

Canada-Wide Early Learning and Child Care (CWELCC) Administrative Policies and Procedures County of Oxford

Special acknowledgement to our municipal neighbours for their willingness to collaborate, share and develop tools and resources to support the implementation of the CWELCC System.

The Ministry of Education has committed to conducting consultations in the summer of 2022 with child care stakeholders across the province. These consultations are intended to inform the policies and guidelines for the CWELCC system going forward. The Ministry of Education has indicated that 2022 is considered a transition year for the CWELCC system, and as a result, updates can be anticipated. As a result, this document should be considered a living document that will be updated as appropriate. Any changes to this document, or to the Addendum provided by the Ministry, will be communicated to Child Care Operators in a timely manner.

Table of Contents

1.0 Introduction	5
1.1 Purpose.....	5
1.2 Background.....	5
1.3 Service System Management	6
1.4 Applicability.....	7
1.5 Definitions	7
2.0 Principles	9
3.0 CWELCC Eligibility and Enrollment	10
3.1 Application Requirement	10
3.2 CWELCC Enrollment Package.....	10
3.3 CWELCC Opt-In/Opt-Out.....	10
3.4 Oxford County CWELCC Application Process.....	11
3.5 Requirement to assess a CWELCC Application for Eligibility	12
3.5.1 Eligibility Requirements	12
3.5.2 Scope of Eligibility Assessment	14
3.5.3 Approach to Assessing Financial Viability.....	14
3.5.4 Detailed Financial Assessment Information	16
3.5.5 Use of Funds for Improper Purposes	17
3.5.6 Insufficient Documentation or Data	18
3.5.7 Eligibility Determination	18
3.6 Appeals	19
4.0 Oxford County CWELCC Agreement	19
4.1 Execution of the Agreement.....	19
4.2 Compliance with the Agreement	20
4.3 Non-Compliance with the Agreement.....	20
4.4 Maintaining a Copy of the Agreement.....	20
4.5 Ending Participation in the CWELCC System.....	20
5.0 CWELCC Funding	20
5.1 CWELCC Funding Streams.....	20
5.2 Eligible Children/Age Groups.....	22
5.3 Shared Costs across Eligible and Ineligible Children	22

6.0 CWELCC Fee Reduction	23
6.1 Funding Authority and Purpose.....	23
6.2 Cap on Fees.....	24
6.3 Establishing Fee Types	24
6.4 Retroactive Fee Rebate.....	25
6.4.1 Overview of the Retroactive Fee Rebate.....	25
6.4.2 Eligible Recipients of the Retroactive Fee Rebate.....	26
6.4.3 Calculating Fee Amounts for the Retroactive Fee Rebate	26
6.4.4 Process of Determining and Administering Retroactive Fee Rebate Funding Allocation in 2022	27
6.4.5 Notification and Timing of Retroactive Fee Rebate Payments from Licensees to Families.....	30
6.5 Ongoing Fee Reduction.....	30
6.5.1. Overview of Ongoing Fee Reduction	30
6.5.2 Eligible Recipients of Ongoing Fee Reductions	30
6.5.3 Approach to Reasonability of Costs	31
6.5.4 Profit/Surplus.....	32
6.5.5 Final Determination of Base Fee	32
6.5.6 Process of Determining and Administering Ongoing Fee Reduction Funding Allocation	32
6.6 Fee Subsidy – Parental Contribution Reduction.....	34
6.6.1 Eligibility	34
6.6.2 Calculation.....	35
6.6.3 Refund to Eligible Families	35
7.0 Workforce Compensation Determination	35
7.1 Licensees’ Information to Staff	36
7.2 Licensees Payments to Staff	36
7.3 Alignment with Collective Agreements.....	36
7.4 Programs Serving Children Aged 6-12 Years.....	36
7.5 Wage Floor	36
7.5.1 Timeline	37
7.5.2 Programs Serving Children Aged 0-6 Eligibility.....	37
7.6 Annual Wage Increase	37

7.6.1 Staff Eligibility.....	37
7.7 Benefits Funding and Flexibility.....	38
7.8 Process for Determining Workforce Compensation Allocation for Initial Phase	38
8.0 Minimum Wage Offset	40
8.1 Eligibility Requirements	40
8.2 Process for Determining Minimum Wage offset for Initial Phase.....	41
8.3 Reporting Requirements for Minimum Wage offset	42
8.4 17.5% Mandatory Benefits	42
9.0 CWELCC Administration	43
9.1 Timing of Funding Allocations.....	43
9.2 Reconciliation of Funding Allocations.....	44
9.3 Sales and Acquisitions of Child Care Businesses.....	44
10.0 Reporting.....	45
10.1 Approach.....	45
10.2 Bi-Annual Reporting.....	45
10.3 Annual Reporting.....	48
10.4 Records.....	49
11.0 Auditing	49
11.1 Selection of Licensees for Audit.....	49
11.2 Purpose of Audit.....	49
11.3 Documentation Required for Audit.....	49
11.4 Factors to be Assessed in Audit.....	50
11.5 Outcome of Audit.....	50
12.0 Administrative Policy and Procedure Amendment Process	50

1.0 Introduction

1.1 Purpose

These administrative policies and procedures outline how the County of Oxford, as Consolidated Municipal Service Manager (CMSM) for Child Care and Early Years in Oxford County, will manage the implementation of the Canada-Wide Early Learning and Child Care (CWELCC) Agreement.

The CMSM is mandated to implement CWELCC by the Province of Ontario (Ministry of Education), and the administrative policies and procedures in this document are aligned with provincial guidelines, including the 2022 Addendum related to CWELCC.

1.2 Background

Through its 2021 Budget, the Government of Canada identified child care as a national priority and committed to investing in a national child care system with all provinces and territories, as well as Indigenous organizations. As part of this agreement, Ontario will receive \$13.2 billion over six years beginning in 2021-22.

On March 28, 2022, the federal and provincial governments signed the Canada-Ontario Early Learning and Child Care Agreement, affirming child care as a national priority that enhances early learning and childhood development, supports workforce participation, and contributes to economic recovery.

Funding under the CWELCC will be used to build on 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:

- Providing a 25% fee reduction retroactive to April 1, 2022, building to a 50% reduction in average parent costs for licensed early learning and child care by the end of calendar year 2022;
- Reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces;
- Creating 86,000 new high-quality, affordable licensed child care spaces, predominantly through not-for-profit licensed child care;
- Addressing barriers to provide inclusive child care; and
- Valuing the early childhood workforce and providing them with training and development opportunities.

Transitional Period and Ongoing Implementation: The Ministry of Education and the CMSM recognize that 2022, the initial year of roll-out for the CWELCC System, will be a year of transition and adjustment for the child care and early years sector. Further, the Ministry of Education and the CMSM recognize that the implementation of the CWELCC System will require change, flexibility and the implementation of new approaches for both the CMSM and Licensees.

Accordingly, a phased approach to implementing CWELCC will be utilized, with a focus on the immediate objectives of affordability for families and system stability, before moving on to addressing the objectives of increasing accessibility and inclusion over the longer-term.

Given that 2022 is a year of transition, CMSMs have been granted the discretion to allow Licensees, until the end of 2022, to align their budget/operations with the funding parameters (where applicable), other than the requirements that must be upheld for 2022. Flexibility and discretion will be exercised by the CMSM when possible, and within the boundaries of the Ministry Addendum, to support Licensees to make the required adjustments within their organizations. The CMSM is focused on ensuring that the implementation of the CWELCC System is successful for Licensees, families and our community.

To reflect this period of transition prior to ongoing implementation, this document includes subsections titled “Initial CWELCC Implementation Period”, followed by subsections titled “Ongoing CWELCC Implementation”.

1.3 Service System Management

The County of Oxford is designated as the Service System Manager of Child Care and Early Years for Oxford County. The responsibilities and authorities granted to a CMSM are set out in section 56 of the *Child Care and Early Years Act, 2014* (CCEYA), including the following:

- (a) *develop and administer local policies respecting the operation of child care and early years programs and services;*
- (b) *administer the delivery of financial assistance provided by the Minister under clause 54 (1) (b), in accordance with the regulations;*
- (c) *coordinate the planning and operation of child care and early years programs and services with the planning and provision of other human services delivered by the service system manager;*
- (d) *assess the economic viability of the child care and early years programs and services in the service area and, if necessary, make or facilitate changes to help make such programs and services economically viable;*
- (e) *perform such other duties as may be prescribed by the regulations.*

Section 57 of the CCEYA sets out additional, discretionary, duties of the CMSM stating that a service system manager may:

- (a) *establish, administer, operate and fund child care and early years programs and services;*
- (b) *provide financial assistance for persons who are charged fees in respect of licensed child care, authorized recreational and skill building programs and extended day programs, in accordance with the regulations;*
- (c) *fund and provide financial assistance for other programs or services prescribed by the regulations that provide or support temporary care for or supervision of children;*
- (d) *provide assistance to persons who operate child care and early years programs and services to improve their capabilities in relation to matters such as governance, financial management and the planning and delivery of programs and services;*
- (e) *evaluate and assess the impact of public funding; and*
- (f) *exercise such other powers as may be prescribed by the regulations. 2014, c. 11, Sched. 1, s. 57 (1).*

Based on the authorities granted to the CMSM by the Government of Ontario through the CCEYA and the associated Regulations, the CMSM is also responsible for the administration and implementation of the CWELCC System within the communities that they have jurisdiction:

77.5 (1) Every service system manager shall administer the Canada-Wide Early Learning and Child Care System in a manner consistent with any direction provided by the Minister. O. Reg. 236/22, s. 3.

Accordingly, pursuant to the CCEYA and the associated Regulations, the County of Oxford, as CMSM of Child Care and Early Years for Oxford County, is responsible for the administration and implementation of the CWELCC System in Oxford County.

1.4 Applicability

These administrative policies and procedures apply to the CMSM's provincially mandated administration and implementation of the CWELCC System within Oxford County. For clarity, the administrative policies and procedures in this document do not generally apply to an organization's child care operations outside of the CWELCC agreement. The CMSM maintains separate administrative practices for other elements of service system management outside of CWELCC.

1.5 Definitions

- CCEYA
 - the *Child Care and Early Years Act, 2014*, S.O. 2014, c. 11, Schedule 1
- CMSM
 - the Consolidated Municipal Service Manager for Child Care and Early Years
 - To be used interchangeably with "Service System Manager" or "SSM"
 - Designated under the *Child Care and Early Years Act, 2014* (CCEYA)
 - This is the department of Human Services in Oxford County
- CWELCC Agreement
 - the Canada-Wide Early Learning and Child Care Agreement
- CWELCC Application Package Guide
 - Locally developed in collaboration with neighbouring municipalities to guide the implementation of CWELCC in the Oxford County community
- CWELCC System
 - the Canada-Wide Early Learning and Child Care System
- Eligible child
 - Any child under 6 years old; and
 - Up until June 30 in a calendar year, any child who,
 - Turns 6 years old between January 1 – June 30 in that calendar year; and
 - Is enrolled in a licensed infant, toddler, preschool, or kindergarten group, a licensed family age group, or licensed home child care.
- Enrollment Date
 - CMSMs who enroll a Licensee in CWELCC on or before December 31, 2022 must specify an enrollment date that is backdated to: (1) April 1, 2022 if the Licensee was licensed as of that date; or (2) the date that the Licensee's license was issued, in any other case.

- Fees
 - Base Fee: 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 CCEYA, or anything a Licensee requires the parent to purchase from the Licensee, but does not include a non-base fee.
 - Non-Base Fee: Any fees charged for optional items or optional services that are not required for parents/caregivers to incur as part of the mandatory daily fee, 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. Note that the CMSM retains the discretion to assess if components of the fee are reasonably 'required' as eligible costs described in sections 2 and 4 of the 2022 CWELCC Addendum.
 - Pre-CWELCC Mandatory Base Fee: The daily fee amount charged to and paid by parents/caregivers as of March 27, 2022, prior to the announcement of the CWELCC Agreement, and until the implementation of a Fee Reduction. This includes only those parts of the fee that were mandatory/required to be paid to access the licensed child care space.
 - Reduced Base Fee: The 'Pre-CWELCC Mandatory Base Fee' amount minus the applicable fee reduction component (e.g. minus 25%). For example:
 - "Base Fee – 25% Reduction"
 - "Base Fee – 50% Reduction"
 - Capped Fee: All licensed programs serving eligible children are subject to a parent fee freeze until one of two conditions is met: (1) The Licensee notifies the CMSM/DSSAB, staff and the parents of eligible children in writing that they are NOT participating in the CWELCC System this year and will not be subject to terms and conditions of the System; or, (2) The Licensee participates in the CWELCC System and is subject to the regulatory rules for parent fees in participating programs (pursuant to O. Reg. 137/15 (s.77.4) made under the CCEYA).
 - Regional Maximum Base Fee: The Regional Maximum Base Fee amounts are those fee amounts set out in O.Reg 137/15, which are applicable to Licensees licensed after March 27, 2022.
 - Fee Subsidy Parental Contribution (Daily Parent Fee): The daily portion of the base fee that is charged by the Licensee that the parent/caregiver is responsible to pay to the Licensee and is therefore not paid for through Child Care Fee Subsidy funding. Through Fee Reduction funding, the 'Fee Subsidy Daily Parent Fee' will be reduced by 25% of the March 27, 2022 payment amount. Note that the minimum fee of \$12.00 set out in the Ministry Addendum does not apply to the Parental Contribution/Daily Parent Fee associated with Child Care Fee Subsidy.
 - CWELCC Parent Fee (not including Child Care Fee Subsidy recipients): The daily amount that eligible parent/caregivers are responsible to pay to the Licensee. Note the minimum fee of \$12.00 set out in the Ministry Addendum.
- Funds

- The money the CMSM provides to the Licensee to allocate pursuant to the CWELCC System.
- Industry Expenditure Benchmarks
 - Industry averages for licensed child care expenditures, by cost category
- Initial phase of CWELCC implementation
 - April to December 2022 – described as a “transitional phase” by the Province of Ontario as it continues to develop program parameters
- Licensee
 - An operator of a licensed child care program in Oxford County
- Local Expenditure Benchmarks
 - Local averages for licensed child care expenditures in Oxford County, by cost category
- Ministry Addendum
 - 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 Service Administration Boards. The Addendum outlines the parameters under which the Ministry of Education will flow funding to the CMSMs in 2022 under the CWELCC System, and describes the requirements of the funding, including obligations for the CMSM.
- Multi-service organization
 - An organization that provides additional services beyond licensed child care and early years services; this is a consideration when determining base fees and ‘shared costs’ within the organization that span multiple services
- Multi-site organization
 - An organization that provides licensed child care services at more than one location in Oxford County.
- Regulations
 - O. Reg. 137/15, under *Child Care and Early Years Act, 2014*, S.O. 2014, c. 11, Schedule 1 (unless otherwise stated)
- Retroactive Fee Rebate period
 - For the initial phase of CWELCC implementation, the period of time between April 1, 2022 and the date from which a licensee approved for CWELCC begins charging the Reduced Base Fee to families
- Retroactive Wage Increase period
 - For the initial phase of CWELCC implementation, the period of time between April 1, 2022 and the date for which a licensee approved for CWELCC bring the wage of eligible staff up to the wage floor

2.0 Principles

The following principles have been used to guide the development of the administrative policies and procedures, and may be called upon to inform decision-making in situations of uncertainty:

- Maximize impact for families through affordable, accessible, high quality licensed child care
- Align with federal, provincial, and municipal legislation and guidelines

- Maintain strong stewardship of public funds
- Recognize that the provincial pillars of child care and early years are interdependent
- Recognize that operators are experts in their own service delivery and organizational processes

3.0 CWELCC Eligibility and Enrollment

3.1 Application Requirement

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.

The CMSM encourages licensees to participate in the CWELCC System to increase affordability of high-quality licensed child care and early learning opportunities. Licensees seeking to enroll in the CWELCC system must apply to the CMSM, as set out in subsection 77.3(1) of the Regulations:

77.3 (1) *A licensee who wishes to enroll in the Canada-Wide Early Learning and Child Care System shall apply to the local service system manager for enrollment in accordance with the process established by the local service system manager and shall provide any documents requested by the local service system manager. O. Reg. 236/22, s. 3.*

The CMSM has discretion to review applications and determine whether licensees are eligible to participate in CWELCC based on provincial parameters in the Addendum. The CMSM will maintain up-to-date resources that support licensees to understand program parameters and expectations and collect the necessary information from licensees to establish program eligibility and CWELCC funding levels for licensees.

3.2 CWELCC Enrollment Package

The County of Oxford will provide Oxford County Licensees with the CWELCC Application Package, along with the CWELCC Administrative Policies and Procedures. The CWELCC Application Package will include:

- (1) CWELCC Intention to Opt-In/Opt-Out Form;
- (2) CWELCC Application Package Guide;
- (3) Licensed Child Care Centre CWELCC Application Form (if applicable);
- (4) Licensed Home Child Care CWELCC Application Form (if applicable);
- (5) Financial Viability Tool Information through Charitability.

Also attached is the Parent Fee Reduction Workbook that is due ten (10) calendar days after enrollment.

These resources may be updated from time-to-time as the CWELCC System is implemented and/or as provincial requirements change.

3.3 CWELCC Opt-In/Opt-Out

Initial Phase of CWELCC Implementation:

For the initial phase of CWELCC implementation, licensees operating within Oxford County are required to submit their intention to either 'Opt-In' or 'Opt-Out' of the CWELCC System by submitting the CWELCC Intention to Opt-In/Opt-Out Form to the CMSM by November 1, 2022. Additionally, Licensees (licensed as of March 27, 2022) are required to notify parents and staff by November 1, 2022 on whether they intend to participate in the CWELCC System. Licensed home child care providers are licensed by the Home Child Care Agency and consequently are required to follow the requirements for CWELCC including a cap on fees for both agency and privately placed families, until the Agency has made a decision on participation in the CWELCC system.

Licensees who became licensed after March 27, 2022 should contact the CMSM directly for more information regarding the CWELCC Opt-In/Opt-Out process.

Once a Licensee has opted out of the CWELCC System, it may continue to run its operations under the existing provincial licensing and regulatory framework and municipal funding agreements (if applicable). Licensees that opt-out of the CWELCC System will not receive CWELCC funding. Once a Licensee has opted out, it is entitled to set their own parent fees in accordance with municipal funding agreements (if applicable).

Licensees that choose to 'Opt-Out' of the CWELCC System during the initial phase of implementation in 2022 will not be permitted to subsequently enroll in the CWELCC System in 2022. Licensees who opt-out of the CWELCC System in 2022 will be foregoing any retroactive refunds to parents. However, Licensees will still be able to participate in the CWELCC System for 2023 and will be eligible to receive funding to support the 50% reduction in average base fees for eligible children.

Ongoing CWELCC Implementation:

Details on future opportunities to participate in the CWELCC System will be distributed to licensees as information becomes available from the Province.

3.4 Oxford County CWELCC Application Process

Licensees seeking to 'Opt-In' to the CWELCC System will also be required to complete and submit a CWELCC Application Package to the CMSM.

Licensees will be required to provide, to the best of their ability, all information required by the CMSM for the purposes of determining program eligibility and funding allocation levels.

Documentation required from the Licensee to apply to the CWELCC System will include, but may not be limited to the following:

- Licensed Child Care Centre CWELCC Application Form (if applicable);
- Licensed Home Child Care CWELCC Application Form (if applicable);
- Financial Viability Tool Information through Charitability;
- Retroactive Fee Rebate Workbook;
- Letters Patent/Articles of Incorporation;
- Certificate of Insurance (confirming a minimum \$2,000,000 liability insurance).

Initial Phase of CWELCC Implementation:

The CWELCC Application, along with supporting documentation, must be submitted to the CMSM by November 1, 2022 at 4:00pm EST. Licensees who become licensed after this date should contact the CMSM directly for more information regarding the CWELCC Application process.

Oxford County will make every effort to ensure Licensee applications are processed to confirm eligibility within ten (10) calendar days of the date of the application. Licensees would be required to provide rebates to families within twenty (20) calendar days of receiving refunds from the CMSM.

Ongoing CWELCC Implementation:

Details on future opportunities to participate in the CWELCC system will be distributed to licensees as information becomes available from the Province.

3.5 Requirement to assess a CWELCC Application for Eligibility

Once the CWELCC Application is submitted by the Licensee to the CMSM, the CMSM will make a determination regarding the Licensee's eligibility to enroll in the CWELCC system. As set out in subsection 77.3(2) of the Regulations:

77.3 (2) *The local service system manager shall enroll an applicant in the Canada-Wide Early Learning and Child Care System unless,*

(a) there are reasons to believe that 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

(b) there is reason to believe that the licensee will use the funding for improper purposes. O. Reg. 236/22, s. 3.

3.5.1 Eligibility Requirements

Under the CWELCC System, a CMSM may deny a Licensee's CWELCC Application in exceptional circumstances. The Addendum describes an "exceptional circumstance" as a situation in which the CMSM "has strong concerns around entering into a purchase of service agreement with the Licensee", including a reason to believe either or both of the following:

- 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.

Accordingly, the two primary components of CWELCC eligibility are:

- (1) **Financial Viability:** Licensee's must provide detailed financial information to the CMSM to satisfy the requirement that there are no serious concerns that the Licensee is not financially viable (explained in more detail below); and
- (2) **Use of Funds:** the CMSM does not have serious concerns that the Licensee will use the funds for improper purposes (explained in more detail below).

Additionally, the Licensee must also satisfy the following criteria to become eligible and/or maintain eligibility for CWELCC participation:

- (3) **CWELCC Application:** Licensees seeking to participate in the CWELCC System must complete and submit an application to the CMSM to demonstrate that they meet the stipulated criteria to be eligible to participate in the CWELCC System.
- (4) **License:** Licensees must maintain their license to operate in good standing according to the CCEYA and must not be in contravention of the CCEYA. The CMSM is required, by the Ministry of Education, to stop funding a child care program that has its license suspended by the Ministry (Director).

Unlicensed child care programs, including unlicensed home child care, authorized recreation programs and school-board extended day programs, are not eligible to participate in the CWELCC System. Unlicensed providers that wish to participate in the CWELCC System may consider applying to the Ministry for a License under the CCEYA to operate a Licensed Child Care centre or home agency or reach out to a local home child care agency to begin providing child care that is overseen by the home child care agency.

- (5) **Service Agreement:** Licensees participating in the CWELCC System must have a CWELCC Agreement with the CMSM in the areas they provide care and operate under the criteria outlined in the Ministry's Addendum to receive CWELCC funding. Licensees are required to keep a copy of their CWELCC Agreement, in electronic or hard copy format, on the child care premises, and available for Ministry inspection, per the Regulations under the CCEYA.
- (6) **Maintenance of Rates:** All licensees, regardless of participation in the CWELCC System, must maintain current parent/caregiver fees for eligible children unless a fee increase was approved by the CMSM and communicated to parents/families on or before March 27, 2022. All licensed child care programs serving eligible children are subject to the fee-freeze until one of the two conditions is met:
 - a. The Licensee notifies the CMSM, staff and parents of eligible children in writing that they are NOT participating in the CWELCC System this year and will therefore not be subject to the terms and conditions of the CWELCC System; or
 - b. The Licensee participates in the CWELCC System and is subject to the regulatory rules for parent fees in participating programs. Licensees must reduce and set parent fees in accordance with the Regulations under the CCEYA.
- (7) **Maintenance of Spaces:** Licensees participating in the CWELCC System must maintain existing (pre-CWELCC System Announcement on March 27, 2022) licensed spaces for children aged 0-5 (e.g. a licensed infant space must remain an infant space). Any revision or use of alternate capacity must be reported to the CMSM and the CMSM will determine whether this may result in a funding adjustment or recovery from the Licensee.
- (8) **Annual Licensed Child Care Operators Survey Participation:** Licensees are required to complete the annual Licensed Child Care Operators Survey, per the Regulations

under the CCEYA. CMSMs are required to withhold funding from Licensees until the CMSM has confirmed that the survey has been submitted.

The Ministry requires the CMSM to determine a reasonable level of profit to be achieved from the provision of child care for the eligible portion of a Licensee's business, consistent across for-profit and non-profit Licensees. Based on this requirement, the CMSM has determined that a reasonable level of profit to be achieved from the provision of child care for the eligible portion of a Licensee's business to be greater than 10% of revenues over expenditures recognizing there are many business reasons for profit in a given year, the CMSM will work with the Agency to understand the nature of, and reasons for, profits exceeding this threshold. See section 6.7.6 for more information.

In the case where the Licensee's annual net profit relating to the provision of child care for eligible children exceeds the maximum profit amount, the Licensee will be required to return any excess funds above this maximum amount to the CMSM.

3.5.2 Scope of Eligibility Assessment

CWELCC Applications from single-site organizations will be assessed at the organizational level.

CWELCC Applications from multi-site organizations and organizations that provide child care services to both eligible and non-eligible children (i.e. Licensees with more than one Licensed Child Care site and licensees who offer school age programs in addition to 0-6 child care services) will be assessed at an organizational, rather than per-site, level.

CWELCC Applications from multi-service organizations (i.e. Licensees that provide Licensed Child Care services and other services) will consider only the financial data associated with delivery of Licensed child care services.

3.5.3 Approach to Assessing Financial Viability

Local Benchmarks

The CMSM will use the detailed financial information gathered from Licensees (ie. Budget Breakdown, most recent Financial Statements etc.) to establish 'current local benchmarks'. These 'current local benchmarks' are not intended to represent the 'ideal' state for Licensees or the sector, noting that the sector is emerging from a 2 year period of navigating a global pandemic and the various significant impacts this has had on the sector, including but not limited to exacerbated recruitment and retention challenges.

Instead, these 'current local benchmarks' will allow the CMSM to see where the local sector is at, at this time (ie. highs, lows, averages etc.) so that more information can be gathered from individual Licensees when needed. It will also allow the CMSM to understand where pressure points exist within the local sector. Overtime, this body of data will grow and will serve as a comparison point year over year within our local sector and/or a comparison point against the broader sector.

As noted elsewhere in this document, decisions regarding eligibility and/or reasonability of expenditures will be not determined by the 'local benchmarks' alone. Rather, the 'local

benchmarks’ are one contributing source of data that will be used by the CMSM when reviewing all of the detailed financial information submitted by Licensees.

The CMSM recognizes and values the diversity of organizational structures within the Licensed Child Care sector in our community and, therefore, the need to be flexible and supportive of the different organizational structures when completing enrollment and eligibility processes.

Thresholds and data points approach: Threshold for conversation and additional information gathering is more than 10% below the lowest benchmark or more than 10% above the highest available benchmark. If there is only one benchmark, it is as is, but if there’s 2+ benchmarks, the range increases.

Example:

- Local benchmark for rent: \$2000 a month
- Industry benchmark for rent: \$2200 a month
- Thresholds for conversation:
 - o Less than \$1800 a month for rent (\$2000 – 10%)
 - o More than \$2420 a month for rent (\$2200 + 10%)

Initial phase of CWELCC Implementation:

Given that 2022 is a transitional year, the CMSM will take a transitional and modified approach to determining ‘Financial Viability’ in 2022. This modified approach recognizes that Licensees have already set their 2022 budgets and provides greater system stability for the remainder of 2022. The detailed financial information that is gathered from Licensee’s in 2022 will inform local system benchmarks against which data will be compared for the assessment of Financial Viability in 2023 and beyond. Note that the Addendum provides flexibility in 2022 for operators to realign their budgets to align with the CWELCC. For more information regarding the ‘benchmark’ approach, please see above.

For 2022, the CMSM will use the following guide to determine the approach to financial viability:

Organization type	Approach to Assessing Financial Viability
Licensees with existing license and funding relationship	<ul style="list-style-type: none"> - Financial Viability Tool through Charitability - Review history of funding relationship for past concerns regarding viability - Review budget submission provided through OCCMS for evidence of balanced budget, recognizing unique environmental circumstances that may impact short-term financial situations - Threshold for financial viability for 2022: no history of past concern and the licensee provides a balanced budget
Other organizations (new licensees, those without funding relationship with CMSM, etc.)	<ul style="list-style-type: none"> - Financial Viability Tool through Charitability - Review budget submission provided through Application for evidence of balanced budget, recognizing unique environmental circumstances that may impact short-term financial situations - Review recent audited financial statements, if available, for evidence of viability (see section 3.5.4 Detailed Financial Assessment Information)

Ongoing CWELCC implementation:

For 2023, the CMSM will use the following guide to determine the approach to financial viability:

Organization type	Approach to Assessing Financial Viability
Licenses with existing license and funding relationship	<ul style="list-style-type: none"> - Review history of funding relationship for past concerns regarding viability - Review budget submission provided through Application for evidence of balanced budget, recognizing unique environmental circumstances that may impact short-term financial situations
Other organizations (new licensees, those without funding relationship with CMSM, etc.)	<ul style="list-style-type: none"> - Review budget submission provided for evidence of balanced budget, recognizing unique environmental circumstances that may impact short-term financial situations - Review recent audited financial statements, if available, for evidence of viability (see section 3.5.4 Detailed Financial Assessment Information)

The tables above outline the approach to establish financial viability of a licensee as part of determining CWELCC eligibility. Note that annual review and potential auditing of licensees' expenditures are part of ongoing CMSM responsibilities for CWELCC and, beginning in 2023, the CMSM will utilize the detailed financial information submitted by Licensees in 2022 to assess Financial Viability by using Local Expenditure Benchmarks and Industry Expenditure Benchmarks.

Where possible at the time of application, licensees are asked to provide explanatory notes for data that may not meet the established thresholds for viability.

3.5.4 Detailed Financial Assessment Information

The CMSM recognizes that Licensees have established their organizational structure in a way that makes the most sense for them to be successful. Accordingly, some Licensees may draw on other revenue streams to support certain aspects of their Licensed Child Care operations. To account for this, the CMSM will use the detailed financial information provided by Licensees in different ways, depending on the assessment being made.

- The assessment of a Licensee's **financial viability** will be made at the Licensed Child Care organizational level, including revenue and expenditures to support eligible and ineligible children. This assessment will not include areas of the organization outside of Licensed Child Care (ie. recreation programs). For more information regarding 'shared costs', please refer to section 5.3 of this document.
- The assessment of the '**Actual Cost of Base Fee**' will be made at the CWELCC-eligible child level. This means that the expenditures will be viewed at the level of those applicable to delivering Licensed Child Care to children eligible for CWELCC funding. For more information regarding who is eligible for CWELCC funding, please refer to the definitions section of this document.

If, in the opinion of the CMSM, there is cause for more detailed understanding of the financial situation of an applicant licensee, the CMSM may ask for additional information before making a

final determination, including one or more of the following, and considering unusual market or socio-economic circumstances that may affect this information:

1. Income statements (past three years)
 - a) Assessment: Revenue not less than expenditures will serve as one indicator of financial viability for income statements
 - b) Licensees cannot be reliant on CWELCC funding to cover pre-existing deficits
2. Cashflow statements (past three years)
 - a) Assessment: The CMSM will consider the availability of the equivalent of 3 month's salary cash flow as one indicator of financial viability
3. Profit margins (past three years)
 - a) Assessment: neutral or positive profit margin ratios will serve as one indicator of financial viability
 - b) Note that the CMSM is also required to implement additional controls to ensure that a Licensees ability to generate "undue profit" is limited where provincial and/or CWELCC System funding is being provided. See section 6.7.6 on "Undue Profit" for more information.
4. Balance sheets (past three years)
 - a) Assessment: The CMSM will consider assets being greater than liabilities as one indicator of financial viability
 - b) If liabilities are greater than assets, the CMSM will look for a pattern of stability or a positive trend over time such that the ratio of assets to liabilities is increasing
5. Operating capacity
 - a) The CMSM will take into consideration unusual market or socio-economic circumstances when assessing operating capacity
 - b) This information will be pulled from OCCMS where possible. Licensees should submit this information monthly using the definition of the highest number of children that you are staffed for at any time based on the requirements under the Child Care and Early Years Act (CCEYA) for operating

3.5.5 Use of Funds for Improper Purposes

The CMSM recognizes the high degree of professionalism and ethical standards in the child care and early years sector. Provincial guidelines require the CMSM to consider whether there is serious concern that the Licensee would misuse the CWELCC funds provided, from risk management perspective.

The CMSM will approach this assessment by reviewing the following:

- a) History of Licensee's relationship with CMSM;
- b) Financial viability assessment, above, to identify historical or contemporary areas of concern

Any potential areas of concern will be documented for follow-up with the applying licensee as well as the Ministry of Education.

3.5.6 Insufficient Documentation or Data

In situations where the Licensee is unable to provide the CMSM with all the required documentation and/or data for the purposes of determining eligibility, the Licensee will be required to advise the CMSM why the requested documentation and/or data cannot be provided (i.e. new Licensee).

The CMSM will document the unavailable documentation and/or data as part of determination of next steps.

The CMSM recognizes that new Licensees in particular may not have some of the documentation required to complete the CWELCC Application and enrollment processes (e.g. new Licensees will not have 3 years of statements). In these cases, the CMSM will work with the Licensee to obtain the next best available information to make its determination.

3.5.7 Eligibility Determination

Following a review of the Licensees CWELCC Application, supporting documentation and factors set out above, one of the following situations will apply:

1. Licensee has met all thresholds for financial viability and avoiding misuse of funds
 - a) The CMSM will update its documentation to indicate that the Licensee has been deemed eligible to enter a CWELCC Agreement.
 - b) The CMSM will initiate the processes of obtaining (if needed) and reviewing all the information required to determine the Licensees CWELCC Funding Allocations (including Fee Reduction Funding and Workforce Compensation Funding).
 - c) Once CWELCC Funding Allocations are established by the CMSM, the Licensee will be provided with a CWELCC Agreement for execution. The Licensee's CWELCC Funding Allocations will be outlined in the form of a Schedule to the Oxford County CWELCC Agreement.
2. Licensee has not met criteria for eligibility in initial review
 - a) At the discretion of the CMSM, the CMSM may initiate a follow-up to the Licensee to request more information and/or discussion to identify and understand areas of concern.
 - b) Through additional conversation and provision of additional information (as needed), the CMSM and the Licensee will attempt to work towards a mutually agreeable outcome pertaining to the Licensee's CWELCC eligibility.
3. Licensee has not met criteria for eligibility following additional documentation and discussion
 - a) The CMSM will advise the Ministry of Education that they are considering denying a Licensee's CWELCC Application, including the reasons why a denial of the Application is being considered. The CMSM and the Ministry of Education will have discussions regarding the circumstances.
 - b) If the CMSM has determined that, after the discussions with the Licensee and the Ministry of Education, and after review of the further follow-up documentation outlined above, the Licensee is not eligible to participate in the CWELCC, that

decision and accompanying rationale will be communicated to the applying Licensee.

- c) If the Licensee is not agreeable with the outcome of the decision made by the CMSM, the Licensee will be able to access the CWELCC appeal process described in more detail in this document.

Licensees that apply to participate in the CWELCC System are required, under the Regulations, to communicate to all parents and staff once a decision has been made regarding their application by the CMSM. Specifically, Licensees must notify parents and staff of the outcome of their application within **14 days** of receiving an 'approval' or 'denial' notification from the CMSM. A copy of the parent and staff letters must be provided to the CMSM.

3.6 Appeals

Licensees that do not agree with a decision made by the CMSM related to CWELCC enrollment will have the option to utilize the Oxford County CWELCC Appeal Process. Oxford County CWELCC Appeal Process is set out below:

1. Licensees seeking to appeal a CWELCC-related decision will send an email or written letter to the Director, Human Services, County of Oxford to advise that the Licensee is seeking to appeal a decision.
2. Applicant appeal must be submitted in writing no sooner than 24 hours after the eligibility decision is released, and no later than 10 business days after receipt of notification of the eligibility decision.
3. Appeals will be reviewed by Human Services staff, who may request a meeting during the appeal process.
4. Organizations will be advised of the result of the appeal in writing within 30 business days from the appeal submission date.
5. Final decisions regarding CWELCC eligibility rest with CMSM.

4.0 Oxford County CWELCC Agreement

As set out above, once the Licensee has met all thresholds for financial viability and avoiding misuse of funds, the CMSM will update relevant Workbooks to indicate that the Licensee has been deemed eligible to enter into a CWELCC Agreement.

Next, the CMSM will initiate the processes of obtaining (if needed) and reviewing all the information required from the Licensee to determine the Licensees CWELCC Funding Allocations (including Fee Reduction Funding and Workforce Compensation Funding). This will include a detailed review of financial information to assess the 'Actual Cost of the Licensee's Base Fee' so the Licensee has an understanding of expected funding levels prior to signing and execution of the agreement.

4.1 Execution of the Agreement

Once CWELCC Funding Allocations are established by the CMSM, the Licensee will be provided with an Oxford County CWELCC Agreement for execution. Included in the Agreement

will be a Schedule outlining the Licensee's 2022 CWELCC Funding Allocations (Fee Reduction Funding and Workforce Compensation Funding). It is anticipated this Schedule will be updated yearly as part of the annual review of base fees and financial reporting for Licensees participating in the CWELCC.

4.2 Compliance with the Agreement

Once the Agreement is fully executed, the Licensee is enrolled in the CWELCC System. The Licensee is then required to implement the CWELCC System in accordance with the CCEYA, Regulations, the Oxford County CWELCC Implementation Guidelines and CWELCC Agreement.

The CMSM will provide the Licensee with a copy of the fully executed Agreement. As set out in subsection 77.3(3) of the Regulations:

77.3 3) *A licensee that is enrolled shall comply with the terms of any agreement that it enters into with the local service system manager in relation to the Canada-Wide Early Learning and Child Care System, including terms regarding the use of the funding and wage requirements. O. Reg. 236/22, s. 3.*

4.3 Non-Compliance with the Agreement

If Licensees identify they have or are doing something that is or potentially is in contravention of their Oxford County CWELCC Agreement, they are required to contact the CMSM as soon as possible upon identifying the potential non-compliance. Likewise, if the CMSM determines that the Licensee has or potentially has done something in contravention of their Oxford County CWELCC Agreement, the CMSM will advise the Licensee as soon as possible.

The CMSM will review the non-compliance with the licensee and determine the application of the conditions of the agreement to resolve the issue.

4.4 Maintaining a Copy of the Agreement

Both the CMSM and the Licensee will retain a copy of the executed Agreement for their records. As set out in the Ministry Addendum, Licensees are required to keep an electronic or hard copy of the Agreement on the child care premises, available for Ministry inspection, per the Regulations under the CCEYA.

4.5 Ending Participation in the CWELCC System

Once enrolled in the CWELCC System, if a Licensee no longer wishes to continue to participate, they may terminate their CWELCC System Funding agreement with the CMSM, in accordance with the terms and conditions for terminating the contract.

5.0 CWELCC Funding

5.1 CWELCC Funding Streams

The CWELCC System provides for the administration of two distinct funding streams. Within the three funding streams are distinct components. The following is a high-level overview of the CWELCC System funding streams and the associated components:

Funding Stream	FEE REDUCTION		WORKFORCE COMPENSATION		
	Retroactive Fee Rebate (“RFR”)	Ongoing Fee Reduction (“OFR”)	Retro Wage Increase (“RWI”)	Annual Wage Increase (“AWI”)	Minimum Wage Off-Set (“MWO”)
Funding	25% reduction and rebate of the Base Fee (‘Pre-CWELCC Mandatory Base Fee’) amount for families of eligible children	25% (then progressively increasing) reduction to Base Fees for eligible children	\$1.00 per hour wage increase for eligible staff	\$1.00 per hour wage increase for eligible staff	Difference between hourly wage paid and \$15/hour
Eligibility	All CWELCC Licensees will receive the funding allocation to provide to eligible families (children within eligible age range)	All CWELCC Licensees will receive the funding allocation to off-set the gap between ‘reduced parent fee’ and ‘actual cost of base fee’ for eligible families (children within eligible age range)	Eligible CWELCC Licensees will receive the funding allocation to provide a retroactive wage increase to eligible staff (designated roles; WEG recipient; wage cap etc.) Includes up to 17.5% in benefits	Eligible CWELCC Licensees will receive the funding allocation to provide to eligible staff (designated roles; WEG recipient; wage cap etc.) Includes up to 17.5% in benefits	Eligible CWELCC Licensees will receive the funding allocation to provide to eligible staff (designated roles, \$15/hour on March 31, 2021 etc.) Includes up to 17.5% in benefits
Start Date	April 1, 2022	Following the Retroactive Fee Rebate Period (late-2022)	April 1, 2022	January 1, 2023	April 1, 2022

Licensees may be subject to changing costs (for example, rent changes) and this may impact their capacity to participate in CWELCC. CMSMs should work with licensees to manage such cost changes to support their continued participation in CWELCC.

The above funding streams will be administered to eligible Licensees in the form of operational grants.

Administration Funding: The CMSM recognizes that the introduction and implementation of the CWELCC System may create new or enhanced administrative demands on their organizations.

As part of the Oxford County CWELCC Application Package, Licensees seeking to participate in the CWELCC System may include new, incremental administrative costs associated directly with implementing and delivering CWELCC. These costs will be reviewed by the CMSM, using a process similar to that used for the review of other financial information submitted in the Budget. Approved costs will be funded on a cost-recovery basis and will be reconciled as part of the year-end annual reporting.

Incremental administrative costs may include:

- Additional staff hours;
- Technology including computer software;
- Professional hours for review and completion of the CWELCC Application or associated reporting.

Incremental administrative costs funded will not exceed 10% of the total CWELCC funding allocation provided to eligible Licensee.

More details regarding each of the other funding streams and their associated components, including how they will be calculated, allocated and reported, are set out below starting in **Section 6.0 “CWELCC Fee Reduction”**.

5.2 Eligible Children/Age Groups

Funding under the CWELCC System is intended to support eligible children, defined as follows:

- Any child under 6 years old; and
- Up until June 30 in a calendar year, and child who,
 - Turns 6 years old between January 1 – June 30 in that calendar year; and
 - Is enrolled in a licensed infant, toddler, preschool, or kindergarten group, a licensed family age group, or licensed home child care.

Any CWELCC funding that is issued by the CMSM to Licensees that cannot be used as intended, to support eligible children, will be recovered from the Licensee by the CMSM.

5.3 Shared Costs across Eligible and Ineligible Children

Where a Licensee operates child care for both CWELCC-eligible and ineligible children, they may have costs that are shared across the operation (e.g. food, accommodation, staffing, etc.). In these cases, the Licensee will utilize a methodology that proportionally allocates the shared costs between CWELCC-eligible and ineligible children, to determine the actual cost of child care that can be supported through the CWELCC funding.

For example, if 80% of children are eligible for CWELCC, up to 80% of accommodation costs may be considered for CWELCC funding. The CMSM will review the allocation methodology as part of its review of eligibility and reasonability of costs.

6.0 CWELCC Fee Reduction

6.1 Funding Authority and Purpose

Making child care more affordable for families is a key part of the implementation of the CWELCC System, especially in 2022. Fee Reduction funding (including both the Retroactive Fee Rebate and the Ongoing Fee Reduction) is focused on reducing parent fees for families with eligible children in Licensed child care.

Fee Reduction funding will be used by the CMSM to support parents, families, and communities by reducing base fees for eligible children in licensed child care. As set out above, the Fee Reduction funding stream includes three distinct components:

- (1) Retroactive Fee Rebate (25% reduction);
- (2) Ongoing Fee Reduction (25% reduction, progressing to 50% reduction, progressing to an average per day cost of \$10 for eligible children); and
- (3) Support for incremental CWELCC administration costs.

The Ministry Addendum provides the CMSM with the discretion to review and determine base fee and non-base fees for the purposes of establishing CWELCC funding levels, including the retroactive fee rebate and ongoing fee reduction (see below).

The CWELCC funding determination policies and processes are used to identify eligible costs that can be supported through CWELCC funding, both retroactively and ongoing.

CWELCC funding and associated guidelines should be seen as a complement to other revenue sources to operators (parent fees, general operating grants, etc.) Thus, in general, the funding determination and parameters outlined in this section applies to CWELCC-related funding only, unless otherwise specified.

As base fees continue to be reduced as part of the phased approach to implementing CWELCC, the ministry will develop a new long-term, sustainable funding model for the CWELCC System with further information to be provided.

Initial Phase of Implementation

To ensure stability and sustainability of the child care system while working towards the goals of affordability, accessibility, inclusion and quality, fee reductions will be implemented using a phased approach over the course of the CWELCC System. The phased approach will begin in Spring 2022 as follows:

- Fee reduction of up to 25% (to a minimum of \$12.00) per day for eligible children retroactive to April 1, 2022;
- Fee reduction of an average of 50% per day for eligible children by the end of calendar year 2022;
- Fee reduction to an average of \$10 per day for eligible children by the end of fiscal year 2025-26.

As a first step to implementing the above phased approach, Licensees will implement a fee reduction of up to 25% (to a minimum of \$12.00 per day), retroactive to April 1, 2022

through Retroactive Fee Rebates. After the period for which the Retroactive Fee Rebates are issued to families, the ongoing Fee Reductions will commence meaning that the family will pay a reduced rates to the Licensee.

The fee reduction on base fees will apply regardless of program type or duration and should be based on the total amount paid per day. In the case of a before and after school program, if parents paid for only before school care, or only after school care, each individual fee must be reduced by 25% provided that it does not go below \$12/day. If parent paid for both before and after school care, the overall combined fee must be reduced by 25%.

For example:

	Before CWELCC - per day	After Enrollment per day
Before School Care Only	\$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12
Before and After School Care (as a single fee)	\$26	Reduced to \$19.50

6.2 Cap on Fees

The Provincial Government has implemented a cap on all Licensed child care base and non-base fees for CWELCC-eligible children in child care centres and at licensed home child care premises that are overseen by a licensed home child care agency, effective March 27, 2022. Note that the cap on Licensed child care fees does not apply to fees charged to families for children who are not eligible under the CWELCC System (i.e. school aged children over 6 years).

If the Licensee was licensed on or before March 27, 2022, the cap on the base fee and on non-base fees for child care of eligible children is the amount charged on March 27, 2022. The Licensee must not charge a family a higher fee (base-fee or non-base fee) after that day unless a specific fee increase had already been communicated to families on or before that day and the increase has been approved by the CMSM.

Licensees will continue to be subject to the cap on fees until one of the following two conditions is met:

1. The Licensee notifies the CMSM and parents of eligible children in writing that they are NOT participating in the CWELCC System in 2022; or
2. The Licensee receives notice from the CMSM of the results of their CWELCC Application to enroll in the CWELCC System.

6.3 Establishing Fee Types

The calculation of the Retroactive Fee Rebate and the Ongoing Fee Reduction require the determination of several fee amounts. The definition section of this document outlines different fee terminology, some of which are included here for ease of reference:

- **Base Fee:** 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 CCEYA, or anything a

Licensee requires the parent to purchase from the Licensee, but does not include a non-base fee.

- **Non-Base Fee:** Any fees charged for optional items or optional services that are not required for parents/caregivers to incur as part of the mandatory daily fee, 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.
- **Pre-CWELCC Mandatory Base Fee** (used for the Retroactive Fee Rebate): The daily fee amount charged to and paid by parents/caregivers as of **March 27, 2022**, prior to the announcement of the CWELCC Agreement, and until the implementation of a Fee Reduction. This includes only those parts of the fee that were mandatory/required to be paid to access the licensed child care space and does not include fees that were charged separate and apart from the mandatory fee and were optional for the parent/caregiver to incur (e.g. late fees, field trips).
- **Reduced Base Fee** (used for the Ongoing Fee Reduction): The 'Pre-CWELCC Mandatory Base Fee' amount minus the applicable fee reduction component (e.g. minus 25%). For example: "Base Fee – 25% Reduction"; "Base Fee – 50% Reduction". This is the amount that will be included in the Licensee's parent handbook and other communications to families to demonstrate the Ongoing Fee Reduction.
- **CWELCC Parent Fee** (used for Retroactive Fee Rebate and Ongoing Fee Reduction): The daily amount that eligible parent/caregivers are responsible to pay to the Licensee.

For clarity, under the CWELCC System, the portion of the fee that will be paid by parents will only decrease in accordance with the prescribed Fee Reduction amounts (ie. 25% reduction, 50% reduction etc). Licensees may not introduce new parent fees for mandatory child care services that are separate from their regular child care fees.

In summary:

- as the portion of the fee paid by parents goes down as a result of the Ongoing Fee Reductions, the portion of the fee paid for through CWELCC funding will increase to support the expanding 'gap';

6.4 Retroactive Fee Rebate

6.4.1 Overview of the Retroactive Fee Rebate

The Retroactive Fee Rebate funding allocation will be provided to Licensees based on the actual 'Pre-CWELCC Mandatory Base Fee' amounts paid by eligible families for the period of April 1, 2022 to the end of the Retroactive Fee Rebate period (i.e. the date at which participating licensees begin charging the Ongoing Fee Reduction to families).

As set out above in the definitions section, the 'Pre-CWELCC Mandatory Base Fee' is the fee amount that the Licensee was charging families as of March 27, 2022, minus any amounts that are determined to be 'non-base fee' components and/or plus any amounts that are determined to be 'base fee' or required components that were not included in the fee amount. The 'Pre-CWELCC Mandatory Base Fee' will be reviewed and approved by the CMSM as part of the initial application review process.

6.4.2 Eligible Recipients of the Retroactive Fee Rebate

The Retroactive Fee Rebate can only be administered to children who are (or were, any time since April 1, 2022) attending a CWELCC-enrolled Licensed centre-based or home-based Child Care and are within the eligible age range (as set out above in section 5.2).

In the case of either Licensed centre-based or home-based Child Care, the Retroactive Fee Rebate will be issued to all eligible children who have received care at any time since April 1, 2022, even if those children are no longer receiving care. In these cases, the Licensee will be required to use their best efforts to contact the family to issue the Retroactive Fee Rebate.

In the case of Licensed Home Child Care, the Retroactive Fee Rebate will be issued by the Agency to children who are placed by the Agency and those children that are privately placed in the provider's care.

6.4.3 Calculating Fee Amounts for the Retroactive Fee Rebate

For the purposes of calculating the Retroactive Fee Rebate: The CMSM will work with Licensees to assess their Base Fee charged as of March 27, 2022 (or "Pre-CWELCC Mandatory Base Fee") by assessing what parents are required to pay for as part of that fee. Licensed home child care agencies, appropriate accountability processes and procedures will need to be in place to ensure accurate fee reduction for privately placed children.

This assessment will determine whether there is a need to exclude non-required elements (i.e. components that should be part of the non-base fee). The established Base Fee (or "Pre-CWELCC Mandatory Base Fee") will serve as the starting point for determining retroactive fee rebates and the reduced fee amounts for families (i.e. "Reduced Base Fee").

The Regulations provide the following definition of non-base fees:

"non-base fee" means,

- a) any fees charged for optional items or optional services, such as transportation or field trips, or
- b) 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, such as,
 - (i) fees for picking up a child late, and
 - (ii) fees to obtain items that the parent agreed to provide for their child but failed to provide.

Example: As of March 27, 2022, the Licensee is charging \$60 per day for care of an eligible child. The Licensee submits the required information to the CMSM and it is determined that

there are no 'non-base fees' included in the \$60 per day fee. Accordingly, the 'Pre CWELCC Mandatory Base Fee' is \$60 per day.

The Retroactive Fee Rebate (25% reduction and rebate) will be calculated based on the following:

- \$60 per day fee x 0.25 fee reduction = \$15 per day reduction
- \$15 per day reduction x number of days care was paid for, for eligible child
- = total Retroactive Fee Rebate amount payable by Licensee to family for care of eligible child

6.4.4 Process of Determining and Administering Retroactive Fee Rebate Funding Allocation in 2022

The Retroactive Fee Rebate Funding allocation will be calculated based on 25% of the Licensee's 'Pre-CWELCC Mandatory Base Fee' for all eligible children for the period of April 1, 2022 to the end of the Retroactive Fee Rebate period.

When issuing the Retroactive Fee Rebate to families, Licensee's must issue the applicable amount to eligible families. (ie cheque/electronic funds transfer or credit) The method(s) in which the Retroactive Rebate will be provided to families should be clearly articulated to families in the communication that is provided to them.

Licensees participating in CWELCC will be supported to calculate the amount of funding required to issue the Retroactive Fee Rebate to eligible families through the use of a Licensee Retroactive Fee Rebate Workbook. As noted below, during the CWELCC enrollment process, the Licensee will complete the Fee Reduction and submit it, along with an Invoice to the CMSM to request payment of the required Retroactive Fee Rebate funding. The Licensee will then issue the required rebates to families.

The following is a step-by-step overview of how the Retroactive Fee Rebate funding allocations will be determined and administered by the CMSM:

STEP	WHAT WILL BE DONE AT THIS STEP	EXAMPLE
Step 1: CMSM to Compile Current Fees	The CMSM will compile current fee information (as of March 27, 2022), for eligible children from Licensees. The CMSM will obtain required information from Licensees during the CWELCC enrollment process.	\$60.00/day
Step 2: Licensee to Identify if Non- Base Components Included or if Required/Base Components Not Included	The CMSM will ask Licensees whether there are any <u>non-base components included</u> within their current fees (as of March 27, 2022) and/or whether there are any <u>required/base components</u> that are <u>not included</u> within their current fees (as of March 27, 2022), based on the parameters identified in the base fee and non-base fee definitions in Section 6.5: <ul style="list-style-type: none"> • If there are any <u>non-base</u> components included in the current fee (as of March 27, 2022), those amounts will be subtracted from the fee amount 	\$65.00/day (meal is a required component and was previously charged separately)

	<ul style="list-style-type: none"> If there are any <u>required</u> components that are not included in the current fee (as of March 27, 2022), those amounts will be added to the fee amount <p>The end-result of this assessment will be the Licensees “Pre-CWELCC Mandatory Base Fee”.</p> <p>The CMSM will obtain required information from Licensees through the use of the: Retroactive Fee Rebate Workbook.</p> <p>Initial Implementation Phase of CWELCC</p> <p>For the initial implementation phase of CWELCC, the CMSM has established a principle of “inherent reasonability” for costs included in the Base Fee. Licensees’ provided 2022 budgets during the application process were generally built pre-CWELCC, and thus should reflect reasonability, given the requirement for financial viability as a condition for acceptance into the program. The CMSM retains the right to review costs for significant areas of concern in the establishment of the Base Fee for the purposes of the retroactive rebate.</p>	
<p>Step 3: CMSM to Communicate Pre- CWELCC Mandatory Base Fee to Licensee</p>	<p>The CMSM will communicate the reviewed Pre-CWELCC Mandatory Base-Fee amounts to the Licensee to ensure clarity and transparency.</p> <p>The licensee may ask questions of clarification and review with the CMSM, it being noted that the final decision rests with the CMSM.</p>	<p>Confirmation of above: \$65.00/day (meal was previously charged separately)</p>
<p>Step 4: Licensee to Calculate Retroactive Fee Rebate Per Eligible Child</p>	<p>Using the template provided by the CMSM, the Licensee will calculate the 25% Retroactive Fee Rebate amounts, being the Pre-CWELCC Mandatory Base Fee amounts minus 25% (to a minimum of \$12.00/day), per eligible child for the initial phase of CWELCC.</p> <p>The Retroactive Fee Rebate will be issued for the period of April 1, 2022 to the end of the month following the Licensee’s CWELCC enrollment.</p> <p>The CMSM will obtain required information from Licensees through the use of the: Licensee Fee Workbook.</p> <p>For the initial fee reduction of 25%, the parent fee will be reduced as follows:</p> <ul style="list-style-type: none"> If the “cap” on a Licensees base fee is more than \$11.99 per day, the Licensee’s ‘Reduced Base Fee’ once in the CWELCC System will be the greater of: <ul style="list-style-type: none"> \$12/day; and 	<p>25% of Pre-CWELCC Mandatory Base Fee multiplied by number of days paid (actuals) retroactive to April 1, 2022</p>

	<ul style="list-style-type: none"> The amount of the capped base fee, less 25%. Note that if the capped base fee is less than \$12.00 per day, the fee should be maintained. 	
Step 5: Licensee to Submit Retroactive Fee Rebate Projection Calculations to CMSM for Review	<p>Licensees will submit the Retroactive Fee Workbook, within 10 calendar days after enrollment, which will provide the CMSM will a summary of the Licensees calculations of Retroactive Fee Rebate funding required by the Licensee.</p> <p>The CMSM will advise Licensees if there are any issues with the Retroactive Fee Rebates Calculations.</p> <p>The CMSM will obtain required information from Licensees using the: Retroactive Fee Rebate Workbook.</p>	
Step 6: CMSM to Issue Retroactive Fee Rebate Funding Allocation to Licensees 6(b) CMSM to Issue Notional Funding Allocation for November-December Fee Reduction	<p>Based on the Licensee Fee Workbook submitted in Step 5, the CMSM will issue an allocation of Retroactive Fee Reduction funding to the Licensee for the period of April 1 to Enrollment Date.</p> <p>Final Parent Fee Reduction Workbook – Enrollment Date – Actual Fee Reduction implemented – Deadline is 15 calendar days after Fee Reduction implementation.</p> <p>The CMSM will also issue a notional allocation of Fee Reduction Funding for the months of November-December 2022 based on the information provided and reviewed for the Retroactive Fee Rebate funding. Discrepancies between this notional funding and actual funding required will be reconciled as part of annual reporting processes (see Reporting section 9.0).</p>	
Step 7: Licensee to Issue Retroactive Fee Rebate to Families	Licensees will communicate and issue a Retroactive Fee Reduction Rebate to families of eligible children in the amount calculated in Step 4, according to its established processes.	\$2,470 (being 25% of \$65, or \$16.25 multiplied 152 days paid for care)
Step 8: Licensee to Submit Retroactive Fee Rebate Reporting to CMSM	Licensee will complete CMSM’s Bi-Annual Fee Reduction Reporting template and provide the required financial and service level data regarding the Retroactive Fee Rebate amount issued.	
Step 9: CMSM to Review Reporting and Reconcile Where Needed	<p>The CMSM will review the Retroactive Fee Rebate reporting provided by the Licensee.</p> <p>If the reporting indicates that the Licensee entered a deficit in order to issue the required Retroactive Fee Rebates to eligible families, the CMSM will issue additional funding to the Licensee to support the required eligible amount of funding.</p>	

	If the reporting indicates that the Licensee has a surplus of funding after issuing the Retroactive Fee Rebate to eligible families, the Licensee will return the unspent funding to the CMSM.	
Step 10: CMSM to Summarize Reporting and Enter into Centralized Ministry Reporting Workbook	CMSM to review and roll-up the Licensee’s Bi-Annual reporting into the Centralized Reporting Workbook, for Ministry Reporting purposes.	

6.4.5 Notification and Timing of Retroactive Fee Rebate Payments from Licensees to Families

Retroactive Fee Refunds must be provided to eligible families **within 20 days** after retroactive fees rebate funding received.

Retroactive Fee Rebates should be provided for the days the Licensee was operating and serving children during the Fee Rebate Period.

6.5 Ongoing Fee Reduction

6.5.1. Overview of Ongoing Fee Reduction

Once the Retroactive Fee Rebates have been issued, the Ongoing Fee Reduction will commence (November 1, 2022).

Ongoing Fee Reduction funding will be administered by the CMSM to Licensees to support parents, families and communities by reducing base fees for eligible children in licensed child care. The CMSM will provide Ongoing Fee Reduction funding in the form of operating grants that will enable Licensees to provide the fee reduction to families. Generally, fee reduction funding will be used by the Licensees to make up the ‘gap’ between the ‘Reduced Base Fee’ being paid by families, as determined by the CMSM.

The Ongoing Fee Reduction applies to eligible children attending enrolled centre-based and home-based Licensed Child Care. In the case of Licensed Home Child Care, the Retroactive Fee Rebate will be issued by the Agency to children who are placed by the Agency and those children that are privately placed in the provider’s care.

6.5.2 Eligible Recipients of Ongoing Fee Reductions

The Ongoing Fee Reduction will take result in a fee reduction for all children who are attending a CWELCC-enrolled Licensed centre-based or home-based Child Care, and are within the eligible age range (as set out above in section 5.2).

For home child care providers, until a decision on CWELCC System participation is made by the home child care agency, fees for eligible children must be capped at March 27, 2022 levels. This includes fees set by the agency as well as fees set by the provider. While the cap on fees has been communicated publicly by the Ministry, agencies may wish to inform providers of their

obligation to cap fees in accordance with the regulation and begin collecting fee information in preparation for the enrollment process.

Note that the cap on fees does not apply to fees charged to parents for children who are not eligible (i.e., school age children over 6 years), as these children are not entitled to funding under the CWELCC System.

Licensees will continue to be subject to the capped fee until one of the two conditions is met:

1. The Licensee notifies their CMSM and parents of eligible children in writing that they are NOT participating in the CWELCC System in 2022; or
2. The Licensee receives notice from the CMSM of the results of its application to enroll in the CWELCC System.

Note that CWELCC funding for home-based child care was allocated to CMSM's based on the location of the home child care agency.

6.5.3 Approach to Reasonability of Costs

For the purposes of calculating the ongoing Fee Reduction: The CMSM has discretion to determine reasonability of eligible costs supported through CWELCC funding. Reasonability is an important consideration to assure good stewardship of public funds.

The general approach to reasonability of costs is a data-driven approach based on relative alignment with the following data sources:

- 1) Local Expenditure Benchmarks ('current local benchmarks')
- 2) Industry Expenditure Benchmarks

Both data sets will be updated as availability of data permits.

Initial Phase of Implementation

Data associated with Local Expenditure Benchmarks is not available at the outset of the CWELCC initiative. The initial data set will be generated through the collection of financial information as part of the CWELCC application process. The data set will be updated over time as Licensees submit information through reporting processes.

Additionally, Industry Expenditure Benchmarks (i.e. average costs typical for the sector, irrespective of local averages) will be acquired as available and used as a complementary source of decision-making regarding reasonability of base fees.

For establishing reasonability of costs during the Initial Phase of Implementation, the CMSM will begin with the principle that, if the Licensee submitted a balanced budget prior to enrollment that was accepted for CWELCC eligibility, for 2022 the budget was reasonable in the estimation of the licensee and costs should therefore be reasonable for 2022. The CMSM retains the right to review the reasonability of 2022 costs for significant areas of concern.

Licensees should anticipate further review of reasonability in subsequent years when Local Expenditure Benchmarks data are available for comparisons, in line with the approach to reasonability outlined in these policies and procedures.

Ongoing Implementation

Following the generation of initial data sets for Local Expenditure Benchmarks and Sector Expenditure Benchmarks, Licensees submitted costs for CWELCC funding will be reviewed against these benchmarks. This information will be collected through annual reporting processes (see section 9.0 Reporting).

Unless otherwise noted, the following general approach applies:

- a) For a given cost category, the Licensee's provided cost is compared against the associated Local Expenditure Benchmark
- b) If the provided cost has a 10% or greater difference than the Local Expenditure Benchmark, the CMSM may seek clarification through a data request and review with the licensee; Sector Expenditure Benchmarks will be used a supplemental data source to identify how the proposed costs fits into broader standards
- c) The CMSM makes a final decision on the reasonability of costs and documents the decision (with supporting rationale, if required)

6.5.4 Profit/Surplus

Licensees operating as for-profit corporations or individuals can continue to earn profit and Licensees operating as not-for-profit corporations will be permitted a surplus amount to build reserves or re-invents in the organization.

Any unspent funding provided to Licensees during the funding year, or funding not used for its intended purpose, may be recovered by the CMSM and returned to the Ministry.

As base fees continue to be reduced as part of the phased approach implementing CWELCC, the Ministry will develop a new long-term, sustainable funding model for the CWELCC System with further information to be provided.

6.5.5 Final Determination of Base Fee

Following assessment, and review with Licensees as required, the CMSM will make a final determination on the Licensees' 'Actual Cost of Base Fee'. This information will be documented and communicated to the Licensee.

The 'Actual Cost of Base Fee' will be used during Ongoing Implementation as part of determining the amount of funding to provide to Licensees for ongoing Fee Reduction.

The Base fee will be updated annually in accordance with CWELCC reporting processes.

6.5.6 Process of Determining and Administering Ongoing Fee Reduction Funding Allocation

For Licensees that enroll in the CWELCC System, O. Reg. 137/15 sets out rules regarding what Licensees will be permitted to charge parents as part of their daily base fee.

Licensees enrolled in the CWELCC System must ensure that parents of an eligible child are charged a base fee determined as follows:

If the Licensee's base fee, based on the section above, is more than \$11.99 per day, the Licensee's new base fee once in the CWELCC System will be the greater of:

- a) \$12 per day; and
- b) the amount of the capped base fee, less 25 percent.

Note that if this base fee is less than \$12 per day, the fee should be maintained.

To support the applicable fee reduction, service system managers will provide funding for licensees. As an example of how this funding should be provided to Licensees, see the table below.

	Prior to Enrollment	After Enrollment (once base fees are reduced)
Base fee charged to parents	\$100	\$75
CWELCC funding to offset the revenue reduction to Licensees		\$25
Total Revenue received by Licensee	\$100	\$100

The fee reduction on base fees will apply regardless of program type or duration and should be based on the total amount paid per day. In the case of a before and after school program, if parents pay for only before school care, or only after school care, each individual fee must be reduced by 25% provided that it does not go below \$12/day. If parents pay for both before and after school care, the overall combined fee must be reduced by 25%.

For example:

	Before CWELCC - per day	After Enrollment per day
Before School Care Only	\$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12
Before and After School Care (as a single fee)	\$26	Reduced to \$19.50

Licensees are also required to reduce the cost of a full fee space that is occupied by an eligible child receiving fee subsidy. Please refer to Section 5 of the CWELCC Guidelines for further details.

If a home child care agency is enrolled in the CWELCC System, home child care Licensees must also charge the parent of an eligible child a base fee determined based on the above. The base fee would apply to children who are agency placed and those children that are privately placed in the provider's care. CMSMs should work with agencies to ensure that parents of eligible privately placed children also receive a fee reduction.

Licensees are permitted to continue charging the higher base fees as of March 27, 2022, for 20 calendar days after the CMSM notifies them that they are enrolled in the CWELCC system. On and after the 21st day after the Licensee is notified by a CMSM of the enrolment date, Licensees cannot charge a base fee that is higher than the reduced base fee to parents of an eligible child.

CMSMs are not permitted to provide fee holidays (i.e., a period where parents pay no fees as CMSMs cover the fees) with CWELCC System funding. Once Licensees are enrolled in the CWELCC System and reduce their fees to the new base fee, the Licensee 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 CWELCC System.

Where a Licensee chooses not to participate in the CWELCC System, they will not be subject to requirements to reduce base fees.

Non-base fees are not eligible for CWELCC funding and are not subject to the parameters set out above; however, they must meet the definition of non-base fee set out in O. Reg. 137/15. Anything that a parent is required to pay (i.e., mandatory fees) must be included as part of the base fee.

Fees for children who are not eligible children (e.g., school age children) are not subject to the requirements above regarding child care for eligible children.

6.6 Fee Subsidy – Parental Contribution Reduction

Fee subsidy is an essential support for many families that enables parents and caregivers to participate in the workforce or pursue education or training. The ministry has made amendments to 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.

As the CWELCC System is implemented in Ontario, the fee subsidy model will continue to be an option for families who require financial assistance. O. Reg. 138/15 sets out an income test formula that CMSMs 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 parent contribution).

No changes have been made to eligibility for access to fee subsidies for recipients of Ontario Works, including Learning, Earning and Parenting (LEAP) participants and Ontario Disability Support Program recipients in approved employment assistance activities. Access for fee subsidy recipients to the parental contribution reductions will depend on whether the eligible child is enrolled with a licensed child care centre or home child care provider that is participating in the CWELCC System. If applicable, refunds are to be provided to the parent/guardian or temporary caregiver who paid fees to the licensed child care provider.

6.6.1 Eligibility

As the CWELCC System is implemented, the Child Care Fee Subsidy model will continue to be an option for families who require financial assessment. The Regulations under the CCEYA sets out an income test formula that CMSMs are required to 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 (i.e. the parental contribution).

6.6.2 Calculation

Amendments have been made to the Regulations under the CCEYA to ensure an equivalent fee reduction is applied to families receiving Child Care Fee Subsidy (who do not pay the full cost of a licensed space), to reduce the parent contribution for eligible children by 25%. There is no 'floor' of \$12.00 per day for families access Child Care Fee Subsidy. Note that parents receiving Child Care Fee Subsidy will not see a reduction in the case where the child occupies a space with a Licensee that is not enrolled in the CWELCC System.

If a parent has at least one eligible child, as defined by the Regulations under the CCEYA, who is enrolled in a child care centre or home child care that is part of the CWELCC System, the CMSM will reduce the parental contribution amount calculated via the income test, as follows:

A divided by **B** multiplied by **C** multiplied by 0.25

where:

A: total parental contribution calculated via the income test;

B: total number of children that the calculated parental contribution pertains to;

C: number of eligible children, who hold a space with a provider that has enrolled in the CWELCC System, that the parent is required to pay a parental contribution for.

Example: if a Child Care Fee Subsidy family has two children aged 4 and 7, the 25% parental contribution reduction would only apply to the 4 year old child. The 25% reduction would then be reduced by half, as it only applies to one of the two children.

6.6.3 Refund to Eligible Families

The CMSM is required to calculate the parental contribution reduction for families receiving Child Care Fee Subsidy, and ensure that the refund is provided to the parents as applicable.

Retroactive Fee Refunds must be provided to eligible families **within 20 days** after the retroactive fee funding is received from CMSM.

Retroactive Fee Rebates should be provided for the days the Licensee was operating and serving children during the Fee Rebate Period.

7.0 Workforce Compensation Determination

As outlined in the Addendum, "workforce compensation funding is focused on supporting Registered Early Childhood Educator (RECE) staff who are low wage earners. Increased compensation for low wage earners will help support the recruitment and retention of RECEs working in the child care sector as part of a provincial strategy to achieve system growth and ensure increased access to high quality licensed child care in Ontario".

Where a Licensee is participating in the CWELCC System and meets required eligibility criteria, the Licensee must be provided with Workforce Compensation Funding from the CMSM.

The CMSM is required to develop a method to determine wage floor and annual wage increase entitlements within their region. Additionally, CMSMs are required to monitor compliance of Licensees to the wage floor and annual wage increase requirements.

For Licensees with programs serving any eligible child, the Licensee must be a participant in the CWELCC System in order to access Workforce Compensation funding (funded through the CWELCC System) for eligible staff and home child care visitors and will be required to adhere to all the parameters of the CWELCC System.

Based on this Policy and Procedure, and in accordance with the Ministry Addendum, CWELCC funds will be provided to support the actual costs. Any funding provided to Licensees that is unspent in the funding year, or funding not used for its intended purpose, must be recovered by the CMSM and returned to the Ministry. Ineligible expenditures must be excluded from CWELCC funding and may be funded by other income sources (where eligible).

7.1 Licensees' Information to Staff

Upon receiving confirmation of participation in the CWELCC from the CMSM, and as new staff are hired, licensees are required to share, in writing, information about the wage floor and annual wage increase with eligible staff. The information must provide eligible staff with an understanding of upcoming annual changes to their wages as a result of workforce compensation funding. At a minimum, the information about wages must include the wage floor and required annual wage increase for each year up to and including 2026.

7.2 Licensees Payments to Staff

Licensees must include workforce compensation payments in each pay cheque or payment made. Workforce Compensation may not be paid at the end of the year as a lump sum payment.

7.3 Alignment with Collective Agreements

Licensees may be subject to the terms of a collective agreement. Licensees should seek independent legal advice on implementing the wage floor and annual wage increase.

7.4 Programs Serving Children Aged 6-12 Years

The provincial government is contributing funding as part of the Workforce Compensation allocation to be used for compensation for staff in licensed child care programs serving children aged 6 to 12 years who are currently ineligible to apply to participate in the CWELCC System; this initiative is designed to ensure equity of wages across staff serving different age groups and to avoid increases being passed on to parents through higher fees.

Licensees with programs only serving children aged 6-12 years that apply to the CMSM for Workforce Compensation funding are not eligible to participate in the CWELCC System.

7.5 Wage Floor

Licensees are required to bring the wage of all eligible staff up to the wage floor identified in the table set out in the Ministry Addendum, plus benefits. All eligible staff hired during the identified

years must earn at least the wage floor identified for that year, plus benefits as defined in the Ministry Addendum.

The wage floor will come into effect April 1, 2022. For all following years, the wage floor will come into effect on January 1 of each year.

7.5.1 Timeline

Licensees will be permitted to continue to pay eligible staff below the wage floor for 31 calendar days after the CMSM notifies them that they are participating in the CWELCC System.

On the 32nd day after the Licensee is notified by the CMSM of their participation date, the Licensee is required to pay eligible staff at least the wage floor. Licensees will then be given one additional month to provide staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date of their confirmed participation date.

7.5.2 Programs Serving Children Aged 0-6 Eligibility

To be eligible to have their wage raised to the wage floor, staff must be:

(1) employed by a Licensee that is participating in the CWELCC System and be in a position categorized as:

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

(2) receiving wage enhancement funding; and

(3) their hourly wage (including wage enhancement funding) must be below the wage floor. Benefits should not be included when determining the hourly wage i.e. benefits are in addition to the hourly wages.

Licensees with programs serving children who are noted eligible (i.e., aged 6-12) may apply separately to the CMSM for workforce compensation funding.

7.6 Annual Wage Increase

Licensees are required to increase the hourly wage of eligible staff by \$1.00 per hour plus benefits, on January 1st of each year from 2023 to 2026, inclusive, up to the \$25 per hour minimum wage that RECE's can earn under the CWELCC System.

7.6.1 Staff Eligibility

To be eligible for an annual wage increase, staff must be:

(1) employed by a Licensee that is participating in the CWELCC System and be in a position categorized as:

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

(2) receiving wage enhancement funding; and

- (3) 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.

Staff earning at or above \$25 per hour are not eligible for the annual \$1 per hour increase. Staff making \$24.00 to \$24.99 per hour are to have their wages increased to \$25 per hour.

7.7 Benefits Funding and Flexibility

Workforce Compensation funding includes up to 17.5% in benefits. Benefits of up to 17.5% must support Licensees in meeting their statutory benefit requirements.

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

The CMSM is required to develop a method to allocate the wage floor and annual wage increase funding to include up to 17.5% in benefits. This method is set out in section 5 of this document. Any residual benefits funding can be used to support funding flexibility for eligible expenses, as set out in the Ministry Addendum.

7.8 Process for Determining Workforce Compensation Allocation for Initial Phase

STEP	WHAT WILL BE DONE AT THIS STEP	METHOD OF INFORMATION GATHERING/SHARING
Step 1: CMSM to ask consent to use existing WEG data	The CMSM will be using existing WEG applications for 2021 and 2022 to identify initial eligibility for rebates, annual increases and minimum wage offset	Application form Existing workbooks for 2021 and 2022 WEG
Step 2: CMSM reviews existing applications to provide additional requirements of potential operators. (Min wage offset and wage floor)	In 2022, CMSM will review the WEG applications to identify operators with staff who meet the requirements of wage floor and min, wage offset. This information will be added to the workforce compensation workbook.	Application form Existing workbooks for 2021 and 2022 WEG
Step 3: CMSM to identify attestations (Minimum Wage Enhancement only)	CMSM will provide to operators who were paying staff below \$15/hour in 2021 an attestation to confirm: <ul style="list-style-type: none"> The same staff employed in 2021, paid less than \$15 continue to be employed as of April 1, 2022 	Year End Attestation and Reconciliation Form

	<ul style="list-style-type: none"> • If they increased their fees in 2022, the reason for the increase. • If it was to address increased pressures unrelated to provincial minimum wage increase, they are determined to be eligible 	
Step 4: Licensee to Calculate Retroactive (Minimum Wage Offset and Wage floor)	<p>CMSM will input wages by role using WEG applications and estimated number of hours April 1- eligibility date. A retroactive payment will be made for:</p> <ul style="list-style-type: none"> • Wage floor increase to be paid to staff • Minimum Wage Enhancement to address licensee pressures <p>Operators must communicate to staff within: 7 days of opting in or opting out; or eligibility decision for wage floor recipients</p>	Workforce Compensation Workbook
Step 5: Ongoing payments	CCWELC payments are paid quarterly to operators for workforce compensation and minimum wage enhancement.	Workforce Compensation Workbook
Step 6: Yearend Attestation and reconciliation	<p>Attestation that:</p> <ul style="list-style-type: none"> • Staff remained employed – and dates of departures for minimum wage offset minimum wage enhancement • Communication to staff confirmation (date, form, example) <p>Reconciliation:</p> <ul style="list-style-type: none"> • Unspent funds due to staff attrition are returned to CMSM <p>Attestation includes:</p> <ul style="list-style-type: none"> - # of staff paid at what rates in 2021 (min, wage) - 2022 WEG application with column for actuals paid (wage floor and WEG) 	Year End Attestation and Reconciliation Form. (TBD)

8.0 Minimum Wage Offset

8.1 Eligibility Requirements

Licensees must apply for the Wage Enhancement Grant and qualify for the CWELCC to be eligible to receive the Minimum Wage Offset funding and associated Mandatory Benefit increases through the CWELCC. The Minimum wage offset is specific to offset costs for those licensees who were required by law to increase wages because of the mandatory increase.

To calculate a licensee's entitlement 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

The following staff positions are **ineligible** to calculate eligibility for Minimum Wage offset funding for licensees

- Cook, custodial and other non-program staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.
- Staff hired through a third party (i.e., temp agency).

The only exception to the first two positions noted above is if the staff is a non-RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in the CCEYA in which case the staff would be eligible for the minimum wage offset for the hours that they are supporting the ratio requirements.

The Minimum Wage offset is only eligible to staff who were working as of March 31, 2021 at less than \$15

Staff hired after December 31, 2021, are not included in determining eligibility for minimum wage offset funding. Additionally, licensees who increased parent fees to offset pressures created from minimum wage increases are not eligible for minimum wage offset funding

The funding provided for minimum wage offset will be paid retroactive to the start date of your organization's participation in the CWELCC system (April 1, 2022 for most organizations) and will be paid annually as part of their CWELCC annual allocation to licensees to offset the costs of the increase for the life of the duration of the CWELCC agreement until 2026, dependent on all other criteria being met and available funds.

In summary, licensees who meet all the following criteria will be eligible for minimum wage offset funding:

- Were paying eligible staff less than \$15/hr in 2021;
- Did not implement a fee increase;
- If an increase was made, it was not done so to specifically address the pressures created from the minimum wage increase;
- the same staff individuals paid below \$15/hr in 2021, continue to be employed as of April 1, 2022.

8.2 Process for Determining Minimum Wage offset for Initial Phase

The CMSM acknowledges that 2022 is a transitional year in which systems have been established to determine eligibility for other forms of funding that support wages. To reduce administrative burden to licensee's submissions for Wage Enhancement Grant will be used to determine allocations for during this 2022 transitional year.

Ongoing implementation of Minimum Wage offset as part of CWELCC participation will be integrated into Wage Enhancement Grant processes for 2023 and moving forward

STEP	WHAT WILL BE DONE AT THIS STEP	METHOD OF INFORMATION GATHERING/SHARING
Step 1: CMSM review of 2021 WEG application	Operators advised CMSM will be using existing WEG applications for 2021 to identify initial eligibility for minimum wage offset	Application form Existing workbooks for 2021 and 2022 WEG
Step 2: CMSM reviews existing applications to provide additional requirements of potential operators.	CMSM will review the WEG applications to identify operators with staff who meet potentially meet the requirements of minimum wage offset. This information will be added to the workforce compensation workbook.	Application form Existing workbooks for 2021 WEG
Step 3: CMSM to identify attestations	CMSM will provide to operators who were paying staff below in 2021 the \$15 their 2021 WEG application and an Eligibility for Minimum Wage Offset Attestation to verify if: <ul style="list-style-type: none"> • The same staff member from 2021 WEG application being paid less than \$15/hr continues to be employed effective April 1, 2022 • If the operator increased their parent fees in 2022, the reason for the increase. • If the parent fee increase was to address increased pressures unrelated to provincial minimum wage increase or associated benefit increases, 	Eligibility for Minimum Wage Offset attestation form
Step 4: Licensee to Calculate Retroactive	CMSM will input wages by role using 2021 WEG applications and estimate number of hours April 1 -date of fee reduction.	Workforce Compensation Workbook

	A retroactive payment will be made for: <ul style="list-style-type: none"> • Minimum Wage offset will be paid to address licensee pressures 	
Step 5: Ongoing payments	CWELCC payments are paid monthly to operators for minimum wage offset	Workforce Compensation Workbook
Step 6: Yearend Attestation and reconciliation	Attestation that: <ul style="list-style-type: none"> • Staff remained employed during the period of ongoing minimum wage offset was paid ongoing. Reconciliation: <ul style="list-style-type: none"> • Unspent funds due to staff attrition are returned to CMSM Attestation includes: # of staff paid at what rates in 2021 (min, wage)	Year End Attestation and Reconciliation Form

8.3 Reporting Requirements for Minimum Wage offset

Licensees will be required to report on the following Data points using the **CWELCC Licensee Bi-Annual Reporting Workbook**

8.4 17.5% Mandatory Benefits

Additionally, organizations who qualify for the minimum wage offset or wage floor increases are also eligible for the mandatory 17.5% benefit increase to reduce the pressure created through the increase in paying staff the minimum wage offset.

The 17.5 % will be applied to eligible minimum wage offset payments or wage floor increases licensees are entitled to based on all other criteria outlined in section 7.5.

These payments will be made as a distinct allocation. Licensees are required to track and report on benefits issued associated with the minimum wage offset.

STEP	WHAT WILL BE DONE AT THIS STEP	METHOD OF INFORMATION GATHERING/SHARING
Step 1 Determination of all Workforce Compensation Allocations	Using the established processes for other workforce compensation allocations by staff member will be determined	WEG applications
Step 2:	Total eligible amounts will be used to add the applicable 17.5% to the CWELCC eligible workforce compensation	Allocation total summary

Step 3:	Allocations will be made as a distinct line for operators	
Step 4: Report Bi-Annually	Licensees will be required to report on this funding as part of the Bi-Annual workbook	Bi-Annual CWELCC Licensee Reporting Workbook
Step 5: Reconciliation	Yearend reconciliation will be done as part of the ongoing reconciliation processes	

9.0 CWELCC Administration

9.1 Timing of Funding Allocations

Initial Phase of Implementation:

Given that 2022 is a transitional year, and the importance of providing funding allocations to eligible Licensees as soon as possible once the administrative processes associated with CWELCC enrollment are complete, the CMSM will provide funding allocations differently in 2022 than they may be administering in 2023.

In 2022, Fee Reduction and Workforce Compensation Funding allocations will be provided to eligible Licensees on a monthly basis. The Funding Allocations will be determined as follows:

- **Retroactive Fee Rebate Funding Allocation:** will be provided based on the Retroactive Fee Rebate calculation completed by the Licensee in the workbook provided by the CMSM. The Licensee will submit the workbook along with an invoice to request the amount of funding required to issue Retroactive Fee Rebates to eligible families;
- **Fee Reduction Funding Allocation:** will be provided in a 'notional' or estimated amount based on the Retroactive Fee Rebate information provided by the Licensee;
- **Workforce Compensation Funding:** will be provided based on the Workforce Compensation calculations completed by the Licensee/CMSM in the workbook provided by the CMSM

As set out in more detail below, a reconciliation of all CWELCC funding allocations provided in 2022 will take place early in 2023 to ensure that all CWELCC funding allocations provided align with actual expenditures.

Ongoing Implementation:

Beginning in 2023, Fee Reduction and Workforce Compensation Funding allocations will continue to be provided to eligible Licensees on a quarterly basis, in a notional amount to support the estimated eligible costs for the following quarter.

For example: a participating Licensee will receive a quarterly funding allocation in or around beginning of April to address the estimated eligible costs for the entire quarter (April-June).

Beginning in 2023, Fee Reduction and Workforce Compensation Funding allocations will be determined as follows:

- **Fee Reduction:** will be provided based on the Parent Fee Reduction Workbook completed by the Licensee in the workbook provided by the CMSM.
- **Workforce Compensation Funding:** will be provided based on the Wage Workbook completed by the Licensee in the workbook provided by the CMSM.

As set out in more detail below, continued in 2023, a reconciliation of all CWELCC funding allocations provided in a year will take place early in the following year, to ensure that all CWELCC funding allocations provided align with actual expenditures.

9.2 Reconciliation of Funding Allocations

Initial Phase of Implementation:

In January of 2023, the Licensee will submit an Annual Report to the CMSM for 2022. That Report, along with the monthly reports provided by the Licensee for 2022, will allow the CMSM to determine if a reconciliation of funding is required.

If a reconciliation is required, additional funding will be provided to, or collected from, the Licensee so that the funding allocation reflects the Licensees actual expenditures. The reconciliation process will occur early in 2023 to make adjustments needed for 2022 funding allocations.

Ongoing Implementation:

Continued for 2023 and the years following, the Licensee will submit a Workforce Application to the CMSM for the year, early in the following year or late in 2022. The Workforce Application, along with the Bi-Annual Reports provided by the Licensee for the year, will support the annual wage increase, wage floor increase, minimum wage offset and wage enhancement grant and associated funding.

If a reconciliation is required, additional funding will be provided to or collected from the Licensee so that the funding allocation reflects the Licensees 'actuals'. The reconciliation process will occur early in a year to make adjustments needed for the prior year funding allocations.

9.3 Sales and Acquisitions of Child Care Businesses

The Regulations under the CCEYA set out requirements with respect to the sale of child care businesses.

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 Licensee would remain enrolled in the CWELCC System and must maintain the applicable fees set out in this document, the Oxford County CWELCC Implementation Guidelines and the Ministry Addendum.

If a Licensee sells substantially all of its assets and the purchaser obtains a new license to operate a child care centre or as a home child care agency, to continue operating the child care program, the purchaser must:

- Charge base fees in accordance with the Regulations under the CCEYA for newly issued licensees as described in the Ministry Addendum under 'Cap on Fees' (i.e., set parent fees at or below a regional maximum). Refer to the Regulations for further details;
- Apply to participate in the CWELCC System in accordance with the process set out by the CMSM or notify the CMSM and parents that they do not wish to participate.

10.0 Reporting

10.1 Approach

The CMSM is required to report detailed statistical and financial information to the Ministry of Education. Additionally, the CMSM is required to obtain detailed financial and statistical information from Licensees to monitor operations of child care and implementation of the CWELCC funding allocations (Fee Reduction funding and Workforce Compensation funding).

As set out in the Ministry Addendum, the CMSM is required to collect information from Licensees for accountability and compliance purposes, including but not limited to the following:

- Sufficient and detailed financial information.

Funding allocations will be flowed on a quarterly basis for the following quarter, to ensure that Licensees have funding available to them as early as possible

- Retroactive Rebate – actual amount will be flowed, based on Retroactive Rebate workbook summary tab submitted;
- Ongoing Fee Reduction – notional amount will be flowed, based on info from above; and
- Workforce Compensation – notional amount will be flowed based on WEG application. Beginning in 2023, a Workforce Compensation Funding Application will be distributed.

Reporting for both the Fee Reduction and Workforce Compensation will be collected bi-annually (broken down into monthly components) in July and January for the preceding six months.

A mid-year reconciliation will take place if the Licensee's funding allocation is higher or lower than actuals by more than 10%, and an end of year reconciliation will take place with all Licensees to adjust to actual eligible use of funding. Licensees are encouraged to contact the CMSM as soon as possible, if they determine that they are not receiving enough funding to implement their responsibilities and/or if they are accumulating a surplus of funding, so that funding can be reallocated in the community.

10.2 Bi-Annual Reporting

Licensees will be required to submit monthly reports to the CMSM. Generally, Bi-Annual reports will be due to the CMSM early in the month of July and January, pertaining to the preceding six months.

Through these reports, the CMSM will be able to assess and monitor how much funding is being utilized, how many children and staff are being supported, and other statistical and financial details and trends to confirm compliance with the CWELCC System.

Below is a summary of the Licensees' monthly CWELCC reporting requirements. From time to time, the CMSM may be required to add or modify statistical or financial reporting requirements or templates. The CMSM will provide the Licensee with information regarding new or modified reporting requirements as they arise. Likewise, the timing of reporting requirements may need adjusted and the CMSM will provide the Licensee with information regarding adjusted reporting timelines.

Category	Data Element	Frequency of Reporting	Timing of Reporting
Fee Reduction	Expenditures to support Fee Reduction By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Expenditures to support parent refunds	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of children served through Fee Reductions By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Average monthly number of children served through Fee Reductions • By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of licensed child care spaces supported with Fee Reductions • By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of child care centers and home providers supported with Fee Reduction funding	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of children in receipt of required fee refunds By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
Parental Contribution Reductions (Fee Subsidy)	Expenditures to support the reduction of parental contributions By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of children served through reduction of parental contributions By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)

Workforce Compensation	Number of RECE program staff, RECE supervisors and RECE home visitors supported with Wage Floor By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of RECE program staff, RECE supervisors and RECE home visitors supported with Wage Increase • By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Total expenditure on Wage Floor paid out to RECE program staff, RECE supervisors and RECE home visitors • By role category • By age group served	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Total expenditure on Wage Increase paid out to RECE program staff, RECE supervisors and RECE home visitors • By role category • By age group served	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Total expenditure on benefits paid out to RECE program staff, RECE supervisors and RECE home visitors • By role category • By age group served	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of child care centers or sites support with Wage Floor and/or Wage Increase • By age group	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)
	Number of non-RECE program staff, total number of non-RECE supervisors and total number of non-RECE home child care visitors supported by the minimum wage offset • By role category • By staff serving eligible and non eligible children	Bi-Annually *broken down monthly	July (for Jan-June) January (for July-December)

	<p>Total expenditure on the minimum wage offset paid out to Licensees for non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors</p> <ul style="list-style-type: none"> • By role category • By staff serving eligible and non eligible children 	<p>Bi-Annually *broken down monthly</p>	<p>July (for Jan-June) January (for July-December)</p>
	<p>Benefits paid out to Licensees for non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors</p> <ul style="list-style-type: none"> • By role category • By staff serving eligible and non-eligible children 	<p>Bi-Annually *broken down monthly</p>	<p>July (for Jan-June) January (for July-December)</p>

10.3 Annual Reporting

Licensees participating in the CWELCC System will be required to report on information on an annual basis, in two formats.

The first annual reporting requirement is the “Annual CWELCC Budget Submission”, which will take place in the Fall for the following year. Licensees will be required to submit their proposed Budget for the following year. Through this process, the Licensee will have the opportunity to identify whether there are increased costs associated with their ‘Actual Cost of Base Fee’. Reasonable funding increases will be provided, within the parameters of the Ministry Addendum and CWELCC funding requirements.

The second annual reporting requirement is the “CWELCC Licensee Annual Report”, which Licensees will be required to submit in January, reporting on the use of funds in the prior year. Annual reports will be due to the CMSM on the date communicated within the reporting template. Through this report, the CMSM will determine: whether the Licensee has utilized CWELCC funding for the appropriate purpose(s); if there is a recovery owed from the Licensee to the CMSM and/or if additional funds are owed to the Licensee; the number of children and staff support with the funding; and compliance with the CWELCC System.

The following is an overview of areas that will be assessed through the Annual Report:

- Funding Received (by funding type)
- Funding Administered (by funding type)
- Use of Funding (by funding type)
- Funding Remaining (by funding type)

- Financial Reserves
- Whether a Fee Increase occurred in the year

10.4 Records

With regards to record keeping pertaining to the CWELCC System, the Licensee must:

- Maintain complete financial and service records of accounts of expenditures related to the CWELCC System, for each site where CWELCC System funding is being provided, for at least 7 years;
- Cannot dispose of any records related to the services provided under the CWELCC System without prior consent of the CMSM, even when the Licensee is no longer operating;
- Must permit the CMSM to audit financial records related to the CWELCC System at any reasonable time;
- Must ensure its staff are available for consultation by the CMSM as required.
- Licensees that receive more than one program funding type must separately report the revenue and expenses for each program type and specifically for operations with the County of Oxford.

11.0 Auditing

The CMSM is required to conduct financial compliance audits with a random sample of Licensees participating in the CWELCC system on an annual basis, “to ensure compliance and accountability related to the requirements of the CWELCC System” (Ministry Addendum). The financial and compliance audits will begin in 2023.

11.1 Selection of Licensees for Audit

Each year, the CMSM will randomly select a subgroup of CWELCC-approved Licensees for auditing. The subgroup will be a representative sample of for-profit/non-profit and multi-site/single-site Licensees across the geographic region. The CMSM will notify licensees in the audit sample and will aim to provide Licensees with a minimum of four weeks’ notice, prior to the commencement of the audit process.

11.2 Purpose of Audit

The audit program will focus on compliance to ensure that the goals of the CWELCC System are being achieved, including reduced base fees being implemented consistently, and to ensure compliance with the Workforce Compensation requirements including increasing wages to support a mandated wage floor and annual wage increase. The scope of the audit may be updated from time to time as directed by the Ministry of Education and/or local priorities.

11.3 Documentation Required for Audit

To conduct the audit process, the CMSM will require that the Licensee submits the following documentation to the CMSM, for review by the CMSM:

- (1) Parent Handbook
- (2) Documentation supporting administration of Retroactive Fee Rebates

- (3) Documentation supporting historical and ongoing administration of Fee Reduction Funding
- (4) Documentation supporting historical and ongoing administration of Workforce Compensation Funding

Additional documentation may be requested by the CMSM throughout the audit process, if determined as necessary by the CMSM.

11.4 Factors to be Assessed in Audit

During the audit process, the CMSM will assess the following factors to determine if the Licensee has demonstrated compliance and accountability related to the requirements of the CWELCC System:

- CWELCC Eligibility Requirements:
 - Financial Viability
 - No Improper Use of Funding
 - License
 - Service Agreement
 - Maintenance of Rates
 - Annual Licensed Child Care Operators Survey Participation
- Alignment of documentation with agreement to support administration of Retroactive Fee Rebates
- Alignment of documentation with agreement to support historical and ongoing administration of Fee Reduction Funding
- Alignment of documentation with agreement to support historical and ongoing administration of Workforce Compensation Funding

11.5 Outcome of Audit

Once the audit process is complete, the CMSM will provide a communication to the Licensee to advise them of the outcome.

If the documentation provided by the Licensee satisfies the audit process, the Licensee will be advised that they have passed the audit and that the process is complete.

If the documentation provided by the Licensee does not satisfy the audit process and the process determines that funding was not used as intended or where the Licensee did not meet the terms and conditions set out in the Oxford County CWELCC Agreement, the CMSM may recover funding and the Licensee may be deemed ineligible to receive future funding.

12.0 Administrative Policy and Procedure Amendment Process

This administrative policy and procedure will be reviewed by the CMSM on no less than an annual basis. The administrative policy and procedure will be amended when changes are made to the CWELCC system by the Province of Ontario. Any changes will be communicated to licensees as soon as possible.