Education and City of Hamilton Child Care and Early Years Operating Guidelines.

Any excess funding provided to the Recipient during the funding year, or funding not used for its intended purpose, will be recovered by the City of Hamilton.

6. Documentation and Reporting Requirements

The Recipient shall provide the City with any and all information required to meet reporting obligations with the Ministry.

The Recipient must provide to the City for each site operating under this agreement all required reporting and reconciliation documentation outlined in the City of Hamilton Child Care and Early Years Operating Guidelines.

The Recipient must comply with data requests from the City by the specified deadline, unless otherwise approved in writing by City staff, and upon request, produce records and documentation to demonstrate compliance with the rules and regulations set out by the *Child Care and Early Years Act, 2014*, Ministry Guidelines and the City of Hamilton Child Care and Early Years Operating Guidelines.

The Recipient is required to submit annual audited financial statements for the previous calendar year by the due date identified in the City of Hamilton Child Care and Early Years Operating Guidelines and must follow the modified accrual basis of accounting for financial reporting and audited financial statements.

7. Cost Reviews (in respect to Canada-wide Early Learning and Child Care participating programs)

The goal of Cost Reviews is to gradually shift the overall cost of child care towards more standardized costs, as represented by benchmark allocations. As part of the Cost Review process, in collaboration with the Recipient, the City will seek to identify potential cost reductions, including costs that are in fact ineligible, or opportunities for improved efficiencies in eligible costs.

The Cost Review process applies only to Licensees in receipt of a legacy top-up (for 2025 only) or rolling top-up (for calendar years after 2025).

Under this Cost Review process, if there are costs identified that are ineligible, the City will reduce the Recipient's cost-based funding allocation for the calendar year. In cases where opportunities for improved efficiencies in eligible costs are identified and agreed upon, the City may reduce the Recipient's cost-based funding allocation in accordance with a reasonable schedule by which the costs can be reduced.

Such Cost Reviews will be completed in accordance with the requirements for such as set out in the Ministry Guidelines and the City of Hamilton Child Care and Early Years Operating Guidelines.

8. Sales and Acquisitions of Child Care Businesses

O.Reg. 137/15 sets out requirements with respect to the sale of a child care business.

If a Licensee that is a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make a change to the corporation's board of directors, the Recipient would remain enrolled in the Canada-Wide Early Learning and Child Care System and must maintain the applicable Base Fees.

If a Recipient sells substantially all its assets and the purchaser obtains a new license to operate a child care centre or as a home child care agency, the purchaser must re-apply to participate in the Canada-Wide Early Learning and Child Care System in accordance with the process set out by the City or notify the City and families of enrolled children that it no longer intends to participate in Canada-Wide Early Learning and Child Care.

9. Directed Growth Approach

A directed-growth approach for the creation of new child care spaces will provide families with access to high-quality, affordable, flexible, and inclusive early learning. Any expansion must be approved by the City through the Directed Growth application process and meet the needs of the Access and Inclusion plans outlined by the City of Hamilton's Access and Inclusion Framework. This includes license revisions to licensed capacity, age group served (including alternate capacity), program hours or increase to number of approved contracted homes. The Recipient will follow the requirements listed in the City of Hamilton Child Care and Early Years Operating Guidelines.

10. Appeals

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 regarding the appeal within 14 business days of the Recipient submitting the appeal to the City.

11. City's Rights regarding Recipient Non-Compliance

Without limiting the City's legal rights, where the City determines that Funding was not used as intended or where the Recipient did not meet the terms and conditions set out in the Funding Agreement, the City may withhold or recover funding and the Recipient may be deemed ineligible to receive future funding.

Any funding not utilized in accordance with the conditions outlined above and in the City of Hamilton Child Care and Early Years Operating Guidelines shall be returned to the City of Hamilton.

Failure to comply with any of the funding conditions herein may result in a claim for recovery of cost-based funding provided by the City of Hamilton and ineligibility to receive future funding under this program.

The Recipient will meet all reporting guidelines as prescribed by the City of Hamilton.

Recipient Authorized Signatures:

I have carefully reviewed the above information and agree to be bound by the terms and conditions in Schedule "A".

Signature: _____

Name: _____

Title: _____

Date: _____

I have the authority to bind the Recipient.

Signature: _____

Name: _____

Title: _____

Date: _____

I have the authority to bind the Recipient.

Appendix “A” to the Schedule “A”

The following child care sites are subject to the terms of the Schedule “A”:

<list all site name(s)>

SAMPLE