



# City of Hamilton Canada-wide Early Learning and Child Care Guidelines

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## Canada-wide Early Learning and Child Care (CWELCC) Overview

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

Ontario's Ministry of Education's goals under the CWELCC agreement are in alignment to the [priorities for the Early Years System in Hamilton](#) — affordability, accessibility, inclusion and quality.

The Ministry of Education and City of Hamilton's CWELCC goals align by focusing on:

1. **Quality:** ensuring the delivery of high-quality child care, as defined in the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).
2. **Child and family-focused:** increasing affordability for parents/guardians.
3. **Protection of child care spaces:** protection of for-profit and not-for-profit child care spaces in the province.
4. **Efficient administration:** accomplished through an efficient administrative plan, collecting necessary information from licensees to support a timely enrolment and implementation of the CWELCC plan.

The CWELCC plan is designed to provide high-quality, affordable, accessible and inclusive licensed child care programs to support Ontario's children, families, employers, early years professionals and the child care sector. The CWELCC agreement will provide funding to reduce child care fees for families with children 0 to 6 years of age to an average of \$12/day by March 2026.

## CWELCC Requirements

Licensees must have a signed CWELCC funding agreement with the City of Hamilton and meet the requirements outlined in the agreement and this document for CWELCC participation and funding.

## Record of Attendance

Licensees are to report attendance in [Ontario Child Care Management System \(OCCMS\)](#) database monthly through a Record of Attendance. Monthly attendance data will be reviewed and monitored by the City of Hamilton. Child Care licensees may be contacted if staff have questions about their reported data, or if a potential error is identified. This will ensure data quality is maintained.

The Record of Attendance is a mechanism for licensees to report on full fee-paying children and full fee spaces that are occupied by CWELCC participating children. It is completed with the Fee Subsidy Record of Attendance (if applicable) and Operating Capacity reporting. Reporting is based on the previous months attendance and is due by the 5<sup>th</sup> working day of each month.

The City of Hamilton is in the process of developing and finalizing a guide to further assist with this reporting and will communicate to the licensees as soon as its finalized.

## Reporting Alternate and Operating Capacity

All licensees participating in CWELCC must maintain pre-existing (March 27, 2022) licensed spaces for infant, toddler and preschool age groups (e.g. a licensed infant space must remain an infant space).

A request for any revisions to operating capacity or use of alternate capacity must be approved by the City of Hamilton prior to implementing a change. Requests are to be submitted via our online [Child Care Document Submission](#), using the [Operating Change Capacity Form](#).

## Long Term Vacancies

The City of Hamilton will monitor vacancy rates that are three months or longer in operating and licensed capacity for programs participating in CWELCC. The City of Hamilton will work with licensees to develop a plan to fill these spaces to ensure they are accessible and inclusive to meet the needs of Hamilton's families.

A vacancy is defined as an unoccupied space that a licensee could enroll a child(ren) into. This means that you have enough staff to operate the space, but there is no child currently enrolled in the space.

Short term vacancies are transitional in nature, such as staggered start, waitlist, transition from a younger classroom, or partial spaces (vacancies that have a child enrolled less than full-time).

The City of Hamilton is in the process of developing and finalizing our long-term vacancy business process and will communicate to the licensees as soon as its finalized.

## Parent Handbooks - CWELCC

All CWELCC participating licensees must include the following in their parent handbooks:

- identify its CWELCC enrollment
- an inclusion statement
- a quality statement
- fee structure (base fees and non-base fees)
- the type of services offered and the age categories served
- the times the services are offered
- program closures (including holidays observed)

The licensee must follow the [Child Care Early Years Act, O. Reg. 137/15 S.45](#), in addition to the CWELCC specific requirements.

## Inclusion Statement

All licensees are required to have an inclusion statement within the parent handbook. As a resource for Hamilton's approach to inclusion, please refer to the [City of Hamilton's Access and Inclusion Framework](#).

One of the goals of CWELCC is for everyone to experience a real, lived sense of belonging that considers the needs and perspectives of diverse children and families when seeking appropriate and welcoming child care that reflects their unique needs.

## Quality Statement

High-quality child care programs that foster children's learning and development is a key component of establishing positive, responsive relationships with children and their families. All participating CWELCC child care programs are to participate in the [City of Hamilton's Early Years Quality Program](#).

The Hamilton Early Years Quality Program is a framework and process that guides continuous quality assurance for organizations providing early years programs through funding agreements with the City of Hamilton. The purpose of the program is to collectively make Hamilton the best place to raise a child and the best place to be a child, by cultivating high-quality early years programs and services where children, families and educators are viewed as capable and competent.

A System Priority Template must be completed by licensees to document their quality goals and achievements. The City of Hamilton's Early Years System has set a goal of strengthening equity, diversity, inclusion and belonging to bring our vision to life of having all children, families and members of the workforce experience a real, lived sense of belonging.

## Program Closures

During the term of the CWELCC funding agreement, programs may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year where parents are charged full fees. All closure dates must be clearly outlined in the parent handbook.

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

The City of Hamilton is in the process of developing and finalizing our program closure business process and will communicate to the licensees as soon as its finalized.

## Fee Subsidy

Families can [apply](#) for financial support for child care costs for children ages 0 to 12 years. Families must reside in Hamilton and confirm their status in Canada, have a reason for service and complete an income test by providing a copy of their income tax documents.

Effective January 2023, contributions to child care for families in receipt of fee subsidy will be calculated on a per child basis. In situations where the market cost of child care is less than the family's contribution, fee subsidy will end immediately, and the family will be redirected to the provider to pay the lesser amount. Where a family is eligible based on the monthly expense but not when assigned to individual children, the cost may be split between children to make the family eligible.

In the [Ontario Child Care Management System \(OCCMS\)](#) database, the municipal rate has been updated to reflect the current CWELCC market rates.

All licensees participating in the CWELCC system cannot limit the number of fee subsidy families in their program/s.

## Kindergarten Age

Full day fee subsidy is not available for children eligible for full day kindergarten.

Before and after and/or school break child care may be available depending on the family's reason for service.

## Therapeutic Referrals

If child care is required due to the special needs of a child, or if families are unable to care for their child due to illness, disability or high-risk family situation, then a [therapeutic referral](#) for child care may be required.

Therapeutic referrals for child care end when a child is eligible to attend full day kindergarten.

## Fee Subsidy Waitlist Policy

When the demand for fee subsidy is greater than the available funding, a waitlist for service will be implemented. Families that meet the "**Immediate Placement**" criteria are exempt from the waitlist.

Families will be removed from the waitlist on a first come, first served basis as funding becomes available. There is no impact to families that are receiving child care fee subsidy when a waitlist for service is implemented.

## Fee Subsidy Waitlist Exemptions

Applicants that are identified as “**Immediate Placement**” are exempt from the waitlist. Support service clerks are responsible for screening all incoming subsidy applications and determining if they are one of the following:

- **Immediate Placement – 16-25 years of age** – Applicants 16-25 years of age who are financially eligible. These applicants will display with bold lettering in the On-Line Application Form (OLAF) Search in the [Ontario Child Care Management System \(OCCMS\)](#).
- **Immediate Placement – Special Needs and Therapeutic** - Applicants who are financially eligible with a child who requires special needs resources and/or vulnerable families in high-risk situations.

Applicants with an approved therapeutic referral for one child will not be subject to a waitlist if they have additional children requiring service and the applicants have a valid reason for service (for example, they are working or in school).

## Directed Growth for New Child Care Spaces

In alignment with Ontario’s CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, the City of Hamilton has an approved target number of new child care spaces, which will be supported by CWELCC funding.

For more information, please refer to the [City of Hamilton’s Access and Inclusion Framework](#).

The City of Hamilton’s [CWELCC web page](#) will continuously be updated to reflect application opportunities for directed growth spaces through a Directed Growth Application process.

## Application Process

As a part of the community-based spaces allocated to the City of Hamilton by Ontario’s Ministry of Education as a part of the Canada-wide Early Learning and Child Care (CWELCC) plan, applications will need to be submitted for directed growth child care spaces.

The application and evaluation process will:

- align with the [City of Hamilton’s Access and Inclusion Framework \(PDF\)](#)
- support growth for new child care licensees
- expand child care spaces for existing licensees
- include opportunities to receive start up grants

## Start up Grants

For more information, about the application and start up grants, please refer to the [City of Hamilton’s Access and Inclusion Framework](#).

## Types of Funding

Funding will be provided to licensees to allow them to implement the requirements of CWELCC. The CWELCC funding components include:

- Base Fee Reduction
- Workforce Compensation
- Cost Escalation Funding
- Emerging issues Funding (new in 2024)

## Base Fee Reduction

All licensees participating in CWELCC must maintain pre-existing (March 27, 2022) fees for infant, toddler and preschool age groups. No changes can be made to base or non-base fees. Refer to [S.4.2.3 of 2024 CWELCC Guideline](#) on the cap on rates.

Fee reduction funding supports families by reducing base fees for eligible children ages 0-6 in participating licensed child care programs up to 52.75%, to a minimum of \$12 per day.

Fee Reduction Funding will be provided to:

- offset the 52.75% reduction of parent fees for licensed spaces for all CWELCC eligible children
- offset the 52.75% reduction of other mandatory base fees (ie. registration fees)

If the base fee is less than \$12 per day, a \$12 per day fee should be maintained.

A CWELCC “eligible child” is defined as,

- a) any child, until the last day of the month in which the child turns six years old, and
- b) up until June 30 in a calendar year, any child who,
  - i. turns six years old between January 1 and June 30 in that calendar year, and
  - ii. is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care

If additional clarification is required, please use the Canada-wide Early Learning and Child Care Child Eligibility Tool - Children Turning Six (6).

## Daily Parent Fees

To ensure licensees have sufficient cash flow, funding to compensate for the decrease in daily parent fees will be provided one month ahead of time. The funding calculation is determined by the number of operating spaces and the full-time frozen fee for each eligible age group before the Canada-wide Early Learning and Child Care (CWELCC) plan, as outlined below:

**2022 frozen full-time daily fee x 52.75% x operating capacity x operating days**

If licensees charge higher fees for part-time attendance and find that the monthly fee reduction funding doesn't cover the lost revenue, they can request a review for additional funding. This

can be done by completing and submitting the Supplementary Claim Form by the deadline specified on the "Funding Payment Schedule."

If a 4- or 5-year-old kindergarten child is placed in a school-age space (e.g., a program operating with a 1:15 ratio), following the 20% mixed age grouping, the CWELCC reduction must be applied. In such cases, licensees have the option to submit a completed Supplementary Claim Form by the deadline specified on the "Funding Payment Schedule" to request additional funding.

#### Other Mandatory Base Fees

Funding to compensate for reduced revenues, such as other Mandatory Base Fees (e.g., registration fees), will be provided based on claims. Licensees seeking funding to offset reduced revenues for these fees must submit a completed "Claim Form - Other Base Fees" by the deadline specified on the "Funding Payment Schedule."

#### Workforce Compensation

Workforce compensation funding aims to improve the recruitment and retention of Ontario's child care workforce by enhancing compensation for lower-wage earners. This includes increasing wages for registered early childhood educator (RECE) staff and offsetting minimum wage for non-RECE program staff.

Eligible staff positions include registered early childhood educators (RECEs), supervisors, and home child care visitor staff.

The funding is allocated as a specific amount and must only be distributed to eligible staff who meet the criteria. It should cover the incremental wage increase for eligible staff and mandatory benefit costs associated with the raise.

The City of Hamilton is currently finalizing the 2024 CWELCC Workforce Compensation Guidelines, which will outline staff eligibility criteria and the process for distributing compensation. Once finalized, this information will be communicated to licensees.

#### Wage Annual Increase

Funding is allocated to licensees to raise the hourly wage of eligible position by \$1 per hour, along with benefits, starting on January 1 of each year, compounded from the previous year, spanning from 2023 to 2026.

To qualify for the CWELCC annual wage increases, the staff must be a Registered Early Childhood Educator (RECE) working in an eligible position, currently be receiving the Wage Enhancement Grant (WEG), and their hourly wage, including WEG, must be below the cap of \$25 per hour as of December 31, 2023. It's important to note that benefits should not be factored in when determining the base wage.



### Wage Floor

Licensees must ensure the wage of all eligible staff meet the minimum wage floor specified for the given year, as outlined in the table below. Additionally, any new eligible staff hired throughout the year must be paid at least the wage floor for that year, along with the corresponding benefits.

	2022	2023	2024	2025	2026
<b>RECE Program Staff</b>	\$18	\$19	\$20	\$21	\$22
<b>RECE Child Care supervisors or RECE home child care visitors</b>	\$20	\$21	\$22	\$23	\$24

### Minimum Wage Offset

The minimum wage offset is provided to licensees to cover the cost of increasing the wages of eligible Non-RECE program staff due to minimum wage hikes (funding is not given directly to the staff).

Starting from October 1, 2023, according to minimum wage legislation, licensees must raise their staff wages to at least \$16.55 per hour. To assist eligible licensees with this increase, CMSMs/DSSABs are obligated to offer funding to cover the additional amount required to raise wages for eligible staff from \$15.00 to \$16.55 per hour.

The City of Hamilton is currently finalizing the 2024 CWELCC Workforce Compensation Guidelines. Once completed, these guidelines will outline staff eligibility criteria and the process for distributing compensation. Licensees will be promptly notified of any updates.

### Cost Escalation Funding

Funding to support cost escalation will be provided quarterly. It is offered to address operational (discretionary) cost increases beyond the control or discretion of the licensee. This funding can be used to cover salaries and wages, benefits, operations and accommodations.

Newly enrolled licenses are only eligible for cost escalation funding applicable to the portion of the year between the enrolment date and December 31, 2024.

The City of Hamilton is following the Ministry’s funding formula to calculate individual funding allocations for licensees.

### Emerging Issues Funding \*NEW in 2024\*

The purpose of the emerging issues funding is to support licensees in addressing fixed (non-discretionary) cost pressures. Licensees that demonstrate non-discretionary expenditures beyond their control/unbudgeted may request additional funding through an in-year application process.

Examples of eligible costs:

- Costs incurred for daily operations such as increases in wages per collective agreement provisions, accommodation cost increases (such as rent or mortgage payments due to higher interest rates)
- Non-recurring costs such as those incurred to repair or replace physical assets (such as kitchen appliances or HVAC equipment for centres), which are necessary to maintain regular operations
- Financing costs for loans that support non-recurring eligible costs and third-party mortgages. Eligible financing costs should be reasonable (for example, they align to the Canada Small Business Financing Program rates)
- Audit costs, as audited financial statements are contractual stipulations of the CWELCC service agreement

The City of Hamilton is in the process of developing and finalizing our emerging issues funding business process and will communicate to the licensees as soon as its finalized.

## Financial Review and Reconciliation Process

Licensees must comply with the City's reporting requirements and data requests related to the operations of child care for eligible children, mandated fee reduction as defined under [O. Reg. 137/15](#), and mandated wage increases for eligible staff. As part of the year-end financial review and reconciliation process, licensees must submit records and documentation to demonstrate compliance with CWELCC rules and regulations.

The City is working to align the reconciliation of CWELCC funding with other existing financial processes. Information will be shared once the process is finalized.

## Financial Viability

All licensees enrolling in CWELCC will need to demonstrate and maintain their financial viability to continue to receive funding.

Licensees are required to submit an annual budget for the current year and audited financial statements for the previous year. This information will be used to assess the viability of each child care program.

For information about funding agreements, funding opportunities and resources for operators, please visit [www.hamilton.ca/cwelcc](http://www.hamilton.ca/cwelcc).

## Audited Financial Statements

All licensees in receipt of CWELCC must submit audited financial statements with appropriate note disclosures to support the breakdown of CWELCC funding for the period January to December 2023 to verify the CWELCC funding provided was used for its intended purpose(s).

The annual deadline to submit the audit requirement is April 30, unless otherwise communicated.

## Compliance Audit

The City of Hamilton will conduct audits on a random sample of all CWELCC participating licensees annually to confirm funding has been used for its intended purposes.

The audit will focus on compliance to ensure that the goals of CWELCC are being achieved, including reduced base fees and workforce compensation.

City of Hamilton staff will notify licensees of upcoming audits and items required for the review.

If the City determines that funding was not used as intended or where the licensee did not meet the terms and conditions set out in the CWELCC funding agreement, funding may be recovered, and licensees may be deemed ineligible to receive future funding.

## Changes in Child Care Site Ownership

If a licensee, which is a corporation, transfers enough shares to enable the purchaser to change the corporation's board of directors, the licensee will stay enrolled in CWELCC and must continue to pay the required base fee.

However, if a licensee sells almost all of its assets and the buyer obtains a new license to operate a child care center or home child care agency, the licensee will no longer be enrolled in CWELCC. Instead, they will be considered a completely new licensee.

## Appeals Process

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

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

## Glossary of Terms

“**Base fees**” are defined as any fee that is charged with respect to a child for child care, including anything a licensee is required to provide under the [Child Care and Early Years Act](#) (CCEYA) or anything a licensee requires the parent to purchase from the licensee but does not include a non-base fee.

“**Non-base fee**” is defined as any fee charged for optional items or services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent and the licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide for their child), as defined in the [Child Care and Early Years Act](#).

“**CWELCC**” stands for the Canada-wide Early Learning and Child Care plan, which encompasses early years and child care initiatives that are funded through an agreement made between the Province of Ontario and Government of Canada.

“**Directed Growth**” refers to Ontario’s plan to target child care space growth to areas of high need. In alignment with the Province’s CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, CMSMs/DSSABs have an approved target number of new spaces to create, supported by CWELCC funds.

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

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

“**Licensed Capacity**” - **centre based** refers to the maximum number of children, including the number in each age category, permitted to be receiving child care in the child care centre at one time as set out in the licence of the child care centre.

“**Licensed Capacity**” – **home based** refers to the maximum number of children permitted to be receiving child care in the home at one time as set out in the agreement between the licensed home child care agency and home child care provider.

“**Living Wage**” – The current living wage for the City of Hamilton is \$20.80/hour (as of November 2023).

“**Short-Term Vacancies**” are defined as transitional in nature, such as staggered start, waitlist, transition from a younger classroom, or partial spaces (vacancies that have a child enrolled less than full-time).

**“Long-Term Vacancies”** can be defined as lasting longer than three months. It is an unoccupied space that a licensee could enroll a child(ren) into. This means that you have enough staff to operate the child care space, but there is no child currently enrolled in the space.