



2025 Niagara Region Children's Services

Child Care Funding Guidelines

Last updated: July 2025

TABLE OF CONTENTS

SECTION 2: DEFINITIONS	4
SECTION 3: INTRODUCTION.....	9
3A: COMMUNICATIONS	9
SECTION 4: LICENSEE OPERATIONAL REQUIREMENTS	9
4A: FRENCH LANGUAGE SERVICES	9
4B: INDIGENOUS SERVICES	ERROR! BOOKMARK NOT DEFINED.
4C: LICENSE IN GOOD STANDING	10
4D: DUTY TO REPORT	10
4E: REPORTING OF SERIOUS OCCURRENCES	10
4F: REPORTING REQUIREMENTS	11
4G: NIAGARA CHILD CARE REGISTRY	13
4H: PARENT/GUARDIAN HANDBOOK.....	14
4I: PARTICIPATION IN ACCOUNTABILITY PROCESSES	14
4J: SERVICE AGREEMENTS	15
4K: VACANCY RATES	15
4L: APPEAL PROCESS.....	15
SECTION 5: CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM	16
5A: OVERVIEW	16
5B: ELIGIBILITY	16
5C: DIRECTED GROWTH AND EXPANSION	17
5D: NON-PARTICIPANTS	17
5E: LICENSEE REQUIREMENTS	18
5F: COST-BASED FUNDING ALLOCATIONS	20
5G: ACTUAL COST-BASED FUNDING (RECONCILIATION)	21
5H: HOME CHILD CARE AGENCIES WITH ACTIVE HOMES IN MULTIPLE SERVICE AREAS	23
5I: ELIGIBLE COSTS.....	24
5J: ACCOUNTABILITY	31
5K: COST-BASED FUNDING TIMELINES	34
5L: EMERGENCY FUNDING.....	34
5M: WAGE SUPPORT FUNDING FOR STAFF WORKING WITH 0–5-YEAR-OLDS.....	35
SECTION 6: LOCAL PRIORITIES.....	36
6A: GENERAL STAFF WAGE SUPPORTS	36
6B: WAGE ENHANCEMENT GRANT (WEG)/ HOME CHILD CARE ENHANCEMENT GRANT (HCCEG)	39
6C: WORKFORCE COMPENSATION.....	45

NIAGARA CHILD CARE FUNDING GUIDELINES

6D: GENERAL OPERATING GRANT	52
6E: SMALL WATER WORKS.....	56
6F: PAY EQUITY MEMORANDUM OF SETTLEMENT.....	57
6G: FEE SUBSIDY.....	58
SECTION 7: SPECIAL NEEDS RESOURCING	60
7A: SHORT-TERM SPECIALIZED FUNDING.....	61
APPENDIX A: CONTRACTUAL REPORTING REQUIREMENTS TO CHILDREN'S SERVICES	57
APPENDIX B: PROGRESSIVE LIMITATIONS	59
APPENDIX C: EXAMPLE OF ELIGIBLE COST: A NEW REFRIGERATOR	66

SECTION 2: DEFINITIONS

Active Home: a home child care premises, overseen by an eligible agency, at which child care is currently being provided to at least one CWELCC-eligible child or that plans to accept at least one CWELCC-eligible child during the calendar year.

Active Home Seat: a child care space in an active home, in which an CWELCC-eligible child is enrolled or could be enrolled immediately (without the need for additional, essential steps to accommodate that child) at any given point on a particular service day, and in respect of which the home or agency charges a base fee for enrolled children.

Annual Wage Increase: annual wage increases for eligible positions earning (including base wage, general operating funding and Wage Enhancement Grant) less than the wage eligibility ceiling for that year. The annual wage increase is up to \$1 per hour plus 17.5% in benefits (applied only to the wage increase amount), compounded year-over-year, up to the wage eligibility ceiling for the calendar year.

Base Fees: any fee or part thereof that is charged in respect of a CWELCC-eligible child for child care, including anything a licensee is required to provide under the [Child Care and Early Years Act, 2014](#) and its regulations, or anything a licensee requires the parent/guardian to purchase from the licensee, but does not include a non-base fee.

Base Wage: the hourly rate paid to a child care centre staff, including any employer-based wage improvements such as obligations from collective agreements and minimum wage increases.

Benchmark(s): the standardized cost metric(s) used in the calculation of cost-based funding and published by the Ontario Ministry of Education in Schedule A for the calendar year.

Benefits: expenditures covering benefits for both RECE and non-RECE staff, including Employer contributions for pension (including Canada Pension Plan [CPP]), employment insurance, workers' compensation (Workplace Safety and Insurance Board [WSIB] Insurance), employee benefit plans, and other legal requirements of the employer.

Calendar Year: the period from January 1 to December 31. For clarity, if a particular year is specified in this guideline (such as "2025"), it refers to the respective calendar year.

Cost-Based Funding: a funding model that provides child care licensees with funding based on the actual costs of providing child care. This model replaced the previous revenue-replacement model, which was based on what a child care center charged in child care fees. Cost-based funding is based on benchmarks that represent the typical costs of

NIAGARA CHILD CARE FUNDING GUIDELINES

providing child care, plus additional top-ups to reflect individual program variability. Cost-based Funding covers costs associated with CWELCC-eligible children.

Canada-wide Early Learning and Child Care System (CWELCC): the Canada-wide Early Learning and Child Care System for early years and child care. Funding provided to support CWELCC is established through an agreement entered into by the Province of Ontario and the Government of Canada. The CWELCC system applies to CWELCC-eligible children, aged 0-5 years.

CWELCC-Eligible Centre/Agency: a child care centre/home child care agency that is:

- a) enrolled in CWELCC; and,
- b) eligible for funding under CWELCC

CWELCC-Eligible Child: as defined by the [Child Care and Early Years Act, 2014](#)

- 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.

CWELCC Licensed Space: for the purposes of calculating cost-based funding, a child care space in an eligible centre, in which, pursuant to the centre's license, the centre is authorized to enroll a child (not required to be an "operating space") and charges a base fee for enrolled children.

Eligible Costs: for the purpose of determining CWELCC cost-based funding, costs incurred in respect of a CWELCC eligible centre/agency in the calendar year, for the purpose of providing licensed child care for CWELCC-eligible children, and which are:

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

Enrolment Date: the date when a CWELCC service agreement between the Niagara Region and a licensee takes effect.

Existing Centre/Agency: an eligible centre/agency that is not a new centre/agency.

NIAGARA CHILD CARE FUNDING GUIDELINES

Expansion/ Directed Growth Plan: the Region's plan to target child care space growth to areas of high need. The expansion plan aligns with the Province's CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers. Niagara Region has a provincially approved target number of new spaces to create each year and is supported by CWELCC funds.

Financial Viability: licensees' ability to cover expenses and fulfill debt payments while allowing funds for investment in the future.

Full Time Equivalent (FTE): a unit of measurement used to standardize the headcount of staff employed in a child care centre. A full time equivalent in Niagara Region is based on 1820 work hours per year (35 hours per week x 52 weeks). A full-time staff working 35 hours per week is an FTE of 1.0. A staff working 20 hours per week is 0.57 FTE (20 hours per week x 52 weeks) $1040/1820$.

General Operating Grant (GOG): funding to support wages and operating expenses for programs serving children aged 6 to 12 at CWELCC-enrolled centres or Participants of CWELCC serving ages 0-5 will see General Operating Expense in their funding allocation.

Home Child Care Agencies: an agency licensed by the Ministry of Education, under the [Child Care and Early Years Act, 2014](#), and that contracts with individual providers to offer in-home child care services.

Home Child Care Provider: an individual who is contracted with a Home Child Care Agency and oversees the children in a premise where home child care is provided.

Home Child Care Visitor: a professional who works for a licensed agency to monitor and support home child care providers.

Licensee: the individual, corporation or First Nation who holds a licence issued under the [Child Care and Early Years Act, 2014](#)

Licensed Capacity: for a licensed child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care at one time as set out in the license of the child care centre; or for licensed home child care, 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.

Licensed Home Child Care (LHCC): a child care service for 0–12-year-olds, provided in a private home by a Home Child Care Provider, who is contracted with a Home Child Care Agency.

NIAGARA CHILD CARE FUNDING GUIDELINES

Licensed Space: for a licensed child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care at one time as set out in the licence of the child care centre; or for licensed home child care, 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.

New Centre/Agency: an eligible centre/agency in their first calendar year enrolled in CWELCC (cannot be a legacy centre/agency).

Non-Base Fee: any fees charged for optional items or services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent/guardian and the licensee in respect of circumstances where the parent/guardian fails to meet the terms of the agreement (for example, fees for picking up a child late, fees to obtain items that the parent/guardian agreed to, but failed to provide for their child), as defined in the [Child Care and Early Years Act, 2014](#)

Notional Allocation: the amount of cost-based funding received before crystalizing to final (“actual”) amounts (that is, amounts retained by the licensee) after all eligible costs have been incurred, at the end of the calendar year.

Operating Capacity: the number of spaces a licensed child care centre/home child care is planning to serve as per the centre/agency’s staffing complement and budget, to a maximum ceiling of the licensed capacity.

Operating Space: a child care space in an eligible centre, in which an CWELCC-eligible child is enrolled or could be enrolled immediately (without the need for additional, essential steps to accommodate that child, such as hiring additional staff to meet regulatory requirements) at any given point on a particular service day, and in respect of which the centre charges a base fee for enrolled children. Alternate capacity is considered for the purpose of counting operating spaces.

Operator Management System (OMS): the reporting system utilized by all Niagara Region contracted service providers to provide expense and revenue information and other data requested by Niagara Region. A contract and data management system for the child care sector to provide financial and statistical data as well as two-way documentation upload portal.

Registered Early Childhood Educator (RECE): a trained professional who plans and delivers care and learning programs for children from infancy to age 12. RECEs are members of the College of Early Childhood Educators

NIAGARA CHILD CARE FUNDING GUIDELINES

Non-Registered Early Childhood Educator (Non-RECE): someone who is not a registered early childhood educator (RECE) but is working as an educator or child care worker in an early learning or child care setting.

Salary Survey: the annual collection of child care workforce data, including full-time equivalent staffing numbers, salaries, and hours worked.

Service Day: a 24-hour period that begins in the calendar year, starting at the time the eligible centre or active home normally first begins to accept children into care or the end of the previous 24-hour period, during which the licensee is enrolled in CWELCC in respect of the eligible centre/agency and charges a base fee per the parent/guardian handbook, even if the centre or home is not open (for example, on a statutory holiday). For clarity, the number of service days in a calendar year cannot exceed the number of calendar days in the calendar year.

Service Hours: the typical number of hours of service provided by the centre for each eligible age group for the calendar year.

The Region or Niagara Region: The Regional Municipality of Niagara, the service system manager for Niagara Region

Vacancy Rate: the number of operating spaces or active home seats, in which no child is enrolled, divided by the total number of operating spaces or active home seats in the eligible centre/agency.

Wage Eligibility Ceiling: the maximum wage that can be reached using WEG/HCCCEG or Workforce Compensation funding for that year. For clarity, a wage eligibility ceiling is not a wage cap, and licensees can choose to increase eligible staff wages above the ceiling using other sources of funding beyond Wage Enhancement Grant (WEG)/ Home Child Care Enhancement Grant (HCCCEG) or workforce compensation.

Wage Enhancement Grant (WEG)/ Home Child Care Enhancement Grant (HCCCEG): a provincial wage subsidy grant for licensed child care centre staff and licensed home child care home visitors.

Wage Floor: The minimum hourly wage, including base wage, Wage Enhancement Grant, General Operating Grant, and annual increase, required to be met for eligible RECE staff. Wage floor funding is a part of the provincial workforce compensation strategy.

Workforce Compensation: funds utilized to support increased wages and benefits for eligible RECE and non-RECE staff. Includes annual increase and wage floor funding for eligible RECEs and funding for Licensees for minimum wage offset for eligible non-RECEs.

SECTION 3: INTRODUCTION

The *2025 Niagara Region Children's Services Funding Guidelines* provide information on the funding parameters, general principles, and related program requirements that apply to licensees who receive funding from Niagara Region Children's Services. It sets out the standards that licensees are expected to follow in their service planning and operations. By establishing consistent requirements for licensees, the funding guideline promote a coordinated effort to deliver high-quality, consistent, and responsive child care services across the Niagara Region. Nothing in these guidelines detracts from the licensee's obligations under the [Ontario Ministry of Education Child Care and Early Years Funding Guidelines](#) , or under the [Child Care and Early Years Act, 2014](#), its regulations, or any other applicable legislation and, in the event of a conflict, legislative requirements will prevail.

3A: COMMUNICATIONS

Niagara Region will continue to support open communication with licensees regarding changes through:

- Sector-wide Information Sessions
- Question and Answer Sessions and Question and Answer Documents
- Sector-wide Memos
- Guidebooks

Licensees are encouraged to monitor communications from Niagara Region and seek support from their Reporting Analyst. Communications may be delivered through email from Children's Services administration or your Reporting Analyst or uploaded to the Operator Management System (OMS).

Further information regarding funding changes and CWELCC implementation can be found on Niagara Region's website at [Canada-Wide Early Learning and Child Care System - Niagara Region, Ontario](#).

SECTION 4: LICENSEE OPERATIONAL REQUIREMENTS

4A: FRENCH LANGUAGE SERVICES

Licensees serving areas designated under the French Language Services Act, 1990 (FLSA) are required to meet the specific requirements outlined in the Act. The French Language Services Act identifies designated areas across the province where services must be offered in French. Niagara Region has two French Language designated areas: City of Welland and City of Port Colborne. Niagara Region Children's Services will strive to partner with organizations in planning and the provision of licensed child care programs,

NIAGARA CHILD CARE FUNDING GUIDELINES

early years programs and support services to children with special needs in French. Every effort will be made to partner with organizations most capable of providing services by taking into consideration criteria such as, but not limited to, agency expertise, linguistic capacity, administrative ability, and knowledge of client needs.

To learn more about French Language licensed child care in Niagara Region and our policies and practices please refer to Niagara Region Children's Services French Language Services Policy at [Service Provider Policies - Niagara Region, Ontario](#).

4B: LICENSE IN GOOD STANDING

All centres and agencies must be licensed under the [Child Care and Early Years Act, 2014](#) (CCEYA).

Licensees must maintain their license to operate in good standing in accordance with the CCEYA. Both regular and provisional licences are considered licences in good standing.

Niagara will stop funding a child care program that has its licence revoked or suspended and in accordance with the terms and conditions of the CWELCC service agreement.

4C: DUTY TO REPORT

Everyone, including members of the public and professionals who work closely with children, is required by law to report suspected cases of child abuse or neglect. Anyone with reasonable grounds to suspect that a child is or may need protection must report it to a children's aid society.

More information on the duty to report, what happens when a report is made and how to recognize signs of abuse and neglect can be found at: [Children's aid societies | ontario.ca](#)

4D: REPORTING OF SERIOUS OCCURRENCES

It is the responsibility of the licensee to complete serious occurrence notification through the Ministry of Education website (Child Care Licensing System, CCLS). Niagara Region is notified of all serious occurrences and may follow up with the licensee for additional information.

Unlicensed services (authorized recreation, non-instructional day camps):

When a child care program is funded by Niagara Region Children's Services and not licensed (and thus not required to complete the serious occurrence through the Ministry of Education website), they will submit notification about the serious occurrence to Niagara Region Children's Services within 24 hours of becoming aware of the serious occurrence.

NIAGARA CHILD CARE FUNDING GUIDELINES

The 24-hour window to report a serious occurrence begins as soon as the program supervisor or designate becomes aware of the incident.

Please notify the Region of any of the following:

1. Death of a child
2. Serious injury to a child that requires treatment by a regulated health professional (doctor, nurse, dentist, etc.) and/or a serious injury that involves the police, fire or ambulance/EMS/paramedics.
3. Allegation of abuse and/or neglect of a child.
4. Child is missing.
5. High potential for public criticism of the Region or Ministry of Education and/or if the situation may lead to questions being asked by the media.

Response: Children's Services:

A Children's Services Manager will determine intervention, and/or supports required to assist the licensee. Children's Services has the right to do any or all of the following:

1. Visit the program to determine any operational issues because of the serious occurrence.
2. Work with the Ministry of Education to address issues when the occurrence takes place in a licensed program.
3. Request support to the licensee from other agencies as deemed appropriate.
4. Request the licensee to develop a plan of action to mitigate the situation.
5. Withhold the placement of further children in the operation until compliance of the plan is satisfactory (licensed programs).
6. Determine continuance of funding.
7. Continuance of a service contract.

4E: REPORTING REQUIREMENTS

1. All licensees who receive funding from Children's Services are required to submit documentation to the Niagara Region Children's Services, including, but not limited to:
2. Monthly:
 - a. Quality Child Care Niagara (QCCN) monthly data
 - b. Fee subsidy attendance (refer to Niagara Region *Licensed Centre Based/Licensed Home Child Care Attendance – Monthly Invoice for Service* policy)

NIAGARA CHILD CARE FUNDING GUIDELINES

3. Quarterly (March, June, September, December)
 - a. Quarterly expenses and revenues
 - b. Quarterly operating capacity
4. Annually:
 - a. Annual budget
 - b. Salary Survey
 - c. Year-end Reconciliation Report and CWELCC Standardized Financial Report
 - d. [Appendix A-](#) Contractual Reporting Requirements to Children's Services
 - e. Audited financial statements.
 - f. An annual attestation, signed by an officer with appropriate signing authority (that is, director or equivalent), confirming that CWELCC funding has been used in accordance with its intended purpose.
5. As updated:
 - a. Proof of Insurance
 - b. Property leases
 - c. Board of director information
 - d. Notification of a Provisional /Tier 3 license
 - e. Requests to use an alternate capacity

All licensees will submit data as part of the quarterly expenses and revenues, annual budgets and salary surveys as fillable fields in the Operator Management System (OMS).

Unless otherwise notified, please keep all Excel documents in Excel format when uploading to OMS. All other documents can be uploaded in PDF format.

Niagara Region will notify licensees of submission deadline dates through memos, emails or the OMS calendar function.

Children's Services reporting analysts are available to assist licensees with the submission of their data.

Licenses who do not comply with reporting requirements within the expected timelines will be subject to the progressive limitations applied by Children's Services (see [Appendix B](#)). Failure to submit documents, data, or reports by the communicated deadlines may result in:

- withholding of funding
- suspension of placement of children in receipt of fee subsidy
- termination or suspension of contract

NIAGARA CHILD CARE FUNDING GUIDELINES

Should these actions be enforced, the licensee has the right to appeal the decision (as per the appeal decision process, outlined in the [Appeal Process](#)).

Licensed Child Care Operations Survey

Licensees must complete the Licensed Child Care Operations Survey, which may be amended from time to time, as required by the Ministry of Education, under O. Reg. 137/15.

If licensees fail to submit the required data by the compliance deadline, Niagara Region will withhold funding until the survey has been fully completed.

Licensees must submit their overdue survey information to both the Niagara Region and the Ministry of Education before funding can be reinstated.

4F: NIAGARA CHILD CARE REGISTRY

OneHSN – Niagara's Child Care Registry is a mandatory requirement for licensees. The application provides reporting capabilities allowing Niagara Region to accurately measure how many children require childcare within the community, as well as the specific types of childcare services required. The Registry supports operators with the administration of their waitlist and enrollment procedures.

All licensees, contracted with Niagara Region Children's Services must maintain an active status on the application website niagara.onehsn.com/Admin.

Licensees have their own individual username and password necessary to log into the administrative website. It is the responsibility of the licensee to maintain their provider details and program information sections of the application. They are required to keep this information current and to list all licensed programs for parents/guardians to register their children. Licensees should respond directly with the parents/guardians that register.

It is mandated that licensees must fill their vacancies with children who are on their registry list. Licensees must have a waitlist policy with a set of priorities for admission. Vacant spaces must be filled in accordance with their policy. Children who receive a space, must be indicated as such in the Registry. Once a child has left the program, the child's record in the Registry must be updated to reflect this. A waitlist report should be run and reviewed by the licensees on a regular basis to ensure the system has the most up to date information. Due to the number of children on the Registry, it is suggested licensees contact parents/guardians regularly who have been on their list for an extended period.

Licensees who do not continue with the required ongoing maintenance and support to the application, will be contacted by Children's Services to discuss the situation and offer

NIAGARA CHILD CARE FUNDING GUIDELINES

support to the licensee to ensure the website is providing accurate information to parents/guardians.

Continual support and training will be provided to enable the licensee to always maintain and offer this centralized online application site for all families requiring childcare.

For more details about OneHSN, please reach out to your reporting analyst, or visit [Niagara Region Children's Services | Child Care Waitlist](#).

4G: PARENT/GUARDIAN HANDBOOK

To support greater transparency for parents/guardians, the following information must be added to parent/guardian handbooks if it is not already included:

- Whether the licensee is participating in CWELCC or not
- Fee payment approach (for example, that licensees accept the following as payment: e-transfers, cheques)
- Fee payment schedule (for example, parents/guardians are to pay on a weekly, monthly, per “semester” or “term” basis)
- Circumstances in which refunds or credits will or will not be provided (for example, refunds of pre-paid fees will only be provided in the following circumstances, all tuition is non-refundable)
- Holidays observed
- Times services are offered
- Base fees and non-base fees (e.g. one-time mandatory fees)
- Waitlist policy and priorities for admission

4H: PARTICIPATION IN ACCOUNTABILITY PROCESSES

All licensees must cooperate with the Niagara Region and external auditors regarding compliance and accountability processes. This includes providing all necessary documentation related to funding, cost calculations, and service delivery.

Licensees are required to allow Niagara Region to audit licensee files at any time to determine compliance with the guidelines. Non-compliant licensees may be deemed ineligible to receive future funding.

Niagara's accountability measures, include:

- Annual and mid-year [reconciliation](#)
- Submission of annual audited financial statements
- [Cost Reviews](#), as applicable
- [Direct Engagement to Report on Compliance](#), as applicable

NIAGARA CHILD CARE FUNDING GUIDELINES

- Third-party audits, as applicable
- Verification of proof of purchase or services rendered via invoice, lease agreements, contacts and other records as deemed appropriate by Niagara Region

4I: SERVICE AGREEMENTS

Licensees are required to keep a copy of their service agreements, in electronic or hard copy format, on the child care premises, and available for Ministry of Education inspection.

4J: VACANCY RATES

Licensees are required to proactively manage vacancy rates to minimize unfilled spaces. Licensees should work together with the Niagara Region on addressing vacancies effectively to make the best use of available resources.

Further information about managing vacancies in Niagara Region will be distributed later.

4K: APPEAL PROCESS

Licensees have the right to appeal CWELCC eligibility and funding decisions made by the Niagara Region.

A formal appeal must be submitted in writing to the licensee's reporting analyst and must include: (a) the reason for the appeal and (b) evidence to support the appeal. The reporting analyst will notify the licensee if additional information is required.

The reporting analyst will forward the appeal to the Manager, Systems Planning and Evaluation. Children's Services will arrange an initial meeting with the licensee within 20 business days to ensure the concerns for the appeal are accurately understood and will notify the licensee if additional information is required.

If the licensee wishes to continue with the appeal following the meeting, the Children's Services staff will review the appeal within the context of provincial direction and regional policies and guidelines (and any additional information received or conveyed in the context of the initial meeting) and make a recommendation to the Director of Children's Services.

The Director, Children's Services, will review the recommendation and make the final decision regarding the appeal. The Director, Children's Services, may host a meeting with the licensee to review their appeal and gather additional information.

The Director and applicable staff from Children's Services will meet with the licensee within 45 days following the initial meeting completed with the reporting analyst and Manager,

Systems Planning and Evaluation, to communicate the decision and provide the decision in writing.

SECTION 5: CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

5A: OVERVIEW

This section provides guidance to licensees that participate in the Canada-wide Early Learning and Child Care (CWELCC) system. The guidelines that follow apply only to the provision of care for CWELCC-eligible children, (0-5 years old).

The CWELCC program aims to:

- Give families access to more affordable and high-quality child care options
- Lower child care fees for parents/guardians of children under the age of 6
- Increase child care spaces
- Support the child care workforce
- Support inclusive child care

Funding provided through CWELCC is specific to meeting CWELCC objectives. The objectives are:

1. **Support licensee participation** in the CWELCC program by providing appropriate funding to enable child care fee reductions prescribed in O. Reg 137/15 under the [Child Care and Early Years Act, 2014](#)
2. **Support wage enhancements** under Ontario's Child Care Workforce Strategy for eligible centres/agencies.
3. **Improve access** to high-quality and affordable child care by supporting growth spaces.

5B: ELIGIBILITY

To be eligible to participate in CWELCC in the Niagara Region, licensees must:

- Be located in the Regional Municipality of Niagara and be licensed under the [Child Care and Early Years Act, 2014](#)
- Provide home child care or centre-based programs serving CWELCC-eligible children (ages 0-5) in Niagara Region.
 - All licensees must maintain existing licensed child care spaces for children aged 0 to 5 (for example, a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to

NIAGARA CHILD CARE FUNDING GUIDELINES

Niagara Region and Niagara Region will determine whether this may result in a funding adjustment or recovery from the licensee.

- If not currently enrolled in the program, apply to CWELCC through the Targeted CWELCC Expansion Plan (Expansion Plan). Additional information regarding the Expansion Plan is included below.
- Align base fees in accordance with O. Reg. 137/15.

Selling or Transferring a Corporation

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 CWELCC and must maintain the applicable base fee.

If a licensee sells substantially all its assets and the purchaser obtains a new license to operate a child care centre or a home child care agency, they will no longer be enrolled in CWELCC and would be treated as a new licensee entirely and would have to apply through the Expansion plan to participate in CWELCC.

5C: Targeted CWELCC Expansion Plan

As part of the CWELCC objective to improve access to high-quality and affordable child care by supporting growth spaces, Niagara Region has been assigned to create 4,067 new childcare spaces from 2022 to 2026. Partnering with community service providers, Niagara Region has worked to identify priority neighborhoods for child care growth for children five years of age and under. For updates on annual targets for expansion, including application process, refer to [Canada-Wide Early Learning and Child Care System Expansion Plan - Niagara Region, Ontario](#).

5D: NON-PARTICIPANTS

Under the new cost-based funding approach, regional/provincial funding will **not** be used to support licensees not enrolled in CWELCC unless they are exclusively serving children aged 6 to 12. The one exception is that existing fee subsidy agreements may continue to be funded until the benefiting child ages out of the program or leaves the licensee.

Non-CWELCC enrolled licensees serving children aged 0 to 5 will not be supported by regional support programs such as special needs resourcing, OneHSN or quality/training programs or opportunities.

Withdrawing from CWELCC

If a licensee no longer wishes to continue to participate, they may withdraw from CWELCC and, subject to the terms and conditions of their service agreement with the Niagara Region and any applicable provisions in O. Reg. 137/15, terminate that agreement. Niagara Region will not impose any additional penalties on licensees for terminating their contracts. Licensees will be required to reconcile funding and return any funding, if applicable.

Licensees serving children ages 0-5, choosing not to participate in CWELCC and who will be operating outside of the CWELCC system must:

- Notify the Niagara Region, in writing, that they will withdrawing from CWELCC
- Continue to run their operations under the existing provincial licensing and regulatory framework.
- Indicate in their parent/guardian handbook that they are not participating in CWELCC and must include their fee amounts.

5E: LICENSEE REQUIREMENTS

Child Care Fees

Licensees participating in CWELCC are required to charge base fees in accordance with O. Reg. 137/15.

Effective January 1, 2025, along with implementation of the new, cost-based funding approach, base fees for child care in CWELCC-enrolled programs will be capped at a maximum of \$22 per day for CWELCC-eligible children.

The following rules will apply:

- CWELCC-enrolled programs charging more than \$22 per day for CWELCC-eligible children must reduce fees to \$22 per day;
- CWELCC-enrolled programs charging \$22 per day or less for CWELCC-eligible children must maintain current fees (as of December 31, 2024); and
- New programs enrolling in CWELCC in 2025 must set base fees in accordance with specific amounts set out in the regulation.

CWELCC-enrolled licensees must consider all mandatory fees charged to parents/guardians when calculating the overall base fee and in determining whether they are compliant with the cap of \$22 per day. This includes all costs parents/guardians are required to pay, such as registration fees and any other one-time or recurring fees.

NIAGARA CHILD CARE FUNDING GUIDELINES

The \$22 base fee applies even when programs organize their day into different options (for example, before care, core day, after care, extended hours) and charge different fees based on the options selected by the parent/guardian. The service being offered in all of these program options is licensed child care, and therefore, any associated fee is still considered a base fee. In considering before and after care fees, a licensee must sum all child care fees for a given day. For example, it would not be permitted for a licensee to charge a family \$12 for before care and \$12 for after care, as this would exceed the \$22 daily cap. Licensees may differentiate fees based on selected program options (e.g., core day only versus core day with after care), but the total fee charged per day for an eligible child must not exceed \$22, regardless of the length of time the child is in care. This applies even in cases where there is a significant difference in programming, such as between half-day care and overnight care.

In addition, any fee charged for a service or item that the regulation requires licensees to provide is also a base fee. For example, most licensees are required to provide meals under O. Reg. 137/15. While licensees may choose to charge a separate fee for meals, that fee must still be included in the calculation of the \$22 per day cap.

Fees that are not charged as part of a daily fee (such as one-time registration fees) may be spread (“amortized”) over the number of service days in the calendar year in which they are charged (aligned with cost-based funding) to determine the impact on the overall base fee. For example, a one-time fee of \$500 in a year with 250 service days would contribute \$2 towards the cap of \$22 per day. This will ensure that overall child care fees do not exceed the maximum daily fee limit set out in the regulation. For clarity, and to ensure equity, new centres/agencies may use the number of service days in a typical calendar year.

All fees, including one-time registration fees collected in 2025 will directly offset CWELCC cost-based funding allocations (i.e., registration fees are counted as part of the Base Fee Revenue Offset outlined below). Niagara Region will collect registration fee data at mid-year reconciliation, and centres who choose to charge registration fees will see a reduction in their cost-based funding, in the same amount. Given the administrative burden of registration fees and that it will be offset from CWELCC cost-based funding allocations, licensees may want to consider the removal of registration fees.

Closure Periods

If a licensee charges child care fees during a closure period, the licensed child care program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year.

NIAGARA CHILD CARE FUNDING GUIDELINES

This guidance also applies to statutory holidays. If a licensee charges fees to parents/guardians for a statutory holiday closure, the statutory holiday would count towards the closure limits.

This applies to all CWELCC-enrolled licensed centre-based and home child care providers during periods of closure. For greater clarity, when considering home-based child care, it applies to closures at the provider level where families are unable to access child care but are required to pay for the day.

For closures due to events outside a licensee's control (for example, a natural disaster/major weather event, pandemic, school board strike) the days of closure are not counted toward the closure limits.

If a program does not charge fees for the closure period, the days of closure do not need to be counted in the closure limits set out above. In accordance with O.Reg. 137/15, licensees must disclose in their parent/guardian handbook the times when the services are offered, and the holidays observed.

5F: COST-BASED FUNDING ALLOCATIONS

The Cost-Based Funding approach provides support for operating costs for licensees for the delivery of child care to CWELCC eligible children (children ages 0-5) and provides licensees funding based on eligible costs incurred in the calendar year, up to a maximum amount of funding determined by the Cost-Based Funding Formula.

For a detailed explanation of allocation calculations, licensees can review:

- The Ministry of Education CWELCC Cost-Based Funding Guideline, effective January 1, 2025 ([CWELCC Cost-Based Funding Guideline](#));
- Online webinars that provide a high-level walk-through of the new approach through representative case examples (<https://vimeo.com/user/224327029/folder/21786437>); and
- The online Cost-Based Funding Estimator ([CWELCC Funding Estimator Tool](#))

Additional implementation information and support provided by Niagara Region can be found on the [Niagara Region Website](#).

License-Level Allocations

Cost-based funding is calculated for each eligible centre/agency (that is, at the licence level), even if managed by the same licensee. Multi-site licensees will receive Cost-Based Funding Allocations, and need to track eligible costs, at the licence level. Niagara Region will then reconcile at year end for each eligible centre/agency.

Mixed Age Groupings

The Cost-Based Funding approach provides support through benchmarks that are based on the age-group of spaces, not the age of the enrolled children. There are no benchmarks for “ineligible age group” spaces (that is, primary/junior school age), even when CWELCC-eligible-children are placed into such spaces using mixed-age groups. In such situations, a Legacy Top-up may be calculated to cover “legacy cost structures” for legacy centre. For Legacy Top-ups (if applicable) CWELCC-eligible children enrolled in ineligible age group spaces are incorporated. Ineligible children may be in eligible spaces, but the funding is based on the actual costs incurred for CWELCC-eligible children and spaces.

If a space is occupied by both eligible (age 0 to 5, or who turns 6 before June 30th) and ineligible children (age 6 to 12), a reasonable methodology to split eligible costs (that is, those attributable to the provision of child care included in the base fee) from ineligible costs must be employed.

When reporting quarterly operating capacities in the Operator Management System (OMS), licensees must report operating capacity based on the age grouping of the program, not the actual age of the child.

5G: ACTUAL COST-BASED FUNDING (RECONCILIATION)

Funding Allocations vs Actual Funding- Reconciliation

The Niagara Region will provide advance payments to licensees (per relevant CWELCC service agreements). These payments will allow licensees to incur eligible costs to provide child care to CWELCC-eligible children during the calendar year. The payments will be reconciled at mid-year and year end based on actual eligible expenditures.

To ensure accountability over public funds, Cost-Based Funding Allocations set the **maximum** amounts that could be claimed in eligible costs in respect of licensees upon reconciliation. In other words, this cost-based approach sets the maximum budget that can be used by the licensees for providing child care. Actual funding will be reconciled based on actual expenditures.

Reconciliation

Twice a year (at mid-year and after the end of the calendar year) Niagara Region will complete a reconciliation process whereby eligible costs incurred will be evaluated and Niagara Region will compare the funding provided through licensee’s notional allocation (the estimated amount to cover eligible costs) to the Actual Cost-Based Funding (the actual amount spent on eligible costs) and recover overpayments. Reconciliation helps in cash management purposes and allows for the reallocation of funds to licensees as needed.

Reconciliation and overpayment calculations will consider:

1. **Actual Program Cost**, the lesser of:

- 1.2 the total sum of all eligible costs incurred for the licensee, and
- 1.2 the Program Cost Allocation for the licensee

The Actual Program Cost is a single amount (not considered line-by-line funding) that cannot be greater than the Program Cost Allocation.

2. **Actual Amount In Lieu of Profit/Surplus**

The **Actual** Amount in Lieu of Profit/Surplus cannot be greater than the **Allocation** in Lieu of Profit/Surplus. That is because the Actual Amount in Lieu of Profit/Surplus uses the Actual Program Cost, which cannot exceed the Program Cost Allocation.

3. **Actual Base Fee Revenue**, the greater of:

- 3.2 the Licensee base fee revenue related to CWELCC-eligible children earned by the Licensee up to the point of reconciliation (which includes the total sum of the child care fees and fee subsidy revenue), and
- 3.2 the Expected Base Fee Revenue Offset for the Licensee (including any in-year adjustments).

Recovering an in-year overpayment will not reduce a Licensees potential maximum funding for the calendar year. That is, a Licensee, from whom the Niagara Region has recovered in-year overpayments, may be entitled to a return of those amounts up to their Actual Cost-Based Funding.

In-Year Adjustments

Cost-Based Funding Allocations allow for in-year adjustments from a:

- A change in operating space-days due to a change in staffing complement;
- A change in licensed spaces for an existing centre/agency;
- The agreement of a licensee to reduce their Program Cost Allocation for an eligible centre/agency to reduce the need for year-end recoveries;
- The determination of the previous year's actual eligible costs, affecting the rolling top-up for an eligible centre/agency; or
- The licensee stops participating in CWELCC in respect of that eligible centre/agency.

To request an in-year adjustment, licensees are required to complete the *In-Year Adjustment Application*. Licensees can request a copy of their application from their Reporting Analyst. In-year adjustments may also be made by Niagara Region based on the mid-year reconciliation.

NIAGARA CHILD CARE FUNDING GUIDELINES

If an in-year adjustment is required, the Cost-Based Funding Allocation will be updated by Niagara Region (for example, by replacing the old number of operating space-days with the new number) on a go-forward basis.

5H: HOME CHILD CARE AGENCIES WITH ACTIVE HOMES IN MULTIPLE SERVICE AREAS

Some licensed home child care agencies have active homes in multiple service system manager services areas or jurisdictions. Funding for the homes depends on where the head office is located and when the homes opened. Refer to the table below to determine which jurisdiction will fund based on each unique situation.

NIAGARA CHILD CARE FUNDING GUIDELINES

Child care funding based on home child care agency and home location.

Agency Head Office Location	Home Location	Date Home Opened	Region that provides Funding
Niagara	Niagara	Any date	Niagara
Niagara	Other Jurisdiction	Before December 31, 2022	Niagara
Niagara	Other Jurisdiction	After December 31, 2022	Other Jurisdiction
Other Jurisdiction	Niagara	Before December 31, 2022	Other Jurisdiction
Other Jurisdiction	Niagara	After December 31, 2022	Niagara

Where an agency is in receipt of funding from multiple jurisdictions, Niagara Region will coordinate funding with the other service system manager. Agencies will be required to complete financial reporting in both jurisdictions. Note that in some cases, the application and allocation of funding may occur in one jurisdiction, while the reconciliation may occur in another.

5I: ELIGIBLE COSTS

Eligible costs are costs incurred by a licensee for the purpose of providing licensed child care for CWELCC-eligible children. Eligible costs are designed to balance the objective of supporting licensee participation in the CWELCC program by providing appropriate funding, representative of the true costs of providing child care, with the need to build in cost control structures and safeguards to ensure accountability over an equitable distribution of public funds.

Defining Eligible Costs

For assessing eligible costs for CWELCC cost-based funding, cost means:

- a) recurring costs, incurred for a licensee's daily operation such as wages, food, accommodation, or eligible amortization expenses; and
- b) non-recurring (upfront or amortized) costs incurred by the licensee, on minor repairs to capital infrastructure; or to replace, enhance, or purchase minor capital assets used for regular operation, such as kitchen or HVAC equipment.

For a cost to be eligible, it must be:

1. Attributable

- Costs are attributable if they are incurred, directly or indirectly, for the provision of child care included in base fees.

2. Appropriate

- Costs are appropriate in nature and character for the provision of child care for CWELCC-eligible children if they:
 - Represent types of costs that are necessary or would reasonably be expected to be incurred by an ordinary prudent person in the operation of a comparable business providing child care for CWELCC-eligible children
 - Provide due regard for access and inclusion, health and safety and quality
- Administration costs, costs incurred for health and safety, and costs incurred for cultural or religious purposes should be considered among appropriate costs.

3. Reasonable

- In quality of the good or service
- Amount incurred given the quality of the good or service,
- Do not exceed what would be incurred by an ordinary prudent person in the operation of a comparable business providing child care to CWELCC-eligible children.
 - Comparable business: means a business providing child care meeting the requirements of the [Child Care and Early Years Act, 2014](#) and may mean a business:
 - Offering a similar child care program to CWELCC-eligible children in a similar setting (child care centre or home child care overseen by a home child care agency)
 - In similar circumstances (for example, located in the same or similar region, providing child care for children of similar ages, or with similar religious or cultural considerations)

“Attributable” and “appropriate” determine whether a licensee’s cost is, by nature, eligible for CWELCC funding, while the “reasonableness” of a cost determines whether the quality and amount (that is, in full or partial amount) of that cost is eligible for coverage.

Specific Cost Eligibility Rules

Notwithstanding the application of the principle-based definition of “eligible costs”, described above, the following specific rules apply, which support the principle of value-for-money:

1. Controlling Owner’s Compensation for Labour:
 - Salaries, wages and benefits paid to owners for their labour are eligible expenses, like compensation for any other employee, and are not capped at a specific amount.
 - In 2025 and going forward, dividends or other benefits in lieu of salary for controlling owners is NOT an eligible cost and cannot be covered using the Program Cost Allocation.
2. Costs deemed to be in lieu of profits:
 - In-kind benefits or perks directly or indirectly for the benefit of a controlling owner are excluded from eligible costs. For example, year-end performance bonuses for the controlling owner.
3. Costs funded by another public source or reimbursed by another source:
 - Insurance claims are excluded from eligible costs for the purposes of calculating CWELCC cost-based funding.
 - Capital set-up costs incurred for the purpose of creating new spaces are excluded from CWELCC cost-based funding if these costs are covered by other government funding such as Start-up Grant funding.
 - Amortization expenses would be eligible only if the related asset was purchased before the announcement date and not claimed as an eligible expense under previous/other government funding, including CWELCC funding.
 - Costs reimbursed by insurance claims are not eligible costs.
 - Other revenue sources beyond base fees (such as donations or non-base fees), does not impact cost eligibility or otherwise offset cost-based funding.
4. Capital Renewal for Major Repairs of Sites of Existing Spaces
 - Not included in benchmarks. Nothing in this section affects a licensee’s obligations under any legislation, such as O. Reg. 137/15, the Building Code Act, 1992, the Fire Protection and Prevention Act, 1997, and other health and safety standards, where applicable.
5. Costs for Ineligible children
 - Eligible costs attributable to providing child care to both eligible and Ineligible children (for example, ages 6 to 12) are split using a reasonable methodology.

NIAGARA CHILD CARE FUNDING GUIDELINES

6. Financing Costs exceeding Canada Small Business Financing Program Rates
 - Eligible financing costs must not exceed those stemming from interest rates in alignment with the Canada Small Business Financing Program rates (for example, prime plus 3% for term loans and prime plus 5% for lines of credit). Loans from the federal or Ontario governments are exempt from this restriction.
7. Penalties, fines, forfeitures, or liquidated damages
 - Any penalties, fines, forfeitures, or liquidated damages incurred by the licensee are excluded.
8. Gains or losses resulting from the sale of tangible capital assets purchased with cost-based funding
 - Any gains or losses resulting from the sale of tangible capital assets purchased with cost-based funding must reduce (in the case of a gain) or increase (in the case of a loss) eligible costs for the calendar year in which the sale takes place.

For specific examples of eligible costs please refer to the list provided by the Ministry of Education, review the [Ministry of Education Guidelines](#).

A detailed review of an example cost can also be found in [Appendix C](#)

Minor and Major Capital

It is important to pay attention to what is eligible, particularly when it comes to capital-related expenditures.

Eligible are:

- non-recurring (upfront or amortized) costs incurred by the eligible centre/agency, on minor repairs to capital infrastructure; or, to replace, enhance, or purchase minor capital assets used for regular operation

Ineligible are:

- costs for capital renewal for major repairs of sites of existing spaces

Minor Capital

Refers to smaller-scale projects, investments, or assets that are less costly, typically, but not always, under \$15,000, and have a useful life of more than one year. These may include minor repairs, upgrades, small equipment purchases, or temporary facilities, and often require less formal approval. Routine maintenance or small repairs not covered by other funding may also fall under this category.

Major Capital

Refers to significant, large-scale projects or investments, typically, but not always exceeding \$15,000, involving substantial expenditures and the purchase of long-term physical or fixed assets used in business operations. These typically require extensive planning, resources, and approvals, and may include infrastructure development, major renovations, leasehold improvements, significant equipment purchases, or critical repairs and replacements that impact health, safety, or operations.

Facility Renewal Plans

Niagara Region recommends that centres plan for major capital projects by budgeting with allocation in lieu of surplus/profit or other revenue sources. Centres should develop facility renewal plans which are a strategic process that help organizations plan and budget for the scheduled repair, replacement, and maintenance of building systems and components that are not typically covered in the operating budget. Its purpose is to ensure the ongoing safety, functionality, and efficiency of a facility while extending the life and usable condition of the infrastructure and managing future costs proactively.

NOTE: While Major Capital Repairs are generally not eligible under cost-based funding, they may qualify for emergency funding in certain circumstances. Licensees are expected to first utilize available funds within their existing allocation, including profits and reserves, before seeking potential funding for major capital projects. Please see CWELCC Emergency Funding Request Application for additional information on emergency funding.

CWELCC Reporting Requirements for Minor Capital Items

Please note the updated accounting requirements for minor capital items that were previously capitalized:

Licensees may continue to follow their standard audited financial reporting practices (e.g., capitalizing and amortizing minor assets). However, for Canada-Wide Early Learning and Child Care (CWELCC) reporting, the Ministry requires the use of modified accrual accounting. This means that expenditures typically amortized must instead be reported in full in the year they are incurred.

This approach must be reflected in the Standardized Financial Report submitted to Niagara Region Children's Services, showing the full purchase cost of the item in the year of purchase—with no amortization applied for CWELCC purposes.

NIAGARA CHILD CARE FUNDING GUIDELINES

While capitalization and amortization may still be used in audited financial statements, any costs supported through Cost-Based Funding must be fully recognized in the year incurred for CWELCC reporting.

Process: Assessing Eligible Costs

Niagara Region aims to provide a clear and consistent approach to evaluating eligible costs, while imposing minimal administrative burden for licensees and supporting high-quality learning environments for the benefit of CWELCC-eligible children in the licensee's care.

Licensees should familiarize themselves with eligibility criteria and understand that using CWELCC funding for ineligible costs may result in year-end recoveries. To minimize this risk, licensees should not incur ineligible costs.

If in doubt, before incurring the cost, licensees are encouraged to seek guidance from the Niagara Region related to cost eligibility. The guidance or communication will be intended to minimize the risk of unexpected cost-recoveries and potential disputes and not to provide a final determination of cost eligibility, as such a determination cannot be made until reconciliation.

Niagara Region may evaluate eligible costs at various times during the year, including:

- When evaluating Actual Cost-Based Funding on reconciliation
- When conducting cost reviews
- As part of the Direct Engagement to Report on Compliance process
- Upon review and consideration of the submission of financial or service data

Niagara Region will follow up with the licensee for more information relevant to their assessment of eligible costs (such as copies of receipts, quotes, details of circumstances)

Niagara Region will review information provided by the licensee to assess the eligibility of costs claimed. In conducting that review, the Niagara Region may:

- Consult with other municipalities, as appropriate, to support consistency of administration
- Consider costs incurred by comparable licensees

Ineligible Costs

Where Niagara Region identifies an ineligible cost, they will:

- Document the rationale for identifying that cost as ineligible

NIAGARA CHILD CARE FUNDING GUIDELINES

- Adjust the licensee's eligible costs used in determining their Actual Cost-Based Funding to either:
 - Where the cost is either unattributable or inappropriate, remove the ineligible cost from the Actual Program Costs; or,
 - Where the cost is attributable and appropriate, but unreasonable, adjust the total cost, included in the Actual Program Costs, down to a reasonable amount (that is, remove the ineligible portion of the total cost).

Eligible Cost Dispute Resolution Process

In case of disagreement around eligible costs, Niagara Region and the licensee must follow the dispute resolution process described below:

- Licensees may contact their Reporting Analyst within 30 days of receiving a cost ineligibility decision to discuss why the cost(s) was deemed ineligible. Reporting Analysts will share rationale and supporting documentation for why items were deemed ineligible.
- Should the licensee disagree with the Reporting Analyst decision, they can request a formal review by submitting a written request to the Supervisor, Early Learning and Child Care Financial Program and Policy Analysis within 30 days of receiving notice of cost being ineligible, outlining why they believe the cost(s) to be eligible and providing any supporting documentation
 - During the formal review, the Supervisor Early Learning and Child Care Financial Program and Policy Analysis, and Reporting Analyst team will meet to review the cost. Should additional questions arise, the licensee may be requested to provide additional information.

The Reporting Analyst will communicate a decision within 30 days of receiving the request for a formal review.

Should licensees still dispute the decision:

The Manager of System Planning and Evaluation will review the request made by the licensee and decision made by the Supervisor of Early Learning - Financial Program and Reporting Analyst team, establishing reasoning for cost eligibility dispute.

- If needed, the Manager of Systems Planning and Evaluation will contact the licensee to ensure the concerns of the appeal are accurately understood and notify the licensee if additional information is required.
- The Manager of Systems Planning and Evaluation will review the appeal within the context of provincial direction and regional policies and guidelines, consulting with the Director of Children's Services and/or other jurisdictions where appropriate.

NIAGARA CHILD CARE FUNDING GUIDELINES

- The Manager of Systems Planning and Evaluation will issue a final decision and Reporting Analyst will notify the licensee of a final decision within 30 days of last decision.

5J: ACCOUNTABILITY

Throughout the year, licensees should keep relevant information such as receipts, quotes, and details of circumstances, appropriate to the nature and amount of the costs covered with CWELCC funding.

Audited Financial Statements

Licensees must submit an audited financial statement covering any fiscal year that overlaps with the 2024 calendar year.

Audited financial statements must be submitted through the Operator Management System (OMS) no later than 3 months following their fiscal year end.

The cost of this audit will be covered by Niagara Region, up to a maximum of \$15,000+HST. An invoice for the audited financial statements must be submitted to OMS and reported to your Reporting Analyst to be reimbursed.

Audited Financial Statements for the 2025 Calendar Year

New next year, for audits covering the 2025 calendar year, the cost of audited financial statements must be covered using a centre's CWELCC cost-based allocation. Where a centre is unable to cover the cost of their audited financial statement, licensees can submit an application for Emergency Funding.

Audited Financial Statements for Multi-Service Agencies

New next year, for audits covering the 2025 calendar year, all multi-service agencies are required to submit a segmented schedule as part of their audited financial statements, that breaks-out financial data for child care only. Multi-service agencies are those in which the organization provides services (involving costs and expenses) additional to licensed child care. Examples include organizations who also provide private school services, or fitness/community programs.

To support with the changes in 2025, where possible, multi-service agencies should attempt to complete a segmented schedule for child care for audits covering all or a portion of 2024.

Standardized Financial Reports

For the 2025 calendar year, licensees must submit Standardized Financial Reports for each site, providing the breakdown of eligible costs, following the categorization of components of benchmark allocations (for example, program staffing, accommodations). This process will be a part of the 2025 year-end reconciliation of CWELCC funding.

Niagara Region will provide the Standardized Financial Report template to licensees.

Niagara Region may review standardized financial reports or other available information and identify risk of cost ineligibility.

Direct Engagement to Report on Compliance

Niagara Region will select a subset of licensees to undergo a Direct Engagement to Report on Compliance. This process supports verification that the offsetting base fee revenue and costs reported on the standardized financial report were eligible and in compliance. It will also confirm that amounts claimed for the licensee on their standardized financial report are eligible costs, and that a reasonable methodology has been employed to pro-rate costs, where necessary.

Direct Engagement to Report on Compliance is performed by an independent third-party practitioner (that is, an external professional auditor) under the reasonable assurance engagement in accordance with Canadian Standard on Assurance Engagements 3531, Direct Engagements to Report on Compliance.

The practitioner's responsibility is to express an opinion on the licensee's compliance with this guideline in all significant respects. The practitioner may indicate that the report is intended solely for specific users and any intended restriction on the distribution or use of the report.

Niagara Region is responsible for the practitioner selection and performance oversight of the Direct Engagement to Report on Compliance and will pay for it on licensee's behalf. If a service provider is selected for a Direct Engagement review, they are required to provide access to all records related to CWELCC funding.

Cost Reviews

Niagara Region will review the legacy costs for 2025 or for calendar years after 2025 for licensees with the most disproportionately high top-up allocations. The goal of these cost reviews is not to reduce quality, but to gradually shift the overall cost of providing child care (that is, child care included in base fees) towards more standardized costs, as represented by benchmark allocations.

Cost Review Process

Licensees selected for a cost review will be notified by March 31 of a given year. Niagara Region will schedule cost review meetings to support a collaborative cost review process. In addition to annual budgets and historical financial data submitted by licensees, Niagara Region may request additional information or the completion of additional templates.

In collaboration with each licensee selected for a cost review, Niagara Region will seek to identify potential cost reductions, such as:

- Any costs that are, in fact, ineligible, in which case Niagara Region will reduce licensees Cost-Based Funding Allocation for the calendar year; or
- Opportunities for improved efficiencies in eligible costs, considering the circumstances, including costs that:
 - may not provide significant value to the quality of the child care being provided, such as redundant costs that could be eliminated; or
 - could be incurred in more efficient ways, such as through bulk ordering, outsourcing of certain tasks, or other common business approaches.

It is possible that no such cost reductions can be found, in which case no further actions need to be taken. For example, reductions of eligible costs may not be possible where those costs are incurred due to particular circumstances, such as:

- Existing long-term lease
- Geographic remoteness
- Dietary restrictions where food supply is limited, and the cost is higher;
- staffing costs associated with child care being provided in a particular language where labour supply is limited or more expensive
- Costs associated with specific value propositions included in base fees, including music or swimming lessons or other pedagogical inclusions.

In cases where opportunities for improved efficiencies in eligible costs are identified and agreed upon between the Niagara Region and licensee, the Niagara Region may reduce the licensee's Cost-Based Funding Allocation in accordance with a reasonable schedule by which the costs can be reduced (for example, accounting for time-limited contractual obligations). This schedule may last beyond the end of the calendar year but should not exceed December 31 of the third subsequent calendar year.

Cost reviews for each calendar year will be completed by December 31 of that calendar year, including the identification of a reasonable schedule to reduce eligible costs where applicable.

5K: COST-BASED FUNDING TIMELINES

The following timelines will apply annually under the Cost-Based Funding model:

Before the calendar year:

- Licensees are required to submit their budgets to the Niagara Region
- Niagara Region will calculate Cost-Based Funding Allocations and begin to schedule payments to Licensees
- Service Agreements will be updated as needed

During the calendar year:

- Licensees will receive their monthly payments
- Niagara Region will process any in-year funding changes (based on changes to operating plans or emergency funding)
- Licensees who have been selected will undergo cost reviews
- Mid-year reconciliation will occur

After the calendar year:

- Niagara Region will collect licensees' annual attestations and standardized financial reports
- Niagara Region will select a sample of licensees for Direct Engagement to Report on Compliance
- Niagara Region will review standardized financial reports, as appropriate, to identify any further risks of cost ineligibility.

EMERGENCY FUNDING Licensees participating in the Canada- Wide Early Learning and Child Care program are able to request emergency funding to help support non-discretionary and unexpected eligible costs related to child care operations, which cannot be covered with their cost-based funding allocation.

The funding is intended to cover emergency expenses that meet specific criteria, including being eligible under the cost-based funding guidelines, being an emergency in nature, and centre financial need. Emergency funding is subject to funding availability and discretion of the Niagara Region.

To apply for Emergency Funding, licensees must upload to OMS and notify their reporting analyst, the CWELCC Emergency Funding Request Form, which can be found on OMS.

For more details on emergency funding, please review the CWELCC Emergency Funding Request form.

5L: WAGE SUPPORT FUNDING FOR STAFF WORKING WITH 0–5-YEAR-OLDS

Licensees will receive Wage Enhancement Grant (WEG)/Home Child Care Enhancement Grant (HCCEG) and Workforce Compensation in respect of children aged 0 to 5 as part of their overall program cost allocation under Cost-Based Funding, as it is included in the benchmarks.

Licensees:

- Must cover the full costs of their 0–5-year program staffing through CWELCC Cost-Based Funding.
- Will no longer receive a notional allocation for General Operating Grant, WEG/HCCEG and Workforce Compensation for staff serving children aged 0 to 5.

Note that Licensees have flexibility to use funding on eligible costs as needed within their cost-based allocation up to their program cost allocation. Wages are an eligible cost therefore licensees may choose to invest in wages as appropriate. For example:

- Increasing staff wages to stay competitive with other licensees or accounting for experience within licensees pay grid
- Increasing base wages within reason. Note that there is no cap on educator wages

Funding Requirements for Staff Working with 0–5-year-olds.

With regards to wages for staff working with children aged 0-5, licensees will:

- Adhere to the eligibility and accountability requirements for Cost-Based Funding, General Operating Grant, Workforce Compensation, and WEG/HCCEG, as applicable.
- Work within their allocation to ensure that educators are being paid in accordance with guidelines for Wage Enhancement and CWELCC Workforce Compensation
- Address increases to minimum wage using the CWELCC Cost-Based Funding Allocation
- Account for time staff work in CWELCC-eligible versus CWELCC-ineligible age groupings (this information will be reported through the annual salary survey)
- If a RECE position is eligible for WEG and workforce compensation funding and the staff person is on vacation, taking a sick day or part of a professional development day, workforce compensation continues to be available for the individual.

SECTION 6: LOCAL PRIORITIES

As part of the new child care funding approach, local priorities funding will be provided to licensees enrolled in CWELCC or serving exclusively ages 6-12 (junior/primary programs).

- For programs serving 6–12-year-olds:
 - General Operating Grant,
 - Wage Enhancement Grant (WEG)/ Home Child Care Enhancement Grant (HCCEG),
 - Workforce Compensation and,
 - Pay Equity
- For programs serving all ages:
 - Small Water Works,
 - Fee subsidy and,
 - Special Needs Resourcing

6A: GENERAL STAFF WAGE SUPPORTS

The following sections outline requirements of:

- Wage Enhancement Grant (WEG)/ Home Child Care Enhancement Grant (HCCEG)
- Workforce Compensation, and
- the portion of the General Operating Grant applied to staff wages.

Determining Staff Wages

Funding to support staff should not interfere with a licensee's salary and compensation decisions or practices, including obligations under collective agreements.

Licensees must seek independent legal advice on implementing wage supports if they are subject to the terms of a collective agreement.

Employer-Based Wage Increases

Licensees must consider provincial/regional wage supports in addition to, and not to reduce other, planned compensation increases for eligible staff. For example, the annual wage increase, and wage floor cannot be used to reduce or offset planned merit increases for eligible staff.

Minimum Wage

Licensees are required to pay all staff the provincial minimum wage, as set out in the Employment Standards Act (2000), **prior** to the application of provincial/regional grants (Wage Enhancement Grant, Workforce Compensation, General Operating Grant).

Licensees are no longer required to cover the provincial minimum wage as part of Base Wage, outside of Regionally provided funding. For clarity, cost-based funding can be used to cover the cost of staff Base Wage.

Order of Operations

Licensees must follow the order of operations when determining wage supports:

1. Base wage (including minimum wage obligations or any employer-based wage improvements such as obligations from collective agreements)
2. General operating funding used to support wage improvements (other than WEG and workforce compensation)
3. WEG (up to \$2 per hour, up to a maximum wage of \$32.81 per hour as per Part 2 of this guideline chapter)
4. Workforce compensation annual wage increases of up to \$1 per hour, compounded year-over-year, up to the wage eligibility ceiling for the calendar year
5. Workforce compensation incremental amount to reach the wage floor for the calendar year, if applicable

Maintaining staff wages

By including General Operating Grant in base wages, it is possible that some staff will not qualify for additional wage enhancements in 2025 and beyond (e.g., CWELCC workforce compensation).

However, wage increases for affected employees must be held constant until affected employees become eligible for additional increases through CWELCC wage enhancements. Wages provided to staff must **not** be below their previous year's hourly rate, including any workforce and general operating funding. The cost of maintaining wages at the previous year's rates should be fully captured in the centre's Program Cost Allocation.

Process for Payment of Wage Supports

Annual Salary Survey

All licensees are required to complete the annual Niagara Region Salary Survey through the Operator Management System (OMS) for staff serving both 0-5 and/or 6–12-year-olds.

NIAGARA CHILD CARE FUNDING GUIDELINES

The salary survey acts as an application for General Operating Grant and Wage Supports for programs serving 6–12-year-olds.

For more information on the Salary Survey, please review the Salary Survey Guide, located in OMS.

Wage Support Funding to Licensees

Niagara Region will flow wage support funds to licensees for staff serving children 6-12 years after reviewing the salary survey.

Funding for wage supports for licensees will be allocated through two different funding streams:

- Monthly allocations for positions serving children aged 6 to 12 and licensees participating in CWELCC serving 0-12; and
- Benchmark allocations under cost-based funding for positions serving children aged 0 to 5.

Funds will be received in monthly allocations.

A reminder that licensees must meet wage obligations for WEG/HCCEG, GOG, and workforce compensation using their cost-based funding allocation.

Communicating Wage Supports to Staff

Wage Enhancement Grant/Home Child Care Enhancement Grant

Licensees must notify eligible positions/home child care providers of the amount of Wage Enhancement Grant/ Home Child Care Enhancement Grant provided to them on staff pay cheques/home child care provider fee transfers, or through a separate letter. Payments must be labeled as follows:

- Provincial child care wage enhancement; or
- Provincial home child care enhancement grant

Workforce Compensation

Licensees must share information, in writing, with eligible staff, about changes to the wage floor and wage eligibility ceiling that come into effect January 1 of each calendar year up to and including 2026. At a minimum, the information about wages must include the wage floor, wage eligibility ceiling, and compounded annual wage increases for each calendar year up to and including 2026.

Payment of Wage Supports to Staff

Licensees must include wage enhancement payments (WEG/HCCEG, workforce compensation, GOG) in each pay cheque or payment made to eligible positions. Wage supports may not be paid at the end of the year as a lump sum payment.

Staff Absences

Eligible staff receiving wage enhancements must receive GOG, WEG, or Workforce Compensation for days the staff person is:

- on vacation,
- taking a sick day, or
- taking part in a regional or centre professional development day

Reconciliation of Wage Supports

All Licensees in receipt of wage supports must complete an annual and mid-year reconciliation process. Licensees are required to complete, certify and submit the Reconciliation Template provided by Niagara Region. The template will compare funding allocated to licensees with actual expenditures.

Salaries and benefits must be reported separately, and licensees are required to report FTE data.

Failure to submit the Reconciliation Template will result in no further wage support funding being flowed to the licensee.

Niagara Region will recover funds not utilized as part of the monthly payment process.

Licensees are also required to submit a statement signed by a designating Signing Officer which attests that 100% of the wage support funding was provided directly to CWELCC-eligible child care staff for wages and benefits as per these guidelines and that no portion of the funding was used for purposes other than those described in these guidelines.

6B: WAGE ENHANCEMENT GRANT (WEG)/ HOME CHILD CARE ENHANCEMENT GRANT (HCCEG)

Purpose

WEG/ HCCEG is a funding commitment to support a wage enhancement for CWELCC-eligible child care professionals working in eligible centres/agencies. There is a significant wage gap between RECEs working in the publicly funded education system and those in

the licensed child care sector. This wage gap creates challenges in retaining qualified professionals to deliver affordable, high-quality services. WEG/HCCEG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario.

This section provides information on WEG/HCCEG requirements for three groups:

- Non-CWELCC-enrolled licensees, exclusively serving children aged 6- 12.
- CWELCC-enrolled licensees serving children aged 0- 12, for the 6-12 component.
- CWELCC-enrolled licensees serving children aged 0- 5 (note: WEG/HCCEG funding is now built into benchmark allocations under cost-based funding).

Wage Eligibility Ceiling

As the intent of WEG/HCCEG is to help close the wage gap between RECEs working in the publicly funded education sector and eligible positions/home child care providers in licensed child care settings, the Ministry of Education has established an hourly wage maximum of \$32.81 per hour for WEG and \$328.10 per day for full HCCEG (\$196.86 for partial HCCEG).

For clarity, the wage eligibility ceiling is not a wage cap, and licensees can choose to increase eligible RECE staff wages above the wage eligibility ceiling once other regulatory and guideline requirements are met (that is, using other sources of funding beyond WEG/HCCEG or workforce compensation to increase wages above the ceiling).

If eligible positions/home child care providers exceed the wage eligibility ceiling at any time during the calendar year, excluding WEG/HCCEG, they will no longer be eligible to receive the WEG/HCCEG for the remainder of that calendar year. Any ongoing increases would need to be funded through other revenue sources.

Wage Enhancement Grant (WEG) - Child Care Centre Positions and Home Child Care Visitors

Note: Eligibility criteria is used to determine entitlement (based on hours worked in the previous or comparable prior calendar year) and to determine payments to staff for the current calendar year. For licensees that open in the current calendar year, the number of hours to be worked must be estimated.

To be eligible for WEG, the position must be:

- Employed in a licensed centre/agency that is enrolled in CWELCC or exclusively serving children aged 6 to 12; and

NIAGARA CHILD CARE FUNDING GUIDELINES

- Categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult-to-child ratios under the [Child Care and Early Years Act, 2014](#), including those in place to maintain higher adult-to-child ratios than required under the Act.

The following are ineligible positions:

- Non-program staff positions (such as cooks or custodial staff);
- Special needs resourcing-funded resource teachers/consultants and supplemental staff;
 - The only exception to the two above noted positions is if the position spends at least 25% of their time to support ratio requirements, in which case the position would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (such as a temp agency).

1. Full Wage Enhancement

To be eligible to receive the full WEG of \$2 an hour plus 17.5% in benefits, an eligible position must have an associated base wage, excluding the prior year's wage enhancement, of \$30.81 or less per hour (that is, \$2 or more below the wage eligibility ceiling of \$32.81).

2. Partial Wage Enhancement

Where an eligible position has an associated base wage rate, excluding the prior year's wage enhancement, between \$30.82 and \$32.80 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$32.81 per hour without exceeding the eligibility ceiling. For example, if an RECE has a base wage rate, excluding the previous year's wage enhancement, of \$31.40 per hour, the position would be eligible for wage enhancement of \$1.41 per hour plus 17.5% in benefits applied only to that wage enhancement amount.

Home Child Care Enhancement Grant (HCCEG) - Home Child Care Providers

To be eligible for HCCEG, the home child care provider must:

- Hold a contract with a licensed home child care agency that is enrolled in CWELCC or exclusively serving children aged 6 to 12; and
- Provide services to one or more children (including privately placed children; excluding the provider's own children).

1. Full Home Child Care Enhancement Grant

To be eligible to receive the full HCCEG of \$20 per day, an eligible home child care provider must:

- Provide full-time services, on average (6 hours or more a day); and
- Receive base daily fees, excluding prior year's HCCEG, of \$308.10 or less (that is, \$20 below the eligibility ceiling of \$328.10). Note: those receiving base daily fees between \$308.10 and \$328.10 would be eligible for an amount to bring fees up to the \$328.10 eligibility ceiling.

2. Partial Home Child Care Enhancement Grant

To be eligible to receive the partial HCCEG of \$10 per day, an eligible home child care provider must:

- Provide part-time services, on average (less than 6 hours a day); and
- Receive base daily fees, excluding prior year's HCCEG of \$186.86 or less (that is, \$10 below the eligibility ceiling of \$196.86). Note: those receiving base daily fees between \$186.86 and \$196.86 would be eligible for an amount to bring fees up to the \$196.86 eligibility ceiling.

Please note: Information on privately placed children must be considered when determining eligibility and payments for the HCCEG.

If at any point an eligible home child care provider stops serving CWELCC-eligible children, the eligible agency must terminate the transfer of HCCEG funds to the provider.

Supplemental Grant

Niagara Region will provide an additional supplemental grant of \$150 for each eligible centre-based position or home visitor position and \$50 for each eligible home child care provider. The supplemental grant allows licensees some flexibility to provide and implement wage enhancement in a way that aligns with their regular operations.

The supplemental grant must be used to support eligible positions'/home child care providers' hourly wage/daily income or benefits.

The supplemental grant provides licensees with the flexibility to cover salary shortfalls (due to increased hours in program or new eligible positions/home child care providers) and additional benefits, (for example, vacation days, sick days, professional development days or other benefits) once mandatory benefits are covered. Any funding that is not used for

these purposes must be recovered. Niagara Region will work with licensees to set priorities on how to use the supplemental grant.

Benefits Funding

In respect of positions that serve children aged 6 to 12, benefits of 17.5% support eligible centres/agencies in meeting their statutory benefit requirements. Eligible positions are RECE program staff, RECE supervisors, RECE home child care visitors, non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.

Once all statutory benefits 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 eligible position.

Any residual benefits funding can be used to support wage enhancement salaries per the above allowable expenses. Please note this is one-way funding flexibility only, that is, salary funding cannot be used for benefits.

Licensees approved for WEG/HCCCEG will upload to OMS by a date provided by Niagara Region, their organization's policy that articulates the following:

- Provincial Wage enhancement is a salary increase of up to \$2.00 per hour in the case of eligible centre-based staff up to the eligible ceiling and home visitors and up to \$20 per day for home child care providers up the eligible ceiling.
- Funding for the Provincial Wage Enhancement is from the Ministry of Education flowed through Children's Services to licensees. Should funding be terminated for any reason by the Ministry of Education and/or Children's Services, the licensee and Children's Services have no obligation to cover wage enhancement funding.

Payments to Staff

WEG/HCCCEG funding for eligible positions is based on data from the previous or a comparable calendar year (for licensees that open in the current calendar year, estimated number of hours to be worked); however, wage enhancement payments should be provided to eligible positions for each hour worked in the calendar year. Licensees have the flexibility to fund their current year's eligible positions, even if the position did not exist in the previous calendar year.

Similarly, HCCCEG payments should be provided to eligible home child care providers for each day worked in the calendar year. Agencies have the flexibility to fund providers eligible in the calendar year, regardless of whether the provider had a contract with the

agency in the previous calendar year. The compensation rate (partial or full) will be based on their services in the calendar year.

Reporting Requirements

- Licensees must report the following service data and financial information. At its sole discretion, Niagara Region may request additional service data and financial information of the licensee.
- All WEG or HCCEG funding paid to fully or partially eligible positions must be separated into wages and benefits
 - Full-time WEG
 - Number of Registered Early Childhood Educators Full Time Equivalents (FTEs) receiving a full WEG
 - Number of Supervisor FTEs receiving full WEG
 - Number of Home Child Care Home Visitor FTEs receiving a full WEG
 - Number of other program FTEs receiving a full WEG
 - Partial WEG
 - Number of Registered Early Childhood Educators FTEs receiving a partial WEG
 - Number of Supervisor FTEs receiving a partial WEG
 - Number of Home Child Care Home Visitor FTEs receiving a partial HCCEG;
 - Number of other program staff FTEs receiving a partial WEG
 - Full-time HCCEG
 - Number of Home Child Care Providers Receiving full HCCEG
 - Partial HCCEG
 - Number of Home Child Care Providers Receiving partial HCCEG
 - Number of licensed child care sites receiving WEG
 - Number of Home Child Care Agencies receiving HCCEG

Program Closures

Where a licensee applied for WEG/HCCEG and closes during the calendar year, Niagara Region will work with the licensee to meet the licensee's requirements and support payments to eligible positions/home child care providers for hours/days worked before the closure. Any unused funds will be recovered.

In cases of program transfers/amalgamations, Niagara Region has the discretion to:

1. Receive wage/staffing information from amalgamated or transferred programs; or
2. Transfer wage enhancement funding from the former licensee to the amalgamated or transferred program, provided the following applies:

NIAGARA CHILD CARE FUNDING GUIDELINES

- There are no substantial changes to either the program offered, or staff employed under the new arrangement,
- The transformation supports continuity of care and program viability, and
- Niagara Region has mechanisms in place to ensure accurate information and accountability for the transfer of funding.

6C: WORKFORCE COMPENSATION

Purpose

Workforce compensation funding supports recruitment and retention of Ontario's child care workforce through improved compensation for lower-wage earners. It includes:

- Compensation enhancements for registered early childhood educator (RECE) staff (annual wage and wage floor increases) and
- Support to licensees for non-RECE staff (minimum wage offset).

CWELCC-enrolled licensees are eligible for funding to meet workforce compensation requirements from their enrolment date up to and including December 31 of the calendar year.

Alignment with Wage Enhancement Grant (WEG)

All staff in receipt of workforce compensation are required to also receive Wage Enhancement Grant.

Eligible Positions

Annual wage and wage floor increases

Staff eligible for annual wage and wage floor increases are as follows:

Eligible Staff	Ineligible Staff
Eligible RECE staff • RECE Program Staff • RECE Child Care Supervisor • RECE Home Child Care Visitor Non-program staff who are RECEs and whose positions require them to spend at least 25% of their time supporting ratio requirements under O. Reg. 137/15 for the hours that they are supporting ratio requirements.	Non- RECE program staff and non-program staff: • Cook, custodial or other non-program staff position; • SNR-funded resource teacher/consultant or supplemental staff; and • Staff person hired through a third party (for example, a temp agency) Program staff, child care supervisors, or home child care visitors that are director-approved to be employed in these positions, but do not have a RECE designation

Note that workforce compensation funding is tied to the position, not the individual staff. However, an individual staff's base wage will determine how much funding can be provided. Workforce compensation funding is provided for all eligible staff that continue in their existing positions, newly fill existing positions (for example, replace a previous staff member), or fill newly created positions.

Minimum Wage Offset

Minimum wage offset funding are payments to licensees to offset minimum wage increases for the staff indicated below. Each staff category is reported separately.

NIAGARA CHILD CARE FUNDING GUIDELINES

To be eligible for the minimum wage offset, eligible centres/agencies must employ staff in the following positions (“eligible non-RECE staff”):

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

In addition, to be eligible for a minimum wage offset, centres/agencies must employ eligible non-RECE staff in positions that were earning:

- below \$15.50 per hour immediately before October 1, 2022 (not including WEG funding); and/or
- below \$16.55 per hour immediately before October 1, 2023 (not including WEG funding)

The minimum wage offset does not apply to non-program staff such as a:

- Cook, custodial and other non-program staff position;
- SNR-funded resource teacher/consultant or supplemental staff; and
- Staff hired through a third party (for example, a temp agency)

However, eligible licensees can receive minimum wage offset funding for non-RECE staff in non-program positions that require them to spend at least 25% of their time supporting ratio requirements under O. Reg. 137/15. Minimum wage offset funding is provided to the licensee for the hours these staff spend supporting ratio requirements.

Annual Wage Increase and Wage Eligibility Ceiling

Effective each January 1 from 2023 to 2026, eligible licensees must increase the hourly wage of eligible RECE staff whose wages (including base wage, general operating funding and WEG) fall below the wage eligibility ceiling for the year (wage eligibility ceilings for 2022 through 2026 are set out in the table below). For example, to receive the annual wage increase for 2025, eligible RECE program staff must have an hourly wage below \$27 per hour. For eligible RECE child care supervisors and RECE home child care visitors, their hourly wage (including general operating funding and WEG) must be below \$30 per hour (for 2025).

The annual wage increase is up to \$1 per hour plus 17.5% in benefits (for staff serving 6–12-year-olds; applied only to the wage increase amount), compounded year-over-year, up to the wage eligibility ceiling for the calendar year. That is, an eligible position would receive up to a \$1 per hour increase in 2023, up to an additional \$1 per hour increase in 2024, up to an additional \$1 per hour increase in 2025 (that is, \$1 per hour for 2023, \$1 per

NIAGARA CHILD CARE FUNDING GUIDELINES

hour for 2024, and \$1 per hour for 2025, for a total of up to \$3 per hour by the end of 2025), and so on, up to the wage eligibility ceiling set for the calendar year.

Annual wage increase funding is tied to the position and not the individual staff. This means that all eligible RECE staff can receive up to \$3 per hour wage increase funding for 2025, whether those RECE staff are continuing in their existing eligible positions, newly filling an existing eligible position, or filling a newly created eligible position.

The wage eligibility ceilings come into effect on January 1 of each calendar year.

Wage Eligibility Ceiling 2022 to 2026*	2022	2023	2024	2025	2026
RECE Program Staff	\$25.00	\$25.00	\$26.00	\$27.00	\$28.00
RECE/ Child Care Supervisors or RECE Home Child Care Visitors	\$25.00	\$25.00	\$29.00	\$30.00	\$31.00

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

For clarity, the wage eligibility ceiling is not a wage cap, and licensees can choose to increase eligible RECE staff wages above the wage eligibility ceiling once other regulatory and guideline requirements are met (that is, using other sources of funding beyond workforce compensation to increase wages above the ceiling).

Benefits should not be included when calculating the hourly wage.

Wage Floor

Each year from 2023 to 2026, Niagara Region will provide eligible centres/agencies funding to support wage floor increases for eligible RECE staff.

Licensees are required to bring the wage of all eligible RECE staff up to the wage floor of the given calendar year as identified in the table below. All new, eligible RECE staff hired during the calendar year must earn at least the wage floor identified for the applicable year, plus corresponding benefits.

NIAGARA CHILD CARE FUNDING GUIDELINES

The wage floors come into effect on January 1 of each calendar year.

Hourly Wage Floor 2022 to 2026*	2022	2023	2024	2025	2026
RECE Program Staff	\$18.00	\$19.00	\$23.86	\$24.86	\$25.86
RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20.00	\$21.00	\$24.86	\$25.86	\$26.86

*In addition to the hourly wage, staff are required to receive benefits. To determine annual wage and wage floor increase eligibility, licensees must follow the [order of operations](#).

Minimum Wage Offset

Minimum wage offset was established when CWELCC was introduced to offset the impact, at that time, of minimum wage increases through the transition into CWELCC.

With the introduction of cost-based funding, funding for salaries and wages in respect of positions serving children aged 0 to 5 is now covered as an eligible expense. For 2025, to continue to support affordability for families with children aged 6 to 12, despite fees not being frozen for that group, the minimum wage offset is being held at current levels.

As of October 1, 2023, minimum wage legislation required licensees to bring the wages of their staff to at least \$16.55 per hour. To offset the cost of minimum wage increases for eligible licensees, Niagara Region was required to provide minimum wage offset funding to licensees to cover the incremental amount needed to bring wages for eligible staff from \$15.00 to \$16.55 per hour in 2024. This incremental funding amount will continue to be funded for 2025 for those that received the funding in 2024. No funding above 2024 amounts will be provided.

To offset the cost of increasing minimum wage for an eligible non-RECE position that earned \$15 per hour in 2022, the minimum wage offset funding is cumulative up to \$1.55 (that is, \$16.55 per hour minus \$15 per hour).

Minimum wage offset funding is tied to the position and not the individual staff. This means that licensees can receive minimum wage offset funding of up to \$1.55 for eligible non-RECE staff that were in eligible positions in 2024, whether those staff were continuing in

NIAGARA CHILD CARE FUNDING GUIDELINES

their existing position, newly filling an existing eligible position, or filling a newly created eligible position.

It is understood that licensees could have used other sources (for example, child care fees) to fund wage increases beyond minimum wage (such as across-the-board or merit increases). In these cases, the minimum wage offset funding would equal the remaining amount required to bring such wage to \$16.55 (that is, \$1.55 minus wage increases provided by the licensee in addition to minimum wage increases).

Example: A licensee who employed an eligible non-RECE staff in March 2022 earning minimum wage (\$15 per hour) and used cost escalation funding to provide annual increases (above the minimum wage) as follows:

- As of October 1, 2022, the minimum wage increased to \$15.50
- As of January 1, 2023, the base wage increased 2.75% to \$15.93 (wage increased \$0.43)
- As of October 1, 2023, the minimum wage increased to \$16.55
- As of January 1, 2024, the base wage increased 2.1% to \$16.90 (wage increased \$0.35)
- In 2024, the licensee would be eligible to receive minimum wage offset of \$1.12 per hour (\$16.55 minus \$15.00 minus \$0.43 = \$1.12). The licensee would cover the rest of the wage increase with cost escalation funding (\$0.43 and \$0.35).
- As minimum wage offset funding is frozen at 2024 levels, licensees would be eligible to receive the same minimum wage offset of \$1.12 per hour in 2025.

To offset minimum wage increases that occurred prior to March 2022 (when the fees were frozen) or any that occurred after October 1, 2023, licensees should use other funding sources (such as general operating, child care fees).

Benefits

In respect of positions that serve children 6 to 12, workforce compensation funding includes up to 17.5% in benefits (applied only to any workforce compensation increase) to support centres/agencies in meeting their statutory benefit requirements and additional benefits provided by the licensee (17.5% includes up to two weeks of vacation and nine statutory days). Eligible positions are: RECE program staff, RECE supervisors, RECE home child care visitors, non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.

Statutory benefit requirements are benefits licensees are required to provide their staff as determined by legislation (for example, vacation days or statutory holidays) or obligations the licensees have as an employer (for example, Canada Pension Plan or Employment

NIAGARA CHILD CARE FUNDING GUIDELINES

Insurance contributions, or Employer Health Tax). Once all statutory benefit requirements are met, any remaining funding within 17.5% can be used to fund other benefit expenses paid by the employer.

Licensee Requirements

Licensees must:

Share information, in writing with eligible staff, about changes to the wage floor and wage eligibility ceiling that come into effect January 1 of each calendar year up to and including 2026. At a minimum, the information about wages must include the wage floor, wage eligibility ceiling, and compounded annual wage increases for each calendar year up to and including 2026.

Ensure eligible RECE staff receive wages consistent with the workforce compensation changes that came into effect on January 1 of each calendar year within 32 calendar days of receiving funding allocations for this purpose.

Seek independent legal advice on implementing the wage floor and annual wage increase if they are subject to the terms of a collective agreement.

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.

Consider workforce compensation in addition to, and not to reduce other, planned compensation increases for eligible staff. For example, the annual wage increase, and wage floor cannot be used to reduce or offset planned merit increases for eligible staff.

Reporting Requirements

Licensees must report the following to Niagara Region:

- Wage Floor
 - Number of RECE program staff supported by the wage floor.
 - Number of RECE supervisors supported by the wage floor.
 - Number of RECE home child care visitors supported by the wage floor.
- Actual total expenditure on the Wage Floor paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Wage Increase
 - Number of RECE program staff supported by the annual wage increase.
 - Number of RECE supervisors supported by the annual wage increase.

NIAGARA CHILD CARE FUNDING GUIDELINES

- Number of RECE home child care visitors supported by the annual wage increase.
- Actual total expenditure on the Annual Wage Increase (starting 2023) paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Number of child care centres supported by the wage floor or annual wage increase.
- Number of home child care agencies receiving funding for wage floor or annual wage increase.
- Minimum Wage Offset
 - Number of non-RECE program staff supported by the minimum wage offset.
 - Number of non-RECE supervisors supported by the minimum wage offset.
 - Number of non-RECE home child care visitors supported by the minimum wage offset.
- Actual total expenditure on the minimum wage offset paid out to licensees of non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category reported separately.
- Number of child care centres supported by the minimum wage offset.
- Number of home child care agencies receiving funding for minimum wage offset.
- Actual total expenditure on benefits paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.

All data requirements noted above must be reported separately for staff serving CWELCC-eligible children and children who are not eligible under CWELCC but can still receive workforce compensation funding.

If a staff member is serving both categories, they should be included in the category where they mostly work.

6D: GENERAL OPERATING GRANT

Purpose

The General Operating Grant is provided to Licensees registered for CWELCC and provides licensees a flexible line of funding with broad eligibility criteria to support shifting needs and licensee differences, while minimizing administrative burdens. This allocation supports the costs of operating eligible licensed child care programs to reduce wait times and child care fees, stabilize service levels, support compliance with licensing requirements, cover one-time repairs and maintenance costs and business transformation costs, and improve access to high-quality, affordable early learning and child care services.

NIAGARA CHILD CARE FUNDING GUIDELINES

In Niagara Region, the priority for General Operating Grant is on improving educator recruitment and retention through enhanced wages.

Eligible Expenses

General Operating Grant funding may be used for ongoing costs attributable to child care provided by a licensee, including:

- Staff wages and benefits
- Compliance with Ontario codes and licensing requirements
- Lease and occupancy costs
- Utilities
- Administration
- Transportation for children
- Resources
- Nutrition
- Supplies
- Play-based materials and equipment
- Repairs and Maintenance
- Business transformation expenses
- Licensed Home Child Care Base (LHCC) Funding

Staff Eligibility for General Operating Grant

Eligible staff	Ineligible staff
• Supervisors (RECEs & Otherwise Approved) • Trained and untrained teachers • Assistant Supervisors (RECEs & Otherwise Approved) • Early Childhood Educators (RECEs & Otherwise Approved) • Child care assistants/ child care workers/ non-RECE program staff • Resource Consultants/ teachers • Administrators • Home Visitors • Clerical staff • Cooks • Housekeeping and janitorial staff • Bus drivers	• Persons working on short-term projects. For example: an individual under contract with an agency to develop a parent/guardian contract. • Students and staff whose salaries are fully covered by government funded employment programs. • Persons employed on a fee-for-service basis. For example: someone who provides accounting services for the program. • Persons who work for firms with whom your program has a contract. For example: cleaners employed by a company that provides janitorial services for your program.

Staff Salary Component of GOG

Licensees must determine the distribution of the grant funds between salaries and benefits and ensure they are allocated to staff in an equitable manner. Home Child Care operators (exclusively) are required to distribute an equitable portion of the GOG to their child care providers.

In considering the GOG distributed to staff salaries, licensees must:

- Ensure that GOG staff entitlements are not reduced; that is, the GOG per hour going to an individual staff member (salaries and benefits inclusive) must not decrease year-over-year, and
- All program staff (RECE and non-RECE) must receive a portion of the grant. Licensees have flexibility in whether they offer non-program staff GOG.

Licensees are encouraged to incorporate GOG into their salary grid for greater transparency and equity across their staff.

Once these requirements are met, GOG can be spent on additional operating expenses, as listed above.

Ineligible Expenses

- Bonuses (including retiring bonuses), gifts and honoraria paid to staff are inadmissible expenses except for in the case that they are provided as a retroactive wage increase that will be maintained the following year;
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans;
- Property taxes;
- Non-arm's length transactions not transacted at fair market value;
- Fees paid on behalf of staff for memberships in professional organizations such as the College of Early Childhood Educators are inadmissible expenditures; and,

Application Process: Additional GOG Considerations

Licensees must apply for GOG through the completion of the salary survey and annual budget submission process that is completed through OMS each year. The following information is required to calculate GOG:

1. Operating Capacity (Licensed Child Care Centres and exclusive to Licensed Home Child Care Operators)
2. Eligible full-time equivalent positions
3. Budget submission

Once the salary survey and budget in OMS is received and reviewed, Niagara Region will notify licensees of the amount of GOG they will receive. Note that a GOG allocation will not be provided for CWELLC participants in respect of staff serving children aged 0 to 5 as GOG will be a part of their Cost-Based Funding allocations. Each year licensees will be required to indicate in that year's salary survey how much of GOG has been provided to qualifying staff members.

Funding Allocation

GOG funding is provided to licensees as base funding and is accounted for in base wages in accordance with the [Ontario Child Care and Early Years Funding Guidelines](#).

- Licensees participating in CWELLC serving ages 0-5 will receive their GOG allocation in their cost-based funding allocation
- Licensees participating in CWELLC serving ages 0-12 and exclusively serving ages 6-12 (junior/ primary programs) will receive their GOG allocation through monthly allocations

NIAGARA CHILD CARE FUNDING GUIDELINES

General Operating Grant allocations to licensees in Niagara Region are determined based on the provincial funding received by the Ministry of Education. Should funding be terminated for any reason by the Ministry of Education and/or Children's Services, the licensee and Children's Services have no obligation to cover General Operating Grant funding.

One-time Funding

There may also be circumstances when one-time payment is provided based on available Ministry of Education funding. Eligibility of one-time funding will be based on the annual budget submission required of the licensee and licensees will be notified of the details of what the one-time funding can be applied to in the program.

Reconciliation

Any unspent funding must be declared surplus on the Reconciliation Template at the end of the funding year and will be recovered by the Region.

Someone with signing authority for the program or organization must verify that the information submitted on the form is correct (i.e., Executive Director, Board Member or Supervisor).

6E: SMALL WATER WORKS

Purpose

Small Water Works (SWW) funding supports costs related to small water systems for licensed child care centres.

Eligibility

Drinking water systems that supply water to a child care centre where the source of the water is not from a municipal water service connection are required to comply with O. Reg. 170/03 under the Safe Drinking Water Act, 2002. SWW funding should be used to support regular ongoing water testing and maintenance expenses which are limited to the following expense categories – laboratory testing, chemicals, supplies/filters, courier costs, maintenance of water treatment equipment including replacement UV bulbs and training. Costs related to the purchase and installation of systems and equipment are not eligible.

Licensee Requirements

Licensees must submit receipts for SWW expenditures and other offsetting revenues to Niagara Region each time a water test is completed. Receipts must also be kept on file as the Niagara Region may request this information per the service agreement.

The licensee will report its SWW in their Financial Statements.

6F: PAY EQUITY MEMORANDUM OF SETTLEMENT

Purpose

Pay Equity is intended to continue to support eligible licensees with the cost of implementing proxy pay equity.

Eligibility

As a result of the May 2003 Memorandum of Settlement, the Province announced additional proxy pay equity funding for eligible non-profit licensees. To be eligible, child care programs are required to be enrolled in CWELCC or exclusively serve children ages 6 to 12 and:

- Have a proxy order from the Pay Equity Commission;
- Have posted pay equity plan(s) based on proxy comparisons;
- Have current or outstanding proxy obligations; and
- Receive funding through Niagara Region to provide child care.

In Niagara Region in 2003 licensees had the option to complete a questionnaire and opt into Pay Equity Funding; this was a one-time opt in and licensees are no longer able to opt in. Pay Equity Funding does not change from year to year and is to be distributed to all child care staff within licensees' organization and represents the following:

- retroactive base as part of the October 2006 payment
- 1% base for the period April 2003 to March 2004
- 1% base for the period April 2004 to March 2005
- 1% base for the period April 2005 to December 2005

Licensees who opted in and receive pay equity must ensure that the pay equity funding is included in the total recorded for revenue in the General Operating & Wage Enhancement Grant column of your budget submission in the Operator Management System (OMS).

NIAGARA CHILD CARE FUNDING GUIDELINES

Should you have more questions pertaining to Pay Equity Funding licensees can contact the Pay Equity Commission at pecinfo@gov.on.ca, visit payequity.gov.on.ca or call the hotline at 1-800-387-8813.

6G: FEE SUBSIDY

Purpose

Fee subsidy is financial support for eligible families that helps contribute funds towards the cost of child care, enabling eligible parents/guardians to participate in the workforce or pursue education or training. Families accessing subsidized child care continue to see financial relief, through a reduction in their parental contributions for CWELCC-eligible children.

Eligibility

Starting January 1, 2025, fee subsidies can no longer support families with children enrolled in programs that serve children aged 0 to 5, if the licensee is not enrolled in CWELCC.

The exception to these criteria is existing fee subsidy agreements at otherwise ineligible licensees that serve children aged 0 to 5. Funding for these existing fee subsidy agreements may continue until the benefiting child ages-out of the program or leaves the program.

Fee subsidy for eligible families is subject to the availability of fee subsidy funds within the budget of the Niagara Region and space availability within an CWELCC-eligible child care program.

Kindergarten-Aged Children

Children of kindergarten age (those who will turn 4 by December 31st of the current calendar year) are expected to attend full day kindergarten and therefore will only be eligible for fee subsidy for before and after school or non-instructional full day care.

Not Participating in Full Day kindergarten

If an individual chooses not to register their child in full day kindergarten, their fee subsidy file will be closed, and the individual will be notified accordingly by their Children's services caseworker.

Child Care Fees For CWELCC-eligible children attending a CWLECC-Enrolled Program

The reduction of 50% (with no floor of \$12 for families receiving subsidy), to a cap of \$22/day for CWELCC-eligible children remains in place.

If a family has at least one CWELCC-eligible child, who receives care from a licensee that is enrolled in CWELCC, Niagara Region will reduce the parental contribution amount calculated via the income test for any child care provided on or after December 31, 2022.

Example: If a fee subsidy family has two children aged 7 and 4, the 50% parental contribution reduction would only apply to the 4-year-old (enrolled at a licensed centre participating in CWELCC) as the 7-year-old is not a CWELCC-eligible child. The 50% reduction would then be reduced by half, as it only applies to one of the two children.

Licensees are required to reduce the cost of full-fee spaces that are occupied by CWELCC-eligible children receiving fee subsidies.

CWELCC fee reductions may be reduced by less than 50% due to the \$12 per day floor. However, fee subsidy recipients will benefit from a full 50% parental contribution reduction as the \$12 per day floor does not apply.

Eligible fee subsidy families will not see a reduction in parental contribution in cases where their children occupy spaces with a licensee that is not enrolled in CWELCC.

Applying for Fee Subsidy

Details on parent/guardian eligibility can be found at [Child Care Subsidy - Niagara Region, Ontario](#).

Parents wishing to apply to fee subsidy may do so through the Niagara Region website: [Apply for Child Care Assistance - Niagara Region, Ontario](#)

Licensee Requirements

Licensees are required to:

- Charge families the parental contribution outlined in each eligible child's approval letter, as per the Niagara Region *Parental Contribution (Start/Withdraw/Transfer from a Program)* policy,
- Provide Fee Subsidy applicants with an income receipt each year for parental contributions,

NIAGARA CHILD CARE FUNDING GUIDELINES

- Record child attendance in the Ontario Child Care Management System (OCCMS), in alignment with the Niagara Region *Licensed Centre Based/Licensed Home Child Care Attendance – Monthly Invoice for Service* policy and the Niagara Region *Absent Day Allotment* Policy.

Annual Fee Increases for 6-12 year-old programs

Each year, licensed child care programs with a 6–12-year-old program (non-CWELCC eligible programs) are eligible to apply for an increase to their school-age fees. This process occurs as part of the annual budget submission through the Operator Management System (OMS).

Niagara region will approve child care rate increases up to a maximum increase of the prior year's [Consumer Price Index](#), not to exceed 10% above the sector's average for that program type (care code).

Rates in excess of 10% of the sector's average will be honoured if they were established and approved prior to January 1st 2025, however, increases will not be approved until the sector's average increases (whereby the program is within 10% of the sector average).

If a program opts to charge full-fee families a rate that exceeds the municipally approved rate, the program must absorb the revenue shortfall for fee subsidy children. That is to say, fee subsidy families must not be charged a fee beyond their approved parent contribution.

SECTION 7: SPECIAL NEEDS RESOURCING

“Special Needs Resourcing” (SNR) funding is used to support inclusion of children whose cognitive, physical, social, emotional or communicative needs, or whose needs relating to overall development, are of such a nature that additional supports are required for the child (“child with additional needs”).

To receive direct SNR funding or services, licensees must be enrolled in CWELCC or exclusively serve children aged 6 to 12.

In Niagara Region, two main SNR programs support children with additional needs:

1. Resource/Behaviour Consultant Services, which are provided by third-party SNR organizations as well as by Niagara Region. Resource/Behaviour Consultant Services are accessed using a referral form.
2. Short-term Specialized Funding, which is financial support provided to centres to hire additional short-term staffing above ratio requirements in classrooms with complex

NIAGARA CHILD CARE FUNDING GUIDELINES

needs. Short-term Specialized funding is accessed using an application form, completed in collaboration with a Resource/Behaviour Consultant.

To access the referral and application forms for SNR funding/ services, please visit Niagara Region's website:

[Inclusive Child Care Supports Committee - Niagara Region, Ontario](#)

7A: Short-Term Specialized Funding

Short-term Specialized Funding will be approved based on needs for inclusion, as identified by the centre's application and Resource/Behaviour consultant's recommendation.

Short-term Specialized Funding and Cost-Based Funding

Supports for CWELCC-eligible children with additional needs are eligible costs under CWELCC cost-based funding, and licensees are encouraged to include anticipated and potential costs of such supports in their annual budgets.

Wherever possible, licensees are required to cover their short-term specialized staff in CWELCC-eligible classrooms using their cost-based funding allocations. When applying for short-term specialized funding, licensees will be required to attest that they are unable to cover the cost using their cost-based funding allocation.

Approvals for short-term specialized funding in excess of cost-based funding allocations will be contingent upon a financial review of the centre's expenditures against their cost-based allocation and parent fee revenue. Where a centre has surplus funding, they will be required to use their existing cost-based funding allocation to cover the short-term specialized staff.

In the interest of providing timely supports for complex classrooms, conditional grant approval will be given to eligible centres ahead of financial review. Financial review will be completed at mid-year and year-end reconciliation. Niagara Region will recover the short-term specialized supports grant from centres that both (a) received short-term specialized funding for a CWELCC-eligible child, and (b) have a surplus in cost-based funding that could be directed to SNR supports.

Short-term specialized funding for CWELCC-ineligible children (in before-and-after school programs) will continue to be funded using the existing application and grant system. Cost-based funding allocations should not be used to support CWELCC-ineligible children.

Eligible Expenditures

Short-term Specialized Funding must be used to directly cover the wages and benefits of additional staff to support the inclusion of children with additional needs.

NIAGARA CHILD CARE FUNDING GUIDELINES

A reminder that short-term specialized funding staff are not eligible for Wage Enhancement Grant or Workforce Compensation Funding. Licensees are encouraged to match Wage Enhancement/ Workforce Compensation where their funding permits.

Ineligible Expenditures

Short-term specialized funding may not be used for:

- Treatment services (for example, individual therapeutic service provision through existing programs like Preschool Speech and Language and Blind Low Vision programs)
- Case Management of programs and services outside of child care;
- Supports to children and families in their homes;
- Child care fees to cover operating costs for licensed child care; and
- Nursing Supports.

NIAGARA CHILD CARE FUNDING GUIDELINES

APPENDIX A: CONTRACTUAL REPORTING REQUIREMENTS TO CHILDREN'S SERVICES

Name of Organization:

Date:

***Signing Authority:**

Position

*I have the authority to bind the above organization to Appendix A

Niagara Region Children's Services, as systems manager for child care services and supports, endeavours to make every effort possible to assist licensees. This partnership requires active participation with your organization. A guide to Appendix A has been developed to assist you with any questions you may have regarding this document.

The following items must be reported to Children's Services:

NIAGARA CHILD CARE FUNDING GUIDELINES

Item	Signing Authority
I agree to submit an operational budget to Children's Services by the requested date of the funding year, inclusive of service data information and the Salary Survey. I agree, acknowledge and understand that should my organization not complete and submit the budget, salary survey and service data information within the timeline set out by Children's Services, my contract may be terminated or suspended, or my funding may be withheld until such time as documentation is submitted and approved by Children's Services.	
I agree to submit the Reconciliation Template, inclusive of the Cover Sheet, attestations, and Expenditure Reconciliation for all grant funding received, as required within the timelines identified by Children's Services.	
My organization carries a minimum of commercial general liability (CGL) insurance coverage of five (5) million dollars and such other insurance as may be specified in the purchase of service agreement and/or required by NR from time to time, and which identifies Niagara Region as third-party additional insured. A Certificate of Insurance form will be provided to the agency and must be submitted prior to the expiration date of the current Certificate of Insurance on file. Failure to provide this required document could result in funding being withheld until such time as an acceptable Niagara Region Certificate of Insurance is provided.	
I agree to utilize OneHSN Niagara Region's Child Care Registry to fill spaces within my licensed program and to place and remove children within the system on a regular basis. I confirm that my organization does not currently use any other waitlist to fill spaces.	
Should it occur, I agree, that I will submit notification of any licensing non-compliance to the Ministry of Education's Child Care Assurance and Licensing System (CCLS). I agree, acknowledge and understand that dependent upon the nature of any licensing non-compliance that Children's Services has the right to terminate or suspend the contract or has the right to suspend the placement of subsidized children.	

NIAGARA CHILD CARE FUNDING GUIDELINES

I agree, acknowledge and understand that I must report any occurrences of a serious nature to the Ministry of Education's Child Care Quality Assurance and Licensing Branch. I agree, acknowledge and understand that dependent upon the nature of the serious occurrence that Children's Services has the right to: – terminate or suspend the contract or; – suspend the placement of subsidized children, and/or, in addition, Children's Services has the right to visit the centre, investigate any licensing concerns, serious occurrences or complaints and/or may involve the Early Childhood Community Development Centre, or other organizations and services, which will support the child care operation.	
I agree, acknowledge and understand that I must report to Children's Services, any complaints that are investigated by the Ministry of Education Licensing Branch or Family and Children Services regarding operational or staffing complaints. I agree, acknowledge and understand that dependent upon the nature of the occurrence that Children's Services has the right to: – terminate or suspend the contract or – suspend the placement of subsidized children, and/or, in addition, Children's Services has the right to visit the centre, investigate any concerns, or complaints and/or may involve the Early Childhood Community Development Centre, or other organizations and services, which will support the child care operation.	

NIAGARA CHILD CARE FUNDING GUIDELINES

Quality Child Care Niagara (QCCN) I agree, acknowledge and understand that I will report QCCN statistics each month regardless of whether there is any data to report. I will complete the monthly online reporting, noting when there were no Disc Preschool Screen's (DPS's), Children's Actions Relationships and Emotions (C.A.R.E) Checklists (if relevant), or Speech and Language Referral Checklists completed. During COVID-19, the statistic reporting on the annual completion of the Environmental Scales will be optional. As well, I will input QCCN data no later than the 15th of the following month (i.e., February 15th is the deadline for QCCN monthly data to be reported for January). I agree and acknowledge that all new educators will be trained in all 5 modules of QCCN Reflective Practice Institutes to promote inclusive practices for all children enrolled in their program. I agree and acknowledge that the mandatory QCCN tools shall be fully implemented at the licensed child care program. This includes: – Disc Preschool Screen (DPS) – Children's Actions Relationships and Emotions (C.A.R.E.) Checklist – Speech and Language Referral Checklist – Parent Surveys – During COVID-19 the annual completion of the Environmental Scales will be optional. I agree, acknowledge and understand that should the above mentioned QCCN reports not be submitted in the above-mentioned timelines, that Children's Services has the right to withhold placement of subsidized children in the centre, and/or hold any funding until such time as the information required has been submitted.	
I agree that subsidized clients will NOT BE CHARGED additional costs for items such as: registration fees, fundraising fees etc. per Children's Services Fee Subsidy policies. Items such as late pick up fees are acceptable to charge clients for. Please discuss this issue with your contract manager for approval of any exceptions.	

APPENDIX B: PROGRESSIVE LIMITATIONS

When all submissions meet timelines, no limitations will be applied, except for Serious Occurrences and Provisional Licenses, as applicable. If submissions are not received within timelines, the circumstances will be reviewed, and the following stages of Progressive Limitations may be applied. Unless otherwise negotiated with the licensee, where a condition of Stage One is not met within one month, the licensee will move into Stage Two. Where a condition is not met within a second month, the licensee will move into Stage Three.

NIAGARA CHILD CARE FUNDING GUIDELINES

Area	Timelines for Compliance	Stage One	Stage Two *If not compliant in stage one, the following may apply	Stage Three *If not compliant in stage two, the following may/will apply
Budget	Annually on or before the deadline determined by Niagara Region Children's Services for the current funding year	*Email reminder with a new timeline for compliance.	*No placement of new subsidized Children *Not eligible for one-time funding such as general operating grant	*Hold on cash flow and possible Termination of contract
Salary Survey	Annually on or before the deadline determined by Niagara Region Children's Services for the current funding year	*Email reminder with a new timeline for compliance if submission is late	*No placement of new subsidized children *Not eligible for any onetime funding such as general operating grant	*Hold on cash flow and possible Termination of contract
Insurance	Annually upon renewal	*Email reminder with a new timeline for compliance	*Termination of contract	

NIAGARA CHILD CARE FUNDING GUIDELINES

Board of Directors	Annually or upon changes	*Email reminder with a new timeline for compliance	*Meeting with manager and Director of Children's Services to discuss relationship and expectation	
Reconciliation Template	Annually on or before the deadline determined by Niagara Region Children's Services for the current funding year	*Email reminder with a new timeline for compliance	*No placement of new subsidized children *Not eligible for any one-time funding such as general operating grant	*Hold on cash flow and possible Termination of contract
QCCN	Monthly *Dependent upon months of operation on or before the 10th of the following month	*Email reminder with a new timeline for compliance	*No placement of new subsidized children *Not eligible for any one-time funding such as general operating grant	*Hold on cash flow and possible Termination of contract

NIAGARA CHILD CARE FUNDING GUIDELINES

Audited Financial Statements (CWELCC Enrolled Agencies)	Annually, 3 months after fiscal year end	*Email reminder with a new timeline for compliance	*No placement of new subsidized children *Not eligible for any one-time funding such as general operating grant	*Hold on cash flow and possible Termination of contract
In-Year Reconciliations	On or before the deadline determined by Niagara Region Children's Services	*Email reminder with a new timeline for compliance	*No placement of new subsidized children *Not eligible for any one-time funding such as general operating grant	*Hold on cash flow and possible Termination of contract
Quarterly Financial and Statistical Data Reporting (Operator Management System)	Operating Capacity Reporting due by the 10 th of each quarter (e.g. March, June, September, December 10 th), financial information due by the 20 th of each quarter	*Email reminder with a new timeline for compliance	*Freeze of cash flow until compliant and possible termination of contract	

NIAGARA CHILD CARE FUNDING GUIDELINES

OneHSN – Niagara's Child Care Registry	Monthly On-going	*The contract manager or designate may contact the service provider dependent upon identification of no activity in the application and investigate.	*Dependent upon review, the contract manager may request a plan of action within a specified timeline for activity in the application and investigate.	*Should OneHSN continue to not be used by the service provider, they will not be eligible for any one-time funding such as general operating grant and up to and including a hold on cash flow and termination of contract.
Serious Occurrences deemed critical.	As identified	*The Contract Manager may contact the service provider dependent upon the type of serious occurrence and investigate	*Dependent upon the nature of the occurrence the contract manager may request a plan of action within a specified timeline for correction of the occurrence *Dependent upon nature of the occurrence, the contract manager may freeze the placement of new subsidized children	*Should correction to the occurrence not be made or other issues are identified through licensing or investigation, further action will be taken, up to and including a hold on cash flow and possible termination of contract.

NIAGARA CHILD CARE FUNDING GUIDELINES

Provincial License/Tier 3 license and or Compliance Orders	*As identified, the service provider MUST contact the Contract manager or designate to discuss	*The Manager, Systems Planning and Evaluation may contact the service provider dependent upon the issues identified in the provisional license and/or Tier 3 license and/or: where the program has been subject to an enforcement action and or a compliance order; or/ is among the bottom 10% of centres in terms of the number and severity of non-compliances and investigate. *Dependent upon the issues identified, the placement of new subsidized children may be frozen until a clear license is obtained and/or the centre moves out of a Tier 3 license or has reached a service standard that Children's Services is satisfied with to place more children.		
---	--	---	--	--

NIAGARA CHILD CARE FUNDING GUIDELINES

Complaint Investigated by the Ministry of Education Licensing Branch or Family and Children's Services	*As identified, the service provider MUST contact the Contract manager or designate to discuss	The Contract Manager or designate may contact the service provider dependent upon the type of complaint and investigate	Dependent upon review, the contract manager may request a plan of action within a specified timeline dependent upon the nature of the complaint	*Should correction to the complaint not be made or other issues are identified through licensing or investigation, further action will be taken, up to and including a hold on cash flow and possible termination of contract.
--	--	---	---	--

APPENDIX C: EXAMPLE OF ELIGIBLE COST: A NEW REFRIGERATOR

A new refrigerator would be an eligible cost if it meets all three criteria described above. In general, the cost of a new refrigerator might be:

- Attributable to the provision of child care included in base fees (that is, purchased for the purpose of providing safe food to the children);
- Appropriate, as a cost reasonably expected to be incurred by an ordinary prudent person in the operation of a comparable child care centre providing food to children, and necessary to providing safe and healthy food, as part of the base fee; and
- Reasonable in quality and amount incurred, if the quality of the refrigerator does not exceed what is reasonably fit-for-purpose for the centre's needs, and if the licensee obtained a competitive price for a refrigerator of that quality.

The particular refrigerator that meets the three criteria may differ, depending on the licensees' circumstances. For example, consideration may be given to:

- The number of children served at the eligible centre.
 - For example, the purchase of a second refrigerator may be appropriate where necessary to store enough food for the number of children cared for at the centre;
- The complexity of dietary needs at the eligible centre, including for religious purpose
 - For example, a refrigerator with particular features may be reasonable in quality based on dietary needs or religious considerations, and reasonable in amount incurred if the eligible centre paid a competitive price for a refrigerator with those features;
- The urgency of need and timely availability of options to meet that urgency.
 - For example, a high delivery charge may be reasonable to obtain a refrigerator in a timely manner to ensure continued operations, if no other appropriate and reasonable options are available.

Having considered the above, the cost of a new refrigerator might be ineligible (partly or fully) if, for example, the refrigerator:

- Is located, without reasonable explanation, far away from the facility in which the child care included in the base fee is provided (in which case it may fail the attributable test);
- Was purchased second-hand and, due to an irreparable condition, cannot store food at a safe temperature (in which case it would fail the appropriate test)

NIAGARA CHILD CARE FUNDING GUIDELINES

- Is “top-of-the-line”, with features not required to deliver child care at the centre (in which case it may fail the reasonable test);
- It is meant to replace a reasonably working refrigerator already supporting the delivery of child care included in the base fee, or supplement that refrigerator when a second refrigerator when a second refrigerator is not needed (in which cases it may fail either the appropriate or reasonable tests); or,
- Was purchased for a price higher than others clearly available in a timely manner (in which case it may fail the reasonable test).