



Ontario 

Ministry of Education

Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline 2024

For Consolidated Municipal Service Managers and District
Social Services Administration Boards

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Highlights of Changes:

Section 1 – Introduction

- Removed: References to One-Time Transitional Grant and Canada-Ontario Early Childhood Workforce Agreement.

Section 2 – Ministry Business Practice Requirements

- Removed the 5% holdback on the child care and EarlyON allocations, including for CWELCC
- Removed: Financial reporting for child care and EarlyON was consolidated into one reporting submission
- Added: To further enhance accountability through year-end financial statements reporting, the standardized Excel template provided by the ministry must be completed and included as part of the special purpose audit report
- Added: A policies and procedures document regarding CMSM/DSSAB financial accountability mechanisms must be included as part of the year-end reporting.
- Added: Child care centres operated by municipalities will be required to retain third-party service providers to perform a value for money audit, implement recommendations accordingly and provide the report the ministry.

Section 3 – Child Care Funding Approach

- Updated: The Child Care Funding Formula (CCFF) methodology and associated data elements will be kept consistent.
- Updated: The ministry is engaged in the development of the new CWELCC funding approach. Release and implementation will be announced at a later date.
- Removed: One-Time Transitional Grant and Canada-Ontario Early Childhood Workforce from the flexibility chart.
- Updated: The child care and ELCC service targets will remain the same as in the prior calendar year.

Section 4 – Child Care Core Service Delivery

- Updated: Fee Subsidy Expense to include expenses incurred to implement regulatory amendments to O. Reg.138/15 facilitating out-of-jurisdiction subsidy applications and access
- Added: Revised licensing approach for Licensed Home Child Care (LHCC) Agencies transitioning to differentiated capacities by service area.
- Updated: Special Needs Resourcing (SNR) Expense to clarify parameters regarding continued support transitioning out-of-scope expenditures.

Removal of Section 8 – Canada-Ontario Early Childhood Workforce Agreement and Section 10 – One-Time Transitional Grant

New Section 8 – Child Care Wage Enhancement (WEG)/Home Child Care Enhancement Grants (HCCEG)

- Updated with new hourly wage maximum for WEG (\$30.59/hr) and full day HCCEG (\$305.90) to help close the gap between RECEs in the education sector and RECEs and program staff and providers in licensed child care settings.

Section 9 EarlyON Child and Family Centres

- Added: EarlyON programs are supported by:
 - Early Years Accommodations in Schools: Reference Guide (2018)
 - The *Better Schools and Student Outcomes Act, 2023*

Section 11: Framework for EarlyON Child and Family Centre

- Added: The critical role EarlyON staff play in Early Identification of child development issues and connecting families to specialized services.
- Clarified: CMSMs and DSSABs are encouraged to offer EarlyON programs in natural outdoor settings and discuss the benefits of outdoor play with parents and caregivers.

Section 13: EarlyON Child and Family Centres – Eligible Expenses

- Added: To deliver mandatory core services that are responsive to local needs, light meals and or snacks for program participants are eligible expenses.
- Added: CMSMs and DSSABs may reference *Ontario's Access and Inclusion Framework, 2023* in developing and implementing local service plans with an increased focus on access and inclusion.

Section 15: Indigenous-led Child Care and Child and Family Programs

- Updated: The operating funding allocations will be based on the prior year's operating funding allocations as previously approved.
- Added: Increased financial flexibility within each of the following categories where more than one project in the category has been approved by the ministry: Indigenous-led Child care programs, Indigenous-led child and family programs, Indigenous-led joint programs.

Appendix C:

- Revision to the Policy Statement to reflect the addition of guidance in support of the regulatory amendment to O. Reg.135/18 to facilitate fee subsidy access for families seeking out-of-jurisdiction care.

Appendix E:

- Revisions to the Child Care Funding Formula Technical Paper to reflect the funding approach for the current year

SECTION 1: INTRODUCTION

OVERVIEW

The Ministry of Education (the “ministry”) is pleased to release the *2024 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline* (“guideline”) for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

The guideline outlines the parameters under which the ministry will flow child care and EarlyON Child and Family Centres funding to CMSMs and DSSABs, and describes the requirements of the funding, including obligations for service system managers. The guideline aligns with the legislation that governs the provision of child care and early years in Ontario, including the [Child Care and Early Years Act, 2014 \(CCEYA\)](#), the [Education Act](#), and the [Early Childhood Educators Act, 2007](#), as well as the regulations within each Act.

CHILD CARE FUNDING CHANGES

Per the government’s announcement in August 2019, the ministry has phased in the changes to child care funding previously announced in the 2019 Budget. The phased implementation approach is as follows:

- As of January 1, 2020, CMSMs and DSSABs were asked to cost-share Expansion Plan operating funding at a rate of 80/20 provincial/municipal. Please note that while cost sharing is recommended, the ministry remains committed to providing the provincial allocation regardless of the CMSM/DSSAB contribution.
- On January 1, 2021, CMSMs and DSSABs continued to cost-share Expansion Plan operating funding at a rate of 80/20, plus were required to cost share provincial administrative funding, including wage enhancement and home child care enhancement grant administration, at a rate of 50/50.
- On January 1, 2022, the threshold for allowable administrative funding CMSMs and DSSABs can spend on child care was reduced from 10% to 5% in addition to the ongoing cost sharing requirements previously introduced.

CMSMs and DSSABs will continue their critical role as the designated child care and early years service system managers responsible for planning and managing licensed child care services and EarlyON Child and Family Centres in their communities.

Please direct any related questions to your Early Years Advisor or Financial Analyst as applicable. A full list of ministry contacts can be found on [the ministry webpage](#).

CANADA-WIDE EARLY LEARNING AND CHILD CARE AGREEMENT

On March 28, 2022, Ontario reached a \$13.2 billion agreement with the federal government on funding for and the terms of a Canada-wide Early Learning and Child Care (CWELCC) system. The program takes a phased implementation approach and is based on five pillars: improved affordability, improved access, sustaining high-quality services, inclusion, and enhanced data and reporting.

Funding under the CWELCC Agreement can be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability, and inclusivity in early learning and child care.

Note that while allocations for Child Care and EarlyON Child and Family Centres and the CWELCC system are disbursed via one transfer payment agreement, the funding guideline for the CWELCC system will be released as a separate guideline document. The CWELCC Funding Guideline continues to supersede in the event of a conflict between this funding guideline and the CWELCC system guideline.

CANADA-ONTARIO EARLY LEARNING AND CHILD CARE AGREEMENT

The Early Learning and Child Care (ELCC) Agreement supports parents, families and communities across Canada in their efforts to ensure the best possible future for their children. Ontario's Action Plan under the ELCC supports a shared commitment by the Ontario and Federal governments to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility, and inclusivity, with prioritization for children aged 0-6 years old.

In August 2021, the current ELCC agreement was renewed for four additional years, from April 1, 2021 to March 31, 2025. Under the renewed agreement, Ontario will receive a total of \$764.5 million in federal funding over four years and includes terms and conditions that are generally consistent with the previous agreement.

Note that all future ELCC funds flowed by Ontario pursuant to the agreement are contingent on the receipt of the funds by the Province from the federal government. Funding amounts will be confirmed by the federal government in future years and details provided to CMSMs and DSSABs at that time.

CMSM AND DSSAB SERVICE SYSTEM MANAGEMENT

CMSMs and DSSABs are the designated child care and early years service system managers responsible for planning and managing licensed child care services and EarlyON Child and Family Centres in their communities. Legislation sets out the requirement that CMSMs and DSSABs develop local plans that reflect the “provincial interest” for child care and early years programs and services established in legislation (refer to [section 49 \(1\) of the *Child Care and Early Years Act, 2014*](#)).

Local service planning processes should reflect current legislation, regulations and policies/directives, including this guideline as well as engagement with service providers.

The ability to strengthen the quality of child care and early years experiences and enhance system integration requires the strategic leadership of CMSMs and DSSABs to initiate, sustain and monitor local planning and development.

FRENCH LANGUAGE SERVICES

CMSMs and DSSABs serving areas designated under the *French Language Services Act* (FLSA) are required to meet the specific requirements outlined in their service agreement.

Where the CMSM or DSSAB serving areas designated under the FLSA is not at full capacity, it is required to submit a plan to the ministry annually to build capacity. The 2025 French Language Service plans are due to the ministry by March 31, 2024.

Additionally, all CMSMs and DSSABs are required to ensure the provision of French-language child care, EarlyON Child and Family Centres and supports for children with special needs where there is an identified need.

Priority is given to French-language school boards or service providers that have the capacity to deliver high quality French language child care, EarlyON Child and Family Centres and supports for children with special needs, wherever possible. CMSMs and DSSABs may also consider partnering with neighbouring CMSMs and DSSABs to enter into shared purchase of service agreements to meet the needs of more dispersed French-language communities.

QUALIFICATIONS UPGRADE PROGRAM

The ministry funds the Early Childhood Education Qualifications Upgrade Program (ECE QUP) which supports individuals working within the early years sector who have been accepted to an Ontario College of Applied Arts and Technology program to pursue their Early Childhood Education (ECE) diploma and become eligible to apply for membership with the College of Early Childhood Educators (CECE).

Support is provided through education grants, travel grants and training allowances.

Francophone, First Nation, Métis and Inuit communities have identified challenges recruiting and retaining qualified early childhood educators to deliver culturally responsive programs. In an effort to better support these communities, the ECE QUP prioritizes Francophone, First Nation, Métis and Inuit applicants in obtaining their ECE qualifications.

The ECE QUP also includes a Leadership Grant Stream which was established to support professional development opportunities for program staff (e.g., RECEs) aspiring to leadership positions and/or responsibilities and for RECEs interested in obtaining Resource Teacher/ Consultant qualifications).

ECE diploma graduates registered in the ECE QUP program are eligible for a one-time payment to cover their initial registration fees with the CECE.

The one-time investments will also support increased grants for training allowances for part-time students to reduce barriers and support course completion. In addition, this investment will provide flexibility to open the program's eligibility to individuals participating in other employment and training programs.

The Leadership Grant program may approve up to 75 applicants working in licensed child care or an early years setting and registered in part-time studies in the ECE Leadership Degree Program offered at Sheridan College (Honours BA of Early Childhood Leadership).

For more information on the ECE QUP, please visit the program's website at <https://www.ecegrants.on.ca/qualifications-upgrade/>.

COMMUNICATIONS

All public announcements regarding provincial and federal investments in Ontario's child care and early years system are potential joint communication opportunities for the provincial government, federal government, school boards, the CMSM/DSSAB, municipalities and community partners.

Any such communications opportunities should remain confidential until they are announced publicly by the Province of Ontario and the Government of Canada (where applicable), or jointly by the provincial government, federal government (where applicable), and CMSMs or DSSABs.

The intent is to help promote the role of the province, the federal government, CMSMs and DSSABs, and community partners in bringing new investments to local communities.

Please see the chart below for expectations regarding announcements:

CMSM/DSSAB Announcement	Recognition Expectation
Announcement related to Child Care	Clearly acknowledge contributions made by the Province of Ontario
Announcement related to funding for Child Care received through the ELCC	Clearly acknowledge contributions made by the Province of Ontario and the Government of Canada
Announcements related to EarlyON Child and Family Centres	Clearly acknowledge contributions made by the Province of Ontario and the Government of Canada

Public Communications

School boards, CMSMs and DSSABs and community partners should not issue a news release or any other public communication directed at media regarding major child care and early years investments, without:

- I. First contacting the Ministry of Education through EYCCinvestments@ontario.ca about your plan to publicly communicate these major child care and early years investments; and
- II. Publicly recognizing the Ministry of Education’s role in providing funding; and
- III. Inviting the Minister of Education to attend any events related to your investment announcement.

The Ministry of Education may also choose to issue its own news release and/or hold events about investments in child care and early years projects, in addition to those prepared by school boards, CMSMs and DSSABs and community partners.

The intent of this protocol is to promote the role of both the Ministry of Education and stakeholders in bringing new child care and early years projects to local communities.

Major Announcements and Events

Important: For all major child care and early years investments the Minister of Education must be invited as early as possible to the event. Invitations can be sent to EYCCinvestments@ontario.ca with a copy sent to your ministry Early Years Advisor. School boards, CMSMs and DSSABs and community partners will be notified at least four to six weeks in advance of their opening event as to the Minister’s attendance. If the date of your event changes at any time after the Minister has received the invitation, please confirm the change at the email address above.

If the Minister of Education is unavailable, the invitation may be shared with a government representative who will contact the CMSM or DSSAB, school board or community partner to coordinate the details (e.g. joint announcement). CMSMs and DSSABs, school boards and community partners are not expected to delay their announcements to accommodate the Minister or a Member of Provincial Parliament (MPP); the primary goal is to make sure that the Minister is aware of the announcement opportunity.

Other Events

For all other media-focused public communications opportunities, such as sod turnings for example, an invitation to your local event must be sent to the Minister of Education by email (EYCCinvestments@ontario.ca) with at least three weeks' notice. Again, please send a copy to your ministry Early Years Advisor. Please note that if the date of your event changes at any time after the Minister has received the invitation, please confirm the change at the email address above.

CMSMs and DSSABs, school boards and community partners are not expected to delay these "other" events to accommodate the Minister. Only an invitation needs to be sent; a response is not mandatory to proceed.

This communications protocol does not replace our stakeholders' existing partnerships with the Ministry of Education. Regional early years advisors and regional child care licensing staff should still be regarded as primary points of contact for events and should be given updates in accordance with existing processes.

Acknowledgement of Support

The support of the Government of Ontario must be acknowledged in media-focused communications of any kind, written or oral, relating to new investments. Similarly, CMSMs and DSSABs announcements related to funding received through the ELCC must clearly acknowledge that the contributions were made by the Province of Ontario and the Government of Canada. This acknowledgment could include but is not limited to, any report, announcement, speech, advertisement, publicity, promotional material, brochure, audio-visual material, web communications or any other public communications. For minor interactions on social media, or within social media such as Twitter, etc. where there is a limited restriction on content, municipalities, school boards, CMSMs and DSSABs, and community partners are not required to include government acknowledgement.

In addition, when engaged in reactive communications (e.g., media calls), CMSMs and DSSABs, school boards and community partners do not have to acknowledge government funding; however, if possible, such an acknowledgement is appreciated.

Note: Unless the ministry specifies that it requires joint communications to the sector, CMSMs and DSSABs should not utilize the provincial logo on any external

communications.

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 and/or neglect. Anyone with reasonable grounds to suspect that a child is or may be in need of 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 [here](#).

SECTION 2: MINISTRY BUSINESS PRACTICE REQUIREMENTS

TRANSFER PAYMENT BUSINESS

PROCESS

Child care funding is flowed through a five-year Transfer Payment Agreement (the Agreement) with schedules that may be replaced without the requirement of a signature. The Agreement includes funding for services related to both Child Care and EarlyON Child and Family Centres. The Agreement sets out the terms and conditions of the funding and provides annual funding allocations.

In 2024, funding will flow through the existing Agreement to CMSMs and DSSABs.

The Agreement is available on the Transfer Payment Ontario (TPON) online platform. TPON is an online platform that provides one-window access to funding information. Recipients will be notified when their Agreement, new or amended Schedules are available, and will be able to log into the platform to review them.

Technical support for TPON is available through **TPON Client Care**:

Monday to Friday from 8:30 a.m. to 5:00 p.m. EST:

- Telephone: 416-325-6691 or 1-855-216-3090
- TTY/Teletypewriter (for the hearing impaired): 416-325-3408 or 1-800-268-7095
- Email: TPONCC@ontario.ca

Service system managers can continue to contact their respective Early Years Advisor with any program-specific inquiries.

In accordance with the Government of Ontario's [Transfer Payment Accountability Directive](#), and consistent with the principles of prudent fiscal management, funds may be flowed to recipients based on the time period specified on the budget schedule (i.e., the calendar year indicated on the budget schedule) when:

- The Agreement is signed (for the first year of the 5-year Agreement); or,
- After the budget schedule is provided and the 30 day time period within which the recipient has the right to terminate the Agreement has passed.

The contracting process will consist of the following three stages: contracting; payment; and financial reporting.

CONTRACTING

Service agreements between the ministry and CMSMs and DSSABs:

- Set out expectations, terms and conditions of funding to support good governance, value for money, and transparency in the administration of transfer payment funds;
- Document the respective rights, responsibilities, and obligations of the ministry and CMSMs and DSSABs;
- Include specific, measurable results for the money received, reporting requirements, and any corrective action the Ontario government is entitled to take if agreed upon results are not achieved; and,
- Subject to the *Freedom of Information and Protection of Privacy Act*, the *Municipal Freedom of Information and Protection of Privacy Act*, and other relevant legislation, allow for inspection by the Province and/or independent professionals identified by the Province of any relevant financial and non-financial documents relating to the program to verify program progress and financial information including the recipients' allocation and expenditure of funds. In addition, the agreements do not limit the power or authority of the Auditor General of Ontario.

PAYMENT

Budget Schedule

The budget schedule identifies the ministry's allocation to CMSMs and DSSABs for the calendar year. The budget schedule will be updated and provided to CMSMs and DSSABs on an annual basis. As with all new schedules, if the recipient does not agree with all or any new schedules, the recipient may terminate the Agreement immediately by giving notice to the Province within 30 days of the Province providing the new schedules.

Payment Mechanics

Monthly cash flow percentages as indicated in the table below may initially be based upon the prior year's submissions or budget schedule. Monthly cash flow will be based on the new budget schedule after:

1. The time period to which the new budget schedule relates commences, and;
2. The 30 day time period from when the schedule was made available within which the CMSM or DSSAB has the right to terminate the Agreement has passed.

The ministry may adjust entitlement and the resulting cash flow to reflect forecasted or actual under-spending that is reported in the current year Interim Report. A final cash flow adjustment will be completed following the review of the Financial Statements submission.

Month	Percentage
January	8.3%
February	8.3%
March	8.4%
April	8.3%
May	8.3%
June	8.4%
July	8.3%
August	8.3%
September	8.4%
October	8.3%
November	8.3%
December	8.4%

The above payment schedule applies to allocations that are provided for the entire calendar year. For allocations with specific time periods noted, payment will flow in accordance with the noted allocation timeframes in Schedule D of your Agreement.

Based on Budget Schedule:

The monthly cash flow will be updated after both the time period for which the budget schedule relates commences, and the budget schedule is made available and the 30 day time period within which the CMSM or DSSAB has the right to terminate the Agreement has passed.

Based on Interim Report:

If the Interim Report submission reflects a different entitlement amount than in the budget schedule, upon ministry review, the cash flow for the subsequent payments may be adjusted.

Based on Financial Statements:

When the CMSM or DSSAB submits its Financial Statements submission, if the entitlement calculated in the Financial Statements submission exceeds the total amount paid for that year, the amount owing to the recipient will be flowed out upon completion of the review of the Financial Statements submission by the financial

analyst. Any amounts owing by the CMSM or DSSAB to the ministry will be deducted from a future month's cash flow amount. The CMSM or DSSAB will not be required to issue a cheque for the recoverable amount.

FINANCIAL REPORTING

The cornerstone of the Ontario government's performance management framework for the child care and early years program is accountability for service. Service information strengthens accountability for results, informs the public and decision-makers and other public officials, influences policy, signals areas needing attention and improvement and emphasizes the "differences that have been made" by a program or service. Financial reporting is one such way that the ministry demonstrates accountability.

Financial Reporting Cycle

As stated in the Reports Schedule of the service agreement, CMSMs and DSSABs are expected to provide the following submissions to the ministry as per the following cycle:

Submission Type	Due Date
Service Agreement	No signature/submission is required for new Schedules*
Interim Report	August 30, 2024
Financial Statements	May 30, 2025

*If the recipient does not agree with all or any new schedules, the recipient may terminate the Agreement immediately by giving notice to the Province within 30 days of the Province providing the new schedules.

Interim Reporting

The Interim Report submission allows CMSMs and DSSABs to report in-year performance against financial and service data targets. The Interim Report is submitted annually by each CMSM or DSSAB to the ministry. The Interim Report is for the period ending June 30, with a projection of expenditures and service data to December 31. Further details will be provided as part of instructions to the Interim Report.

The CMSMs and DSSABs may submit the following to the ministry:

1. A Recipient Active Submission
2. Signed copies of the following documents from the Recipient Active submission of the Interim Report:
 - a) Certificate pages
 - b) Adjusted Gross Expenditures pages
 - c) Summary of Entitlement pages

Financial Statements Reporting

The Financial Statements reporting submission represents the CMSM's or DSSAB's performance against its financial and service targets for the year. It is due five months following the CMSM's or DSSAB's year-end date, and includes the following six elements:

1. Audited financial statements of the CMSM or DSSAB;
2. A post audit management letter issued by the external auditors. If such a letter is not available, confirmation in writing for the rationale as to why it is not available;
3. A special purpose audit report¹ which includes the breakdown of expenditures and other restrictions for child care and EarlyON Child and Family programs funded by the ministry and outlined in this guideline.

To further enhance accountability through financial statements, the standardized Excel template provided by the ministry to support financial reporting must be completed and included as part of the special purpose audit report. Completion of the Excel template accompanied by an audit or review engagement report is a requirement for the financial reporting submission and allows for the independent verification of expenditures reported within the Education Finance Information System (EFIS);

4. A Recipient Active submission;
5. Signed copies of the following documents from the Recipient Active submission of the Financial Statements:
 - a) Certificate Pages

¹ Sample Word and Excel templates will be provided at a later date.

- b) Adjusted Gross Expenditure pages
 - c) Summary of Entitlement pages;
6. A policies and procedures document to understand the financial accountability mechanisms that CMSMs and DSSABs have in place for the use of public funds to ensure that funds are used for the purposes intended in accordance with transfer payment agreements with the ministry and guidelines.

VARIANCE REPORTING

As part of the Financial Statements submission, CMSMs and DSSABs will be required to report on and provide explanations for significant variances and the impacts on staff and services.

Significant variance reports are required as per the following chart:

Expense/Data Type	Significant Variance Reporting
Major Expenditure Category	+/- \$25,000 and +/- 10% (or more) compared to its prior year’s Financial Statements
Service Data	+/- 10% and +/- 10 Children (or more) compared to its prior year’s Financial Statements
Service Target Data	+/- 10% and +/- 10 Children (or more) compared to its prior year’s Financial Statements

Exceptions to Variance Explanation Reporting

Where additional funding is announced following the receipt of the Interim Report submission, a modified variance explanation reporting methodology will be introduced to allow CMSMs and DSSABs to report on variances based on the revised funding allocation and increased expenditures.

BASIS OF ACCOUNTING

CMSMs and DSSABs are required to report their revenues and expenditures using the modified accrual basis of accounting as directed by this guideline.

Modified Accrual Basis of Accounting

The modified accrual basis of accounting requires the inclusion of short-term accruals of normal operating expenditures in the determination of operating results for a given time period. Short-term accruals are defined as payable or receivable

usually within 30 days of year-end. Under modified accrual accounting, expenditures that would be amortized under full accrual accounting must be recognized as expenditures in the budget year the goods or services are received.

Expenditures made once each year (e.g., insurance) must be treated consistently from year-to-year.

Non-cash transactions are not recognized as these expenses do not represent actual cash expenditures related to the current period².

CMSMs and DSSABs should report capital expenditures in the period that the associated capital project being constructed is complete and ready for use. If construction of the capital project progresses across multiple years, capital expenditures should be reported in the period that the expenditures were actually incurred and not in the period that the allocations were committed.

INADMISSABLE EXPENDITURES FROM NON-ARM'S LENGTH AGENCIES

All expenditures arising from transactions not conducted at arms-length from the CMSM or DSSAB (e.g., transactions in which both parties to the transaction may not be acting independently of each other due to a previous relationship) are inadmissible unless transacted at fair market value.

POLICY FOR LATE FILING

The ministry acknowledges that the majority of CMSMs and DSSABs provide signed service agreements, updated financial submissions and related information on a timely basis. The intent behind the late filing process outlined below is to ensure the ministry has the information required to demonstrate accountability for public funds. The ministry will continue to support our CMSM and DSSAB partners with timely financial documentation filing through regional outreach, training, and ministry resources. Late filing policies of financial submissions are implemented as follows:

² Non-cash transactions include:

- a) provisions for pension expenses
- b) provisions for unused sick leave and wage settlements
- c) provisions for repairs or replacements
- d) provisions for bad debts
- e) retainer fees for legal services
- f) provisions for amortization

However, related payments are admissible.

Policy for late filing of financial submissions, including:

- a) Financial reporting (Interim Report, Financial Statements)
- b) Queries related to financial reporting and financial statements review
- c) Financial documentation (e.g., Audited Financial Statements, Review Engagement Reports, etc.)

Where a CMSM or DSSAB files its submission after the filing deadline, the ministry will inform the CMSM or DSSAB that the submission is overdue and may reduce cash flow by 50 per cent of the monthly payment (unless an extension has been granted).

Upon submission of ministry requirements, the ministry will revert back to the normal monthly payment process and will include in that monthly payment the total amount withheld up to that point.

The ministry reserves the right to suspend funding (in year or in the subsequent year(s)). Should a CMSM or DSSAB have any outstanding submissions, the ministry may exercise its discretion by not providing funding in the subsequent calendar year.

BUSINESS PRACTICES WITH SERVICE PROVIDERS

STANDARDS AND REQUIREMENTS

CMSMs and DSSABs are required to:

- Ensure that funds are used in accordance with the service agreement and the government's policies, procedures, and guidelines;
- Monitor the use of funds with service providers on an annual basis;
- Reconcile service provider use of funds and recover funds as required; and,
- Have policies and procedures in place to fulfill all reporting requirements to the ministry. This accountability applies to both service providers from whom CMSMs and DSSABs have purchased service as well as services directly operated by CMSMs and DSSABs. In addition, the delivery agent's financial policies and procedures are subject to ministry review.

The ministry encourages service system managers working with multi-site child care operators that are located in more than one CMSM or DSSAB region to work together to align reporting policies and procedures.

RECONCILIATION

CMSMs and DSSABs must have a comprehensive reconciliation process in place with service providers. This process allows CMSMs and DSSABs to reconcile actuals against allocation, assist in recovering unused funds as indicated below, and provide supporting documents for audit purposes. The CMSM's or DSSAB's reconciliation process should be documented, retained, and is subject to ministry review.

RECOVERIES

Identified unused funds must be recovered from service providers within two years of the claim being discovered. These funds must be identified as offsetting revenues in the year that the unused funds relate to (e.g., if the unused funds pertain to the previous calendar year, then the previous Financial Statement submission should be adjusted to reflect the recovery).

MAJOR CAPITAL

CMSMs and DSSABs are required to advise the ministry of any knowledge regarding the sale/transfer/renovation of child care properties that previously received capital funding from the Ontario government.

VALUE-FOR-MONEY AUDITS

CMSMs and DSSABs who directly operate child care centres are required to retain independent advice (e.g., third-party services) and conduct a value-for-money audit on their direct delivery of child care services. To assist with retaining independent advice, CMSMs and DSSABs may choose to access [Ontario's Vendors of Record](#) to secure auditing services.

The purpose of the value for money audit is to determine whether provincial funding is being used efficiently and effectively by directly operated centres, and whether the child care services could be offered by a third party provider instead. The audit report and recommendations should be posted publicly.

The cost of the value-for-money audit can be supported with CWELCC and regular provincial administration funding.

CMSMs/DSSABs should aim to complete their value-for-money audits on directly operated child care services by December 31, 2024. If the CMSM or DSSAB has undertaken any such audit since March 2022 and believes the report meets the objectives of these requirements, a copy of the auditor's report should be provided to the ministry for confirmation.

SECTION 3: CHILD CARE FUNDING APPROACH

CHILD CARE FUNDING FORMULA

The Child Care Funding Formula is a transparent approach to funding that responds to demand for services and helps stabilize fees and improves reliability of child care to support licensees and parents.

As the child care sector continues to stabilize their programs, the funding formula remains unchanged at this time. As a result, the funding methodology and associated data elements has been kept consistent for this year.

The ministry is actively engaged in the development of a new CWELCC funding approach with the goal of aligning it with the CWELCC program to improve clarity and transparency. The release and implementation timeline of the revised approach will be announced at a later date, with an effective date that provides sufficient time for implementation.

FINANCIAL FLEXIBILITY

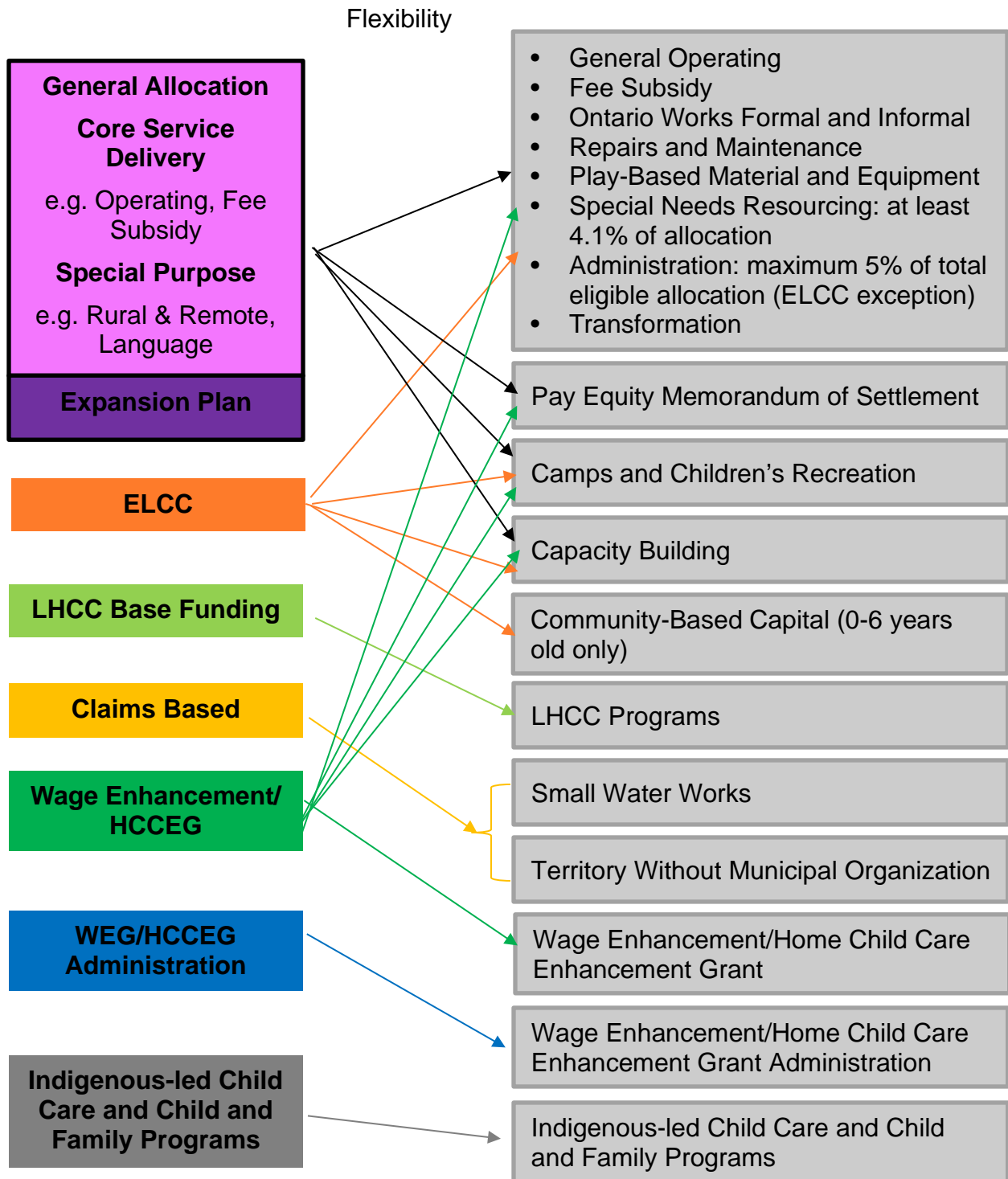
This section details the flexibility CMSMs and DSSABs have in spending their child care allocations between expense lines in order to best respond to the needs of their communities.

See Child Care Financial Flexibility Diagram on the next page.

Child Care Financial Flexibility Diagram

Allocation Mechanism

Child Care Expense / Program



The diagram illustrates spending flexibility available between allocation mechanisms and child care expenses/programs.

General Allocation funding is divided into two allocations:

1. Core Service Delivery
2. Special Purpose

Allocation and expense reporting functions are separated to increase flexibility for CMSMs and DSSABs to allocate funding to local priorities.

Funding provided through the core service delivery allocation and most special purpose allocations (Language, Indigenous, Cost of Living, Rural, and Repairs and Maintenance) can be used for the following expenses:

- General Operating,
- Fee Subsidy,
- Ontario Works (formal and informal),
- Repairs and Maintenance,
- Play Based Material and Equipment,
- Special Needs Resourcing (at least 4.1% of allocation),
- Administration (maximum 5% of total eligible allocation),
- Transformation,
- Pay Equity Memorandum of Settlement,
- Camps and Children's Recreation, and;
- Capacity Building (a minimum expenditure requirement is included in budget schedules).
- Small Water Works (SWW) is a claims-based program. Cash flow will be adjusted to reflect SWW claims.
- Territory Without Municipal Organization (TWOMO) is a claims-based program. Cash flow will be adjusted to reflect TWOMO claims.

The following allocations can also be spent in accordance with the spending parameters outlined above for Core Service Delivery and Special Purpose.

- Wage Enhancement/HCCEG Funding –CMSMs and DSSABs have flexibility with respect to the use of their wage enhancement /HCCEG allocation as set out in the Service Agreement and the section on Wage Enhancement in the guideline.

CMSMs and DSSABs have the additional flexibility to use any excess from their notional wage enhancement/HCCEG funding, found in the Agreement, to support children aged 0-12 including for General Operating, Fee Subsidy, Ontario Works (formal and informal), Repairs and Maintenance, Play Based Material and Equipment, Special Needs Resourcing, Transformation, Pay Equity Memorandum of Settlement, Camps and Children's Recreation and Capacity Building.

CMSMs and DSSABs are responsible for budgeting to ensure that adequate funding is available from the notional Wage Enhancement/HCCEG allocation in order to support all applicants that meet the eligibility requirements for wage enhancement/HCCEG, prior to exercising this funding flexibility.

It is important to note that where an application is received by the CMSM and DSSAB and eligibility criteria are met, CMSMs and DSSABs must provide operators funding so that all eligible staff receive wage enhancement/HCCEG funding.

In the case where a CMSM and DSSAB has exercised this flexibility using their notional wage enhancement/HCCEG allocation in their Agreement, and funding is still required to support wage enhancement/HCCEG funding in the community, the ministry will not provide additional provincial wage enhancement/HCCEG funding and municipal funding must be used to support this shortfall.

To align with the ministry priorities of supporting quality and transforming the child care and early years sector some allocations have specific parameters:

- ELCC Funding - ELCC can be used on General Operating, Fee Subsidy, Ontario Works (formal and informal), Repairs and Maintenance, Play Based Material and Equipment, Special Needs Resourcing (at least 4.1% of allocation), Administration (maximum 10% of total eligible allocation), Transformation, Camps and Children's Recreation, and Capacity Building. It also includes expenses for Community-Based Capital for children aged 0-6.
- Wage Enhancement/HCCEG (see above).
- Wage Enhancement/HCCEG Administration Funding.
- Funding for Indigenous-Led Child Care and Child and Family programs.
- Base Funding for Licensed Home Child Care (LHCC) - This allocation is the minimum amount which may be spent on the LHCC sector.

SERVICE/CONTRACTUAL TARGETS FOR CHILD CARE

In accordance with the [Transfer Payment Accountability Directive](#), there are contractual service targets for child care tied to the service agreement to support accountability and facilitate funding recovery, where required. There continues to be no contractual service targets for EarlyON Child and Family Centres; however, reporting of data elements will continue.

The ministry acknowledges that the child care and early years sector has been deeply engaged with the transformative work of implementing the CWELCC system and that contractual service targets are based on the context for the sector prior to the roll-out of CWELCC. The ministry will continue to monitor the situation and may make changes to contractual service targets as necessary.

General Allocation Targets

There are three contractual service targets associated with CMSMs' and DSSABs' general allocation which are a compilation of three expense categories and data elements related to fee subsidy, Ontario Works and Special Needs Resourcing (SNR). These targets are provided in Schedule C.

The service targets remain the same as in the prior year and incorporates the provincial portion of Expansion Plan targets, as CMSMs and DSSABs are no longer required to track and report on Expansion Plan service targets separately.

The ministry will provide only one total target for each category (fee subsidy, Ontario Works, and SNR) rather than segmentation of service targets by age group. Please note that CMSMs and DSSABs will still be required to report on general allocation service data and expenditures by age group in EFIS (Schedule 1.1). Incremental expenditure requirements must still be met for ELCC. (See Section 7 for more details).

Should the CMSMs or DSSABs not meet all of the three contractual service targets by 10 per cent or more, and 10 children or more in the aggregate, the recipient's entitlement will be reduced by 1 per cent to reflect the underachievement of contractual service targets. This one-time funding adjustment will be processed upon review of the Financial Statements submission by the ministry.

For example:

Scenario #1:

If a CMSM or DSSAB has a service target of 70 children but the financial submissions identify 61 children were served, they have met the service target.

- Number of children missed is 9

- Percentage is 13% (9 children missed/ 70 children identified in service target)

In this scenario the service target was met because even though the percentage missed is greater than 10, the number of children missed is less than 10.

Scenario #2:

If a CMSM or DSSAB has a service target of 70 children but financial submissions identify 60 children were served, they have not met the service target.

- Number of children missed is 10
- Percentage is 14% (10 children missed/ 70 children identified in service target)

In this scenario the service target was not met because BOTH the number of children missed equals 10 and the percentage missed is more than 10%.

Children who receive fee subsidy for camps, children's recreation programs, and before and after school care should be included in the fee subsidy contractual service target.

Children who receive Ontario Works child care funding should be counted under Ontario Works regardless of the type of program they attend. Children who receive SNR funding should be counted as part of the SNR contractual service target. If a child receives both SNR and fee subsidy funding, they should be counted under both service targets as they are receiving two different types of services.

CMSMs and DSSABs must report on all regular data elements not included in the contractual service targets of their Interim Report, and Financial Statements (Schedule in EFIS). Schedule 1.2 should reflect the data elements achieved by all sources of funding (i.e., provincial required cost share, additional municipal funding and parent fees, the provincial portion of expansion plan and recommended cost share). More information on reporting will be provided in the reporting manual.

General Allocation Contractual Service Targets (provincial funding and required municipal cost share)

Target	Expense Category	Contractual Target	Description
1	Fee Subsidy	Total of the Average Monthly Number of Children Served	Total average monthly number of infants, toddlers, preschoolers, kindergarten*, school aged** served including children served in licensed child care, camps, board-operated before and after school programs, and children's recreation programs
2	Special Needs Resourcing	Total of the Average Monthly Number of Children Served	Total average monthly number of children served from 0 up to kindergarten* and school aged**
3	Ontario Works	Total of the Average Monthly Number of Children Served (formal and informal)	Total average monthly number of infants, toddlers, preschoolers, kindergarten* and school aged children** served for Ontario Works formal and total average monthly number of children served for Ontario Works informal.

*Kindergarten includes both junior and senior kindergarten.

**School Age includes both the primary and junior school age categories (ages 6-12).

Child Care Expansion Plan Targets

General Allocation targets have been adjusted to incorporate the provincial portion of the Expansion Plan targets.

ELCC Targets

The 2024 ELCC targets will be based on the CMSMs' and DSSABs' 2023 ELCC targets.

Should the recipient not meet the ELCC target by 10% or more and 10 children or more in the aggregate, the recipient's ELCC entitlement will be reduced by 1% to reflect the underachievement of the ELCC service target. This one-time funding adjustment will be processed upon review of the Financial Statements submission by the ministry.

For example:

Scenario #1:

If the ELCC service target is 70 children but financial submissions identify 61 children were served, the CMSM or DSSAB has met the service target.

- Number of children missed is 9 (70-61)
- Percentage is 13 % (9 children missed/ 70 children identified in service target)

In this scenario the service target was met because the number of children missed is less than 10.

Scenario #2:

If the ELCC service target is 70 children but financial submissions identify 60 children were served, the CMSM or DSSAB has not met the service target.

- Number of children missed is 10 (70-60)
- Percentage is 14% (10 children missed/ 70 children identified in service target)

In this scenario the service target was not met because BOTH the number of children missed equals 10 and the percentage missed is more than 10%.

Reporting

Service targets and data are reported in schedules 1.1 and 1.1B of EFIS and are limited to actuals achieved solely with provincial funding (applicable to General Allocation and Expansion Plan), required/recommended municipal cost share (applicable to General Allocation and Expansion Plan) and federal funding (applicable to ELCC). CMSMs and DSSABs will report on all regular data elements not included in

service targets in schedules 1.2 and 1.2B in EFIS. These schedules should reflect the data elements achieved by all sources of funding (i.e., provincial required/recommended cost share, additional municipal funding, and parent fees).

Service targets are monitored by the ministry through a two-step progressive action process:

1. Should the recipient project the inability to meet general allocation or ELCC service targets, they should immediately inform their ministry early years advisor and copy their financial analyst.
2. The ministry will affect a one-time recovery of funds if general allocation or ELCC service targets are not met by year-end as identified to the ministry in the Financial Statements submission.

As noted at the beginning of the section, the ministry acknowledges that the child care and early years has been deeply impacted by the implementation of the CWELCC system and that contractual service targets are based on the context for the sector prior to the roll-out of CWELCC. The ministry will continue to monitor the situation and may make changes to contractual service targets as necessary.

Audits

Auditing is a cornerstone of good public sector governance. It is an unbiased and objective assessment of whether public resources are managed responsibly and effectively to achieve intended results.

Audits fulfill a number of roles:

- Support organizations in achieving accountability;
- Identify non conformity and required corrective actions leading to improved operations;
- Highlight areas of good practice; and,
- Identify trends and emerging challenges.

The ministry will undertake audits on CMSMs and DSSABs on a rotational basis. The audit strategy entails a review of CMSM and DSSAB adherence to specific requirements, such as regulations, guidelines, policies, and directives – otherwise known as a compliance audit.

In consideration of CMSM and DSSAB work on CWELCC, the ministry will monitor the situation and may make changes to the audit approach as necessary.

Compliance Audit Objectives

- To strengthen accountability within the child care sector;
- To ensure that expenditures and data elements driving the funding entitlement are properly reported in financial submissions;
- To address material financial risks identified in previous audit reports that continue to be applicable today;
- To gather field intelligence on data and validate/strengthen existing processes and inform future policy decisions; and,
- To obtain best practices contributing to continuous sector improvement.

Audit Scope

An audit will focus primarily on regular fee subsidy, but does not preclude the inclusion of other audit components and ministry investments. The ministry reserves the right to review and update the audit approach and scope.

SECTION 4: CHILD CARE CORE SERVICE DELIVERY

FEE SUBSIDY EXPENSE

PURPOSE

Child care plays a key role in promoting healthy child development and helping children to reach their full potential. It is an essential support for many parents as it helps to balance the demands of career and family while participating in the workforce or pursuing education or training.

ACCESS

Fee subsidy for eligible families is subject to the availability of fee subsidy funds within the budget of the CMSM or DSSAB and space availability within a child care program.

Amendments were made to O. Reg. 138/15 to require CMSMs and DSSABs to make reasonable efforts to work together, or with licensees, to facilitate access for eligible parents seeking subsidized child care outside of their home region. (See Appendix C: *Policy Statement – Access to Subsidized Child Care.*)

Ontario Works Recipients

Ontario Works and other social assistance recipients are deemed automatically eligible for fee subsidy and are not required to be assessed under the income test. To be eligible for subsidy, parents must be participating in approved employment assistance activities unless the child or parent has a special need or the child has a social need.

Per Ontario Works Policy Directives, participants of the Learning, Earning and Parenting (LEAP) program, a targeted strategy of Ontario Works that provides child care assistance and other supports to young parents on social assistance to help them finish high school and develop parenting skills, may receive child care fee subsidies in order to participate in activities.

Individual child care transition plans must be established for social assistance recipients to provide continuity of care for the child. As a social assistance recipient moves to full-time employment and exits social assistance, child care assistance remains available as long as the parent is considered eligible under the income test.

Child Care Fee Subsidy – Parents Who Qualify Based on Income

Parents who are eligible under the provisions of the income test may be eligible for fee subsidies for children 12 years of age or under. Fee subsidy funds can be used to support full and part-time child care in licensed child care centres, LHCC agencies, camps, children’s recreation programs and extended day programs operated by school boards (before and after school programs and non-instructional days).

Please note: Under the former *Day Nurseries Act*, parents of children with special needs could be eligible for fee subsidies for children under 18 years of age. While the *Child Care and Early Years Act, 2014* defines a child as under the age of 13 years, to support continuity of care, children with special needs who were in receipt of a service or who received financial assistance before August 31, 2017 will be allowed to continue to receive assistance/services until they turn 18 years, provided that they meet other eligibility criteria that are unrelated to age (see Ontario Regulation 138/15). For example, if a person with special needs started to receive financial assistance at age 12 years on August 30, 2017, they are eligible to continue receiving that financial assistance until they turn 18 in the year 2023. This provision means that families of these adolescents will not experience a financial assistance disruption based on their child’s age.

Child Care for Ontario Works Participants

Child care fee subsidies are an important support for Ontario Works participants including LEAP participants and Ontario Disability Support Program (ODSP) recipients in approved employment assistance activities. Funds for Ontario Works participants may be used for licensed or unlicensed (informal) child care to enable parents to participate in approved employment assistance activities. Ontario Works participants may only access unlicensed child care when a licensed child care arrangement is not possible due to the client’s needs and the availability of service (e.g. need for weekend/overnight care). The ministry also recommends that Ontario Works participants receive information describing the differences between licensed and unlicensed child care. Resources on child care in Ontario [can be found here](#).

Considerations regarding child care arrangements may include the number of children, age of the children and hours of care needed. The transition between subsidized part-day and subsidized full-day care as parents’ and children’s needs change should be seamless and support the substantiated needs of children and families. Unlicensed child care may be provided by occasional caregivers, neighbours, etc. Paid care provided by relatives outside of the Ontario Works benefit unit³ is permitted as long as receipts are provided.

³ The benefit unit is defined as “a person and all of his or her dependents on behalf of whom the person applies for or receives basic financial assistance”.

Ontario Works participants may receive assistance for the actual cost of licensed child care and up to pre-established ceilings for unlicensed child care. Maximum payment levels for unlicensed child care are specified under [O. Reg. 134/98, Subsection 49.1 \(2\) of the Ontario Works Act, 1997](#).

Ontario Works participants will be required to produce receipts on request for either unlicensed or licensed care purchased directly.

Documentation Requirements

CMSMs and DSSABs are required to establish a formal policy, or include language in their existing policies, on the use of unlicensed child care options for Ontario Works participants effective January 1, 2016. Policies should have the following components:

- Funding under the *Child Care and Early Years Act, 2014* for unlicensed child care may only be accessed by Ontario Works participants when a licensed child care arrangement is not available due to:
 - a) Limited licensed child care options (e.g. remote location, inaccessibility, etc.);
 - b) Licensed child care options do not meet the needs of Ontario Works clients (e.g. need for weekend, overnight, or intermittent care); and
 - c) Short-term child care need.
- In cases where unlicensed child care arrangements are approved, CMSMs and DSSABs will be required to document the rationale for the provision of funding. CMSMs and DSSABs have the flexibility to determine the appropriate documentation tools and processes for their regions. Documentation should be copied and retained on file for a period of seven years so that the existence of the documents can be verified in future file reviews.

The ministry may request to review Ontario Works policies. CMSMs and DSSABs can contact their early years advisor for support with the documentation requirement.

FEE SUBSIDY MANAGEMENT

CMSMs and DSSABs are encouraged to provide a flexible mix of subsidies for part- and full-day child care, across all age groups, which reflect the range of local service needs. A seamless transition should be provided between subsidized part-day and full-day care, or part-week and full-week care as the needs of parents and children change.

Determining the Amount of Child Care to Subsidize

CMSMs and DSSABs are to determine the amount of subsidized child care for each eligible family in accordance with the policy statement “*Access to Subsidized Child Care*” (please see Appendix C). The parent’s employment or education activities that result in a need for child care should be documented. However, where a parent works regular, full-time hours (i.e., at least 35 hours a week without rotating shifts), CMSMs and DSSABs are discouraged from documenting actual parental shifts worked as part of the attendance records. Additionally, information pertaining to a parent’s illness or disability where the illness or disability is the reason for needing child care should be documented. This includes documenting necessary information regarding a child’s special or social needs.

User Fees

CMSMs and DSSABs are strongly discouraged from adopting parent fee practices that cause subsidized parents to pay fees that may exceed their ability to pay as determined by the income test.

CMSMs and DSSABs may not charge user fees to social assistance recipients who are not engaged in paid employment.

IMPLEMENTATION

Amendments were made to O. Reg. 138/15 that require CMSMs and DSSABs process completed subsidy applications in accordance to the date they are received and make reasonable efforts to support eligible families to access child care in the location that best meets the family’s needs.

To complement the standard income test, the ministry continues to encourage CMSMs and DSSABs to adopt a standard approach to managing demand for fee subsidies based on local needs. This approach allows for flexibility at the local level while introducing more consistency across CMSMs and DSSABs in managing access to fee subsidy.

CMSMs and DSSABs have historically undertaken local planning processes to assess the socio-economic factors and to determine the appropriate allocation approach for fee subsidy funds that best meet the needs of their community. CMSMs and DSSABs should continue to use the local policies they already have in place to support the distribution of fee subsidies to children and families; however, Ontario Works participants should be prioritized where possible.

Examples of socio-economic factors that could be used to allocate fee subsidies in a CMSM or DSSAB include:

- Income levels of families with children;
- Geographic areas, such as wards, lower tier municipalities, territory without municipal organization;
- High growth areas;
- Social assistance recipients;
- Children's age groups; and
- Cultural and linguistic groups such as Indigenous peoples and Francophones.

CMSMs and DSSABs continue to have the flexibility to provide immediate child care subsidy to families facing exceptional circumstances, such as referrals from children's aid societies or victims of domestic violence.

CMSMs and DSSABs are expected to plan for the transition to employment for social assistance recipients so that continuity of child care support is available.

CMSMs and DSSABs may want to consider factors such as the family's current employment situation and/or income when prioritizing applicants for fee subsidies, to the extent that these may have changed since 2020.

Before and After School Programs (Extended Day Fee Subsidies)

CMSMs and DSSABs are to fund subsidies based on 100 per cent of school-board established before and after school rates per O. Reg. 221/11 (Extended Day and Third Party Programs made under the *Education Act*).

To make the best use of subsidy dollars it is recommended that school boards establish a before-school rate, an after-school rate, and a combined rate for the before and after school program per O. Reg. 221/11.

CMSMs and DSSABs are to establish overall framework agreements with school boards that will cover all school sites where boards are directly operating before and after school programs, for the provision of fee subsidies. Where a board has entered into an agreement with an eligible third-party program, CMSMs and DSSABs will continue with existing contractual processes in place (e.g. continue or enter into purchase of service agreements with individual providers).

Fee Subsidy Program Discretion

CMSMs and DSSABs have discretion regarding local fee subsidy management. Most CMSMs and DSSABs in the province use the best practice under which the “subsidy follows the child within the respective CMSM or DSSAB” in allocating fee subsidy funding. This benefits children and families by helping support the choices for child care that best meet their needs. In other CMSMs and DSSABs, funding is committed to specific child care centres, such that parents may only enroll their child if there is a vacancy for a subsidized space in the centre.

While CMSMs and DSSABs have flexibility in setting their community waitlist priorities for local fee subsidy management, applicants for fee subsidy that meet the eligibility criteria (outlined below) cannot be denied eligibility (e.g., children whose parents are post-graduate students or children who are eligible for full-day kindergarten).

Wait list policies are to take into account families with children enrolled in before and after school programs at schools.

Changes made under O.Reg.138/15 to facilitate access to cross-jurisdictional fee subsidy placements do not negate provincial or local policies regarding eligibility or priority. (See Appendix C: *Policy Statement – Access to Subsidized Child Care.*)

DETERMINING ELIGIBILITY

This portion of the guideline reviews the policies and practices related to determination of eligibility for fee subsidy.

Social Assistance

Social assistance recipients are eligible for full subsidy without being subject to the income test. This includes:

- A person eligible for income support under the *Ontario Disability Support Program Act, 1997*; and
- A person eligible for income assistance under the *Ontario Works Act, 1997* who is employed or participating in employment assistance activities under the Act or both.

Other parents may be eligible for full or partial subsidy based on the income test formula detailed below.

Income Test

CMSMs and DSSABs must use the income test prescribed by O. Reg. 138/15-Funding, Cost-sharing and Financial Assistance made under the *Child Care and Early Years Act, 2014*, to determine eligibility for fee subsidy and the amount of the parental contribution. CMSMs and DSSABs are responsible for administering the income test and verifying information. CMSM and DSSAB staff specifically designated to process applications for fee subsidy must administer the income test.

Questions and answers about the income test are available on the [Financial Analysis and Accountability Branch website](#) and may be requested from your early years advisor.

Definition of Income

For the purposes of income testing, the definition of income is “adjusted income” as defined under section 122.6 of the *Income Tax Act* (Canada). This definition includes net income from line 236 on the income tax returns of both spouses.

Verification of Income

All applicants for child care fee subsidy (and where applicable the applicant’s spouse), as well as recipients already receiving fee subsidy and being assessed under the income test, are required to provide a copy of either the most recent available Notice of Assessment or Canada Child Benefit (CCB) Notice or notice of payment under section of the *Income Tax Act* (Canada) to the CMSM or DSSAB.

This means that all applicants (and where applicable the applicant’s spouse) are required to file an income tax return annually in order to be considered for fee subsidy eligibility.

Applications for fee subsidy may be taken and eligibility reviews may be conducted at any time during the calendar year. Generally speaking, in the latter half of the calendar year, parents will be required to present the *Notice of Assessment* or CCB Notice for the previous calendar year. In the first half of the calendar year, until documentation is available for the previous tax year, applicants may present the documentation for two years earlier. Older documentation is not acceptable.

There is an exception for recent immigrants defined as people who were not residents of Canada in the previous year and had no Canadian income to report for income tax purposes. They are not required to have filed an income tax return and their adjusted income should be considered “zero” in the first year.

For more details regarding legislative authority, calculation of the parental contribution and significant changes in income, please refer to the Child Care Fee Subsidies Legislative Authority and Technical Details Guide in Appendix D.

BUSINESS PRACTICES

Case File Reviews and Protocols

CMSMs and DSSABs require a clear policy to determine when an applicant or recipient's file/application requires review. The policy may include reviewing files based on the child's age and associated change in programming as well as expected changes in circumstances (e.g., students who are beginning or finishing their studies). In order to maintain up-to-date information on parents' eligibility, CMSMs and DSSABs will at minimum review individual files at least once a year.

As a best practice, CMSMs and DSSABs should establish and communicate their own internal case file review protocols. The protocols may include such aspects as:

- Ensuring file reviews are completed at regular intervals;
- Communicating that random file reviews may be conducted; and
- Ensuring protocols are in place to report the monitoring of results and complete the necessary follow up for non-compliance with program requirements.

CMSM and DSSAB policies and protocols may be requested by the ministry and may be subject to ministry review.

Conflict of Interest

Policies should be established that provide a clear audit trail and reduce the potential for conflict of interest in conducting assessments or reviews. Staff of child care and recreation programs must not be involved in the application process. Applicant source documents should be copied and retained on file as per the file retention section below so that the existence of the documents can be verified in future file reviews.

Protection of Privacy

The collection of documentation related to an application for fee subsidy is subject to the [*Municipal Freedom of Information and Protection of Privacy Act*](#). CMSMs and DSSABs must protect the confidentiality of an applicant's personal information and related documents.

Purchase of Service Contracts

CMSMs and DSSABs may enter into agreements with service providers for the delivery of child care services in a way that can achieve the agreed outcomes, respects the principle of fair treatment to all service providers, and supports parental choice. Service system managers may also provide fee subsidy to licensed programs that are directly operated by a municipality or school board.

To be eligible to enter into fee subsidy purchase of service agreements, recreation programs must meet the requirements outlined in the Camps and Children's Recreation Program section of this guideline.

Before and After School Programs Offered Directly by School Boards

As board-operated before and after school programs are governed under the *Education Act*, no additional standards will be required by CMSMs and DSSABs when entering into agreements with school boards.

School boards that directly deliver before and after school programs are required to adopt the approaches outlined in *How Does Learning Happen? Ontario's Pedagogy for the Early Years* to support consistency and alignment across the province.

Before and After School Programs Operated by Third Party Programs

Before and after school programs provided by third party programs (licensed child care programs or authorized recreational and skill building programs) must follow regulations under the *Child Care and Early Years Act, 2014*. This is consistent with the Minister's Policy Statement that sets out *How Does Learning Happen? Ontario's Pedagogy for the Early Years* as the provincial framework to guide programming.

The Minister's Policy Statement applies to all licensed child care settings. See the Before and After School Program Guidelines.

Where programs are offered on school premises and adjacent to the instructional day, CMSMs and DSSABs should consider opportunities to align with school board Policy/Program Memoranda and other protocols to best support children in those programs, as appropriate.

Protocols for Child Care Licensees

The ministry's Child Care Licensing System (CCLS) notifies CMSMs and DSSABs whenever a new child care license has been issued, renewed, revised, amended, suspended, terminated or closed. CMSMs and DSSABs can search and view licenses and other licensing related documents (e.g., licensing letters, inspection

reports) in CCLS. They can also generate licensing and serious occurrence data reports about child care centres and home child care agencies in their geographic area.

CMSMs and DSSABs should review this information when contracting with child care service providers.

File Retention

Copies of applicants' documents related to income testing, identification of a child's special or social need or a parent's illness or disability must be verified and retained for a period of seven years. Please note that documentation relating to the special needs of a parent or child are for the purposes of determining the level of fee subsidy only. There is no required documentation for receipt of SNR. Closed fee subsidy files should be retained for seven years from the date of closure.

Complaint Resolution and Appeals

As a best practice and to provide information on internal review and appeal processes to fee subsidy clients, CMSMs and DSSABs should establish and communicate their own internal policy regarding complaint and appeal processes. These may include:

- How to submit a request for an internal review/appeal;
- Internal appeal timelines;
- Staff training on internal review and appeal processes; and
- How decisions and reasons for decisions will be communicated.

CMSMs and DSSABs should review their internal policies regarding complaints and appeals on a regular basis (e.g., annually).

Complaints and appeals received should also be reviewed at least annually to monitor trends and identify service improvements. The ministry may review a representative sample of complaints/appeals.

Overpayments

Families do not need to report in-year changes in income prior to their annual review. However, a family could still become ineligible for subsidy if they no longer have a valid reason for service and continue to use child care without advising the CMSM or DSSAB.

It is also possible that a CMSM or DSSAB could learn that an applicant misrepresented their status, such as a parent applying as a single person if they were in fact married.

CMSMs or DSSABs may establish or continue to apply existing policies to collect overpayments in situations where fee subsidies were provided to clients for periods of time when they in fact were not eligible for assistance or were eligible for a lower amount of assistance.

REPORTING REQUIREMENTS

Monitoring and Reporting Process

CMSMs and DSSABs report financial and service activity data. CMSMs and DSSABs may refer to the current service agreement and Appendix A for required service data elements and definitions.

- CMSMs and DSSABs are responsible for reporting the following expenses related to fee subsidy: Total gross expenditures for fee subsidy, Ontario Works (OW) formal and OW informal fee subsidy by age group⁴;
- Required parent contribution and other offsetting revenues by age group.

In addition, CMSMs and DSSABs are responsible for reporting on the following data elements for child care fee subsidies and OW:

- Average monthly number of children served by age group for fee subsidy and OW formal;
- Average monthly number of children served, OW informal;
- Number of children served (cumulative) for fee subsidy, OW formal and informal;
- Consolidated average monthly number of fee subsidies provided through general allocation, expansion plan, Early Learning Child Care (ELCC) and funding for Indigenous-led child care and child and family programs by family income level (e.g., under \$20K, \$20K-\$30K, \$30K-\$40K, \$40K-\$50K, etc.); and
- Consolidated total number of fee subsidies provided through general allocation, expansion plan, ELCC and funding for Indigenous-led child care and child and family programs by family income level (e.g., under \$20K, \$20K-\$30K, \$30K-\$40K, \$40K-\$50K, etc.).

⁴ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

Required Documentation

At a minimum, CMSMs and DSSABs maintain the following documentation on fee subsidy payments:

- Record of payments to child care service providers; and
- Monthly invoices from service providers reporting child attendance.

Other financial practices and reporting requirements for CMSMs and DSSABs are detailed in the Ministry Business Practices section of this guideline. CMSMs and DSSABs must retain required documentation for at least seven years. For further assistance (e.g., monitoring and reporting requirements) please contact the ministry.

CAMPS AND “CHILDREN’S RECREATION PROGRAMS” (CHILDREN’S RECREATION) EXPENSE

PURPOSE

This section details the funding eligibility requirements for camps and “children’s recreation programs”. All other current ministry protocols for the administration of fee subsidies and SNR funding apply as well. Please see the Fee Subsidy and SNR sections of this guideline for further information.

ELIGIBILITY REQUIREMENTS

Section 1 of Ontario Regulation 138/15 under the *Child Care and Early Years Act, 2014* defines “children’s recreation program” as a program that is operated by:

- a) An organization recognized under Regulation 797 of the Revised Regulations of Ontario, 1990 (Recreation Programs) made under the *Ministry of Tourism and Recreation Act* as a children’s recreation service provider by a resolution passed by the local service system manager, municipality, school board or First Nation; or
- b) An authorized recreational and skill building program as defined under the *Child Care and Early Years Act, 2014* and its regulations (see paragraphs 1 to 4 of subsection 6 (4) of the CCEYA and the criteria set out in section 3.1 of Ontario Regulation 137/15 made under the CCEYA); or
- c) A member of the Ontario Camps Association.

Fee subsidies may be provided to children enrolled in one of three types of “children’s recreation programs” described above who are four years old or older.

Authorized recreational and skill building programs

“Authorized recreational and skill building programs” are defined in the CCEYA. An “authorized recreational and skill building program” is one that:

- Operates once a day for no more than 3 hours on weekdays
- Promotes recreational, artistic, musical or athletic skills or provide religious, cultural or linguistic instruction
- Is not operated in a person’s home
- Is operated by one of the following:
 - The local service manager, a municipality, school board, First Nation, or the Métis Nation of Ontario;
 - A member of the YMCA or a member of Boys and Girls Clubs of Canada;
 - An organization that delivers Ontario’s After School Program funded by the Ministry of Tourism, Culture and Sport (MTCS);
 - An organization that is recognized by Parks and Recreation Ontario as a HIGH FIVE accredited organization;
 - A Friendship Centre that is a member of the Ontario Federation of Indigenous Friendship Centres;
 - A member of a provincial sport organization or multi-sport organization recognized by MTCS, where the program’s activities are related to the sport or sports promoted by the organization;
 - MTCS or its agencies (e.g., the Royal Ontario Museum, Ontario Science Centre);
 - Authorized by the local service system manager to offer child care in their service area provided that the program can demonstrate to the local service system manager that it offers programming that supports the health, safety, and well-being of children; or
 - Authorized by a First Nation to offer child care on their territory provided that the program can demonstrate to the First Nation that it offers programming that supports the health, safety and well-being of children.

Authorized recreational and skill building programs with expanded hours

Section 3.1 of [O. Reg. 137/15](#) under the CCEYA allows the following authorized recreational providers to operate before and after school programs with expanded hours (more than 3 hours each day) on weekdays during the school year, upon Ministry approval:

- A local service system manager, municipality or First Nation;
- An organization delivering Ontario's After School Program funded by MTCS;
- A member of YMCA Canada or Boys and Girls Clubs of Canada; and,
- A Friendship Centre that is a member of the Ontario Federation of Indigenous Friendship Centres.

Camps

Pursuant to Ontario Regulation 138/15, parents of children in “camps” - as defined in paragraph 9 of subsection 4 (1) of the Act (CCEYA) – who also meet other eligibility criteria are by regulation eligible for fee subsidy. Fee subsidy may be provided for children attending a camp who are four years old or older (or turning four in the current calendar year and enrolled in a camp provided on or after September 1st).

Eligible Camps:

- Operate for no more than 13 weeks in a calendar year.
- Operate on days where instruction is not typically provided for pupils in schools.
- Are not operated at a person's home.

Children with Special Needs: Age Eligibility Transition

Under the former *Day Nurseries Act*, parents of children with special needs could be eligible for fee subsidies for children up to 18 years of age. While the *Child Care and Early Years Act, 2014* defines a child as under the age of 13 years, to support continuity of care, children with special needs who were in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance/services until they turn 18 years, provided that they meet other eligibility criteria that are unrelated to age (see Ontario Regulation 138/15). For example, if a person with special needs started to receive financial assistance at age 12 years on August 30, 2017, they are eligible to continue receiving that financial assistance until they turn 18 years in the year 2024. These provisions mean that the families of these adolescents will not experience a financial assistance/service disruption based on their child's age. Please see section 28 of Ontario Regulation 138/15 for the provisions that speak to this transition approach.

Program Requirements

Service system managers are required to have program requirements in place that support the health, safety and well-being of children enrolled in camps or “children's recreation programs” with whom CMSMs and DSSABs are entering into a purchase of service agreement for the provision of fee subsidies and/or SNR. At a minimum these

requirements should include standards related to the following health, safety and well-being provisions:

- 1) Liability Insurance
- 2) Safe Arrival and Departure of Children
- 3) Vulnerable Sector Check
- 4) Adult Supervision
- 5) Programming Quality Assurance (e.g., HIGH FIVE certification or Accredited by the Ontario Camps Association)

Camps and children's recreation programs must also meet these requirements in order for CMSMs and DSSABs to permit the provision of SNR to children enrolled in these programs, and amend their service agreements with SNR agencies accordingly.

Service system managers may also wish to consider additional program requirements in their purchase of service agreement with operators such as the conditions outlined in the ministry's resource document: *Authorizing Recreational and Skill Building Programs*.

GENERAL ADMINISTRATION

CMSMs and DSSABs are responsible for assessing and monitoring the eligibility of camps and "children's recreation programs" for child care funding based on the above requirements. They may also set additional eligibility criteria. However, when determining whether or not to establish a purchase of service agreement with a camp or "children's recreation program" that meets the ministry's funding eligibility requirements, CMSMs and DSSABs should, as much as possible, take into consideration the wishes and needs of the family receiving the subsidy. CMSMs and DSSABs may not enter into a purchase of service agreement with any camp or "children's recreation program" until they are satisfied that the program meets all of the eligibility requirements stated above. However, if a CMSM or DSSAB wishes to consider a camp or "children's recreation program" for a purchase of service agreement that does not meet all of the ministry's minimum requirements for funding eligibility at the time of the initial assessment, the CMSM or DSSAB is encouraged to give the camp or "children's recreation program" operator sufficient time to make the changes necessary to meet the requirements.

Camp and "children's recreation programs" fee subsidies were created with the intention of increasing choice and flexibility for families. Service system managers and other organizations that already have funding in place to subsidize the cost of camp and "children's recreation programs" for families in financial need (e.g., "welcome policies") must not use child care fee subsidy funding as a replacement for this funding.

REPORTING REQUIREMENTS

CMSMs and DSSABs will be required to report on the following data elements in 2024, regarding camps and children's recreation:

- Total gross expenditures by age groups⁵;
- Required parent contribution and other offsetting revenues by age group;
- Average monthly number of kindergarten children served-fee subsidies;
- Average monthly number of school-age children served-fee subsidies;
- Number of kindergarten children served-fee subsidies; and
- Number of school-age children served-fee subsidies.

GENERAL OPERATING EXPENSE

PURPOSE

The purpose of the General Operating expense is to support the costs of operating licensed child care programs in order to reduce wait times and fees for services, stabilize service levels, and (where funds allow), improve access to high quality affordable early learning and child care services for children and their families.

ELIGIBILITY CRITERIA

Licensees are required to demonstrate to the CMSM or DSSAB that they are able to meet their minimum wage and mandatory benefits requirements without operating funding in order to qualify for funding.

Under Ontario Regulation 138/15, service system managers are able to provide general operating funding to extended day programs to alleviate high fees to parents.

PRIORITIES

CMSMs and DSSABs will use the following principles to inform operating funding priorities while balancing local needs:

⁵ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

- Stabilizing and transforming the existing child care system to enable high-quality, consistent services;
- Allocating funds efficiently, equitably and with transparency;
- Increasing choice, convenience and reliability for parents;
- Supporting LHCC agencies and strengthening the LHCC system through predictable and consistent base funding;
- Supporting programs that serve the diverse needs of their communities, including children with special needs, Indigenous children, and Francophone children;

Key considerations that must be supported through CMSM and DSSAB policies regarding general operating allocations include:

- Stabilizing child care fees;
- Retaining qualified stable staffing and supporting quality programs;
- Mitigating higher operating costs for younger age groups (ages 0-3.8);
- Supporting the implementation of the Schools-First Child Care Capital Retrofit policy;
- Prioritizing funding based on child care licensing history, financial history and viability of programs; and,
- Capacity of programs to access funds through other means.

ELIGIBLE EXPENSES

General operating funding may be used for ongoing costs, including: staff wages and benefits, lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies, and maintenance. Ministry funding can only be used to offset salary costs over and above the licensees' regulatory requirements for minimum wage and mandatory benefits.

CMSMs and DSSABs have the flexibility to use wage enhancement/HCCEG funding to support general operating expenditures in child care, once CMSMs and DSSABs have fully met their wage enhancement/HCCEG funding requirements within their communities. Please refer to the Wage Enhancement section of the guideline for further information.

Otherwise, wage enhancement/HCCEG funding may not be used to replace general operating funding provided to licensees to support wages. Wage enhancement funding is to be provided in addition to existing staff wages, including general operating grants.

LICENSED HOME CHILD CARE (LHCC) BASE FUNDING

The government provides operating funding to support a base funding model for LHCC agencies. The intent of LHCC base funding is to support the provision of stable, predictable funding to assist agencies with forecasting, planning, and actively recruiting more providers. Please see Appendix E: Child Care Funding Formula Technical Paper, for the funding methodology.

With the use of this funding, service system managers must work with LHCC agencies to reduce fees and/or avoid per diem increases and demonstrate that this benefits both:

- Providers, in the form of increased compensation; and
- Parents, in the form of reduced fees or additional fee subsidies.

Revised Licensing Approach to Home Child Care

All home child care agency licences are transitioning to differentiated capacities by service area. If a licensed home child care agency oversees child care in multiple service areas, its licence will specify the maximum number of approved homes the agency may oversee in each specific CMSM and DSSAB service area.

Licensees may also have “unassigned capacity” on their licence. This represents the number of inactive homes they had when their licence transitioned to the new approach and home child care agencies are not permitted to open homes using this unassigned capacity. If licensees wish to open more homes, and they are enrolled in CWELCC, they will be required to demonstrate that the CMSM and DSSAB where the new homes will be located has advised that an increase in capacity is eligible for CWELCC funding before unassigned capacity can be assigned to a CMSM and DSSAB. For LHCC agencies that are not enrolled in CWELCC, requests to assign capacity to a specific service area using the unassigned capacity should be submitted directly to the ministry.

Funding Methodology

The LHCC base funding allocation for CMSMs and DSSABs is outlined in the Budget Schedule of the service agreement, and is based on the address of LHCC agencies as recorded in the Child Care Licensing System (CCLS) database⁶. Data elements used to update allocations have not been revised in order to provide a stable allocation approach during this time. As in the prior year, the LHCC base funding allocations were determined by multiplying the benchmark amount of \$6,900 by the number of active homes for home child care agencies as of March 31, 2018. The number of active homes was determined using 2018 licensed child care survey data as reported by LHCC agencies.

⁶ Ministry approved adjustments to the location of homes among CMSMs and DSSABs in 2019 continue to be reflected.

LHCC base funding must be spent on home child care expense categories only. LHCC funds not spent on LHCC will be recovered by the ministry as part of the overall recovery for the general allocation. The overall recovery for the general allocation will be calculated as the greater of the recovery from “total sectors excluding SWW, TWOMO and adjustments” in schedule 3.1 in EFIS and the recovery calculated for LHCC.

Based on the allocation, it is recommended that CMSMs and DSSABs provide a minimum of **\$6,900** for each active home an agency oversees. However, CMSMs and DSSABs have flexibility in setting their per-home amount and are encouraged to adapt existing local practices to provide stable, predictable funding to agencies even if below the recommended amount.

As LHCC Base Funding allocations are based on the location (civic address) of home child care agencies rather than the location of active homes, CMSMs and DSSABs should collaborate with their counterparts to fund agencies and build a shared understanding of local policies that cross CMSM and DSSAB boundaries.

As service system managers, CMSMs and DSSABs are responsible for making decisions about the provision of LHCC base funding to individual licensees, subject to provincial requirements. CMSMs and DSSABs are not required to enter into new purchase of service agreements with LHCC agencies where it does not meet community needs.

CMSMs and DSSABs are required to have a policy and approach in place for the equitable allocation of general operating funding to licensees in their communities.

INADMISSIBLE EXPENSES

Inadmissible expenses include:

- 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;
*Please note: In recognition of continued Indigenous engagement and in support of Indigenous-led service delivery, Indigenous elder honoraria is an admissible expense for early years and child care program allocations.
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans;
- Property taxes;
- Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators; and
- Any other expenditure not listed under the allowable expenses section.

REPORTING REQUIREMENTS

CMSMs and DSSABs are required to report on the following data elements regarding general operating:

- Total gross expenditures by age groups⁷;
- Total other offsetting revenues by age groups;
- Total adjusted gross expenditures with regards to general allocation excluding other allocations except for SWW by type of setting (i.e., centres or homes);
- Total adjusted gross expenditures with regards to general allocation excluding other allocations except for SWW by type of auspice;
- Number of licensed child care centres (including extended day programs) and LHCC agencies receiving general operating funding;
- Number of service agreements for child care centres and LHCC agencies receiving general operating funding; and
- Total licensed capacity of all programs supported (cumulative). CMSMs and DSSABs may use their discretion to determine which funding stream may appropriately support fee subsidies (i.e., LHCC base funding or General Allocation) for children within the LHCC sector.

IMPLEMENTATION

As service system managers, CMSMs and DSSABs are required to develop a policy for the equitable allocation of general operating funding to licensees in their community, based on the above noted priorities and principles. The policy must be shared with the community and may be requested by the ministry.

The ministry's expectation is that CMSMs and DSSABs will develop local strategies and modify operating funding policies to support increased access to LHCC programs.

CMSMs and DSSABs should build on their existing community consultation processes in developing their general operating policies and are strongly encouraged to require that licensees use operating funding allocations to support stable ongoing operating and wage base funding, rather than allocating as lumpsums.

⁷ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

PAY EQUITY MEMORANDUM OF SETTLEMENT

PURPOSE

To enable the Province to continue to support eligible organizations with the cost of implementing proxy pay equity.

ELIGIBILITY

As a result of the Memorandum of Settlement, the Province announced additional proxy pay equity funding for eligible non-profit service providers. In order to be eligible, child care programs were required to:

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

EXPENDITURE REQUIREMENTS

The Province will continue to flow funding as agreed in the May 2003 Memorandum of Settlement to CMSMs and DSSABs as part of the core services delivery allocation. CMSMs and DSSABs are required to continue to flow the pay equity funding to service providers.

Service providers are required to continue to meet their pay equity obligations.

REPORTING REQUIREMENTS

CMSMs and DSSABs will report on pay equity memorandum of settlement expenses in their submissions. CMSMs and DSSABs will also be required to report on the number of contracts they have with licensed child care programs and non-profit agencies that receive funding under the pay equity memorandum of settlement.

Please Note: The integration of the pay equity expense under the core services delivery allocation does not relieve CMSMs and DSSABs or licensees from their obligations to comply with the Pay Equity Memorandum of Settlement.

Once wage enhancement/HCCG requirements have been fully met, CMSMs and DSSABs have the flexibility to use remaining wage enhancement to support other child care expenditures, such as Pay Equity Memorandum of Settlement.

SPECIAL NEEDS RESOURCING EXPENSE

OVERVIEW

This section of the guideline provides an overview of the ministry's current policies, standards, requirements and expectations with respect to the management of Special Needs Resourcing (SNR) funding and includes: the purpose of SNR, eligibility and expenditure requirements; direction for planning and collaboration; the reporting process and required documentation.

In response to the five-year review of the *Child Care and Early Years Act, 2014*, the SNR guideline has been updated to clarify provincial policies regarding SNR which will support service system managers to improve access and the optimal participation of children with special needs in early years and child care settings.

Principles of SNR service delivery include:

1. **Inclusion:** All children are able to actively and meaningfully participate in licensed child care and early years programs and are supported to form authentic, caring relationships with their peers and educators (e.g., a class-wide approach which doesn't separate or exclude children with individualized 1:1 treatment/actions).
2. **Capacity Building:** Research demonstrates that supporting educator capacity to increase their skills, knowledge and access to resources helps address the needs of all children in their programs and fosters effective inclusive practices⁸.
3. **Integrated Supports:** Children and families benefit from the intentional efforts of educators who collaborate and make relevant, timely referrals and connections to other programs and services to support their needs.
4. **Foundational Conditions:** Ontario's pedagogy for the early years (*How Does Learning Happen?*) articulates a strength-based view of children, families and educators supported by four foundations that are essential for all children to grow and flourish: Belonging, Well-Being, Engagement, and Expression⁹

⁸ Bricker (2000) concluded that two critical variables are necessary for effective models of inclusion that foster positive outcomes for children: professionals' attitudes and beliefs and having the skills and knowledge to address the needs of all children in the programs.

⁹ *How Does Learning Happen? Ontario's Pedagogy for the Early Years* (Ministry of Education, Ontario, 2014).

PURPOSE

SNR funding is to be used to support the inclusion of children with special needs in licensed child care settings, including LHCC, camps and “children’s recreation programs”, at no additional cost to parents / caregivers. Under Ontario Regulation 138/15, a “child with special needs” means a child 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.

Local special needs services and supports continue to evolve over time to meet the diverse and changing needs of children, their families and communities. The funding approach for SNR established through the child care funding formula enhances the ability of CMSMs and DSSABs to respond to these needs.

Any planned expansion of SNR-funded services and supports must comply with this guideline and Ontario Regulation 138/15 by supporting the inclusion of children with special needs in licensed child care settings, camps, children’s recreation programs, EarlyON Child and Family Centres, and Indigenous-led Child Care and Family Settings. There is to be no expansion of programs considered out of scope for SNR funding.

The ministry continues to review SNR policies to further support the inclusion of all children, as well as consistency and continuity across the sector. The ministry is committed to working with partners to modernize Ontario’s child care system and plan for an increasingly integrated early years system.

ELIGIBILITY AND PROVISION OF SERVICES

Services and supports purchased through SNR funding are for the inclusion of children with special needs under 13 years of age in licensed child care centres and home child care (licensed) settings, for children with special needs in camps and children’s recreation programs (age 4 years and up), and for children in early years program settings. Please refer to the Camps and Children’s Recreation portion of the guideline (Section 4) for age eligibility and the definition of “camp” and “children’s recreation program”.

Please note that the *Child Care and Early Years Act, 2014* defines “child” as a person who is younger than 13 years old. However, families of children with special needs who were in receipt of a service or received financial assistance before August 31, 2017 will be allowed to continue to receive assistance/services until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see Ontario Regulation 138/15). For example, if a person with special needs started to receive financial assistance at age 12 on August 30, 2017, they are eligible to continue receiving that financial assistance until they turn 18 in the year 2024. This

means that these adolescents will not experience a financial assistance/service disruption based on their age.

All service providers and licensed child care programs involved in the provision of SNR services must comply with legislative and regulatory requirements for the provision of services, obtaining parental consent for service, and the exchange of information for any purpose (e.g., referrals).

SNR EXPENDITURE REQUIREMENTS AND STAFFING

CMSMs and DSSABs are required to spend a **minimum of 4.1 per cent** of their child care allocation, as outlined in the budget schedule of the service agreement, on SNR. CMSMs and DSSABs are encouraged to consider local community needs when determining their SNR expenditure and may wish to spend a larger percentage of their total allocation as required. Where a CMSM or DSSAB does not meet the minimum spending requirement of 4.1 per cent of their total child care allocation, the ministry will recover all remaining unspent funds.

SNR funding is made available to CMSMs and DSSABs to:

- Hire or acquire the services of a resource consultant (see “Resource Consultant” under Special Needs Regulatory Requirements for more details) and/or supplemental staff where necessary (including salary and benefits) to support the inclusion of children with special needs;
- Provide professional development opportunities to support staff in licensed child care and early years settings, (i.e., child care centres, LHCC, in-home services, before and after school programs, authorized recreation, skill building programs, EarlyON Centres and Indigenous-led child and family programs) working with children with special needs and their parents/families to support inclusion; and
- Purchase or lease specialized/adaptive equipment and supplies to support children with special needs. Specialized equipment may be specific to an individual child or may be used by more than one child and retained as a program resource. If specific to an individual child, the equipment/resource may follow the child to school, to support seamless transitions.

Local SNR services and supports continue to evolve over time to meet the diverse and changing needs of children, families, and communities. The funding approach for SNR established through the child care funding formula enhances the ability of CMSMs and DSSABs to respond to these needs. Any expansion of SNR funded services and supports must comply with this guideline and Ontario Regulation 138/15 by supporting the inclusion of children with special needs in licensed child care settings, camps, and children’s recreation programs.

Out-of-scope expenditures:

In 2023, the ministry required CMSMs and DSSABs to develop SNR transition plans to eliminate out-of-scope program expenditures. (e.g., referral pathways for sharing information about a range of provincially funded specialized services for families and timelines for the discontinuation of out of scope SNR service delivery). For 2024, the ministry will maintain support for those CMSMs/DSSABs executing SNR transition plans to eliminate out of scope SNR expenditures. The ministry's expectation is that the execution of transition plans by CMSMs/DSSABs are completed in 2024, after which funding for out-of-scope expenditures will be discontinued.

INELIGIBLE EXPENSES (out of scope expenditures) are as follows:

- Treatment services (e.g., 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.

PLANNING AND COLLABORATION

Service system managers are encouraged to collaborate in the planning and provision of services and supports with SNR service providers, licensees, parents, schools/school board personnel, other professionals and community service programs and agencies such as, Healthy Babies Healthy Children, Infant and Child Development, Preschool Speech and Language, Coordinated Service Planning for children with multiple and/or complex special needs, Children's Treatment Centres, early years community planning tables, EarlyON Child and Family Centres, children's mental health, and Ontario Autism Program (including OAP core clinical services and the OAP entry to school program). Cross-disciplinary collaboration will help to improve SNR services, promote seamless transitions between services for children and their families, support transitions between support settings, and minimize potential barriers to service delivery.

To support service system managers, SNR agencies, child care and early years programs in making appropriate referrals for children with special needs, here are some links to other provincial program guidelines, services and resources:

- [Coordinated Service Planning - Policy and Program Guidelines](#)
- [Smart Start Hubs](#)
- [Transitioning to School](#)
- [Family Managed Home Care](#)
- [Early child development | Ontario.ca](#)
- [Children with special needs | Ontario.ca](#)
- [Ontario Autism Program – Guidelines for Core Clinical Services and Supports](#)

- [Ontario Autism Program – Entry to School Program](#)
- [Assistive Devices Program | ontario.ca](#)
- [EDU Special Equipment Amount \(SEA\) guidelines](#)

SPECIAL NEEDS REGULATORY REQUIREMENTS

The following section provides information on regulatory requirements related to special needs set out in [Ontario Regulation 137/15](#) (O. Reg 137/15) under the [Child Care and Early Years Act, 2014 \(CCEYA\)](#).

Program Statement

[O. Reg 137/15](#) sets out that licensees must have a program statement. The program statement must outline, among other things, the goal(s) and approach(es) with respect to how the program plans for and creates positive learning environments and experiences in which each child’s learning and development will be supported and which is inclusive of all children, including children with individualized plans.

Individualized Support Plans

[O. Reg 137/15](#) sets out that licensees are required to develop individualized support plans for children with special needs enrolled in their child care program. This plan must be developed with the parent of the child, the child (if appropriate for the child’s age), and any regulated health professional that works with the child.

Individualized support plans must contain the following information:

- How the child care centre will support the child to function and participate while in the care of the centre;
- Any supports or aids, or adaptations or other modifications to the physical, social and learning environment that are necessary; and
- Instructions relating to the child’s use of the supports or aids or, if necessary, the child’s use of or interaction with the adapted or modified environment, where applicable.

Resource Consultant

Resource consultants typically provide a wide range of services and supports for children with special needs and their families. They may support several children in multiple locations and can also provide professional learning experiences for individuals working with children with special needs in licensed child care settings, camps and children’s recreation programs. These supports may include providing child care staff with program adaptation strategies and professional development, supporting the development of individualized support plans (per O. Reg 137/15 – see section 52), conducting developmental screens, providing referrals to community agencies, providing information and resources for parents and obtaining specialized equipment as required.

[O. Reg 137/15](#) sets out qualification requirements for resource consultants employed by the licensee, which include:

- Membership with the College of Early Childhood Educators and completion of a post-secondary program of studies that is both theoretical and practical and that is related to the needs of children with special needs; or,
- Approval by a Ministry of Education director.

Please note that a resource consultant cannot be included in the required staff/child ratios. The ministry also recommends that resource consultants hold a standard first aid including infant/child CPR certificate.

Eligibility for a Leadership Grant through the ECE Qualifications Upgrade Program may include RECEs obtaining resource teacher/consultant qualifications to support children with special needs in licensed child care or EarlyON Child and Family Centres. See Qualifications Upgrade Program under Section 1 for more details.

Other Persons at a Child Care Centre

[O. Reg 137/15](#) sets out that every licensee of a child care centre shall obtain from a person who provides child care or other services to a child at the child care centre:

- An offence declaration from the person; or
- An attestation from the person's employer or from the person or entity who retrained the person's services that,
- The employer, person or entity has obtained and reviewed a vulnerable sector check from that person;
- The vulnerable sector check was performed within the last five years; and,
- The vulnerable sector check did not list any convictions under the Criminal Code (Canada).

Licensees are required to obtain an offence declaration from a person or an attestation from a person's employer before they interact with children at the child care centre.

Note that this requirement does not apply to certain individuals acting in the course of their profession including, but not limited to, regulated health professionals and individuals whose profession is regulated under the Social Work and Social Service Work Act, 1998.

Child Care Centre Emergency Management Policy

[O. Reg 137/15](#) sets out that every licensee of a child care centre must have written policies and procedures regarding the management of emergencies that require that additional support, including consideration of special medical needs, be provided in respect of any child or adult who needs it in case of an emergency.

Home Child Care Group Sizes

[O. Reg 137/15](#) requires that before a licensee places a child at a premises they must consider whether the placement would provide safe accommodation for the child and for any children already at the premises. Licensees must consider, among other factors,

any special needs or medical needs of the children in the group.

In-Home Services

All requirements in [O. Reg 137/15](#) that apply to home child care, apply to in-home services, with the exception of the provisions listed in subsection 6.0.1 (1). This includes the requirements listed above with the exception of the requirements for other persons/emergency management policy which apply specifically to child care centres and the requirement for home child care group sizes.

For more information on related regulatory requirements please see the [Child Care Centre Licensing Manual](#) and the [Home Child Care Agency Licensing Manual](#).

REPORTING REQUIREMENTS

CMSMs and DSSABs report actual financial and service activity data to the ministry.

CMSMs and DSSABs are required to report on total gross expenditures and other offsetting revenues by age groups, as well as the data elements outlined in Appendix A of this guideline. Data elements include:

- Number of child care programs supported (centre-based and home-based);
- Number of children served, up to and including age 12;
- Number of children served, age 13-18;
- Average monthly number of children served up to and including kindergarten;
- Average monthly number of children served – school age; and
- Number of full-time equivalent staff.

For more information on financial practices, reporting requirements and definitions please refer to the Ministry Business Practices Requirement section of this guideline.

REQUIRED DOCUMENTATION

At minimum, CMSMs and DSSABs must maintain the following SNR documentation:

- Record of payments to SNR service providers; (including a record of specialized equipment and supplies as applicable) and,
- Reports from service providers that include actual expenditures and service data that support CMSMs and DSSABs in completing their Interim Report and Financial Statements.

CMSMs and DSSABs must retain required documentation for at least seven years.

ADMINISTRATION EXPENSE

PURPOSE

To support CMSMs and DSSABs in their role as service system managers, this expense is intended to support administrative costs associated with all types of child care funding.

ELIGIBILITY CRITERIA

All designated delivery agents under the *Child Care and Early Years Act, 2014* (CMSMs and DSSABs) are eligible to receive administration funding.

ELIGIBLE EXPENSES

Expenditures deemed reasonable and necessary for the provision of services subsidized by the ministry are admissible in the calculation of the funding entitlement. These expenditures must be supported by acceptable documentary evidence that is retained for a period of no less than seven years.

As previously communicated, the threshold for allowable administration funding CMSMs and DSSABs can spend on child care was reduced from 10% to 5% starting on January 1, 2022, in addition to the ongoing 50/50 administration cost sharing requirements previously introduced.

The five percent (5%) administration threshold includes both provincial and municipal 50 per cent cost-shared amounts. CMSMs and DSSABs are required to cost share provincial child care administration funding, including wage enhancement/home child care enhancement grant administration, at a rate of 50/50 provincial/municipal.

Administration expenses must represent actual expenses incurred for program administration and may not be expressed solely in terms of a percentage of program expenditures.

CMSMs and DSSABs have the flexibility to use EarlyON administration funding to support child care general administration expenditures. This flexibility is available where EarlyON administration funding (up to 10% of the EarlyON allocation as noted in the budget schedule) has not been fully utilized for EarlyON expenditures (i.e., EarlyON, including for administration or EarlyON program services, at the discretion of the CMSM and DSSAB).

For further information, please see Section 13 in the guidelines on EarlyON Child and Family Centres – Eligible Expenses.

The following list defines the range of administrative expenditures that are cost sharable between the ministry and CMSMs and DSSABs.

Staffing

Payment of gross salaries and wages, vacation pay, sick pay, compassionate pay, overtime and statutory holiday pay for staff involved in managing the child care service system and support staff.

Benefits

Employer contributions for pension, employment insurance, workers' compensation, employee benefit plans, and other legal requirements of the employer.

Purchased Professional Services

Purchased professional services that are not client related, including costs incurred in purchasing professional services for which the CMSM or DSSAB itself does not employ staff (e.g. fees for administrative or corporate legal work, audit or bookkeeping fees).

Accommodation

Reasonable costs to a maximum of fair market value for accommodation required for the management of the child care service system and related administration. Fair market value for purchased accommodation is defined as the probable estimated dollar price of the property if that property were exposed for sale in the open market by a willing seller and allowing a reasonable time for a willing buyer.

A fair market value estimate must be accompanied by an indication of the exposure time linked to the value estimate. Exposure time is the estimated length of time the property would have been for sale on the open market before a hypothetical purchase at market value. Exposure time precedes the effective date of the value estimate and is based upon past market trends as they affect the type of real property under consideration.

The above definition of fair market value must also be applied to rented accommodations, whereby the estimated dollar amount is a rental price, and the willing parties are the owner and the tenant.

In the case of owned buildings, the eligible annual cost will be based on fair market value of rent or imputed rent.

Travel

Reimbursement of staff costs for travel required to carry out the management of the delivery and administration of child care, including travel costs in Ontario that are associated with attendance at meetings relevant to child care service delivery. CMSMs and DSSABs are to refer to the [Ontario Public Service Travel Directive](#) as a guide.

Education and Staff Training

Staff development and educational opportunities which assist in the management and administration of the child care system. Travel, accommodation, and costs associated with educational conferences, seminars etc. within Ontario and Quebec.

Technology

The ministry funds 100 per cent of the design, development, basic installation, and training costs of the Ontario Child Care Management System (OCCMS).

The ministry will not cost share in any aspect of the development of new technology systems developed independently by CMSMs and DSSABs before or after designation that duplicates the functions of OCCMS. However, the ministry will continue to cost share in expenditures associated with maintaining fee subsidy systems that existed prior to 1998.

To support CMSMs and DSSABs in their role as service system managers, the ministry will allow administration funding to be used for expenditures for IT systems, e.g. computer hardware, software, network access charges, operating costs, system enhancements, software updates, computer supplies and maintenance required to support the management of child care delivery and administration that do not duplicate the functionality of OCCMS.

Please note that any interface between OCCMS and other IT systems should be discussed with the province as this could impact the program functionality.

General Office Expenses

Costs associated with the following items may be required to support the management of the child care system:

- Telephone, internet and fax (may include rentals, regular charges, long distance, etc.)
- Postage and courier
- Office supplies (may include stationery, forms, maps, books, periodicals)
- Printing (may include production, translation, printing and other costs)

- Photocopier rental and services
- Insurance payments (fidelity, fire, public liability, theft, other) including bonding and liability insurance for staff
- Office equipment and maintenance
- Building maintenance (may include janitorial, cleaning, minor repairs)
- Bank transaction charges
- Collection and bad debt costs (may include court fees, credit bureau etc.)
- Advertising and marketing (job postings, newsletters)
- Research, consultation, and professional services
- Moving and relocation
- Security
- Records Management
- Minor miscellaneous expenses

Note: The shareable cost of administration definitions outlined above are functional in nature.

Management functions of the child care system may be dedicated or prorated for the portion associated with the management of the child care system, if shared with other departments and offices.

In determining employee salaries and wages, include total gross salary and wage payments to all full-time, part-time, temporary, relief and staff on paid leave of absence. Total salaries equal gross pay including overtime, paid vacation, paid sick leave, statutory holidays etc. The employer's share of employee benefits can be included when calculating benefit costs.

INADMISSIBLE EXPENSES

Expenses that do not directly support the provision of child care services are inadmissible and include the following:

- Interest expenses incurred on capital or operating loans
- Professional organization fees paid on behalf of staff for membership in professional organizations
- Property tax expenses
- Fundraising expenses

- Donations to charitable institutions or organizations
- Bonuses, gifts and honoraria
- Capital loans
- Mortgage financing
- Reserve Funds

RECOVERY

Where a CMSM or DSSAB exceeds the Child Care Administration Maximum Allowable Expenditure (five per cent of total General allocations less funding for Other Allocations (except for Small Water Works) and including Base Funding for LHCC); CMSMs and DSSABs may use flexibility from EarlyON administration funding where available. Otherwise, any additional expenditure must be funded with 100 per cent CMSM or DSSAB contributions. If the additional spending over and above the maximum allowable expenditure is not funded with 100 per cent CMSM or DSSAB contributions, the ministry will recover the overspent funds equal to the amount of overspending on administration above the maximum allowable expenditure.

REPORTING REQUIREMENTS

Administration expenditures will be reported and monitored through financial submissions. CMSMs and DSSABs will also report on the following administrative service data in their Financial Statements submissions:

- Number of full-time equivalent staff by position;
- Number of staff (head count);
- Total salaries associated with each position type; and
- Total benefits for all staff.

SECTION 5: CHILD CARE SPECIAL PURPOSE FUNDING

CAPACITY BUILDING EXPENSE

PURPOSE

Capacity building funding is intended to support professional learning and development opportunities that build the capacity of licensees, supervisors, program staff/caregivers, home visitors, home child care providers and non-profit volunteer board members to support the provision of high quality programs for children ages 0 to 12.

CONTEXT

The *Child Care and Early Years Act, 2014* and accompanying regulations support Ontario's vision for the early years. [Ontario Regulation 137/15](#) under the *Child Care and Early Years Act, 2014* includes program-related requirements for centre-based and home child care programs that align with *How Does Learning Happen? Ontario's Pedagogy for the Early Years* and help child care settings put the ideas and approaches of this pedagogical framework into practice.

The *Child Care and Early Years Act, 2014* sets out the authority for the Minister of Education to issue policy statements for the purpose of guiding early years programs and services. The Minister issued a [policy statement](#) naming *How Does Learning Happen? Ontario's Pedagogy for the Early Years* as the provincial framework to guide programming and pedagogy in licensed child care settings across Ontario.

Please see Section 12 of this guideline for information regarding professional learning opportunities for Francophone and Indigenous professionals.

ELIGIBILITY CRITERIA

CMSMs and DSSABs may support professional learning and development opportunities per the allowable expenses below, or CMSMs and DSSABs may provide capacity building funding for the purposes outlined in the allowable expenses section below to:

- Centre-based and home-based licensees, i.e. non-profit, profit and directly operated;
- Agencies that provide early learning professional learning and development (including SNR agencies); and/or

- Post-secondary institutions to develop and deliver early years professional learning and development (e.g. certificate courses, workshops). Professional learning and development opportunities may be designed to engage child care supervisors, program staff, resource consultants, supplemental SNR staff, cooks, home child care providers, home visitors, other staff or boards of directors of licensed programs. **Capacity building funding cannot be used to support or enforce compliance with purchase of service agreements between CMSMs or DSSABs and licensees.**

PRIORITIES

In addition to funding system-wide professional learning and development priorities, CMSMs and DSSABs should prioritize capacity building funding for licensed child care programs and/or agencies that:

- Have limited access to professional learning and development opportunities;
- Require support in improving program quality;
- Leverage resources for licensees and program staff in supporting children with special needs;
- Have limited capacity in business administration; and/or
- Serve Francophone or Indigenous children and families.

MINISTRY RESOURCES

The following ministry resources have been developed to strengthen quality in early years settings:

- [How Does Learning Happen? Ontario's Pedagogy for the Early Years](#)
- [Introductory Guides](#) to *How Does Learning Happen? Ontario's Pedagogy for the Early Years*;
- [Think, Feel Act: Lessons from Research about Young Children](#) research briefs and videos;
- [Think, Feel, Act: Empowering Children in the Middle Years](#) research briefs *Putting How Does Learning Happen into Practice: Program Expectations for Licensed Child Care* [E-Modules](#); and,

CMSMs and DSSABs should support the use of these resources by their local licensees through Capacity Building.

ELIGIBLE EXPENSES

CMSMs and DSSABs have discretion to provide direct funding to support a range of professional learning opportunities, as follows:

- Professional learning and development opportunities that align with the *Child Care and Early Years Act, 2014* regulations and ministry policy (e.g., workshops, mentoring and coaching, networks that are delivered in-person, virtually, etc.);
- Program-related professional learning opportunities that align with the views and approaches outlined in *How Does Learning Happen? Ontario's Pedagogy for the Early Years*, promote reflective practice and collaborative inquiry, and support the new regulatory requirements under the *Child Care and Early Years Act, 2014* (e.g. post-diploma training programs);
- Establishment of professional learning communities of practice to support early years program staff; professional learning and development opportunities related to child care program business administration (e.g., budgeting, leadership, human resource management, policy development, board governance etc.);
- Professional learning and development opportunities related to the health, safety and well-being of children (e.g., nutrition, first aid, environmental health, communicable diseases, etc.);
- Release time and overtime to support staff in participating in professional learning and development opportunities; and/or
- Travel costs (in accordance with the OPS Travel Directive) to support attendance at professional learning and development opportunities (CMSM and DSSAB policies pertaining to travel and accommodation apply).

Note: see the Administration section of this guideline for related allowable CMSM and DSSAB expenses.

Note: While capacity building funding is intended to support licensed child care programs, partnerships with other community organizations and initiatives such as community colleges, full-day kindergarten and EarlyON Child and Family Centres are encouraged to promote inter-professional learning opportunities.

REPORTING REQUIREMENTS

CMSMs and DSSABs will be required to report total capacity building expenditures and total other offsetting revenues by age groups¹⁰ through their financial submissions.

IMPLEMENTATION

As service system managers, CMSMs and DSSABs are required to have a policy and plan in place for the use of capacity building funding in their community as well as equitable distribution to licensees as required, based on the above noted priorities. Local policies must be shared with the community to ensure a transparent approach and may be requested by the ministry.

TRANSFORMATION EXPENSE

PURPOSE

Transformation funding supports program viability and facilitates child care transformation. CMSMs and DSSABs are encouraged to work collaboratively with school boards and licensees to align the use of transformation funding with investments under the Schools-First Child Care Capital Retrofit policy and provincial investment for construction of new child care spaces in schools wherever possible.

ELIGIBILITY CRITERIA

Transformation is intended to cover one-time costs for licensees, including licensed child care centres and home child care agencies that are involved in business transformation activities and/or require business transformation supports.

Business transformation activities are defined as, but not limited to: the amalgamation of two or more centres in a school or community setting; the relocation of a child care centre to a school or within the community; or, the retrofitting of an existing child care centre to serve younger age groups.

Business transformation supports include the following one-time expenses:

¹⁰ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

- Legal costs (available only to licensees that are amalgamating);
- Lease termination costs (available only to licensees that are amalgamating and/or relocating);
- Moving costs (available only to licensees that are amalgamating and/or relocating);
- Business planning costs;
- IT upgrades to facilitate internet connectivity for business purposes;
- Play-based material and equipment;
- Operating funding to support the viability of licensees that are transforming their business model; and/or
- Funding to home child care agencies for home visitors to help support recruitment of home child care providers in under-served areas.

ELIGIBLE EXPENDITURES

Eligible expenditures under Transformation are grouped under these categories:

Amalgamation of Two or More Licensees

Amalgamation to support legal costs for two or more licensees that are amalgamating.

- Relocation of a Licensee and/or Amalgamation of Two or More Licensees
- Lease Costs (i.e., to cover the expense of terminating a lease); and/or
- Moving Costs.

Business Transformation Supports

- Support business planning costs;
- Technology upgrade costs that facilitate internet connectivity for business purposes;
- Play-based material and equipment;
- One-time operating funding to support the viability of licensees that are

transforming their business model; and/or

- Funding to home child care agencies for home visitors to help support recruitment of home child care providers in under-served areas.

REPORTING REQUIREMENTS

Transformation expenditures will be reported and monitored through financial submissions.

In addition to the total expenditure and other offsetting revenues on Transformation by age group, CMSMs and DSSABs will be required to report on:

- Total number of licensed child care centres and home child care agencies supported; and,
- Total licensed capacity (i.e. spaces) of child care centres and home child care agencies supported (cumulative).

SMALL WATER WORKS EXPENSE

PURPOSE

Small Water Works (SWW) funding supports costs related to small water systems for licensed child care centres. CMSMs and DSSABs with child care centres that have historically received SWW funding will receive an allocation in 2024.

The 2024 allocations for SWW are based on the reported expenses in the 2018 Financial Statements, as this funding is claims-based. CMSMs and DSSABs will report their SWW expenditures in their financial submissions. The ministry will verify the amount reported in the Financial Statement Submission with the CMSM or DSSAB and may require supporting documentation during the year-end reporting process. Following the review, the ministry will adjust SWW entitlement based on expenditures reported in Financial Statements.

LEGISLATIVE AUTHORITY

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*.

ELIGIBLE EXPENDITURES

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.

REPORTING REQUIREMENTS

The CMSM or DSSAB will report its SWW expenditures (including eligible expenditures above the allocated amount in the budget schedule) and number of licensed centres supported in their Financial Statements.

REQUIRED DOCUMENTATION

CMSMs and DSSABs are not required to submit receipts for SWW expenditures and other offsetting revenues to the ministry; however, receipts must be kept on file as the ministry may request this information per the service agreement.

TERRITORY WITHOUT MUNICIPAL ORGANIZATION

PURPOSE

Territory without Municipal Organization (TWOMO) funding for child care helps support the costs for child care services provided in a territory without municipal organization. The 2024 allocations are based on the reported expenses in the 2018 Financial Statements, as this funding is claims-based.

ELIGIBILITY

TWOMO funding only applies to DSSABs with a territory without municipal organization, which is a territory outside the geographical area of any municipality or First Nation.

EXPENDITURE AND REPORTING REQUIREMENTS

Funding for TWOMO under the child care funding formula is a special purpose allocation. The funding is calculated in four stages:

- Stage 1: The municipal levy is calculated based on:
 - The total approved DSSAB Budget;

- Less other sources of revenue (provincial, federal and other funding).
- Stage 2: The TWOMO share of the municipal levy is determined using the municipal attribution or 'share' percentage.
- Stage 3: Non EDU related allocations are subtracted from the municipal levy to find the total EDU child care program allocation.
- Stage 4: The percentage of municipal levy that the child care program allocation represents is used to calculate the EDU portion of the TWOMO levy.

DSSABs will revise this calculation, as necessary, in financial submissions to reflect the 2024 approved DSSAB budget and municipal levy.

Additional details on entering TWOMO information will be available in the reporting instruction package.

REQUIRED DOCUMENTATION

Along with their Financial Statement submission, DSSABs are requested to submit a copy of the following:

- Approved DSSAB budget; and
- Levy Apportionment details.

The ministry will verify the amount reported in the Financial Statements submission with the DSSAB's supporting documentation sent to the ministry during the year-end reporting process.

PLAY-BASED MATERIAL AND EQUIPMENT EXPENSE

PURPOSE

Play-based material and equipment funding is intended to help licensees create enriching environments both indoors and outdoors with open ended materials that promote children's learning and development through exploration, play and inquiry consistent with the views, four foundations and pedagogical approaches of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*. Please see the [Ministry of Education website](#) for additional information and refer to Section 19 of [Ontario Regulation 137/15](#) for provincial requirements of play-based materials, equipment and furnishings.

Play-based material and equipment funding may be used to purchase non-consumable supplies/equipment to support the ongoing regular operation of the child care program (e.g. kitchen supplies, IT, supplies to support learning environments while adhering to health and safety requirements, etc.).

ELIGIBILITY

All licensees are eligible to receive play-based material and equipment funding. CMSMs and DSSABs are not required to seek prior approval from the ministry on play-based material and equipment expenditures; however funding should be prioritized for licensees who can demonstrate that the funding will be used to support children's active exploration and learning through play.

REPORTING REQUIREMENTS

CMSMs and DSSABs are required to report expenditures and other offsetting revenues by age groups and the total number of licensed child care centres and home child care agencies in receipt of play-based material and equipment funding in financial submissions.

REPAIRS AND MAINTENANCE EXPENSE

PURPOSE

The purpose of repairs and maintenance funding is to support licensed child care centres and home child care agencies that are not in compliance with licensing requirements or may be at risk of not being in compliance with licensing requirements under the *Child Care and Early Years Act, 2014*. Funding is intended to cover one-time repair and maintenance costs.

ELIGIBILITY CRITERIA

All licensed child care centres and home child care agencies are eligible for repairs and maintenance funding. CMSMs and DSSABs are not required to seek prior approval from the ministry on repairs and maintenance expenditures; however, funding should be prioritized for child care service providers that can demonstrate that they are not in compliance or are at risk of not being in compliance with licensing requirements under the *Child Care and Early Years Act, 2014*.

EXPENDITURE REQUIREMENTS

Some common health and safety issues that may be eligible for repairs and maintenance funding include:

Food Preparation

Repair or replacement of:

- Hand washing sink in the kitchen
- Dishwasher or hot water booster
- Major appliances

Washrooms

Repair or replacement of:

- Fixtures
- Partitions
- Flooring material
- Change table

Major Systems

Repair or replacement of:

- Leaking roof
- Building foundation
- Heating/cooling system
- Ventilation system
- Sump pump
- Emergency lighting
- Accessibility
- Windows or doors
- Asbestos removal or encapsulation
- Secure entrances
- Wiring upgrades

Play Area

Repair or replacement of:

- Damaged walls/peeling paint that may contain lead
- Windows
- Damaged/worn flooring material or ceiling
- Damaged/worn outdoor safety surfacing
- Fencing
- Drinking water system
- Heating system

Code Compliance

- Ontario Fire Code orders/recommendations
- Ontario Building Code orders/recommendations
- *Health Protection and Promotion Act* orders/recommendations

CMSMs and DSSABs should prioritize repairs and maintenance expenditures at a system level among their child care licensees in alignment with community priorities. The above list is a guide and not an exhaustive list. Repairs and maintenance funding cannot be used for program expansion. Repairs and maintenance funding must be paid to licensees on a claims-basis.

REPORTING REQUIREMENTS

CMSMs and DSSABs are required to report total gross expenditure and other offsetting revenues by age group¹¹, and the number of licensed child care centres and home child care agencies in receipt of repairs and maintenance funding in financial submissions.

¹¹ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

SECTION 6: CHILD CARE EXPANSION PLAN

PURPOSE

Child Care Expansion Plan funding (“expansion plan”) is intended to support licensed child care programs including support for child care fee subsidies, expanding access to affordable licensed child care spaces and reducing fee subsidy waitlists to help families access quality child care.

ELIGIBILITY CRITERIA

Expansion plan funding may be used for children 0-12 years of age and may be used to support the provision of child care programs and services based on the intent and requirements outlined in Section 4: Child Care Core Service Delivery and Section 5: Child Care Special Purpose Funding.

In addition to this flexibility, CMSMs and DSSABs can choose to continue to use expansion plan to support new or existing full and/or partial fee subsidies and increased access to licensed child care (centre-based and home child care) as well as maintaining current affordability strategies, prioritizing access and affordability for licensed programs for children aged 6-12 years.

FUNDING METHODOLOGY

Please see Appendix E: Child Care Funding Formula Technical Paper, for details of the funding methodology.

A minimum threshold of 4.1% must be spent on SNR, and beginning January 2022, a maximum of 5% of the allocation may be used towards administration expenses. This 5% includes both provincial and municipal 50 per cent cost-sharing requirements.

Beginning in January 2020, CMSMs and DSSABs were asked to cost-share expansion plan operating funding at a rate of 80/20 provincial/municipal. Please note that while cost sharing is recommended, the ministry is committing to providing the provincial allocation regardless of the CMSM and DSSAB contribution.

ACCOUNTABILITY MECHANISMS

Accountability requirements to support expansion plan build on extensive accountability mechanisms already in place for the sector (e.g. the child care funding formula, compliance audit strategy and CMSM and DSSAB reporting requirements).

1. Expansion plan service targets:

Expansion plan will be tracked as part of the annual General Allocation targets

which have been adjusted to incorporate the provincial portion of Expansion plan targets into the General Allocation targets.

For more information, please refer to Section 3: Child Care Funding Approach – Service/Contractual Targets.

2. Assurance by External Auditors

Note that expenditures supported by Expansion Plan funding are reported as part of the expenditures related to the General Allocation. Assurance related to Expansion Plan is captured under the accountability mechanisms in place for the General Allocation.

ELIGIBLE EXPENSES

Consistent with current practices, the requirements in Section One – Introduction, Section Two – Ministry Business Practice Requirements, and Section Three – Child Care Funding Approach, apply to this investment. CMSMs and DSSABs may use this allocation for expense categories (listed below) per the eligibility requirements listed in this guideline. Below is a list of eligible expenses related to expansion plan funding. Please refer to sections 4 and 5 of this guideline for further details.

- Fee subsidy (including Ontario Works)
- Camps and “Children’s Recreation Programs”
- General operating
- Pay Equity Memorandum of Settlement
- Special needs resourcing
- Capacity building
- Transformation
- Repairs and maintenance
- Play-based material and equipment
- Administration

CMSMs and DSSABs have flexibility to spend the expansion plan allocation on any of these expense categories. Additional details on child care funding financial flexibility are provided in Section 3: Child Care Funding Approach - Financial Flexibility.

Any funding not spent on the prescribed expenditures will be recovered by the ministry.

REPORTING REQUIREMENTS

Reporting for expansion plan will be included as part of the General Allocation expenditures by age group¹² in their region indicated below.

- General operating
- Fee subsidy
- Ontario Works
- Camps and “Children’s Recreation Programs”
- Pay Equity Memorandum of Settlement (age group reporting is not required)
- Special needs resourcing
- Transformation
- Administration (age group reporting is not required)
- Repairs and maintenance
- Play-based material and equipment
- Capacity building

Also, total adjusted gross expenditure is required to be reported by type of setting (i.e. centre or home-based) and auspice as part of the reporting for General Allocation expenditures.

Expansion Plan service data will be reported on as part of the General Allocation. Please refer to the reporting requirements in Sections 4 and 5 of the Guideline.

¹² Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

SECTION 7: THE CANADA-ONTARIO EARLY LEARNING AND CHILD CARE (ELCC) AGREEMENT – CHILD CARE FUNDING

PURPOSE

The Early Learning and Child Care (ELCC) Agreement supports parents, families, and communities across Canada in their efforts to ensure the best possible future for their children. Ontario's Action Plan under the ELCC supports a shared commitment by the Ontario and Federal governments to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility, and inclusivity, with prioritization for children aged 0-6 years old.

In August 2021, the ELCC agreement was renewed for four additional years and ends on March 31, 2025. Under the renewed agreement Ontario will receive a total of \$764.5 million in federal funding over four years and includes terms and conditions that are generally consistent with the previous agreement.

Similar to the previous year, ELCC funding will be provided to CMSMs and DSSABs proportionally based on their existing ELCC funding for child care. CMSMs/DSSABs should refer to the Transfer Payment Agreement for more information.

Note that all future ELCC funds flowed by Ontario pursuant to the agreement are contingent on the receipt of funds by the Province from the federal government. Funding amounts will be confirmed by the federal government in future years and details provided to CMSMs and DSSABs at that time.

PRIORITIES

ELCC funding must be spent to sustain previous years' growth and can support new full and/or partial fee subsidies and increased access on the following priorities:

- Supporting children aged 0-6 years old through additional fee subsidies, increased access, broadly reducing licensed child care fees and increasing affordability, and/or community-based capital projects excluding capital projects for child care programs that run during school hours for kindergarten and school-age children.
- Supporting children aged 0-12 years old through additional fee subsidies, increased access and/or broadly maintaining affordability strategies.

ELIGIBILITY CRITERIA

Stream 1: Support for children 0-6 years of age (80% of the ELCC allocation)

For the purpose of ELCC funding, a child is defined as any child six years of age or turning six years of age by December 31, in the current calendar year.

A. Additional Fee Subsidies

ELCC funding should sustain previous years' growth and can support new full and/or partial fee subsidies for licensed child care (centre-based and home-based) beyond the general allocation provided. Fee subsidy should be prioritized for children in licensed child care. If no other options are available, funding can be used towards fee subsidies for children in children's recreation programs and camps.

B. Increased Access

Examples of increased access include, but are not limited to, new child care spaces available as a result of additional staff, increased hours, or other program changes that increase the number of children served by a program and sustaining previous years' growth.

C. Community Based Capital Funding

Funding for children 0-6 years of age can also be used to create and support new community based capital projects, excluding capital projects for child care programs that run during school hours for kindergarten and school-aged children. Capital funds may be used for retrofits, renovations or expansion projects, but cannot be used to purchase land or buildings.

When selecting a new or current community based child care project, CMSMs and DSSABs should consider:

- Local child care plans,
- Accommodation pressures/service gaps and demand,
- Cost effectiveness,
- Location,
- Available operating funding,
- Capacity of program to access funds through other means,
- Program budget and financial history,

- Child care licensing history,
- Current licensed and operational capacity,
- Age groups,
- Long-term viability, and
- Investment in quality programs.

All ELCC funded capital projects are required to be created, retrofitted, renovated, and/or expanded to accommodate a maximum group size for each age grouping for children 0- 6 years old, based on available space.

On September 1, 2017, a new licensed age group - “family age grouping” for children 0– 12 years was introduced for licensed child care centres. This new group allows the placement of children of different ages in the same group in the same play activity room.

A family age group, as set out in Schedule 4 in Ontario Regulation 137/15, may be an option for licensees as follows:

- A centre that has 15 or fewer children where the family age group is the only age category in the centre.
- A separate child care program that runs outside of a centre’s standard operating hours (i.e. evenings, overnight, and weekends).
- A centre that wishes to license a family age group alongside other age groups.

Please refer to the [Child Care Licensing Manual](#) for more information.

It is important that CMSMs and DSSABs are taking into consideration licensee viability, and flexibility where appropriate, when determining the appropriate mix of age groupings.

Licensees must provide documentation to the CMSM or DSSAB to demonstrate that they are operationally sound.

If ELCC funding for 0-6 year olds is used for community-based capital projects, CMSMs and DSSABs will report on project budgets, expenditures, locations, the licensees name, current capacity by age group, proposed capacity, expected construction start date, expected completion. Reporting will be required for capital projects.

D. Increased affordability

If the priorities above cannot be met due to local considerations, ELCC funding may be used to maintain affordability strategies (including sustaining previous years’ growth).

Stream 2 – Local System Priorities for children 0-12 years of age (20% of the ELCC allocation)

ELCC funding in this stream may be used to sustain previous years' growth and support child care that reflects the particular local and regional needs for children 0-12 years old.

Similar to stream 1, funding for this stream is prioritized for additional fee subsidies and increased access, however can also be used to maintain affordability strategies, prioritizing children aged 6-12 years. Funding **cannot** be used to support capital projects.

FUNDING METHODOLOGY

Please see Appendix E: Child Care Funding Formula Technical Paper, for details of the funding methodology.

Thresholds for ELCC funding include a minimum requirement to spend 4.1% of the allocation on SNR, and a maximum threshold of 10% of the allocation may be used towards administration expenses.

ACCOUNTABILITY MECHANISMS

Funding is provided under the ELCC to support and sustain new fee subsidies, net new spaces and/or enhanced affordability in licensed child care with a prioritization for children aged 0-6. Accountability measures for ELCC funding build on existing accountability mechanisms (e.g. the child care funding formula, compliance audit strategy and CMSM and DSSAB reporting requirements) and align with the child care expansion plan and include:

1. Enveloping funding on prescribed expenditures;
2. ELCC targets; and
3. Ministry reporting requirements including assurance by external auditors.

1. Enveloped Allocation

The investments supporting the ELCC are enveloped, which mandates that this funding can only be spent on incremental expenditures (i.e. additional expenditures above the previous year's expenditures reported for the general allocation, as well as Expansion Plan less municipal contributions above the minimum cost share requirement in the general allocation).

If a CMSM or DSSAB's general allocation and Expansion Plan allocation (excluding other allocations) decreased in the current year compared to the previous year, incremental expenditures will be calculated using the previous year's expenditure net of 100% municipal contributions for all age groups less the decrease in the allocation.

Any funding not spent on the prescribed expenditures and the priorities noted above will be recovered by the ministry upon review of the Financial Statements submission. CMSMs and DSSABs will be required to report expenditure and service data on the incremental use of funding. Please refer to Reporting Requirement details below.

2. ELCC Targets

In 2024, an ELCC target tied to the ELCC investment has been included in each CMSM and DSSAB service agreement to support accountability (Transfer Payment Agreement, Schedule C).

For more information on the ELCC target, please refer to Section 3: Child Care Funding Approach – Service/Contractual Targets.

3. Assurance by External Auditors

CMSMs and DSSABs are required to provide assurance by external auditors with their Financial Statement submission on the ELCC expenditures. This requirement can be met in the following formats:

- Included as a note to the audited Financial Statements;
- Included as a schedule to the audited Financial Statements; or
- Included as part of a separate audit or review engagement report.

ELIGIBLE EXPENSES

Consistent with current practices, the requirements in Section 1 – Introduction, Section 2 – Ministry Business Practice Requirements, and Section 3 – Child Care Funding Approach apply to this investment.

CMSMs and DSSABs may use this allocation for expense categories (listed below) per the eligibility requirements listed in this guideline, with a priority on fee subsidies and general operating. As this is an enveloped allocation, funds cannot be transferred in or out of ELCC funding for use on other priorities. Below is a list of eligible expenses related to ELCC funding. Please refer to sections 4 and 5 of this guideline for further details.

- Fee subsidy (including Ontario Works, children’s recreation programs and camps)
- General operating
- Special needs resourcing
- Capacity building

- Transformation
- Repairs and maintenance
- Play-based material and equipment
- Administration
- Community-based capital projects (for children aged 0-6 only)

Note: fee subsidy and SNR should be prioritized for children in licensed child care. If no other options are available, funding can be used towards children in children's recreation programs and camps.

CMSMs and DSSABs have flexibility to spend the ELCC allocation on any of these expense categories, except in situations where the expense category has specific parameters to address specific purposes. Additional details on financial flexibility are provided in the Child Care Funding Approach section of this guideline (section 3).

Any funding not spent on the prescribed expenditures or in accordance with the priorities of this funding outlined above will be recovered by the ministry.

ELCC administration funding can be used only for developing and administering ELCC programs.

REPORTING REQUIREMENTS

CMSMs and DSSABs are required to report ELCC expenditures and service data in by age group¹³ indicated below.

- General operating
- Fee subsidy (including Ontario Works)
- Camps and children's recreation programs
- Special needs resourcing
- Transformation
- Administration (age group reporting is not required)
- Repairs and maintenance
- Play-based material and equipment
- Capacity building
- Community-based capital projects (for children aged 0-6 only)

Also, total adjusted gross expenditure is required to be reported by type of setting (i.e. centre or home-based) and auspice.

¹³ Age group expenditure reporting will be reported in three categories: 0-4 years (i.e. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged). If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

Service data required for ELCC funding:

- Number of children served for fee subsidies
- Average monthly number of fee subsidies provided by age group
 - This data will be collected for camps and children's recreation programs as well.
- Number of children served through increased access by age group
- Number of children served through increased affordability by age group
- Number of children by age group as a result of community based capital projects; Community based capital project budgets, locations, name of licensee, current capacity by age group, proposed capacity, expected construction start date, expected completion.
- Number of licensed early learning and child care spaces by age group and type of setting (i.e. centre or home-based).

Where possible please avoid duplication in reporting.

Further information on the ELCC entitlement calculation will be available in the reporting instructions document. Please contact your ministry Financial Analyst if you have any questions.

SECTION 8: CHILD CARE WAGE ENHANCEMENT/ HOME CHILD CARE ENHANCEMENT GRANTS (HCCEG)

PURPOSE

Registered early childhood educators (RECEs) and other child care program staff play a key role during the critical years of a child's development. However, 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 pedagogical professionals to deliver affordable, high-quality services.

The Ontario government has made an ongoing funding commitment to support a wage enhancement for eligible child care professionals working in licensed child care settings. The wage enhancement/HCCEG will help retain RECEs, and support access to stable, high-quality child care programs for children in Ontario. The wage enhancement is also intended to help close the wage gap between RECEs working in the kindergarten program and RECEs/other child care program staff working in licensed child care settings.

The wage enhancement grant supports an increase of up to \$2 per hour, plus 17.5 percent benefits for licensed program staff and home visitors. In addition, the HCCEG supports an increase of up to \$20 per day for home child care providers contracted with a LHCC agency.

The wage enhancement grant is a prerequisite to applying for workforce compensation funding for eligible RECE staff under the CWELCC system.

GOALS

The goals of the enhancement are to:

- Help close or narrow the wage gap between RECE wages in the education sector and licensed child care sector;
- Stabilize licensed child care operators by helping them retain RECEs/child care staff; and
- Support greater employment and income security.

These goals support the ministry's priorities to:

- Stabilize and transform the existing child care system to increase program choice

and reliability for parents and support consistent, higher quality child care services to support children’s learning and development; and

- Support LHCC agencies and strengthen the LHCC system.

ELIGIBILITY

All licensed child care centres and home child care agencies are eligible to apply for wage enhancement/HCCEG funding, regardless of participation in municipal quality initiatives, or current purchase of service status with their local CMSM or DSSAB.

Licensed centres or agencies created in 2024 are eligible to apply for wage enhancement or HCCEG in the year the program begins operations.

Where an application is received and eligibility is met based on the criteria set out in this section, wage enhancement/HCCEG funding must be provided by the CMSM/DSSAB to the operator. See section below on Eligible Expenses for further information.

Wage Cap

As the intent of the wage enhancement is to help close the wage gap between RECEs working in the publicly funded education sector, and RECEs, child care program staff and providers in licensed child care settings, the ministry has established an hourly wage maximum of **\$30.59** per hour for wage enhancement and **\$305.90** per day for full HCCEG (**\$183.54** for partial HCCEG).

This wage cap aligns with the top of the funded Educator Salary Matrix for RECEs working in school boards in the Kindergarten program expressed as an hourly wage. The wage cap is based on the funded matrix for the 2023-24 school year.

Wage Enhancement - Child Care Centre Program Staff and Home Child Care Visitors

Note: Eligibility criteria is used to determine entitlement (based on hours worked in 2023 or a comparable prior year) and to determine payments to staff in 2024. For licensees that open in the current year, please estimate number of hours to be worked.

1. Full Wage Enhancement

To be eligible to receive the full wage enhancement of \$2 an hour plus 17.5 per cent in benefits, staff must:

- Be employed in a licensed child care centre or agency;

- Have an associated base wage excluding prior year's wage enhancement of \$28.59 or less per hour (i.e. \$2 or more below the wage cap of \$30.59); and
- Be in a position 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*.

Child care program positions that are in place to maintain higher employee-child ratios than required under the *Child Care and Early Years Act, 2014*, and meet the eligibility outlined above, are also eligible for wage enhancement.

2. Partial Wage Enhancement

Where an eligible centre-based or home visitor position has an associated base wage rate excluding prior year's wage enhancement between \$28.60 and \$30.58 per hour, the position is eligible for a partial wage enhancement. The partial wage enhancement will increase the wage of the qualifying position to \$30.59 per hour without exceeding the cap.

- For example, if an RECE position has a base wage rate, excluding the previous year's wage enhancement, of \$29.18 per hour, the position would be eligible for wage enhancement of \$1.41 per hour.

Ineligible Positions (Non-Program Staff):

- Cook, custodial and other non-program staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.
- The only exception to the two above noted positions is if the position spends at least 25 per cent of their time to support ratio requirements; in which case the staff would be eligible for wage enhancement for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (i.e. temp agency).

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

1. Providers Full Home Child Care Enhancement Grant

In order to be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a LHCC agency;

- Provide services to one child or more (including privately placed children; excluding the provider's own children);
- Provide full time services on average (6 hours or more a day); and
- Receive base daily fees, excluding prior year's HCCEG, of \$285.90 or less (i.e. \$20 below the cap of \$305.90).

2. Partial Home Child Care Enhancement Grant

In order to be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a LHCC agency;
- Provide services to one child or more (including privately placed children; excluding providers own children);
- Provide part time services on average (less than 6 hours a day); and
- Receive base daily fees, excluding prior year's HCCEG of \$173.54 or less (i.e.\$10 below the cap of \$183.54).

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

3. Supplemental Grant

The ministry will provide an additional supplemental grant of \$150 for each eligible centre-based FTE or home visitor FTE and \$50 for each eligible home childcare 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 staff, home visitors' and providers' hourly/daily wage or benefits.

It provides licensees with the flexibility to cover salary shortfalls (due to increased hours in program or new staff/providers) and additional benefits, (e.g. vacation days, sick days, PD days and/or other benefits) once mandatory benefits are covered. Any funding that is not used for these purposes will be recovered.

CMSMs and DSSABs should work with licensees to set priorities on how to use the supplemental grant.

APPLICATION PROCESS

CMSMs and DSSABs are required to develop a method to determine wage enhancement/home child care enhancement grant entitlement within their service area..

Note: Wage enhancement/HCCEG payments to staff and home child care providers should be made based on their time in program in 2024.

PUBLIC INQUIRIES

As the service system managers for child care, CMSMs and DSSABs are required to manage public inquiries related to the wage enhancement/HCCEG. In order to manage these inquiries, CMSMs and DSSABs may wish to post information regarding the wage enhancement/HCCEG along with contact information on their website.

REPORTING IN INTERIM REPORT

A notional wage enhancement/HCCEG amount will be included in the budget schedule. The ministry will adjust entitlements and resulting cash flows based on information reported to the ministry through the Interim Report submission.

To ensure timely payments to licensees and staff, CMSMs and DSSABs should provide an accurate Interim Report submission to the ministry.

Wage Enhancement/HCCEG allocation will be capped at the notional allocation included in the budget schedule unless the amount reported through the Interim Report submission exceeds the notional allocation, which will require an updated budget schedule. The ministry will not adjust allocations beyond information provided in Interim Report submissions.

Please see the reporting requirements section below for details on the required data.

PAYMENTS TO LICENSEES

CMSMs and DSSABs may need to enter into new funding agreements/arrangements with licensed child care centres and/or home child care agencies for the provision of wage enhancement/HCCEG funding if there is no current purchase of service agreement. Wage enhancement/HCCEG accountabilities and data collection may be built into existing purchase of service agreements and reporting processes by CMSMs and DSSABs.

Note: CMSMs and DSSABs will continue to have full discretion in determining which licensees they enter into purchase of service agreements with for the provision of other child care services (e.g. fee subsidy, SNR, general operating, etc.).

If child care staff or home child care providers exceed the cap at any time during the year, excluding wage enhancement or HCCEG, they will no longer be eligible to

receive the wage enhancement.

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

ELIGIBLE EXPENSES

Wage enhancement/HCCEG funding (including the supplemental grant) is an enveloped allocation. Wage enhancement/HCCEG funding must be directed solely to licensed child care staff and home visitors to increase wages and benefits, and to home child care providers to increase daily income. Wage enhancement/HCCEG funding cannot be used to support child care system expansion or reduce fees (exceptions listed below regarding new added flexibility).

CMSMs and DSSABs and licensees may only use the funding for the intended purposes of:

- Increasing wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5 percent benefits based on their current wage rate for all hours worked in program, including overtime hours,

Please note: the salary increase cannot exceed \$2 per hour in program and the wage cap of \$30.59 per hour. Licensees may exceed 17.5 per cent for benefits if the supplemental grant is used to support additional benefit expenses.

- Providing a daily increase of up to \$20 for eligible LHCC providers based on current hours of service provided.

Please note: the daily wage increase cannot exceed \$20.00 and the daily cap of \$305.90.

CMSMs and DSSABs have flexibility with respect to the use of their wage enhancement /HCCEG allocation. Refer to Section 3: Child Care Funding Approach, for further information on overall funding flexibility.

Please note that prior to exercising this flexibility, CMSMs and DSSABs must be able to fully satisfy the wage enhancement/HCCEG funding needs within their respective jurisdictions in accordance with the eligibility criteria as set out in the Service Agreement and this section of the Guideline.

CMSMs and DSSABs are responsible for budgeting to ensure that adequate funding is available from the notional Wage Enhancement/HCCEG allocation in order to support all applicants that meet the eligibility requirements for wage enhancement/HCCEG, prior to exercising this funding flexibility in 2024.

Once the wage enhancement/HCCEG funding needs are fully satisfied, CMSMs and

DSSABS have the flexibility to use any excess from their notional wage enhancement/HCCEG funding, found in the 2024 Agreement to support expenditures related to children aged 0-12 including for General Operating, Fee Subsidy, Ontario Works (formal and informal), Repairs and Maintenance, Play Based Material and Equipment, SNR, Transformation, Pay Equity Memorandum of Settlement, Camps and Children's Recreation and Capacity Building.

It is important to note that where an application is received by the CMSM and DSSAB, and eligibility criteria are met, CMSMs and DSSABs must provide operators funding so that all eligible staff receive wage enhancement/HCCEG funding.

In the case where a CMSM and DSSAB has exercised this flexibility using their notional wage enhancement/HCCEG allocation in their Agreement, and funding is still required to support wage enhancement/HCCEG funding in the community, the ministry will not provide additional provincial wage enhancement/HCCEG funding and municipal funding must be used to support this shortfall.

Benefits Funding and Flexibility

Benefits of 17.5 per cent support licensees in meeting their statutory benefit requirements.

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

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.

Supplemental grant provides licensees with the flexibility to cover additional benefits, (e.g. vacation days, sick days, PD days and/or other benefits) once mandatory benefits are covered.

Any funding not used for the intended purpose will be recovered by the ministry.

RECONCILIATION

CMSMs and DSSABs are required to have a reconciliation process for licensee use of wage enhancement/HCCEG funding, which can be built into processes already established for child care.

Please ensure that for the purposes of reporting the reconciliation at year end, salaries and benefits payments are tracked separately by the licensee and CMSMs and DSSABs.

CMSMs and DSSABs will be required to collect FTE data as part of the reconciliation process.

CMSMs and DSSABs may use wage enhancement/HCCEG funding surpluses from one centre/agency to offset deficits in another centre/agency (within the same CMSM or DSSAB).

LICENSEE ACCOUNTABILITY

To help ensure licensee accountability and the appropriate use of ministry funds, CMSMs and DSSABs must inform licensees of:

- The purpose of the wage enhancement/HCCEG funding;
- The eligibility requirements;
- Associated reporting requirements;
- CMSM or DSSAB auditing policies;
- The process for reconciling wage enhancement/HCCEG funding with licensees at year end (e.g. submission of operator financial statements); and,
- The recovery process for funds not utilized in accordance with the eligible expenditures.

Entitlement is based on previous years' information (for licensees that open in the current year, estimated number of hours to be worked), however licensees have the flexibility to provide wage enhancement/HCCEG to current eligible staff/providers and they also have flexibility in the use of the supplemental grant.

CMSMs and DSSABs should support licensees with setting priorities for the distribution of funds, for example, to staff who were eligible in 2023 and continue to be eligible in 2024. A licensee may then determine feasibility of funding newly created positions or newly joining providers in the year. In the case of expanded staffing, providers, or hours, licensees may run short before the end of the year.

Wage enhancement/HCCEG funding is an enveloped allocation; CMSMs and DSSABs and licensees are required to use the funding for the purpose of increasing wages of eligible child care staff. As noted above, CMSMs and DSSABs have flexibility to use remaining wage enhancement/HCCEG funding to support other child care expenditures, on the condition that all other wage enhancement/HCCEG funding requirements have been met within their jurisdictions. CMSMs and DSSABs are responsible for budgeting their wage enhancement/HCCEG to ensure adequate

funding is available to support this initiative. The following accountability mechanisms should be put in place by CMSMs and DSSABs for licensees:

- A statement completed by the participating licensee which attests that 100 per cent of wage enhancement/HCCEG funding was provided directly to eligible child care staff, home child care visitor or home child care provider (this statement can be included in the funding agreement).
- An approach for confirming licensee compliance with service agreements and guidelines (e.g. audit procedures, special purpose reports, request for T4 statements to confirm wages, etc.).
- Reporting requirements that reflect service and financial data required by the ministry (please see reporting requirement section for details).
- If a centre or agency closes, CMSMs and DSSABs are to work with the licensee to meet the requirements listed above and support payments to eligible staff and/or home child care providers for hours worked before the closure. Any unused funds would be recovered.

In the event that a CMSM or DSSAB determines that a licensee has **failed to meet the funding conditions outlined in their agreement** for the provision of wage enhancement/HCCEG funding, the CMSM or DSSAB must recover all misused funds. Additionally, non-compliant licensees may be deemed ineligible to receive future wage enhancement funding. CMSMs and DSSABs are responsible for establishing a process for confirming licensee compliance.

Program Closure

Where a centre or agency applied for wage enhancement/HCCEG and closes mid-year, CMSMs and DSSABs are to work with the licensee to meet the accountability requirements and support payments to eligible staff and/or home child care providers for hours worked before the closure.

In cases of program transfers/amalgamations, CMSMs and DSSABs have discretion to:

1. Receive wage/staffing information from amalgamated or transferred programs.
2. Transfer wage enhancement funding from the former licensee to the amalgamated or transferred program.

Provided the following applies:

- 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

- The CMSM and DSSAB has mechanisms in place to ensure accurate information and accountability for the transfer of funding.

PAYMENTS TO STAFF AND PROVIDERS

Wage enhancement/HCCEG funding entitlements are based on 2023 data or a comparable year (for licensees that open in the current year, estimated number of hours to be worked); however, wage enhancement payments should be provided to eligible positions for each hour worked in 2024. Licensees have the flexibility to fund their current year's eligible positions, even if the position did not exist in 2023.

Similarly, HCCEG payments should be provided to eligible home child care providers for each day worked in 2024. Agencies have the flexibility to fund current year eligible providers, regardless of whether the provider had a contract with the agency in 2023. The compensation rate (partial or full) will be based on their current year services.

CMSMs and DSSABs may begin flowing funds to licensees for the wage enhancement/HCCEG as soon as they have the information to calculate the wage enhancement entitlement for centres and home child care agencies.

Licensees must include wage enhancement or HCCEG payments in each pay cheque or payment made.

In addition, licensees must notify staff or home child care providers of the amount provided to them through this initiative on staff pay cheques/home child care provider fee transfers, or through a separate letter, labeled as follows:

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

REPORTING REQUIREMENTS

CMSMs and DSSABs will be required to report on the following expenses and service data elements:

Expenditures:

In the Interim Report Submissions (based on the hours worked in the previous year or a comparable year):

- Full and partial wage enhancement funding including salary component and benefits component for eligible staff (including home child care visitors);
- Full and partial HCCEG required for home child care providers;

In Financial Statements Submissions:

All expenditures below should include any funding from the supplemental grant in the Financial Statement submissions:

- Actual total wage enhancement salaries and benefits paid out for staff, including home child care visitors, eligible for full and partial wage enhancement; and
- Actual total HCCEG paid out for fully and partially eligible home child care providers.

Service Data:

- Number of fully and partially eligible staff FTEs (including home visitors) eligible for wage enhancement;
- Number of fully and partially eligible home child care providers receiving HCCEG;
- Number of child care centres or sites receiving wage enhancement; and;
- Number of home child care agencies receiving HCCEG.

WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANTS ADMINISTRATION EXPENSES

PURPOSE

To support CMSMs and DSSABs with the implementation of the wage enhancement/HCCEG initiative, the ministry is providing child care service system managers with funding for administration to support the implementation at the CMSM and DSSAB and operator levels.

FUNDING ALLOCATIONS

CMSMs and DSSABs are required to cost share wage enhancement/home child care enhancement grant administration funding. The 50/50 allocation is included in the budget schedule.

ELIGIBLE EXPENSES

The wage enhancement administration funding allocation is to be used to fund administrative processes associated with implementing the wage enhancement/HCCEG such as creation of wage enhancement/HCCEG processes, outreach to licensees, training and support (including resource costs), etc.

CMSMs and DSSABs are required to provide a minimum of 10 per cent of the total administration funding to licensees to support implementing wage enhancement/HCCEG. In determining administration funding to licensees, CMSMs and DSSABs should take into consideration the capacity of various licensees to administer the wage enhancement. CMSMs and DSSABs that provided more than 10 per cent of administration funding to licensees in previous years are encouraged to continue to do so.

If less than 10 per cent of wage enhancement administration funding is provided to licensees, the difference will be recovered by the ministry.

REPORTING REQUIREMENTS

CMSMs and DSSABs will be required to report on the following expenses and service data elements:

- Total administration funds spent (including funds provided to licensees);
- Total administration funding provided to centres and home child care agencies; and
- Total number of centres and home child care agencies who received administration funding.

The wage enhancement/HCCEG administration grant provided in 2015 was a grant that could be carried forward. Therefore, unused 2015 administration grant funding will continue to be reported on and will not be recovered by the ministry. However, please note that administration funding provided to CMSMs and DSSABs in 2024 cannot be carried forward and any unused funds by December 31, 2024 will be recovered by the ministry.

SECTION 9: EARLYON CHILD AND FAMILY CENTRES

OVERVIEW

EarlyON Child and Family Centres (EarlyON) offer high-quality, free drop-in and pre-registered programs for children 0-6 and their families. They provide welcoming environments where children, families and caregivers can learn, grow and connect together. EarlyON programs and services are offered through a variety of service delivery methods to meet the unique needs of families in their communities, including mobile, virtual and outdoor programs as well as phone services.

EarlyON programs are supported by:

- A legislative framework that recognizes the role of service system managers;
- Investments in EarlyON Child and Family Centres;
- [Early Years Accommodations in Schools: Reference Guide \(2018\)](#)
- [The Better Schools and Student Outcomes Act, 2023](#); and
- A provincial pedagogy for the early years to guide licensees and educators : [How Does Learning Happen, Ontario's Pedagogy for the Early Years, 2014 \(HDLH\)](#).

CMSMs/DSSABs are responsible for the local management of EarlyON Child and Family Centres as part of their responsibility for the service system management of child care and other human services.

The following is intended to provide service system managers with an overview of program expectations for EarlyON Child and Family Centres.

OBJECTIVES

EarlyON Child and Family Centres must be designed and delivered to achieve the following key goals and objectives:

- Children have access to play and inquiry-based learning opportunities alongside their parents and caregivers and experience positive developmental health and well-being. This could include play and inquiry-based experiences in the EarlyON program where children 0-6 years engage with older siblings on school closure days, evenings or weekend.
- Parents and caregivers have access to high quality services that support them in their role as their children's first educators, enhance their well-being, and enrich their knowledge about early learning and development.

- Parents and caregivers have opportunities to strengthen their relationships with their children through play.
- Services and supports are responsive to community needs.
- Francophone children and families have access to French language programs and gain enhanced knowledge about language and identity acquisition.
- Indigenous children and families have access to culturally responsive programs and services.
- Parents and caregivers are provided with timely, relevant and up to date information about community and specialized services.

Local service providers such as CMSMs and DSSABs, school boards, EarlyON Child and Family Centres and other community partners work in collaboration to strengthen partnerships, coordinate seamless access to services and ensure that EarlyON Child and Family Centres are an integrated part of the Ontario early years system.

VISION AND GUIDING PRINCIPLES

EarlyON Child and Family Centres are intended to support children, parents and caregivers in learning, growing and connecting – together.

It is expected that CMSMs and DSSABs, school boards and local service providers will be guided by the following principles when developing, delivering, and evaluating EarlyON Child and Family Centre programs and services:

Child & Family Centres: All programs and services are designed and delivered to meet the unique needs of parents, caregivers and young children to support their learning, development and well-being.

Welcoming: EarlyON Child and Family Centres provide a warm and welcoming environment based on the foundational conditions for supporting growth and long-term success (belonging, well-being, engagement and expression). See below for more information on [How Does Learning Happen? Ontario's Pedagogy for the Early Years.](#)

High Quality: Programs and services are designed to support positive experiences and outcomes and foster nurturing relationships between children, parents and caregivers, and are based on the latest evidence and research.

<i>Inclusive:</i>	Programs and services are accessible and responsive to children, parents and caregivers with varying abilities and cultural, language, socio-economic, sexual orientation and religious backgrounds.
<i>Integrated:</i>	Programs and services are developed, coordinated, and delivered in a cohesive manner in collaboration with broader community services, school boards, early years partners, primary care providers, parents, and caregivers.
<i>Community Led:</i>	Communities, educators, parents, and caregivers are engaged in designing EarlyON Child and Family Centre programs and services that embrace and build on their strengths, address identified gaps and meet their unique needs on an ongoing basis.

PEDAGOGICAL FRAMEWORK FOR EARLYON CHILD AND FAMILY CENTRES

EarlyON Child and Family Centres are required to provide programs that reflect the view of children, parents, caregivers and educators as competent, capable, curious and rich in potential and experience. Guided by *How Does Learning Happen? Ontario's Pedagogy for the Early Years, 2014* (HDLH), EarlyON Child and Family Centres provide an environment that engages parents and caregivers as co-learners and leaders in influencing positive experiences and outcomes for children, families and the community.

CMSMs and DSSABs, local service providers and school boards offering EarlyON Child and Family Centre programs and services are required to apply the principles in HDLH to guide the development and delivery of programs. HDLH supports the adoption of cohesive pedagogical approaches across early years settings, based on the four foundations for learning: *belonging, well-being, engagement and expression*. The following documents are available to help strengthen program quality in early years settings including EarlyON Child and Family Centres:

- *How Does Learning Happen? Ontario's Pedagogy for the Early Years*
- *Think, Feel Act: Lessons from Research about Young Children*

BRANDING AND WEBSITE

Branding

In 2022, the Ministry of Education implemented a revised approach to signage and EarlyON branding, building on efforts to increase public awareness of EarlyON Child and Family Centres. The revised approach replaced the centralized ordering process for EarlyON signage to provide service system managers and EarlyON agencies with the ability to produce these products locally. CMSMs and DSSABs working with EarlyON providers will produce EarlyON signage (including promotional materials) for their communities by utilizing EarlyON funding to cover the costs.

EarlyON signage must be produced in alignment with the ministry's [Visual Identity Guideline](#) (revised 2023 version). Brand assets (e.g. logos) and templates are available for download by CMSMs and DSSABs and service providers through the [Dropbox](#) website.

CMSMs and DSSABs are required to submit mock-ups of customized signage to the ministry for approval, prior to production. CMSMs and DSSABs may contact the ministry at EarlyON@ontario.ca for assistance with EarlyON branding and signage.

Website

The ministry hosts the EarlyON Child and Family Centre website, where parents/caregivers can easily access information on EarlyON programs and services. The website includes a map where parents and caregivers can search for local EarlyON programs in their community. CMSMs and DSSABs are responsible for updating the EarlyON website with information on EarlyON programs located within their region through the EarlyON Centre Location Administration Application. It is important that CMSMs and DSSABs make timely updates to reflect the current status of their programs and services to ensure families have access to the most up-to-date information. The data collected by this application is also used by the ministry to monitor the delivery of the EarlyON program across the province. Each location listed in the application must be updated every three months, and users will be sent a reminder email when an update is required. CMSMs and DSSABs can contact the ministry at EarlyON@ontario.ca for assistance with the EarlyON Centre Location Administration Application.

SECTION 10: EARLYON FUNDING APPROACH

FUNDING METHODOLOGY

The ministry has established a transparent funding approach for EarlyON Child and Family Centres that is intended to be responsive to community needs.

This funding approach also takes into consideration the requirement for communities to provide mandatory core services as well as customized community connections that meet unique community needs. It also allows CMSMs and DSSABs to build on the existing strengths of early years programs, and stabilize and transform services while being increasingly responsive to the children and parents/caregivers served.

Funding for EarlyON Child and Family Centres is comprised of the following components:

- A \$250,000 base allocation for each CMSM or DSSAB
- The remaining funding has been distributed using the following data elements:

Data Element	Source
Number of children ages 0-6	Ministry of Finance
Low-Income Cut Off (LICO) scores	2016 Census (Statistics Canada)
Number of families that speak French at home	2016 Census (Statistics Canada)
Number of Indigenous children ages 0-4	2016 Census (Statistics Canada)
Number of families that speak a language other than English or French at home	2016 Census (Statistics Canada)
Population density	2016 Census (Statistics Canada)

As the child care and early years sector continues to stabilize, the data elements outlined in the chart above have been applied to the 2024 EarlyON funding allocations.

Additionally, as a result of the renewed Canada-Ontario Early Learning and Child Care (ELCC) agreement between the Government of Ontario and the Government of Canada signed in August 2021, the 2024 EarlyON allocations have increased proportionally for CMSMs/DSSABs. Please refer to your 2024 Budget Schedule for more information.

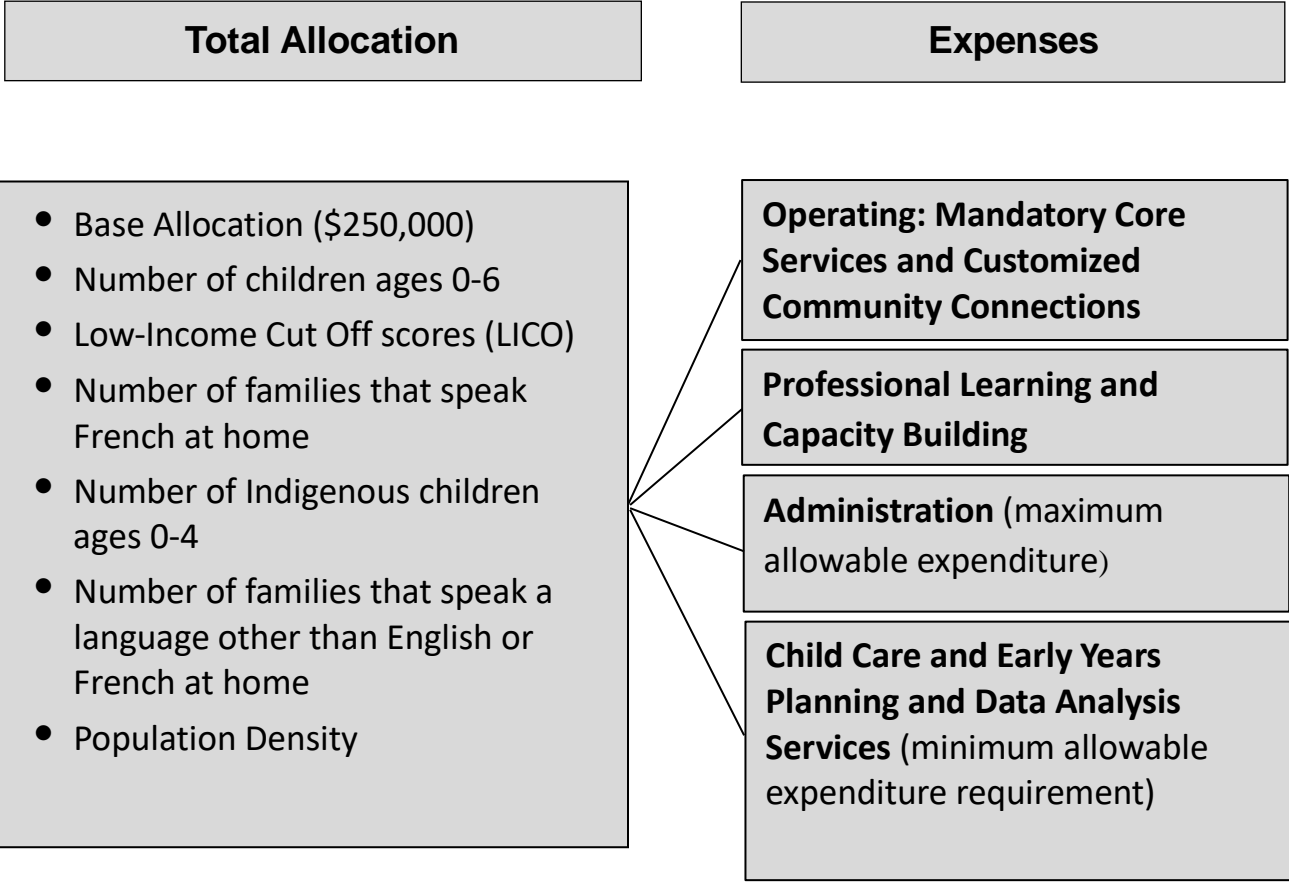
ALLOCATIONS AND EXPENSES

The allocation/expense model provides increased flexibility for service system managers to respond to the evolving needs of their communities and EarlyON Child and Family Centres.

CMSMs and DSSABs have flexibility to spend their allocations on any of the expense/program categories to meet the provincial requirements to deliver mandatory core services and customized community connections for EarlyONChild and Family Centres. Please note there is a maximum expenditure requirement for Administration, and a minimum expenditure requirement for Child Care and Early Years Planning and Data Analysis Services.

Additional details regarding all the expense categories are outlined in section 13 of this guideline.

EarlyON Child and Family Centre Allocation and Expense Model



MUNICIPAL CONTRIBUTIONS

EarlyON Child and Family Centres are funded through contributions made by the Government of Ontario and the Government of Canada. CMSMs and DSSABs are encouraged to maintain and/or consider making municipal contributions to enhance programs and services and support integration with other human and early years programs and services, where appropriate. Any municipal contributions made by CMSMs and DSSABs must be reported to the ministry through financial reporting.

CANADA-ONTARIO BILATERAL AGREEMENT ON EARLY LEARNING AND CHILD CARE (ELCC) – EARLYON FUNDING

The ELCC Agreement supports parents, families, and communities across Canada in their efforts to ensure the best possible future for their children. Ontario's Action Plan under the ELCC supports a shared commitment by the Ontario and Federal governments to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility, and inclusivity, with prioritization for children aged 0-6 years old.

The ELCC agreement was extended for four additional years, from April 1, 2021 to March 31, 2025. The renewed agreement provides Ontario with a total of \$764.5 million in federal funding over four years and includes terms and conditions that are generally consistent with the previous agreement.

Note that all future ELCC funds flowed by Ontario pursuant to the agreement are contingent on receipt of the funds by the Province from the federal government. Funding amounts will be confirmed by the federal government in future years and details provided to CMSMs and DSSABs at that time.

SECTION 11: FRAMEWORK FOR EARLYON CHILD AND FAMILY CENTRES

MANDATORY CORE SERVICES

To achieve the intended goals and outcomes of EarlyON Child and Family Centre programs, the ministry has identified a suite of mandatory core services that must be available to children and families across the province. CMSMs and DSSABs are required to plan and oversee the local delivery of these core services related to:

- Supporting early learning and development,
- Engaging parents and caregivers, and
- Making connections for families.

CMSMs and DSSABs can choose to directly operate EarlyON Child and Family Centres or enter into a purchase of service agreement with publicly-funded school boards and/or non-profit local service providers.

CMSMs and DSSABs must prioritize EarlyON Child and Family Centre funding to ensure the provision of consistent, high quality core services at no fee to participants.

Supporting Early Learning and Development

EarlyON Child and Family Centres must offer drop-in programs and other programs and services that promote responsive adult-child relationships, encourage children's exploration, play and inquiry, based on the pedagogy in HDLH.

Early learning and development programs are most effective when the context for learning is foregrounded in relationships and focused on supporting the development of strategies, dispositions, and skills for lifelong learning through play and inquiry.

Engaging Parents and Caregivers

EarlyON Child and Family Centres must actively work to develop programs that cultivate authentic, caring relationships and connections that create a sense of belonging. This means that wherever possible, engagement with parents and caregivers should occur with children present. Engaging with parents and caregivers also includes:

- Inviting conversations and information sharing about children's interests, child development, parenting, nutrition, play and inquiry-based learning, and other topics that supports their relationship with their child(ren).

- Providing targeted outreach opportunities that are responsive to community needs. This includes connecting with parents and caregivers who could benefit from EarlyON Child and Family Centre programs and services but are not currently accessing services for a variety of reasons.
- Collaborating with other support programs to enhance parent and caregiver well-being, enrich adult-child relationships, and to support parents and caregivers in their role(s).

As noted above, parent and caregiver engagement may take place in a variety of formats depending on the needs of individuals within the community. Engagement may include group discussions, informal one on one engagement, printed and electronic resources or other engagement opportunities as appropriate.

Making Connections for Families

EarlyON Child and Family Centres must continuously look for opportunities to facilitate stronger relationships within their local community and assist parents and caregivers in accessing services and supports that respond to a family's unique needs. This includes:

- Ensuring EarlyON Child and Family Centre staff have relationships with community partners and an in-depth knowledge of community resources to allow for seamless transitions (warm hand-offs) for families who may benefit from access to specialized or other services.
- Responding to a parent/caregiver concern about their child's development through conversations and observations. In some cases, staff may direct parents/caregivers to seek additional supports from primary care or other regulated health professionals.
- Sharing information and facilitating connections with specialized community services (such as children's rehabilitation services; gender-based violence support for families), coordinated service planning, public health, education, child care, and child welfare, as appropriate.
- Early Identification and connecting parents/caregivers to specialized services and resources (such as [Smart Start Hubs](#)).
- Providing information about programs and services available for the whole family beyond the early years.

Informed by their local service planning process, CMSMs and DSSABs have the flexibility to determine how these services are delivered, the design and development of programs to meet core services, and who will deliver EarlyON Child and Family Centre programs and services.

SERVICE DELIVERY METHODS

CMSMs and DSSABs have the flexibility to offer EarlyON Child and Family Centre programs and services through a variety of service delivery methods. Service system managers are required to establish mandatory centres and are expected to leverage other service delivery options to meet the unique needs of families in their communities. This may include providing outdoor, mobile, phone, and/or virtual programs and services. The ministry strongly encourages providing families with multiple avenues of access to EarlyON programs, including virtual services.

EarlyON programs and services are intended to be community-based (including schools, community buildings/spaces, and common areas within residential areas and natural outdoor spaces) and must never be offered within individual homes.

Schools-Based Approach

Schools provide an environment where services can be co-located and integrated for seamless access by families within neighbourhoods. Co-location provides many benefits for families including reducing transitions, building stronger connections between children, families, and early years/school professionals, and supporting a continuum of learning through a consistent approach to early years pedagogy.

The ministry encourages the use of a schools-based approach in alignment with other child care and early years initiatives, where possible. This includes locating EarlyON Child and Family Centres within schools and encouraging the integration of EarlyON within the school community. Details can be found in the [Early Years Accommodations in Schools: Reference Guide](#).

MANDATORY CENTRES

Mandatory Centres are physical program sites where children, parents and caregivers can participate in child and family programs and services in-person. Centres may be located within schools or community buildings or may be stand-alone sites. CMSMs and DSSABs must offer centre-based core services year-round and at least five days per week, including either Saturday or Sunday. This requirement may be met by offering the core services in different centres on different days of the week.

CMSMs and DSSABs may choose to have several centres within their boundaries, operating at different times and on different days of the week, based on parent and caregiver needs. CMSMs and DSSABs may also consider offering evening services to expand access to working parents and caregivers. However, this is not mandatory and should be based on identified community needs.

OPTIONAL SERVICE DELIVERY METHODS

Mobile Services

CMSMs and DSSABs can offer programs and services outside of centres to further integrate EarlyON Child and Family Centres with broader community services and to enhance service access (e.g., mobile programs for residents living in high-density areas, weekly programs in libraries in rural communities). Mobile programs often involve “set-up and take-down” and operate in a shared space.

Mobile services may have regular or irregular days, times, and locations of operation. CMSMs and DSSABs and service providers must establish an appropriate mechanism to communicate to parents and caregivers about these services and their locations, dates and times of operations.

CMSMs and DSSABs may also consider coordinating transportation options to increase program accessibility where necessary and feasible.

Outdoor Programs

As stated in HDLH, children thrive in programs where they can engage in vigorous physical play in natural outdoor spaces and playgrounds that present manageable levels of challenge. While these environments need to be safe, it is also important to provide children with opportunities for a reasonable degree of risk taking. Program adaptations and physical accommodations can be made to allow every child to participate and be challenged in meaningful ways. In addition to providing physical benefits, active play outdoors strengthens functioning in cognitive areas such as perception, attention, creative problem solving, and complex thinking.

CMSMs and DSSABs are encouraged to offer EarlyON programs in natural outdoor settings (e.g. a community park) and discuss the benefits of outdoor play with parents and caregivers.

Outdoor programs may have regular or irregular days, times, and locations of operation. CMSMs and DSSABs and service providers must establish an appropriate mechanism to communicate to parents and caregivers about these programs and their locations, dates and times of operations, including cancellations/rescheduling due to inclement weather.

Virtual Programs, Services and Resources

Virtual EarlyON programs have become a key service delivery option for families accessing early years supports. CMSMs and DSSABs are encouraged to continue providing virtual programs, services, resources, and information for children, parents and caregivers related to: supporting early learning and development, engaging parents and caregivers, and making connections for families. Offering virtual programs

and services can help in supporting the diverse needs of families and connecting to communities with diverse populations or multiple language needs.

CMSMs and DSSABs are encouraged to work with service providers to ensure that best practices are being followed when hosting a virtual program. The list below provides helpful tips for securing a virtual session as well as ways to exercise caution when facilitating these sessions. Please note that this list is not all-encompassing and may not apply to all online platforms.

Tips include:

- Offer pre-registration for virtual programs;
- If applicable in the application, turn on pre-meeting setting features (e.g. view and admit participants, remove participants, turn on virtual waiting room, etc.);
- Disable features (e.g. chat box, file share, screen sharing);
- Provide a password for each meeting session; and,
- Limit the re-use of access codes.

Local Phone Lines

Information about EarlyON Child and Family Centre programs and services, including information about child development, parenting supports and play and inquiry-based learning can be embedded in existing community phone-based information services (e.g., 211 or 311).

CUSTOMIZED COMMUNITY CONNECTIONS

Community Partnerships to Support Core Service Delivery

The ministry recognizes the importance of integrating EarlyON Child and Family Centres within the broader context of local community services (e.g., child care, public health, employment and training programs, recreation programs, public libraries, schools, and specialized services), to meet its core service requirements. Joint community-based planning supports greater integration resulting in easier access and better client experiences for children and families.

Leveraging Partnerships to Create Customized Community Connections

For EarlyON Child and Family Centres to be effective, supports for parents related to early learning and development must be developed with an understanding of the unique characteristics, needs and priorities of the community that is being served.

Through the local service planning process, CMSMs and DSSABs may identify a specific priority or need in a given neighbourhood or community. In such cases,

CMSMs and DSSABs may wish to leverage and further develop the partnerships that EarlyON Child and Family Centres have with different community services to develop specific strategies and/or targeted approaches to support this identified priority.

For example, in a community that has a large number of children and families that are newcomers to Canada, an EarlyON Child and Family Centre may wish to work more closely with settlement services to coordinate services for families. This may include hosting a series of information sessions that relate to newcomers at the EarlyON Child and Family Centre (e.g., housing, employment, education) or using the EarlyON Child and Family Centre as a hub to access other programs (e.g., language classes).

Coordinated service planning also helps to ensure that children, parents, and caregivers have easy and efficient access to the services they need.

Customized community connections should only be considered once the EarlyON Child and Family Centre core service expectations are being met on a regular and consistent basis.

Child Minding

EarlyON Child and Family Centres may offer child minding services during parent/caregiver programs or to allow parents to access other community services (e.g., postpartum depression support programs, employment and training services), provided that parents/caregivers remain onsite in accordance with requirements under the *Child Care and Early Years Act, 2014*.

Respite Child Care

Respite child care is intended to support parents who require emergency short-term and/or occasional care for their children. CMSMs and DSSABs have the option of working with service providers to offer respite child care, as a customized community connection, in EarlyON Child and Family Centres.

Respite child care may be funded using existing provincial funding for EarlyON Centres. CMSMs and DSSABs who choose to exercise this option would determine which locations would offer this service and be funded for respite child care based on local service plans and community needs. CMSMs and DSSABs should work with EarlyON service providers to determine the prioritization of respite child care for families in their communities.

If provincial EarlyON funding is insufficient to cover all expenses related to respite child care, CMSMs and DSSABs may work with EarlyON service providers to establish fees for respite care or find alternative funding sources to partially or fully cover the costs of delivering this service. Where a fee is charged, respite child care must be offered as a not-for-profit, full cost recovery program.

Respite child care should only be considered once the EarlyON Centre core service expectations are being met on a regular and consistent basis in a community.

EarlyON Child and Family Centres that provide respite child care must comply with legislative and regulatory requirements for unlicensed child care included in the *Child Care and Early Years Act, 2014*:

- Providing care for no more than 5 children at any one time (section 6 (3) 2 of *Child Care and Early Years Act, 2014*);
- The group of children must not include more than three children who are younger than two years old (section 6 (3) 2 of *Child Care and Early Years Act, 2014*);
- Child care can only be provided at one premises per corporation (section 7 of *Child Care and Early Years Act, 2014*)¹⁴;
- EarlyON Centres must disclose to parents that they are unlicensed and retain a record of that disclosure (section 12 of *Child Care and Early Years Act, 2014*);
- Providing receipts for payment, when requested (section 15 of *Child Care and Early Years Act, 2014*);
- Parents must not be prevented from accessing their children or the premises where child care is provided (with limited exceptions listed in section 10 (1) and 10 (2) of *Child Care and Early Years Act, 2014*); and
- Providers must not have been convicted of an offence identified in section 9 of the CCEYA or have had their authority to practice restricted by the College of Early Childhood Educators, the Ontario College of Teachers or the College of Social Workers and Social Service Workers (section 9 of *Child Care and Early Years Act, 2014*).

In addition, EarlyON providers must disclose to parents that children may be on the premises with parents/caregivers who have not submitted a Vulnerable Sector Check.

Under section 30 (1) of the *Child Care and Early Years Act, 2014*, the ministry has the authority to enter and inspect a premise where it suspects on reasonable grounds that child care is provided.

¹⁴ This means that respite child care can only be provided at one location per corporation at all times. For more information on the application of this requirement please consult with your Early Years Advisor.

CMSMs and DSSABs are responsible for ensuring that up-to-date records of the name and addresses of EarlyON locations providing respite child care are reported to the ministry. Please send your updates to EarlyON@ontario.ca.

REGISTERED EARLY CHILDHOOD EDUCATOR STAFF REQUIREMENT

Programs in EarlyON Child and Family Centres should be designed to foster positive outcomes and support nurturing relationships for children, parents and caregivers based on the latest evidence and research. RECEs play a critical role in delivering early years programs. RECEs have specialized knowledge and expertise related to child development as well as play and inquiry-based learning that is essential to delivering high quality early years programs and services, such as drop-in programs in EarlyON Centres. As regulated professionals, RECEs are required to practice in accordance with a Code of Ethics and Standards of Practice which guide their relationships with children and families.

CMSMs and DSSABs are required to ensure that mandatory core services related to supporting early learning and development at every EarlyON Child and Family Centre are overseen by an RECE. RECEs must be members in good standing of the College of Early Childhood Educators. The ministry recommends RECE qualifications for all staff delivering services related to early learning and development.

Aligned with the other mandatory core services, CMSMs and DSSABs have the flexibility to determine if additional staff with specialized skill sets may be responsive to community needs. It is expected that staff will engage in continuous professional learning opportunities to keep informed of the latest research on adult education, child development, play and inquiry-based pedagogy, and other relevant topics.

RECE Staffing Considerations

EarlyON Child and Family Centres must employ at least one RECE at every centre. In recognition of the current RECE shortages, CMSMs and DSSABs have the discretion to approve an employee who is not an RECE in place of an RECE as follows:

- Where an EarlyON Child and Family Centre has tried but is unable to recruit at least one RECE to oversee mandatory core services related to supporting early learning and development.

This provision does not apply to persons that:

- Have been members of the College of Early Childhood Educators in the past, but

have resigned or had their membership suspended, cancelled or revoked, or who have let their membership lapse.

- Have satisfied the educational requirements to be registered as members of the College but have not become members.

In determining whether to grant approval for a non-RECE employee, the CMSM or DSSAB should consider the proposed candidate's experience and expertise including previous experience in child and family programs, membership in another relevant regulated profession (e.g., social work, nursing, etc.) and any other factors the CMSM or DSSAB deems relevant in consultation with the Centre.

It is expected that these staff will also engage in continuous professional learning opportunities to keep informed of the latest research on adult education, child development, play and inquiry-based pedagogy, and other relevant topics.

CMSMs and DSSABs must review the conditions for these approvals for non-RECE staff on an annual basis to monitor compliance with this requirement, identify challenges and develop strategies to support service providers in meeting the RECE staffing expectation. This may include transition planning, ensuring capacity to deliver core services related to early learning and development, and human resource approaches (e.g., recruitment and staffing strategies, qualifications upgrading).

CMSMs and DSSABs must document the reasons for granting approvals for non-RECE staff and will be required to report the number of service providers and number of staff that have been approved an exemption through financial reporting.

Legacy Provision (formerly Grand-parenting Provision)

CMSMs and DSSABs may also grant an exemption from the RECE requirement for EarlyON Child and Family Centres employing a staff person to oversee mandatory core services who is not an RECE but who has at least 10 years of experience working in a child and family program setting as of January 1, 2019. This provision is intended to support the retention of long-tenured child and family program staff in their positions, including the rehiring of staff who have recently left their position, but where that position has not yet been filled.

In order to qualify under this legacy provision, a staff person must have been employed for a total of 10 or more years, as of January 1, 2019 in one or more of the following child and family programs:

- Ontario Early Years Centres
- Parenting and Family Literacy Centres
- Child Care Resource Centres

- Better Beginnings, Better Futures.

This provision does not apply to persons that:

- Have been members of the College of Early Childhood Educators in the past, but have resigned or had their membership suspended, cancelled or revoked, or who have let their membership lapse.
- Have satisfied the educational requirements to be registered as members of the College but have not become members.

In addition, this provision does not apply to new hiring for positions that will oversee the delivery of mandatory core services related to supporting early learning and development. For any new hiring for such positions, EarlyON Child and Family Centres are required to recruit a RECE. Where they are unable to do so, the CMSM or DSSAB may grant approval for staff as described above.

CMSMs and DSSABs will be required to report the number of service providers and number of staff that have been provided an exemption or qualify under the legacy provision through financial reporting.

ADDITIONAL EARLYON CHILD AND FAMILY CENTRE REQUIREMENTS

CMSMs and DSSABs must ensure that appropriate policies and procedures are in place to ensure that EarlyON Child and Family Centres are delivered in a way that promotes the health, safety and well-being of children and families being served. This includes ensuring that policies and procedures are in place for service providers regarding:

- Vulnerable Sector Checks
- First Aid
- Emergency Plans
- Sanitation and maintenance
- Workplace health and safety relating to staff
- Complaints and resolutions processes
- Reporting serious incidents to the CMSM or DSSAB and processes for determining appropriate, if any, response is required.

Where an incident has occurred that may result in media attention, CMSMs and DSSABs are required to report this to the ministry. CMSMs and DSSABs may contact their Early Years Advisor in the Early Years and Child Care Division.

EarlyON Child and Family Centres must be operated in accordance with all federal, provincial, and municipal legislation and regulations as well as ministry policies and guidelines.

Duty to Report

As mentioned at the outset of this guideline, everyone, including members of the public and professionals who work closely with children, is required by law to report suspected cases of child abuse and/or neglect. Anyone with reasonable grounds to suspect that a child is or may be in need of 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 [here](#).

SECTION 12: EARLYON CHILD AND FAMILY CENTRES – SUPPORTING PROGRAMS AND SERVICES

The following details programs, services and networks that support the delivery of EarlyON Child and Family Centre programs in communities across Ontario.

RÉSEAUX INTERAGIR (formerly REGIONAL FRENCH LANGUAGE NETWORKS)

French Language school boards and early years and child care service providers offering services in French are members of Réseaux Interagir that:

- Network with other Francophone organizations/professionals sharing resources and policies;
- Collaborate on French professional learning; and
- Collaborate with other organizations offering services in French so that providers can make connections for families towards services in French.

The intent of these groups is to:

- Strengthen partnerships between French language service providers, school boards and service system managers to support the provision of high-quality early years and child care French language services across the province;
- Identify emerging and established promising practices related to the delivery of early years and child care French language services in minority and majority language settings; and
- Identify service gaps and work within local early years and child care community planning processes to address them through innovative solutions.

For more information regarding Réseaux Interagir, please contact your Early Years Advisor. A listing of [Early Years Advisors](#) can be found on the ministry webpage.

PROFESSIONAL LEARNING FOR THE FRANCOPHONE AND INDIGENOUS SECTORS

Through the Canada-Ontario Early Learning and Child Care Agreement, the ministry is investing \$1.5M to support professional learning opportunities for Francophone and Indigenous early years professionals. These opportunities are designed to better meet their needs through more targeted, differentiated cultural and regional approaches.

Funds aim to enhance culturally relevant programs and the delivery of high-quality child care and early years programs, in alignment with *How Does Learning Happen?*, which will help promote Francophone and Indigenous cultures in Ontario and also create linkages to and/or develop professional learning resources that are responsive to the needs of the sector.

MENTAL HEALTH SUPPORT

This funding will leverage local expertise and enhance existing mental health resources and capacity building strategies to support children, families and the workforce in early years settings based on community needs.

The government recognizes that over the past few years, the COVID-19 pandemic has had a significant impact on children and families. The COVID-19 Pandemic and associated lockdowns have negatively impacted the mental health of children, families and caregivers, by increasing stress, and other mental health symptoms including, irritability, hyperactivity, inattention, depression and anxiety. Early identification of mental health challenges and providing supports as early as possible is critical and can lead to improved achievement in school and better health outcomes in life.

Beginning in 2022, the government is allocating a total of \$9 million in funding (\$3 million per year for three years) toward mental health supports for the early years and child care sector to CMSMs and DSSABs and First Nations that will support enhanced services to families and their children through EarlyON Child and Family Centres.

EarlyON Child and Family Centres will use this funding to build further capacity in the system for mental health initiatives by:

- Supporting the coordination of regional mental health supports for children, parents/caregivers, and staff
- Enhancing current professional learning supports to include mental health information for the child care and early years sector
- Supporting alignment with Ontario's provincial pedagogy for early years and child care settings: "[How Does Learning Happen? Ontario's Pedagogy for the Early Years](#)".

Funding for Mental Health Supports has been included as part of the 2024 EarlyON allocations. Funding can be used to support mental health initiatives as noted above. CMSMs and DSSABs have the flexibility to use the funding to support core services in general and/or service delivery methods EarlyON expenditures.

SECTION 13: EARLYON CHILD AND FAMILY CENTRES – ELIGIBLE EXPENSES

OPERATING: MANDATORY CORE SERVICES AND CUSTOMIZED COMMUNITY CONNECTIONS EXPENSE

PURPOSE

The purpose is to support the costs of operating a system of EarlyON Child and Family Centres.

The majority of funding should fall under this expense category, and prioritize the delivery of EarlyON Child and Family Centres and their programs to ensure that funds are focused on serving the needs of children and their families.

Priorities

CMSMs and DSSABs will use the following principles to inform operating funding priorities while balancing local needs:

- Stabilize and transform existing EarlyON Child and Family Centre programs so that they are more inclusive and responsive to local need;
- Increase access and consistency of EarlyON Child and Family Centre programs and services;
- Align with the Schools-Based approach and supporting the implementation of the Early Years Capital Program;
- Support programs that serve Indigenous and Francophone children; and
- Co-locate with other early years or community programs.

CMSMs and DSSABs may choose to offer not-for-profit full cost recovery programs that meet an identified need in their community (e.g., infant massage session offered by specialized professionals). These services should only be considered once the EarlyON Child and Family Centre core service expectations are being met on a regular and consistent basis.

ELIGIBILITY

Funding may be provided to non-profit service providers, publicly-funded school boards or municipalities who offer EarlyON Child and Family Centre programs and services and meet the requirements set out in this guideline.

Eligible Expenses

CMSMs and DSSABs must prioritize funding to deliver mandatory core services that are responsive to local need. Funding may be used for ongoing costs including:

- Funding to support salary and benefit expenditures for EarlyON Child and Family Centre staff to deliver core services.
- Hiring or acquiring the services of a special needs resource consultant to support the delivery of core services to children with special needs and their families/caregivers, specifically making connections for families to specialized services (e.g. screening, early intervention, resources and supports).
- Lease and occupancy costs for EarlyON Child and Family Centres, rental fees for mobile services¹² and other operating costs such as utilities.
- Service provider administration costs.
- Light meals and/or snacks for program participants.
- IT costs to support the delivery of virtual programs (e.g. annual web-based account fees; additional costs related to security features for web-based programs).
- Branding and marketing costs for EarlyON Child and Family Centres, such as signage and promotional materials.
- Transportation services to support outreach and participation in programs. This can include costs for public transit, gas, and general auto repair and maintenance.
- Resources for families and caregivers related to early learning and development (e.g. materials for inquiry-based play), additional community services and supports, information to support parents and caregivers in their role.
- Supplies to support the delivery and daily operation of programs as well as maintenance costs related to the general upkeep, safety, and maintenance of EarlyON Child and Family Centre facilities.
- Operating costs for service providers that are involved in transformation activities and/or require business transformation supports such as integrating, sun-setting, establishing or relocating centres (e.g. legal fees, lease termination, moving, business planning, recruitment and onboarding of new staff, staffing transitions).

¹² This may include the closed-end leases of a vehicle to support the delivery of EarlyON Child and Family programs. Funding does not support transfer of ownership and/or purchase of vehicle during or at end of lease.

Inadmissible Expenses

Funding cannot be used to support direct specialized services. This includes programs and services offered by regulated health professionals working within their scope of practice (e.g. occupational therapy, audiology and speech language pathology, physiotherapy).

This also includes early intervention and screening programs and services that are funded by other ministries and/or levels of government. Service providers may direct parents to:

- [The Early Years Check-In](#) developmental screening tool or other free screening tools to assess their child's developmental status;
- The [Play & Learn](#) website for suggested activities to support children's development;
- Speak with early years professionals, Resource Consultants or healthcare providers about their concerns; and or
- Visit a [SmartStart Hub](#) at a Children's Treatment Centre.

Additionally, the following expenses are considered inadmissible:

- 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;
 - *Please note: Indigenous elder honoraria is an admissible expense for child care and EarlyON Child and Family program allocations.
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans;
- Property taxes;
- Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators; and
- Any other expenditure not listed under the allowable expenses section.

Reporting Requirements

CMSMs and DSSABs are required to report the following expenditures:

- Total core service delivery and customized community connections funding allocated to operators (including virtual programs); and
- Total core service delivery and customized community connections expenditures on salaries and benefits, lease and utilities, and other.

PROFESSIONAL LEARNING AND CAPACITY BUILDING EXPENSE

PURPOSE

This funding supports professional learning and development opportunities that builds the capacity of staff and non-profit volunteer board members to provide high-quality, inclusive EarlyON Child and Family Centre programs and services.

Priorities

In consultation and based on evidence, capacity building funding is prioritized by CMSMs and DSSABs to be locally-responsive to children and families in communities. CMSMs and DSSABs should prioritize funding for service providers that meet the following:

- Require support in improving quality and/or program alignment with HDLH;
- Have limited access to professional learning;
- Have limited capacity in business administration; and
- Serve Francophone or Indigenous children and families.

Additionally, CMSMs and DSSABs should prioritize funding to support professional learning opportunities where their existing capacity does not meet community demand.

CMSMs and DSSABs may wish to build on or complement existing capacity building initiatives in their communities to implement professional learning strategies for EarlyON program staff and supervisors as outlined in Section 8 of this guideline.

ELIGIBILITY

Funding may be provided to EarlyON service providers to engage in professional learning and development. Funding may also be provided to non-profit organizations and/or post-secondary institutions to develop and/or deliver early years professional learning and development for EarlyON Child and Family Centre staff.

Eligible Expenses

CMSMs and DSSABs may support:

- Program-related professional learning opportunities related to:
 - Implementing and practicing pedagogical approaches described in HDLH

- Reflective practice and collaborative inquiry
- Professional learning and development opportunities for staff related to core service delivery and well-being of children and families such as:
 - healthy child development
 - pre and post-natal care
 - adult and parent education
 - diversity and inclusion
 - community development and outreach
 - cultural competency
- Capacity building of staff to ensure core services support inclusion of children with special needs and their families, for example, through the support of an SNR consultant.
- Establishing communities of practices to support EarlyON program staff.
- EarlyON business administration (e.g. program management, human resources, budgeting, leadership, policy development).

Note: While capacity building funding is intended to support EarlyON Child and Family Centre programs, partnerships with other community organizations and initiatives are encouraged to promote inter-professional learning opportunities.

REPORTING

CMSMs and DSSABs will be required to report total professional learning/capacity building expenditures.

ADMINISTRATION EXPENSES

PURPOSE

To support administrative costs to CMSMs and DSSABs for the local management of EarlyON Child and Family Centres.

ELIGIBILITY

All CMSMs and DSSABs are eligible to use a portion of their allocation for administration funding.

ELIGIBLE EXPENSES

Up to 10% of the total EarlyON allocation may be used for administration costs. Administration expenses must represent actual expenses incurred for program administration and may not be expressed solely in terms of a percentage of program expenditures.

CMSMs and DSSABs have the flexibility to use EarlyON administration funding to support child care general administration expenditures. This flexibility is available where EarlyON administration funding (up to 10% of the EarlyON allocation as noted in the budget schedule), has not been fully utilized for EarlyON expenditures (i.e., EarlyON, including for administration or EarlyON program services, at the discretion of the CMSM and DSSAB).

Staffing

Payment of gross salaries and wages, vacation pay, sick pay, compassionate pay, overtime and statutory holiday pay for staff involved in managing the EarlyON Child and Family Centre system and support staff.

Benefits

Employer contributions for pension, employment insurance, workers' compensation, employee benefit plans, and other legal requirements of the employer.

Purchased Professional Services

Purchased professional services that are not client related, including costs incurred in purchasing professional services for which the CMSM or DSSAB itself does not employ staff (e.g. fees for administrative or corporate legal work, audit or bookkeeping fees).

Accommodation

Reasonable costs to a maximum of fair market value for accommodation required for the management of the EarlyON system and related administration. Fair market value for purchased accommodation is defined as the probable estimated dollar price of the property if that property were exposed for sale in the open market by a willing seller and allowing a reasonable time for a willing buyer.

A fair market value estimate must be accompanied by an indication of the exposure time linked to the value estimate. Exposure time is the estimated length of time the property would have been for sale on the open market before a hypothetical purchase at market value. Exposure time precedes the effective date of the value estimate and is based upon past market trends as they affect the type of real property under consideration.

The above definition of fair market value must also be applied to rented accommodations, whereby the estimated dollar amount is a rental price, and the willing parties are the owner and the tenant. In the case of owned buildings, the eligible annual cost will be based on fair market value of rent or imputed rent.

Travel

Reimbursement of staff costs for travel required to carry out the management of the delivery and administration of EarlyON Child and Family Centres. Travel costs in Ontario that are associated with attendance at meetings relevant to EarlyON Child and Family Centre service delivery. CMSMs and DSSABs are to refer to the [Ontario Public Service Travel Directive](#).

Education and Staff Training

Staff development and educational opportunities which assist in the management and administration of the EarlyON system. Travel, accommodation and costs associated with educational conferences, seminars etc. within Ontario and Quebec.

Technology

Computer hardware, general office software, network access charges, operating costs, general operating system enhancements, general office software updates, computer supplies and maintenance.

General Office Expenses

Costs associated with the following items may be required to support the management of the EarlyON Child and Family Centre programs and services:

- Telephone, internet, fax (may include rentals, regular charges, long distance, etc.)
- Postage and courier
- Office supplies (may include stationery, forms, maps, books, periodicals)
- Printing (may include production, translation, printing, and other costs)
- Photocopier rental and services
- Insurance payments (fidelity, fire, public liability, theft, other) including bonding and liability insurance for staff
- Office equipment and maintenance
- Building maintenance (may include janitorial, cleaning, minor repairs)
- Bank transaction charges
- Collection and bad debt costs (may include court fees, credit bureau etc.)
- Advertising and marketing (job postings, newsletters)
- Research, consultation, and professional services

- Moving and relocation
- Security
- Records Management
- Minor miscellaneous expenses

In determining employee salaries and wages, include total gross salary and wage payments to all full-time, part-time, temporary, relief and staff on paid leave of absence. Total salaries equals gross pay including overtime, paid vacation, paid sick leave, statutory holidays etc. The employer's share of employee benefits can be included when calculating benefit costs.

Inadmissible Expenditures

Expenses that do not directly support the provision of EarlyON Child and Family Centre services are inadmissible and include the following:

- Interest expenses incurred on capital or operating loans
- Professional organization fees paid on behalf of staff for membership in professional organizations
- Property tax expenses
- Fundraising expenses
- Donations to charitable institutions or organizations
- Bonuses, gifts and honoraria
- Capital loans
- Mortgage financing
- Reserve Funds

Quality Assurance Tools

Administration funding cannot be used to support the development or purchase of quality assurance tools.

Recovery

Should a CMSM or DSSAB choose to exceed the Administration Maximum Allowable Expenditure (10 per cent of the total EarlyON Child and Family Centre allocation); any additional expenditure must be funded with 100 per cent municipal contributions. If the additional spending over and above the maximum allowable expenditure is not funded with 100 per cent municipal contributions, the ministry will recover the overspent funds equal to the amount of overspending on administration above the maximum allowable expenditure.

Reporting Requirements

CMSMs and DSSABs are required to report on staff and position, salaries and benefits, and total administration expenditures.

EARLY YEARS PLANNING AND DATA ANALYSIS SERVICES EXPENSE

Service System Managers and Service System Planning

CMSMs and DSSABs are the designated service system managers responsible for planning and managing licensed child care services and early years programs at the local level.

Service system managers must develop service plans reflective of provincial interests set out in the *Child Care and Early Years Act, 2014*.

Service planning should be done in the context of the full range of coordinated early years and care services for children and families. This planning includes engaging and consulting with children and families, service providers, school boards, and community agencies in order to deliver and implement a Child Care and Early Years Service System Plan.

Service system managers are required to develop or revise service system plans to address requirements as set out in the legislation, regulations, and provincial policy. Service system plans must be approved by the council of the municipality, or by the members of a District Social Services Administration Board.

Additionally, *Ontario's Access and Inclusion Framework, 2023* may be referenced to support CMSMs and DSSABs in developing and implementing local service plans with an increased focus on access and inclusion. System planning should support access to services for low-income children, vulnerable children, children from racialized communities, children with special needs, Francophone, Black and Indigenous children.

The ministry is continuing to provide dedicated funding to support meaningful community planning processes that inform service system planning decisions.

PURPOSE

To support CMSMs and DSSABs in service system planning and data analysis activities.

- Ensure child care and early years services are responsive to the needs of

children aged 0-12 and their families.

- Ensure that local early years programs and services are reflective of relevant, current research and evidence.
- Lead local knowledge mobilization and act as a resource in the community related to early years research and data including the Early Development Instrument (EDI) and related community measures.

Priorities

- Ensure the active engagement of Indigenous and Francophone partners in the planning, management and delivery of responsive programs and services.
- Facilitating smooth transitions and seamless care for children and families.
- Solicit advice and support local coordination and planning to enhance integration between early years services, schools, and specialized community services.
- Increasing access to address unmet demand for child care and early years services.

Minimum Expenditure Requirement

CMSMs and DSSABs are required to spend a minimum amount of their total EarlyON Child and Family Centre allocation on Child Care and Early Years Planning and Data Analysis Services, recognizing the importance of evidence-informed decision making and the role of CMSMs and DSSABs.

This minimum expenditure amount is set out in the 2024 budget schedule for EarlyON Child and Family Centres. Where a CMSM or DSSAB does not meet the minimum spending requirement, the ministry will recover all remaining unspent funds.

Eligible Expenses

Funding may be used to:

- Regularly engage in discussions to collect insights from community partners, parents, caregivers, and children to inform local programs and services.
- Support local planning groups in coordination and planning activities, raise awareness, and share information and research.
- Ensure collection and retention of key local historical data on early years and where appropriate, incorporate these data into early years planning.
- Employ staff to support policy development for local child care and early years service system plans.
- Build capacity, awareness and understanding of early years research

among community partners and promote use of research and evaluation findings in evidence-informed decision-making.

Engaging Indigenous Partners

The ministry is committed to enhance access to culturally relevant, Indigenous-led early years programs and services off-reserve, including child care and EarlyON child and family programs.

CMSMs and DSSABs are expected to engage Indigenous partners on an ongoing basis as part of their local planning for the early years.

Reporting Requirements

CMSM and DSSABs are required to report on staff and position, salaries and benefits, and total child care and early years planning and data analysis expenditures.

SECTION 14: EARLYON DATA REPORTING

CMSMs and DSSABs are required to submit reports to the ministry to ensure appropriate oversight of transfer payment activities, track achievement of program and policy objectives, support provincial level analysis, and inform provincial report backs to the Government of Canada regarding federal investments.

MINISTRY REPORTING REQUIREMENTS

In addition to reporting expenditures by expense category set out in section 13 of this guideline, the ministry is also collecting service data to monitor the impact of EarlyON Child and Family Centres.

EarlyON Child and Family Centre Website

The [EarlyON website](#) is available for parents to access information, resources and tools to help connect them to a range of government early years programs including information about EarlyON Centres (e.g. address, hours of operation, contact details, and programs).

CMSMs and DSSABs are responsible for updating the EarlyON website with information on EarlyON programs located within their region through the EarlyON Centre Location Administration Application. It is important that CMSMs and DSSABs make timely updates to reflect the current status of their programs and services. If you have questions or require technical support, you can email EarlyON@ontario.ca.

Data Reporting

CMSMs and DSSABs are required to report on the following data elements regarding the delivery of EarlyON Child and Family Centres. Definitions of each data element can be found in Appendix B of this guideline.

EarlyON Child and Family Centres – Service Data

- Number of new EarlyON Child and Family Centre sites
- Number of EarlyON Child and Family Centre sites
- Number of purchase of service agreements for EarlyON Child and Family Centres
- Number of children served through an in-person or virtual program
- Number of visits made by children to an in-person or virtual program
- Number of parents/caregivers served through an in-person or virtual program

- Number of visits made by parents/caregivers to an in-person or virtual program¹⁵

Mandatory Core Services and Customized Community Connections

- Number of FTE program staff
- Number of FTE non-program staff (excluding data and analysis/planning staff)
- Number of FTE program staff who are RECEs
- Number of FTE program staff receiving RECE exemptions (excluding the grand- parenting provision)
- Number of service providers that have received an RECE exemption
- Number of FTE program staff receiving an RECE exemption through the grand- parenting provision
- Confirmation that all centres are compliant with planning guidelines and that programs align with HDLH

¹⁵ A virtual EarlyON program is facilitated by staff and ensures participation and engagement with children, parents/caregivers through web-based applications. Engagement is defined as follows:

- The virtual program is INTERACTIVE (i.e. two-way flow of information or conversation between two or more people);
- The virtual program is PURPOSEFUL (i.e. there is a clear early learning, or early child development, or child health and well-being related purpose for hosting the virtual program)

SECTION 15: INDIGENOUS-LED CHILD CARE AND CHILD AND FAMILY PROGRAMS

PURPOSE

The Province has worked to increase access to Indigenous-led child care and EarlyON Child and Family programs in urban and rural areas. These programs also support Indigenous communities in determining and assessing child care and early years needs and providing direct support to children and families. To that end, Indigenous-led programs are to be developed and delivered by Indigenous organizations, working in partnership with service system managers.

FUNDING METHODOLOGY

Operating funding allocations will be based on 2023 ongoing operating funds identified in previously approved proposal budgets.

Ongoing operating expenditures for child care components must align with the existing expense categories in sections 3, 4, and 5 (Child Care Funding Approach, Core Services, and Special Purpose funding), however a minimum amount for capacity building and the minimum expenditure of 4.1% on SNR do not apply. Ongoing operating expenditures for child and family components must align with the existing expense categories in sections 10, 11 and 13 (EarlyON Funding Approach, Framework, and Eligible Expenses).

As per previously approved proposals, CMSMs and DSSABs are permitted to use up to 10% of the operating allocation to support administration in 2024.

*Please note: Elder honoraria is an admissible expense for Indigenous-led child care and EarlyON Child and Family program allocations.

Funding Flexibility

Funding provided by the ministry must only be used for the project identified in the approved proposal.

Indigenous-led Child Care and EarlyON Child and Family Program funding is enveloped and allocated based on program proposals approved by the ministry. As this is an enveloped allocation, funds may only be spent according to the approved proposals. Any funding not spent on the prescribed expenditures or in accordance with the priorities of this funding outlined above or in the Agreement, will be recovered by the ministry.

Funding Flexibility:

Flexibility may be exercised by CMSMs and DSSABs in collaboration with Indigenous-led organizations to respond to emerging needs.

Financial flexibility is **only** permitted within each of the following categories where more than one project in the category has been approved by the ministry:

- Indigenous-led child care programs
- Indigenous-led child and family programs
- Indigenous-led joint programs for child care and child and family programs

There is **no flexibility** in funding allocation **between** these three distinct program categories of Indigenous-led programs (i.e. Indigenous-led child care programs, Indigenous-led child and family programs, and Indigenous-led joint programs).

Any significant changes to the approved program or activities must be reported to and approved by the ministry.

REPORTING REQUIREMENTS

Expenditure Reporting

CMSMs and DSSABs are required to report the following expenditure data for Indigenous-led child care and child and family programs by approved project in financial reporting submissions:

- Ongoing adjusted operating expenses
- Adjusted administration expenses

Note: Expenditures for child care and joint child care and EarlyON Child and Family programs should be reported in the child care schedule of the EFIS submission. Expenditures for EarlyON Child and Family Centre projects should be reported in the EarlyON schedule of the EFIS submission.

Child Care Service Data Requirements

Service data required by project for child care and joint child care and child and family programs includes:

- Number of children served
- Average monthly number of fee subsidies provided by age group

EarlyON Child and Family Centres Service Data Requirements

Service data required by project for Indigenous-led EarlyON Child and Family programs includes:

- Number of Child and Family Centre Sites
- Number of Purchase of Service Agreements for Child and Family Centres
- Number of Children Served through an in-person or virtual program
- Number of Visits Made by Children to an in-person or virtual program
- Number of Parents/Caregivers Served through an in-person or virtual program
- Number of Visits made by Parents/Caregivers to an in-person or virtual program

Note: If approved for a child care program, service data should be reported in the child care schedule of the EFIS submission. If approved for an EarlyON Child and Family Centre program, service data should be reported in the EarlyON schedule of EFIS submission. If approved for a joint child care and EarlyON Child and Family Centre program, the service data outlined above should be reported by CMSMs and DSSABs in the respective EarlyON and Child Care schedule of the EFIS submission without double counting.

APPENDIX A: CHILD CARE DATA ELEMENTS AND DEFINITIONS

CHILD CARE FINANCIAL DATA (APPLICABLE TO ALL DETAIL CODES)

Name: Adjusted Gross Expenditures

Definition:

The Adjusted Gross Expenditures are expenditures approved for ministry subsidies. This is the amount upon which the ministry subsidy formula is applied.

The total Adjusted Gross Expenditure amount in Schedule 2.3, and 2.3B is the sum of expenditures under each expense category shown in the “gross expenditure” columns, less Required Parental Contribution (including Parental Fee for directly operated) and Other Offsetting Revenues. It is referred to as "adjusted" because columns Required Parental Contribution and Other Offsetting Revenues of Schedule 2.3 are deducted from the “gross expenditure” column.

Each eligible expense category will be reported by age grouping (excluding Administration, Pay Equity and SWW)^{13,14}.

Total adjusted gross expenditure will be reported by type of setting (i.e. home based or centres) and by auspice.

EFIS Schedule: Schedule 2.3 and 2.3B Adjusted Gross Expenditures

Name: Gross Expenditures

Definition:

Schedule 2.3, titled “Schedule of Adjusted Gross Expenditures”, identifies the sum of the total costs for the delivery of a service under each expense category by age grouping. This data may be useful in analyzing the costs of a unit of service. Although the ministry may only fund a portion of this total cost, it is important to know the gross expenditures under each expense category and not only the portion the ministry subsidizes.

EFIS Schedule: Schedule 2.3 and 2.3B Adjusted Gross Expenditures

¹³ Age group expenditure reporting will be reported in three categories: 0-4 years (e.g. infants, toddlers and preschoolers), 4-6 years (kindergarten) and 6 and up (school aged).

¹⁴ If expenditures impact multiple age groups, please determine reporting proportionately based on service data estimates derived from EFIS.

CHILD CARE SERVICE DATA

CHILD CARE PURCHASE OF SERVICE AGREEMENTS

Name: Purchase of Service Agreements – Child Care
Definition:
Purchase of service agreements held between a CMSM or DSSAB and a child care licensee or agency for the provision of child care and social services.

DATA ELEMENTS:

Name: Number of Licensed Centre-Based Sites for which the CMSM or DSSABs has Purchase of Service Agreements
Definition:
The total number of licensed centre-based sites covered by purchase of service agreements held between a CMSM or DSSAB and child care licensee for the provision of child care services.
EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of LHCC Agencies for which the CMSM or DSSABs has Purchase of Service Agreements
Definition:
The total number of LHCC agencies with purchase of service agreements with a CMSM or DSSAB for the provision of child care services.
EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of School Board Operated Programs for which the CMSM or DSSABs has Purchase of Service Agreements
Definition:
The total number of sites operated by a school boards with purchase of service agreements with a CMSM or DSSAB for the provision of child care services.
EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of Licensed Child Care Spaces (centre and home based, excluding board operated programs) Supported Through a Purchase of Service Agreement

Definition:

The total number of licensed (centre and home based, excluding board operated programs) child care spaces that receive support as a result of provincial childcare funding (i.e. total licensed capacity of child care centres that hold purchase of service agreements with a CMSM or DSSAB).

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of Child Care Spaces Supported Through a Purchase of Service Agreement with a School Board.

Definition:

The total number of child care spaces located in a board operated program that receive support as a result of provincial child care funding (i.e. total licensed capacity of a board operated child care program that hold purchase of service agreements with a CMSM or DSSAB).

EFIS Schedule: Schedule 1.2 Other Service Targets

CORE SERVICES

CHILD CARE FEE SUBSIDIES

Expense Type:

Child Care Fee Subsidy

Expense Definition:

Child Care subsidies used to purchase spaces from non-profit and for-profit child care centres and home child care agencies through contracts with delivery agents. Children enrolled in school board-operated before-and after-school programs, camps and children's recreation programs may also be subsidized.

DATA ELEMENTS:**Name:** Average Monthly Number of Infants Served**Definition:**

The number of infants receiving fee subsidy. Each infant is counted once every month. The number reported is the year-to-date average (mean) of the number of infants receiving fee subsidy in each month. For infants, younger than 18 months of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets**Name:** Average Monthly Number of Toddlers Served**Definition:**

The number of toddlers receiving fee subsidy. Each toddler is counted once every month. The number reported is the year-to-date average (mean) of the number of toddlers receiving fee subsidy in each month. For toddlers, 18 months of age or older but younger than 30 months of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets**Name:** Average Monthly Number of Preschoolers Served**Definition:**

The number of preschoolers receiving fee subsidy. Each preschooler is counted once every month. The number reported is the year-to-date average (mean) of the number of preschoolers receiving fee subsidy in each month. For preschoolers, 30 months of age or older but younger than 4 years of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of Kindergarten Children Served

Definition:

The number of Kindergarten children receiving fee subsidy (includes JK and SK). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of Kindergarten children receiving fee subsidy in each month. For Kindergarten children who are 44 months of age or older, as of August 31 of each year, up to and including 6 years of age.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of School-Age Children Served

Definition:

The number of school-aged children receiving fee subsidy (includes Junior school age). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children receiving fee subsidy. For school-aged children who are 68 months or older as of August 31 of each year, but younger than 13 years of age (under 18 for children with special needs).

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Number of Children Served –0-12

Definition:

The number of children aged 0-12 receiving fee subsidies (and 0-18 where children with special needs are eligible). Each child is counted only once in the budget year. Please include fee subsidies for kindergarten and school-aged children enrolled in camps, authorized recreational and skill building programs, and school board operated before and after school programs.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Consolidated Total Number of Children Served by Income Level

Definition:

Total number of children served receiving fee subsidies, funded through the general allocation, ELCC, expansion plan and funding for Indigenous-led child care and child and family programs by family income level (e.g. under \$20K, \$20K-\$30K, \$30K-\$40K, \$40K-\$50K, etc.)

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Consolidated Average Monthly Number of Children Served Income Level

Definition:

Total average monthly number of children receiving fee subsidies, funded through general allocation, ELCC, expansion plan and funding for Indigenous-led child care and child and family programs by family income level (e.g. under \$20K, \$20K-\$30K, \$30K-\$40K, \$40K-\$50K, etc.)

EFIS Schedule: Schedule 1.2 Other Service Targets

ONTARIO WORKS CHILD CARE

Expense Type:

Ontario Works Child Care

Expense Definition:

Covers costs of formal and informal child care arrangements of Ontario Works (OW) participants.

DATA ELEMENTS:

Name: Number of children served - OW Formal**Definition:**

The number of children of Ontario Works participants provided with child care in licensed child care settings. Also includes children enrolled in school and board-operated before-and-after school programs. Each child is counted only once in the budget year.

EFIS Schedule: Schedule 1.2 Other Service Targets**Name:** Average Monthly Number of Infants Served – OW Formal**Definition:**

The average monthly number of infants of Ontario Works participants provided with child care in licensed child care settings. Each infant is counted once every month. The number reported is the year-to-date average (mean) of the number of infants of Ontario Works participants provided with child care in licensed child care settings. For infants, younger than 18 months of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of Toddlers Served – OW Formal

Definition:

The average monthly number of toddlers of Ontario Works participants provided with child care in licensed child care settings. The number reported is the year-to-date average (mean) of the number of toddlers of Ontario Works participants provided with child care in licensed child care settings. For toddlers, 18 months of age or older but younger than 30 months of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of Preschoolers Served - OW Formal

Definition:

The average monthly number of preschoolers of Ontario Works participants provided with child care in licensed child care settings. The number reported is the year-to-date average (mean) of the number of preschoolers of Ontario Works participants provided with child care in licensed child care settings. For preschoolers, 30 months of age or older but younger than 4 years of age. Each child will move up to the next age group according to their birth date.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of Kindergarten Children Served - OW Formal

Definition:

The average monthly number of Kindergarten children of Ontario Works participants provided with child care in licensed child care settings (includes JK and SK). Also includes children enrolled in school board-operated before-and-after school programs. The number reported is the year-to-date average (mean) of the number of Kindergarten children of Ontario Works participants provided with child care in licensed child care settings. For Kindergarten children who are 44 months of age or older, as of August 31 of each year, up to and including 6 years of age.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of School-Age Children Served - OW Formal

Definition:

The average monthly number of school-aged children of Ontario Works participants provided with child care in licensed child care settings (includes Junior schoolage). Also includes children enrolled in school and board-operated before-and-after school programs. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children of Ontario Works participants provided with child care in licensed child care settings. For school-aged children who are 68 months of age or older, as of August 31 of each year, but younger than 13 years of age (under 18 for children with special needs).

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of Children Served - OW Informal

Definition:

The average monthly number of children receiving Ontario Works informal child care. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children receiving Ontario Works informal child care in each month.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Number of Children Served - OW Informal

Definition:

The number of children of Ontario Works participants provided with child care in unlicensed child care settings. Each child is counted only once in the budget year.

EFIS Schedule: Schedule 1.2 Other Service Targets

CAMPS AND CHILDREN'S RECREATION

Expense Type:

Camps and Children's Recreation

Expense Definition:

Child Care subsidies used to purchase spaces from camps and children's recreation programs (as defined in Section 1 of O. Reg. 138/15 under the *Child Care and Early Years Act, 2014*) through agreements with delivery agents.

DATA ELEMENTS:

Name: Average Monthly Number of Kindergarten Children Served – Fee Subsidies
Camps and Children's Recreation

Definition:

The number of kindergarten children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps in each month. For Kindergarten children who are 44 months of age or older but younger than 68 months of age.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of School-Age Children Served – Fee Subsidies Camps and Children’s Recreation

Definition:

The number of school-age children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps or recreation programs in each month.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Number of Kindergarten Children Served – Fee Subsidies Camps and Children’s Recreation

Definition:

The number of kindergarten children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted only once in the budget year.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of School-Age Children Served – Fee Subsidies Camps and Children’s Recreation

Definition:

The number of school-age children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted only once in the budget year.

EFIS Schedule: Schedule 1.2 Other Service Targets

GENERAL OPERATING

Expense Type:

Child Care Operating

Expense Definition:

Funding to service system managers for child care licensees to support ongoing costs, including: staff wages (above minimum wage only) and benefits, lease and occupancy costs, utilities, administration, resources, transportation, nutrition, supplies, and maintenance.

DATA ELEMENTS:

Name: Number of Licensed Child Care Programs Receiving Operating Funding

Definition:

The number of licensed child care programs (including extended day) that receive operating funding to support ongoing child care costs including: staff wages (above minimum wage only) and benefits, lease and occupancy costs, utilities, administration, resources, transportation, nutrition, supplies, and maintenance.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of Contracts

Definition:

The number of child care centres and home child care agencies, receiving general operating funding.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of Licensed Spaces Supported

Definition:

The total licensed capacity of all child care centres supported through general operating funding.

EFIS Schedule: Schedule 1.2 Other Service Targets

PAY EQUITY MEMORANDUM OF SETTLEMENT

Expense Type:

Pay Equity Union Settlement

Expense Definition:

Funding provided to child care programs (centre and/or home child care) as a result of the April 23, 2003 Memorandum of Settlement between the government and five unions.

DATA ELEMENT:

Name: Number of Contracts with Licensed Child Care Licensees and non-profit Agencies

Definition:

The number of contracts with licensed child care licensees/head offices (centre and/or home child care) and non-profit agencies (e.g. SNR, OEYCs, etc.) that receive funding under the pay equity union settlement.

EFIS Schedule: **Schedule 1.2** Other Service Targets

SPECIAL NEEDS RESOURCING

Expense Type:

SNR

Expense Definition:

Funding to service system managers for staffing (resource teachers/consultants or supplemental staff), equipment, supplies or services for children with special needs.

DATA ELEMENTS:

Name: Number of Licensed Child Care Programs Supported – SNR

Definition:

The number of licensed child care sites (i.e. a licence issued based on specific physical location) and home child care agencies that receive support for SNR through direct funding or service from a resource teacher/consultant or supplemental staff.

EFIS Schedule: **Schedule 1.2** Other Service Targets

Name: Number of Child Served, 0 to 12 years – SNR

Definition:

The number of children aged 0 to 12 with special needs receiving SNR. Each child is counted only once in the budget year. Include SNR supporting children enrolled in camps and children's recreation programs in separate table.

EFIS Schedule: **Schedule 1.2** Other Service Targets

Name: Number of Children Served, age 13-18 - Special Needs Resourcing

Definition:

The number of children age 13-18 with special needs receiving SNR. Each child is counted only once in the budget year. Include SNR supporting school-aged children enrolled in camps and children's recreation programs in separate table.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Average Monthly Number of Children Served up to and including Kindergarten - Special Needs Resourcing

Definition:

The average monthly number of children with special needs up to and including Kindergarten receiving SNR. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children served each month. Include SNR supporting kindergarten children enrolled in camps and children's recreation programs.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Average Monthly Number of School-Age Children Served – Special Needs Resourcing

Definition:

The average monthly number of school-aged children receiving SNR (includes Junior school age). Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of school-aged children receiving SNR. For school-aged children who are 68 months of age or older but younger than 13 years of age. Include SNR supporting school-aged children enrolled in camps and children's recreation programs.

EFIS Schedule: Schedule 1.1 Contractual Service Targets

Name: Number of Full Time Equivalent (FTE) Staff -Special Needs Resourcing

Definition:

The number of resource teachers/consultants or supplemental staff responsible for the delivery of the service. Full-time equivalent is based on a minimum of 35 hours per week.

EFIS Schedule: Schedule 1.2 Other Service Targets

CHILD CARE ADMINISTRATION

Expense Type:

Child Care Administration

Expense Definition:

Funding to service system managers for administrative costs as defined in the Guideline. The expenditure benchmark for administration will be a maximum ceiling of 5% of the total CMSMs/DSSABs allocation, less funding for Other Allocations (except for Small Water Works) and including Base Funding for Licenced Home Child Care.

DATA ELEMENTS:

Name: Number of full-time equivalent staff by position**Definition:**

The total number of full-time equivalent staff by position supported through administration funding. Full-time equivalent is based on a minimum of 35 hours per week.

EFIS Schedule: Schedule 2.2 - Staffing (Child Care Administration)**Name:** Number of staff (head count) by position**Definition:**

The total number of staff (head count) by position supported through administration funding.

EFIS Schedule: Schedule 2.2 - Staffing (Child Care Administration)**Name:** Total salaries associated with each position type**Definition:**

The total salaries associated with each position type. In determining employee salaries and wages include total gross salary and wage payments to all full-time, part-time, temporary, relief and staff on paid leave of absence. Total salaries equal gross pay including overtime, paid vacation, paid sick leave, statutory holidays etc.

EFIS Schedule: Schedule 2.2 - Staffing (Child Care Administration)

Name: Total benefits of staff

Definition:

The total benefits of staff supported through administration funding.

EFIS Schedule: Schedule 2.2 - Staffing (Child Care Administration)

SPECIAL PURPOSE

TRANSFORMATION

Expense Type: Transformation

Expense Definition

Funding to support viability and facilitate child care transformation within communities. This funding is available for eligible child care licensees that are involved in business transformation activities and/or require business transformation supports.

DATA ELEMENT:

Name: Number of Licensed Child Care Programs Supported

Definition:

The number of licensed child care centres and home child care agencies that receive transformation funding for costs related to business transformation activities and/or supports.

EFIS Schedule: Schedule 1.2 Other Service Targets

Name: Number of Licensed Spaces Supported

Definition:

The total licensed capacity of all licensed child care centres and home child care agencies supported through transformation funding for costs related to business transformation activities and/or supports.

EFIS Schedule: Schedule 1.2 Other Service Targets

SMALL WATER WORKS

Expense Type:

Small Water Works Child Care

Expense Definition:

Operating expenditures related to small water works regulation that came into effect on December 19, 2001. (Chemical and Biological testing, engineer's reports).

Legislation: *Safe Drinking Water Act, 2002*

DATA ELEMENT:

Name: Number of Licensed Programs Supported

Definition:

The number of licensed child care centres located on small water systems receiving funding to support the costs related to regular ongoing water testing and maintenance expenses.

EFIS Schedule: Schedule 1.2 Other Service Targets

PLAY-BASED MATERIAL AND EQUIPMENT

Expense Type:

Play-Based Material and Equipment

Expense Definition:

Funding for child care licensees to purchase play-based material and equipment to help create enriching environments with materials that promote children's learning and development through exploration, play and inquiry consistent with the views, foundations and approaches of *How Does Learning Happen? Ontario's Pedagogy for the Early Years*. Play-based material and equipment funding may also be used to purchase equipment that supports the ongoing operation of the child care program.

DATA ELEMENT:

Name: Number of Licensed Programs Supported

Definition:

The number of licensed child care centres and home child care agencies that received funding to purchase play-based material and equipment to help create enriching environments. Funding may also be used to purchase equipment that supports the ongoing operation of the child care program.

EFIS Schedule: Schedule 1.2 Other Service Targets

REPAIRS AND MAINTENANCE

Expense Type:

Repairs and Maintenance

Expense Definition:

Funding to service system managers to address repair and maintenance needs of agencies providing licensed child care programs.

DATA ELEMENTS:

Name: Number of licensed programs supported for repairs and maintenance

Definition:

The number of licensed programs, child care centres or home child care agencies that received funding to address health and safety concerns.

EFIS Schedule: Schedule 1.2 Other Service Targets

CANADA-ONTARIO EARLY LEARNING AND CHILD CARE AGREEMENT

<p>Name: Number of Children Served – Fee Subsidy</p> <p>Definition: The number of children receiving fee subsidies. Each child is counted only once.</p> <p>EFIS Schedule: Schedule 1.2B Other Service Targets</p>
<p>Name: Number of Children Served – Increased Access</p> <p>Definition: The number of children that received services due to increased access. Information will be entered by age group.</p> <p>EFIS Schedule: Schedule 1.1B Contractual Service Targets</p>
<p>Name: Number of Children Served – Increased Affordability</p> <p>Definition: The number of children served through increased affordability. Information will be entered by age group.</p> <p>EFIS Schedule: Schedule 1.1B Contractual Service Targets</p>
<p>Name: Average Monthly Number of Children Served – Fee Subsidy</p> <p>Definition: The average monthly number of children receiving fee subsidy. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children receiving fee subsidy in each month. Information will be entered by age group.</p> <p>EFIS Schedule: Schedule 1.1B Contractual Service Targets</p>
<p>Name: Community-based capital projects (for children aged 0-6 only)</p> <p>Definitions: The number of children served by age group as a result of community-based capital projects</p> <p>EFIS Schedule: Schedule 1.1B Contractual Service Targets</p>

Name: Community- based capital projects (for children aged 0-6 only)

Definitions: Capital project data including the capital projects budgets, locations, name of licensee, current capacity by age group, proposed capacity by age group, expected construction start date, expected completion.

EFIS Schedule: Schedule 1.3 Community Based Capital Projects

Name: Number of licensed early learning and child care spaces

Definitions: Number of licensed early learning and child care spaces supported by ELCC funding. Information will be entered by age group and type of setting (i.e. centre or home-based).

EFIS Schedule: Schedule 1.2B Other Service Targets

Name: Average Monthly Number of Kindergarten Children Served – Fee Subsidies Camps and Children’s Recreation

Definition:

The number of kindergarten children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps in each month.

EFIS Schedule: Schedule 1.1B Contractual Service Targets

Name: Average Monthly Number of School-Age Children Served – Fee Subsidies Camps and Children’s Recreation

Definition:

The number of school-age children enrolled in camps or recreation programs receiving fee subsidies. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children enrolled in camps or recreation programs in each month.

EFIS Schedule: Schedule 1.1B Contractual Service Targets

WAGE ENHANCEMENT/HOME CHILD CARE ENHANCEMENT GRANT

Expense Type:

Wage Enhancement/HCCEG

Expense Definition:

Funding to service system managers to licensed child care centres and home child care agencies to support a wage enhancement of up to \$2 per hour, plus benefits for eligible child care staff or an increase of up to \$20 per day for home child care providers.

DATA ELEMENTS:

Name: Number of Fully Eligible and number of Partially Eligible staff FTEs including home child care visitors eligible for Wage Enhancement

Definition:

The number of full-time equivalent staff working in licensed child care centres who have or will receive a full (\$2/hour) or partial (< \$2/hour) wage enhancement.

One FTE = 1,754.5 hours for the entire year (approximate number of working days in the year less 2 weeks' vacation x 7.25hrs/day).

EFIS Schedule: Schedule 4.3 Wage EnhancementSchedule

Name: Number of Fully Eligible Home Child Care Providers Receiving HCCEG

Definition:

The number of home child care providers who have or will receive a full (\$20.00/day) Home Child Care Enhancement Grant.

EFIS Schedule: Schedule 4.3 Wage EnhancementSchedule

Name: Number of Partially Eligible Home Child Care Providers Receiving HCCEG

Definition:

The number of home child care providers who have or will receive a partial (\$10.00/day) Home Child Care Enhancement Grant.

EFIS Schedule: Schedule 4.3 Wage Enhancement Schedule

Name: Number of Child Care Centres or Sites Receiving Wage Enhancement

Definition:

The number of licensed child care centres or sites that have or will receive wage enhancement. This data element is for centre-based only.

EFIS Schedule: Schedule 4.3 Wage Enhancement Schedule

Name: Number of Home Child Care Agencies Receiving HCCEG

Definition:

The number of home child care agencies who have or will receive HCCEG. Home child care agencies can have multiple home child care providers.

EFIS Schedule: Schedule 4.3 Wage Enhancement Schedule

**WAGE ENHANCEMENT/ HOME CHILD CARE ENHANCEMENT GRANT
ADMINISTRATION**

Expense Type:

Wage Enhancement/ Home Child Care Enhancement Grant Administration

Expense Definition:

Funding to service system managers to manage the additional administrative costs, as defined in the guideline, associated with implementing the Wage Enhancement/Home Child Care Enhancement Grant.

DATA ELEMENTS:

Name: Number of Child Care Centres that received Wage Enhancement Administration Funding

Definition:

The number of licensed child care centres that have or will receive wage enhancement administration funding from CMSMs and DSSABs to support administrative effort associated with implementing the wage enhancement/HCCEG. This data element is for centre based only

EFIS Schedule: Schedule 4.3 Wage Enhancement Schedule

Name: Number of Home Child Care Agencies that received Wage Enhancement Administration Funding

Definition:

The number of home child care agencies that have or will receive wage enhancement administration funding from CMSMs and DSSABs to support administrative effort associated with implementing the wage enhancement/HCCEG.

EFIS Schedule: Schedule 4.3 Wage Enhancement Schedule

INDIGENOUS-LED CHILD CARE AND CHILD AND FAMILY PROGRAMS

Expense Type:

Indigenous-led Child Care and Child and Family Programs

Expense Definition:

Funding to service system managers to culturally relevant, Indigenous-led licensed child care and child and family programs.

DATA ELEMENTS:

Name: Number of children served**Definition:**

The number of children served through increased access to culturally relevant, Indigenous-led licensed child care and child and family programs.

Name: Average Monthly Number of Children Served by age group – Fee Subsidy**Definition:**

The average monthly number of children receiving funding for Indigenous-led child care and child and family programs. Each child is counted once every month. The number reported is the year-to-date average (mean) of the number of children receiving fee subsidy in each month. Information will be entered by age group.

APPENDIX B: EARLYON CHILD AND FAMILY CENTRES DATA ELEMENTS

EarlyON CHILD AND FAMILY CENTRES - FINANCIAL DATA

<p>Name: Adjusted Gross Expenditures</p> <p>Definition: The Adjusted Gross Expenditure amount is the gross expenditures amount minus any offsetting revenue amounts (e.g. municipal contributions).</p> <p>EFIS Schedule: Expenditures</p>
<p>Name: Gross Expenditures</p> <p>Definition: The total cost of the delivery of EarlyON Child and Family Centre programs and services.</p> <p>EFIS Schedule: Expenditures</p>
<p>Name: Revenue</p> <p>Definition: This is the amount the CMSM or DSSAB contributes to EarlyON Child and Family Centre program costs.</p> <p>EFIS Schedule: Expenditures</p>

EarlyON CHILD AND FAMILY CENTRES – SERVICE DATA

Name: Total Number of New EarlyON Child and Family Centre Sites

Definition: The number of EarlyON Child and Family Centre physical locations that have opened after January 1, 2018. If a previously open EarlyON Child and Family Centre physical site was relocated and opened after January 1, 2018, include only those sites that have expanded their service offerings.

EFIS Schedule: Data Elements

Name: Total Number of EarlyON Child and Family Centre Sites

Definition: The number of physical locations where there are EarlyON Child and Family Centres. All locations should be included in reporting the total number of EarlyON Child and Family Centre Sites.

EFIS Schedule: Data Elements

Name: Number of Purchase of Service Agreements

Definition: Number of service agreements held between a CMSM or DSSAB and a service provider to deliver EarlyON Child and Family Centre programs. **EFIS Schedule:** Data Elements

Name: Number of Children Served – All Programs

Definition: Number of children (aged 0-6) that received EarlyON services (indoor/outdoor/virtual) at some point during the calendar year¹⁶. A child is counted only once during the calendar year. For example, if 4-year-old John participated in both an in-person (outdoor or indoor program) and virtual EarlyON Child and Family program, John would be counted once. If John only participated in a virtual program, John would also be counted once. This data element is only used when a child participates in an early learning experience.

EFIS Schedule: Data Elements

Name: Number of Visits made by Children – All Programs

Definition: The total number of visits that children (aged 0-6) made to an (indoor/outdoor/virtual) EarlyON Child and Family Centre program. Count each time a child attended an in-person (outdoor or indoor program) and/or virtual program that was designed to engage children in an early learning experience.

EFIS Schedule: Data Elements

Name: Number of Parents/Caregivers Served – All Programs

Definition: The number of parents/caregivers that actively participated in an (indoor/outdoor/virtual) EarlyON program either with their children or separately. A parent/caregiver is counted only once during the calendar year. For example, if the parent of 4-year-old John participated in both an in-person (outdoor or indoor program) and a virtual program, the parent would be counted once. If the parent only participated in a virtual program, the parent would also be counted once.

EFIS Schedule: Data Elements

-
- ¹⁶ A virtual EarlyON program is facilitated by staff and ensures participation and engagement with children, parents/caregivers through web-based applications
 - Engagement is defined as follows:
 - o The virtual program is INTERACTIVE (i.e. two-way flow of information or conversation between two or more people, but should not include social media interactions such as Facebook likes, video views, shared posts, etc., in this data element);
 - o The virtual program is PURPOSEFUL (i.e. there is a clear early learning, or early child development, or child health and well-being related purpose for hosting the virtual program)

Name: Number of Visits Made by Parents/Caregivers – All Programs

Definition: Total number of visits that parents/caregivers made to an EarlyON Child and Family Centres (indoor/outdoor/virtual). Count each time a parent/caregiver attended an in-person (outdoor or indoor) and/or virtual program that was designed to engage parents/caregivers with their children or separately.

EFIS Schedule: Data Elements

Name: Number of Children Served - Virtually

Definition: Total number of children (aged 0-6) that participated in a virtual program or services at some point during the calendar year. A child is counted only once during the calendar year. For example, if 4-year-old John participated in two virtual programs, John would be counted once. If John only participated in one virtual program, John would also be counted once.

Note: if John attended an in-person program as well as a virtual program, he should be included in both data elements (Number of Children Served – All Programs AND Number of Children Served – Virtually).

EFIS Schedule: Data Elements

Name: Number of Visits made by Children - Virtually

Definition: The total number of visits that children (aged 0-6) made to an EarlyON Child and Family Centre virtual program. Count each time a child attended a virtual program that was designed to engage children in an early learning experience.

Note: if John attended an in-person program as well as a virtual program, he should be included in both data elements (Number of Visits made by Children – All Programs AND Number of Children Served – Virtually).

EFIS Schedule: Data Elements

Name: Number of Parents/Caregivers Served - Virtually

Definition: Total number of parents / caregivers that participated in a virtual program/service either with their children or separately at some point during the calendar year. A parent/caregiver is counted only once during the calendar year. For example, if the parent of 4-year-old John participated in two virtual programs, the parent would be counted once. If the parent participated in one virtual program, the parent would also be counted once.

Note: if John's parent attended an in-person program as well as a virtual program, they should be included in both data elements (Number of Parents/Caregivers Served – All Programs AND Number of Parents/Caregivers Served – Virtually).

EFIS Schedule: Data Elements

Name: Number of Visits Made by Parents/Caregivers - Virtually

Definition: Total number of visits that parents/caregivers made to EarlyON Child and Family Centres virtual program. Count each time a parent/caregiver attended a virtual program that was designed to engage parents/caregivers with their children or separately.

Note: if John's parent attended an in-person program as well as a virtual program, they should be included in both data elements (Number of Visits Made by Parents/Caregivers – All Programs AND Number of Visits Parents/Caregivers Served – Virtually).

EFIS Schedule: Data Elements

MANDATORY CORE SERVICES AND CUSTOMIZED COMMUNITY CONNECTIONS

<p>Name: Number of FTE Program Staff</p> <p>Definition: The number of full-time equivalent staff who are involved in the development, design, and delivery of EarlyON Child and Family Centre programs and services. Full-time equivalent is based on a minimum of 35 hours/week</p> <p>EFIS Schedule: DataElements</p>
<p>Name: Number of FTE Non-Program Staff</p> <p>Definition: The number of full-time equivalent non-program staff (including cooks, drivers, housekeeping, clerical, financial staff, and chief administrators) employed by EarlyON Child and Family Centre service providers. Full-time equivalent is based on a minimum of 35 hours/week. This excludes FTEs to deliver planning and data analysis services.</p> <p>EFIS Schedule: DataElements</p>
<p>Name: Number of FTE Program Staff that are Registered Early Childhood Educators (RECE)</p> <p>Definition: The number of full-time equivalent program staff who are RECEs. Full-time equivalent is based on a minimum of 35 hours per week.</p> <p>EFIS Schedule: DataElements</p>
<p>Name: Number of FTE Program Staff who are not RECEs who were otherwise approved by the CMSM/DSAAB (excluding the - the legacy provision)</p> <p>Definition: The number of FTE program staff who are not RECEs who were otherwise approved based on their qualifications (excluding the legacy provision). Full-time equivalent is based on a minimum of 35 hours/week.</p> <p>EFIS Schedule: DataElements</p>

Name: Number of Service Providers with non-RECE staff who were otherwise approved by the CMSM/DSAAB.

Definition: The number of service providers that have non-RECE staff who were otherwise approved by the CMSM/DSAAB based on qualifications

EFIS Schedule: Data Elements

Frequency: Interim Report, Financial Statements (EFIS)

Name: Number of FTE program staff who do not have their RECE who were otherwise approved through the -legacy provision

Definition: The number of FTE program staff that do not have their RECE that were otherwise approved by the CMSM/DSAAB because they have 10 or more years of experience working in one or more of the following: Ontario Early Years Centres, Parenting and Family Literacy Centres, Child Care Resource Centres, and/or Better Beginnings, Better Futures.

EFIS Schedule: Data Elements

Name: Program guided by HDLH

Definition: Confirmation that EarlyON Child and Family Centres programs and services are guided by and align with the foundations in HDLH

EFIS Schedule: Data Elements

EarlyON CHILD AND FAMILY CENTRES - ADMINISTRATION

Name: Number of full-time equivalent staff by position

Definition: The total number of full-time equivalent staff by position who provide administrative support to EarlyON Child and Family Centres. Full time equivalent is based on a minimum of 35 hours per week.

EFIS Schedule: Data Elements

Name: Number of staff (head count) by position

Definition: The total number of staff (head count) by position supported through administration funding

EFIS Schedule: Data Elements

CHILD CARE AND EARLY YEARS PLANNING AND DATA ANALYSIS SERVICES

To be reported in the EarlyON Child and Family Centres section

<p>Name: Number of full-time equivalent staff</p> <p>Definition: The total number of full-time equivalent staff to deliver planning and data analysis services. A full-time equivalent is based on a minimum of 35 hours per week.</p> <p>EFIS Schedule: DataElements</p>
<p>Name: Number of staff (head count) by position</p> <p>Definition: The total number of staff (head count) by position supported through child care and early years planning and data analysis services funding.</p> <p>EFIS Schedule: DataElements</p>

INDIGENOUS-LED CHILD AND FAMILY – SERVICE DATA

<p>Name: Total Number of Indigenous-led Child and Family Centre Sites</p> <p>Definition: The number of physical locations where there are Indigenous-led Child and Family Centres. All locations should be included in reporting the total number Indigenous-led Child and Family Centre Sites.</p> <p>EFIS Schedule: Service Data</p>
<p>Name: Number of Purchase of Service Agreements</p> <p>Definition: Number of service agreements held between a CMSM or DSSAB and a service provider to deliver Indigenous-led Child and Family Centre programs.</p> <p>EFIS Schedule: Service Data</p>
<p>Name: Number of Children Served</p> <p>Definition: Number of children, aged 0-6 that received services at some point during the calendar year. A child is reported in the EFIS report in which they received services and counted once during the year. This data element is only used when a child participates in an Indigenous-led early learning activity</p> <p>EFIS Schedule: Service Data</p>
<p>Name: Number of Visits made by Children</p> <p>Definition: The total number of visits that children, aged 0-6, made to Indigenous-led Child and Family Centres.</p> <p>EFIS Schedule: Service Data</p>
<p>Name: Number of Parents/Caregivers Served</p> <p>Definition: The number of parents/caregivers who actively participated in an Indigenous-led program, either with their children or separately. A parent/caregiver is reported in the EFIS report in which they received services and counted only once during the calendar year.</p> <p>EFIS Schedule: Service Data</p>

Name: Number of Visits Made by Parents/Caregivers

Definition: Total number of visits that parents/caregivers made to Indigenous-led Child and Family Centres

EFIS Schedule: Service Data

APPENDIX C: POLICY STATEMENT: ACCESS TO SUBSIDIZED CHILD CARE

September 2023

Glossary of Terms

Child care fee subsidy:

- Funding to offset the cost to parents for licensed child care or approved recreation programs (as described in paragraphs 5, 6 and 8 of section 6 of the Regulation).
- Eligibility for child care fee subsidies: Parents who are eligible for assistance, as identified in section 8 of the Ontario Regulation 138/15, and parents of children in social need (defined on p. 178 of this policy statement), may be eligible for fee subsidies for children under 13 years of age. Parents of children with special needs may be eligible for fee subsidies for children under 18 years of age if they were in receipt of a service or received financial assistance before August 31, 2017. They will be allowed to continue to receive assistance until that child turns 18, provided that they meet other eligibility criteria that are unrelated to age (see O. Reg. 138/15). Parents eligible for fee subsidies include Ontario Works participants, recipients of income support under the Ontario Disability Support Program (ODSP), as well as other parents who are in financial need. The latter category captures ODSP employment supports clients who are in financial need but who are not in receipt of income support under ODSP.

Service System Manager:

- Municipality or district social services administration board designated as a service system manager by the Regulation. In this policy statement, service system managers are referred to as Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).
- For the purposes of this policy statement, unless otherwise indicated, CMSMs and DSSABs refers to the service system manager in the service area in which the parent and child resides, or the 'home' service system manager.

Full-day child care:

- Child care that is provided for 6 or more hours in a day.

Child with special needs:

- A child who has special needs means a child 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.

Ministry:

- The Ministry of Education.

Ontario Works child care:

- The provision of funding to participants in employment assistance activities under the Ontario Works Act, 1997 for the temporary care for and supervision of a child where the care and supervision is provided to enable the participants to so participate.
- Ontario Works participants (including participants in Learning, Earning and Parenting (LEAP), as well as ODSP income support recipients participating in Ontario Works) may receive assistance up to the actual cost of licensed care, and up to pre-established ceilings for unlicensed care.

Parent:

- Includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family (as per subsection 2. (1) of the *Child Care and Early Years Act, 2014*).

Part-day child care:

- Child care that is provided for less than 6 hours in a day.

Recognized needs:

- Reasons for needing child care that are laid out within the scope of this policy statement, and that are to be considered by CMSMs and DSSABs when determining the amount of subsidized child care to provide. The term may include needs associated with the child, needs associated with the parent, or both.

The Regulation:

- Ontario Regulation 138/15 (Funding, Cost Sharing and Financial Assistance) made under the *Child Care and Early Years Act, 2014*.

Introduction

High quality child care plays a key role in promoting healthy child development and helping children arrive at school ready to learn. It is also an essential support for many parents, helping them to balance the demands of career and family while participating in the workforce, or pursuing education or training.

That is why it is important to fund child care fee subsidies in a way that takes into consideration both the needs of parents and the best interests of children.

Purpose

This policy statement articulates provincial expectations regarding the provision of child care fee subsidies, specifically clarifying the flexibility available to CMSMs and DSSABs in determining the appropriate amount of child care for which a fee subsidy may be provided. The policy statement recognizes the decision-making authority of CMSMs and DSSABs at the local level, and provides them with a framework within which they may exercise discretion in balancing the needs of children and parents.

Role of Consolidated Municipal Service Managers and District Social Services Administration Boards

In their role as child care service system managers, CMSMs and DSSABs cost-share, plan and manage prescribed child care services, including fee subsidies and Ontario Works child care, within the parameters of legislation, regulations, standards and policies established by the ministry.

CMSMs and DSSABs are responsible for maintaining a flexible mix of subsidies for part- and full-day child care, across all age groups that reflects the range of local service needs. They are also responsible for implementing practices that provide for a seamless transition between subsidized part-day and subsidized full-day care as parents' and children's needs change.

CMSMs and DSSABs are to determine the amount of subsidized child care for each eligible family in accordance with the framework outlined in this document.

Statement of Policy

CMSMs and DSSABs may provide child care fee subsidies to parents who are financially eligible, and to parents of children with special or social needs (see p. 178 for definition of social need). In the case of Ontario Works participants, CMSMs and DSSABs may provide child care fee subsidies or Ontario Works child care. To be eligible for Ontario Works child care, parents must be participating in recognized

activities (outlined on p. 180). When providing fee subsidies or Ontario Works child care, CMSMs and DSSABs should take into account a family's reasons for needing child care in order to determine the amount of child care to subsidize.

Consideration should be given to both the recognized needs of the parent and the recognized needs of the child when determining whether funding for full-day or part-day child care is appropriate. As a general rule, funding for full-day child care should only be provided where the family's collective needs require it.

If the child has a special or social need, the amount of subsidized child care provided should be based primarily on what is in the child's best interests. In all other cases, the amount of subsidized child care should be based on the parent's recognized needs, although even then, the best interests of the child should always be considered in order to help support the child's early learning and avoid undue disruption for the child.

This policy statement recognizes certain needs as appropriate for the provision of child care fee subsidies and Ontario Works child care. These are outlined below, by funding type.

Determining the Amount of Child Care to Subsidize

It is important for CMSMs and DSSABs to exercise discretion in determining the amount of child care to subsidize for any particular family. Consideration should be given to the schedules and staffing of child care programs in which subsidized children are enrolled, and allowance should be made for extenuating circumstances (e.g. a parent's fluctuating work hours), so that as much as possible, unreasonable disruptions to a child's care or a parent's ability to pursue and maintain employment are avoided.

Recognized Needs for Provision of Child Care Fee Subsidies

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide a fee subsidy.

- **Children's recognized needs**
 - A child with special needs: means a child 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.
 - Social need: The child may require child care to address a social need due to issues with the home/family environment, and is referred to the CMSM and

DSSAB for child care by a Children's Aid Society, Public Health Unit, family physician, or another early intervention/prevention agency/professional recognized by the CMSM or DSSAB. Social need includes situations where the need is directly related to the child, as well as situations where the child's need is the result of a greater family need.

Child care fee subsidies may be provided where children have special or social needs, even if their parents do not have recognized needs themselves. CMSMs or DSSABs have discretion to determine the appropriate amount of subsidized child care for children with special or social needs. The child's best interests should play a primary

role in these decisions, but if the parent also has recognized needs, the parent's circumstances should also be taken into consideration.

- **Parents' recognized needs**

- No parent in a household is able to care for their children due to participation in one or more of the following activities:
 - Employment;
 - Attendance at an educational program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
 - Attendance at a training program, including lab work, field placements, co-op placements, practical, and case studies/team meetings;
 - Study/preparation associated with education and/or training; and
 - Travel associated with the above activities.
 - Other circumstances, such as (but not limited to) the following:
 - In the opinion of a medical or other relevant professional, a parent is unable to care for their child because of an illness or disability (if there is another parent, they are engaged in activities as noted above);
 - No parent in a household is able to care for the child in between participation in activities as noted above (e.g., while sleeping during the day after working the night shift, etc.); and
 - A parent who already has a child care fee subsidy becomes temporarily unemployed.

CMSMs and DSSABs are responsible for setting local policies regarding how much study/preparation time to permit per parent. Policies should take into account the workload associated with the educational/training programs in which parents are involved.

In circumstances where a parent is not participating in any of the activities listed above but still requires child care, or needs child care in between periods of participation, determining the appropriate amount of child care to subsidize may be more complex.

CMSMs and DSSABs have discretion to determine the appropriate amount of subsidized child care based on a consideration of the parent's needs and what would be in the best interests of the child.

It is not possible for this policy statement to capture every specific situation in which it may be appropriate to provide subsidized child care. There may be situations where parents are facing exceptional circumstances, and CMSMs and DSSABs will need to address those situations on a case-by-case basis.

Recognized Needs for Provision of Ontario Works Child Care

The following is a list of reasons for needing child care that are to be considered by CMSMs and DSSABs when determining the amount of child care for which to provide Ontario Works child care funding.

- **Parents' recognized needs**

- No parent in a household is able to care for their children due to participation in:
 - Employment assistance activities under the OWA; and
 - Travel associated with the above activities.

It should be noted that Ontario Works child care funding is not the only mechanism through which Ontario Works participants may receive assistance with their child care costs. They may also have access to child care fee subsidies. If an Ontario Works participant wishes to access a child care fee subsidy, their needs should be considered in accordance with the recognized needs set out in the fee subsidy section of this document.

APPENDIX D: FEE SUBSIDY LEGISLATIVE AUTHORITY AND TECHNICAL DETAILS

LEGISLATIVE AUTHORITY

The following information identifies the specific sections of the legislation and regulations that relate to financial eligibility for fee subsidies. It outlines how provincial funds are allocated to CMSMs and DSSABs for the provision of prescribed child care services.

Family Composition

Family composition is a key component in determining eligibility for fee subsidy. Criteria used in the application process include the definition of the family unit and the determination of adjusted income to be used in calculating the parental contribution toward the cost of child care. This includes applicants who identify themselves as a parent.

Section 1 of the *Child Care and Early Years Act, 2014* defines a “parent” as:

“Parent” includes a person having lawful custody of a child or a person who has demonstrated a settled intention to treat a child as a child of his or her family.

The determination of adjusted income also includes applicants who identify themselves as:

- Couples in a relationship with some permanence and/or
- Couples cohabiting for a period not less than three years.

Section 29 of the *Family Law Act, 1990 (FLA)* states:

“Spouse” means a spouse as defined in subsection 1 (1), and in addition includes either of two persons who are not married to each other and have cohabited,

- a. Continuously for a period of not less than three years, or
- b. In a relationship of some permanence, if they are the natural or adoptive parents of a child.

In cases where the applicants (couples) have cohabited for a period less than three years and have a child together, the parents have an obligation to support the child. Subsection 31 (1) of the *Family Law Act, 1990 (FLA)* states:

“Every parent has an obligation to provide support for his or her unmarried child who is a minor or is enrolled in a program of education, to the extent that the parent is capable of doing so.”

Regulation 138/15: Financial Assistance for Parents

Section 1 of O. Reg. 138/15 includes the following definition:

“Adjusted income” means adjusted income as defined in section 122.6 of the *Income Tax Act* (Canada).

Section 8 of O. Reg. 138/15 defines categories of persons who are eligible for fee subsidy:

- (1) The following persons are eligible, as parents, for assistance with the cost of a service listed in paragraph 1, 2, 5, 6, 7 or 8 of subsection 6 (1):
 1. Persons eligible for income support under the *Ontario Disability Support Program Act, 1997*.
 2. Persons eligible for income assistance under the *Ontario Works Act, 1997* who are employed or participating in employment assistance activities under that Act or both.
 3. Persons who are eligible for assistance on the basis of their adjusted income.
- (2) A parent described in paragraph 1 or 2 of subsection (1) who is the recipient of a subsidy,
 - a) Shall, subject to clause (b), be fully subsidized for the cost of the service; or
 - b) Shall be provided with the amount of funding for the service described in paragraph 7 of subsection 6 (1), if applicable.
- (3) A parent described in paragraph 3 of subsection (1) who is the recipient of a subsidy shall be provided with an amount of funding for the service determined under section 10.
- (4) The document entitled “Policy Statement: Access to Subsidized Child Care,” as amended from time to time, which is available on a Government of Ontario website, shall be referred to for the purposes of determining a person’s eligibility for financial assistance under this section and sections 9 to 12.

Section 9 of O. Reg. 138/15 defines the documentation necessary for the verification of income:

- (1) Every year parents may apply to a service system manager for assistance with the cost of a service referred to in subsection 8 (1).
- (2) Subject to subsection (3), parents applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income shall file with the service system manager,
 - a) A copy of their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year; or
 - b) If their Notice of Assessment or Canada Child Tax Benefit Notice for the previous year is not available, a copy of their most recent available Notice of Assessment or Canada Child Tax Benefit Notice.
- (3) Parents who are applying for assistance with the cost of a service referred to in subsection 8 (1) on the basis of their adjusted income that were non- residents in Canada in the previous year are not required to file the documents referred to in subsection (2) and their adjusted income is deemed to be \$0 for the purpose of their application for assistance.
- (4) Service system managers shall process completed applications for assistance in the order they are received.
- (5) Service system managers shall make reasonable efforts to facilitate the provision of assistance to an applicant for the cost of a service operated in a service area other than the service area in which the applicant resides.
- (6) Subsections (4) and (5) shall not be applied in a manner that affects an applicant's eligibility or priority for assistance.

Section 10 provides the formula for calculating the amount that parents receiving subsidy are expected to pay toward the cost of child care:

10.(1) The amount of the subsidy for a service referred to in subsection 8 (1) for which a parent is eligible on the basis of their adjusted income is calculated as follows:

1. Determine the amount the parent would pay for the service if the parent did not receive any subsidy.
2. Determine the amount the parent shall pay as calculated under subsection (2), (3) or (4).
3. Subtract the number determined under paragraph 2 from the number determined under paragraph 1.

- (2) A parent shall not pay any of the cost of the service for their children if the parent,
- a) has a total adjusted income of \$20,000 or less; or
 - b) the amount the parent would contribute on the basis of their adjusted income for each month of child care, as calculated under subsection (3), is less than \$10.
- (3) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a full-time basis, the service system manager shall calculate a monthly amount that the parent shall pay, as follows:

$$[(A \times 0.10) + (B \times 0.30)] \div 12$$

where,

A is the amount by which their adjusted income exceeds \$20,000 but is not more than \$40,000, and

B is the amount by which their adjusted income exceeds \$40,000.

- (4) If a parent has a total adjusted income of more than \$20,000 and the child is in receipt of the service on a part-time basis, the service system manager shall calculate a daily amount that the parent shall pay as follows:

$$A \div (B \times 4.35)$$

where,

A is the monthly amount paid by the parent for the service determined under subsection (3), and

B is the number of days per week the child is in receipt of the service.

Section 11 of O. Reg 138/15 describes the provisions for a family that includes a parent with a disability or child with special needs:

- 11.(1) Despite the definition of “adjusted income” in subsection 1 (1), if a parent of a child has a disability or the child is a child with special needs, the service system manager shall reduce the adjusted income of the parent by the amount of any expenses related to the parent’s disability or to the child’s special needs for which the parent is not reimbursed and for which there are no deductions under the *Income Tax Act* (Canada) and the reduced adjusted income shall be treated as the parent’s adjusted income for the purposes of section 10.

- (2) For the purposes of this section, a parent has a disability if,
- a. The person has a substantial physical or mental impairment that is continuous or recurrent and that is expected to last one year or more; and
 - b. The direct and cumulative effect of the impairment on the person's ability to attend to his or her personal care, function in the community and function in a workplace results in a substantial restriction in one or more of these activities of daily living.
- (3) For the purposes of this section, a determination regarding whether a person has a disability or a child is a child with special needs may only be made by a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

Section 66.6 deals with in-year decreases in income:

- 12.(1) A parent may apply to the service system manager during the year for a reduction in the amount he or she pays for the cost of a service referred to in subsection 8 (1) if the parent has a reduction in their adjusted income of 20 per cent or more during the year compared to their adjusted income,
- a. In the previous year; or
 - b. In the year before the previous year, if proof of their adjusted income is not available for the previous year.
- (2) In applying for a reduction under subsection (1), the parent shall provide satisfactory evidence of the amount of the reduction in income to the service system manager.
- (3) If a service system manager is satisfied that there has been a reduction of 20 per cent or more in adjusted income, the service system manager shall re- calculate the amount that the parent pays for the service using the reduced adjusted income as the basis of the calculation under section 10.

Applications for Fee Subsidy

With regards to subsections (5) and (6) of Section 9 under O.Reg.138/15, while CMSMs and DSSABs are required to make reasonable efforts to facilitate the access of (via cross-jurisdictional agreements with other service system managers or licensees) and administer subsidized child care for eligible parents, this does not circumvent or negate provincial or local policies of prioritization and/or provincial or local parameters for fee subsidy administration.

Families apply for fee subsidy with the CMSM and DSSAB of the region in which they reside. Any cross-jurisdictional agreements for fee subsidy are administered and managed by the home CMSM and DSSAB.

The home CMSM and DSSAB holds responsibility for making the assessment of eligibility, processing the subsidy application, administering the funding, and managing any ongoing reporting and documentation associated with the application.

Provincial policies and the by-laws and policies of the home CMSM and DSSAB are, by default, the applicable parameters when determining eligibility, priority, subsidy amounts and parental contribution for a family.

Exceptions to this are CMSMs and DSSABs that have approved opening up their fee subsidy program to all families regardless of where a family resides.

- CMSMs and DSSABs that accept direct applications from families outside of their jurisdiction take on the responsibilities associated with administering (funding, monitoring and reporting on) that subsidy placement.

Services

Under O. Reg. 138/15, Subsection 6(1), the provision of child care by a child care centre, home child care in a premises overseen by a home child care agency, in-home services, children's recreation programs and funding for participants in employment assistance activities under the *Ontario Works Act, 1997* are services for which parents may receive financial assistance.

Persons with Disabilities or Special Needs

Families in which a parent has a disability or a child has special needs are able to have disability-related expenses deducted from adjusted income. This reduced income will then be used to determine eligibility for fee subsidy and to calculate the parental contribution for child care.

For a child, he or she must meet the definition of a "child with special needs" in O. Reg. 138/15:

- A child 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.

For a parent, the definition of a person with a disability is consistent with the definition used for purposes of the Ontario Disability Support Program, i.e.:

- A person has a substantial physical or mental impairment that is continuous or

recurrent and expected to last one year or more; and

- the direct and cumulative effect of the impairment on the person's ability to attend to his or her personal care, function in the community and function in a workplace, results in a substantial restriction in one or more of these activities of daily living.

To determine whether a parent qualifies based on this definition, the CMSM/DSSAB will need to request a note from a health practitioner whose profession is regulated under the *Regulated Health Professions Act, 1991* and who is acting within the scope of his or her practice.

If the parent is eligible to claim the disability amount, line 316 on the personal income tax form, a qualified person, usually a medical doctor, must have certified that the parent is eligible to claim the amount. This certification may also be used to establish that the parent qualifies to have disability-related expenses deducted for purposes of the fee subsidy income test.

Eligible expenses that may be subtracted from adjusted income are those that are not deductible and for which a credit cannot be claimed through the income tax system. Eligible expenses must not be reimbursable, for example through insurance or a government program.

Applicants for child care subsidy will need to bring documentation for disability-related expenses that they wish to have deducted from adjusted income, including:

- Receipts for the disability-related expenses which must have been incurred in the same calendar year as the adjusted income;
- A copy of the completed income tax return for the most recent tax year to show the expenses that may have been deducted or claimed as credits; in particular, the disability supports deduction (line 215) and the medical expenses (claimed on lines 330 and 331) should be reviewed.
- A note signed by an eligible professional if the parent has a disability or evidence that the parent is eligible to claim the disability amount, line 316 on the personal income tax form. In the latter case, the parent should provide a copy of the certified Form T2201, *Disability Tax Credit Certificate*.

Calculation of Parental Contribution

Fee subsidies are available across a broad range of income levels. Families with an adjusted annual income of up to \$20,000 are eligible for full fee subsidy and no calculation of a parental contribution is required.

For families with adjusted income above \$20,000, parental contribution is calculated based on 10% of their adjusted income over \$20,000.

Example:

1. A family with adjusted income of \$25,000 annually would have a parental contribution of 10% of \$5,000 annually or \$500.

When the family's annual adjusted income is above \$40,000, parental contribution is calculated at 10% of the amount over \$20,000 up to \$40,000 *plus* 30% of the amount over \$40,000.

Example:

2. A family with an annual adjusted income of \$45,000 would have a parental contribution of 10% of \$20,000 (\$2,000) plus 30% of \$5,000 (\$1,500). Total annual parental contribution would be \$3,500.

No family will pay more than the total cost of child care for all children in the family. If the calculated parental contribution exceeds the cost of child care, the family is not eligible for fee subsidy.

Monthly and Daily Contribution Calculations

The monthly parental contribution is calculated by dividing the annual parental contribution amount by 12.

Examples:

3. A family with an annual adjusted income of \$25,000 has an annual parental contribution amount of \$500. Their monthly contribution amount would be \$41.67.
4. A family with an annual adjusted income of \$45,000 has an annual parental contribution amount of \$3,500. Their monthly contribution amount would be \$291.67.

The income test is designed such that parents pay the monthly parental contribution as calculated above in each month that their child(ren) need child care regardless of the number of days of child care per week. The daily contribution amount is calculated using the following formula:

$$\frac{\text{Monthly parental contribution}}{\text{Days of care per week} \times 4.35}$$

Examples:

1. A family with an annual adjusted income of \$25,000 has a monthly parental contribution amount of \$41.67. The family requires five days of care per week. To calculate their daily contribution amount:

$$\frac{41.67}{5 \times 4.35} = \$1.92/day$$

2. A family with an annual adjusted income of \$45,000 has a monthly contribution amount of \$291.67. The family requires 5 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{5 \times 4.35} = \$13.41/day$$

3. A family with an annual adjusted income of \$45,000 has a monthly contribution amount of \$291.67. The family requires 3 days of care per week. To calculate their daily contribution amount:

$$\frac{291.67}{3 \times 4.35} = \$22.40/day$$

Minimal Subsidy or Parental Contribution

When the parental contribution is calculated to be less than \$10/month the CMSM/DSSAB is to provide a full subsidy to the family. Similarly, the CMSM or DSSAB is not expected to provide a subsidy to the family if the subsidy amount is less than \$10/month.

Change in Family Composition

There are situations where the family composition changes from a one-parent family to a two-parent family. This may occur as the result of a marriage or a couple cohabiting for a period not less than three years. In this case, a parent already receiving subsidy is expected to report the change in circumstances to the CMSM or DSSAB at the earliest opportunity. The most recent available *Notice of Assessment* must be provided for the new parent. The combined adjusted income for both parents will then be used to confirm eligibility for fee subsidy and the parental contribution recalculated.

Significant Changes in Income

The income test is based on the annual adjusted income for the most recent available tax year. In most cases, parents are not expected to report in-year increases in income. Any changes in income will be taken into account at the time of the next subsidy review.

Income in the most recent tax year may not reflect the family's current financial situation in cases where families experience a significant decrease in income (e.g. family break-up). In this case, families may apply for a reduced parental contribution. For purposes of the income test, a significant change of income is defined as a decrease of 20% or more compared to adjusted income for the most recent available tax year. Appropriate documentation must be provided by parents to enable the CMSM or DSSAB to verify the change in income, such as pay slips, pension benefit statements or RRSP receipts.

In such cases, the following calculation provides an example of a method to determine if a significant change in income has occurred. This calculation estimates adjusted income for the current calendar year and compares it to the adjusted income for the most recent available tax year.

STEP 1:

Calculate the sum of the following types of income:

- Gross employment income, before any deductions including income tax, Canada Pension Plan, Employment Insurance, employer pension plan, union dues
- Old Age Security pension
- Canada Pension Plan benefits
- Interest and other investment income

STEP 2:

Calculate the sum of the following deductions from income; all deductions are limited to those that may be claimed for income tax purposes:

- Registered pension plan contributions
- RRSP contributions
- Annual union, professional and like dues

STEP 3:

Subtract the sum of the deductions from the sum of all types of income to determine the estimated adjusted income for the current calendar year.

STEP 4:

Determine the family's "adjusted income" as defined by the federal government for purposes of the Canada Child Tax Credit for the most recent available tax year.

STEP 5:

Subtract the estimated adjusted income for the current year (Step 3) from the adjusted income for the most recent available tax year (Step 4). Calculate the difference as a percentage of the adjusted income for the most recent available tax year. If the percentage is 20% or more, the estimated adjusted income for the current year may be used for purposes of the income test.

Example:

Gross earnings were \$1,000/week for 12 weeks and estimated at \$600/week for 40 weeks

Step 1: Estimated income for the current calendar year: Gross earnings = \$1,000 x 12 + \$600 x 40 = \$12,000 + \$24,000 = \$36,000	A	\$36,000
Step 2: Deductions from income Registered Pension Plan - \$50/week for 12 weeks	B	\$600
Step 3: Estimated adjusted income for current calendar year	$C = A - B$	\$35,400
Step 4: Adjusted income for most recent available tax year	D	\$50,000
Step 5: Decrease in income: subtract current year from most recent available tax year	$E = D - C$	\$14,600
Percentage decrease	$F = E/D \times 100\%$	29%

Since the decrease is more than 20%, the estimated adjusted income of \$35,400 for the current year may be used to calculate the parental contribution for child care.

Documentation and Reporting Data

Information to be provided to and filed with the CMSM and DSSAB administering the fee subsidy application includes:

- Documentation necessary for the verification of income
- Any supporting documentation to support a fee subsidy application
- Documentation reporting changes in family composition or significant changes in parent income
- Reporting data on fee subsidy services provided (including attendance/absence dates) for a child placed in a program
- Reporting data on fee subsidy expenditures for a child placed in a program

CWELCC System Parental Contribution Reduction

Under the CWELCC System, to ensure an equivalent fee reduction is applied to families receiving child care fee subsidy in CWELCC enrolled child care programs), amendments have been made under O. Reg 138/15, which require CMSMs and DSSABs to reduce the parent contribution for eligible children (as defined under O. Reg. 137/15 (General)) by 50% (with no floor of \$12 for families receiving subsidy).

If a parent has at least one eligible child, as defined in O. Reg. 137/15 (General), who is enrolled in a child care centre or home child care that is part of the CWELCC System, the CMSM and DSSAB is to reduce the parental contribution amount calculated via the income test, as follows:

$$A \div B \times C \times 0.50$$

where,

A is the total parental contribution calculated via the income test,

B is the total number of children that the calculated parental contribution pertains to,

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

For 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. 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 a full fee space that is occupied by an eligible child receiving fee subsidy. Please refer to the *Canada-Wide Early Learning and Child Care System Guidelines Addendum to the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2024)* for full details on parental contribution reduction.

**APPENDIX E: CHILD CARE FUNDING FORMULA
TECHNICAL PAPER**

Ministry of Education

**Child Care Funding Formula:
Technical Paper 2024**

Introduction

The Ministry of Education is committed to a vision for the early years where Ontario's children and families are well supported by a system of responsive, high-quality, accessible, and increasingly integrated early years programs and services that contribute to healthy child development today and a stronger future tomorrow.

A key step in modernizing the child care sector was the introduction of a funding formula and framework in 2013. Now in its 12th year, the Child Care Funding Formula (CCFF) and framework provides CMSMs and DSSABs with flexibility to determine how to allocate child care funding to best meet the needs of children, families and childcare operators within their community.

The CCFF is evidence-based, relying on publicly available data to drive an equitable funding allocation for municipal child care service managers across the province.

As the child care sector continues to stabilize their programs, the funding formula remains unchanged at this time. As a result, the funding methodology and associated data elements has been kept consistent with the prior year.

The ministry is working on the development of a new CCFF that aims to integrate the current approach for allocating child care funds with the new CWELCC program, in order to support the need for clarity and transparency. The ministry is currently consulting with the child care sector in order to inform a cost-based funding approach. Further information will be provided to the sector at a later date.

Purpose

To support greater transparency for system users, this paper contains details of the underlying formulae and criteria used in calculating the 2024 General Allocations.

The CCFF is based on data elements which are publicly available. The data are mainly drawn from Ministry of Finance and Statistics Canada sources.

Overview of the Funding Formula

Components and Allocations

The funding formula includes two main allocation components: Core Services Delivery and Special Purpose. The majority of the funding has been allocated via the Core Services Delivery allocation and is intended to provide stable operating funding to the child care sector. In response to the unique costs of providing services in certain areas and to certain target populations, special purpose allocations are used to target funding to those areas.

Funding in 2024 (\$ Millions)

Categories	Sub-Categories	Funding
Core Services Delivery Allocation	<i>Core Services Delivery Allocation</i>	\$892.0M
Special Purpose	<i>Remote/Rural</i>	\$37.2M
Special Purpose	<i>Language</i>	\$67.4M
Special Purpose	<i>Cost of Living</i>	\$40.9M
Special Purpose	<i>Indigenous</i>	\$4.8M
Special Purpose	<i>Capacity Building</i>	\$6.6M
Special Purpose	<i>Repairs and Maintenance</i>	\$2.3M
Special Purpose	<i>Utilization</i>	\$37.2M
Special Purpose	<i>Capping Adjustment</i>	\$0M
Small Water Works ¹⁷	<i>Small Water Works</i>	\$0.2M
Territory without Municipal Organization ¹⁸	<i>Territory without Municipal Organization</i>	\$1.3M
Total		\$1.09B

¹⁷ 2024 funding for Small Water Works was allocated based on reported expenses of 2018 financial statements.

¹⁸ 2024 funding for Territory Without Municipal Organization was allocated based on reported expenses of 2018 financial statements.

Structure

There are nine components in the Child Care Funding Formula (this excludes Small Water Works and Territory Without Municipal Organization, which are allocated on a claims-basis).

Allocations for all components besides the Utilization and Capping are based on fourteen separate data elements (e.g. Ontario's 3.9 to 12 year old population, average monthly Ontario Works caseload, and population with no diploma or degree).

- The same data element may be used in the calculation of one or more components. For example, the number of children aged 0 to 3.8 years old is used in Core Service Delivery and Capacity Building.
- More than one data element may be used to calculate a single component. For example, the Language component is based on: 1) the population with no knowledge of either official language and 2) the population who speak French at home.

Benchmarks

The Child Care Funding Formula follows a benchmark-based model. In a benchmark-based model, allocations for a funding formula's components are based on, for example, a "dollar per child" value determined by the ministry. If demographic changes create a pressure on the ministry's child care budget, the benchmarks may decrease (as the formula is not an open-ended entitlement).

The benchmarks utilized in the calculation of the 2024 allocations are listed in the sections below.

Updates to the 2024 Child Care Funding Formula

As the child care and early years sector continues to stabilize, the funding methodology and associated data elements has been kept consistent for 2024. This aligns with feedback received from the sector and the need for stability during this transitional period as the sector focuses on implementing CWELCC.

Core Services Delivery Allocation

The largest portion of funding – \$892.0 million – is flowed through the Core Services Delivery allocation. The purpose of the Core Services Delivery allocation is to support the availability of licensed child care for all parents and to assist eligible families with access to licensed/accredited child care and early childhood education programs.

The data elements included in calculating the distribution of this allocation were selected because they are reliable and transparent measures of child care service demand and fee subsidy need:

- Statistics Canada’s Low Income Cut Off (LICO) data, which is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing than the average family;
- Ministry of Finance population estimate data for children 0 to 3.8 years (weighted) and for children 3.9 to 12 years old;
- Statistics Canada’s Level of Education Attainment data, which measures the population with no certificate, diploma or degree; and
- Ontario Works (OW) caseload data provided by the Ministry of Children, Community and Social Services.

Each CMSM's and DSSAB's allocation is calculated using the benchmark for the Core Services Delivery data elements.

Core Services Delivery Allocation Data Elements	2024 Benchmark
Low Income Cut Off (LICO) data	\$2043.11 per family
0 to 3.8 years (weighted) ¹⁹	\$1352.88 per child
3.9 to 12 years	\$42.84 per child
Level of Education Attainment	\$23.30 per person
Ontario Works Caseload	\$163.72 per case

Child Care and Early Years Act – Staffing Ratios

Age Category	Age Range of Category	Ratio of Employees to Children
Infant	Younger than 18 months	3 to 10
Toddler	18 months or older but younger than 30 months	1 to 5
Preschool	30 months or older but younger than 6 years	1 to 8
Kindergarten	44 months or older but younger than 68 months	1 to 13
Primary/junior school age	68 months or older but younger than 13 years	1 to 15
Junior school age	9 years or older but younger than 13 years	1 to 20

Special Purpose Allocation

In recognition of the variable costs associated with providing child care across the province, and in response to feedback received, the child care funding formula includes a Special Purpose allocation to supplement the Core Services Delivery allocation. This funding reflects the unique local and regional costs of providing

¹⁹ Weighting is based on staffing ratios outlined in the CCEYA based on age groups. Please see next page for CCEYA requirements.

services in certain areas and to certain target populations. The Special Purpose allocation includes the following components and adjustments:

- Rural/Remote Component – \$37.2 million,
- Language Component – \$67.4 million,
- Cost of Living Component – \$40.9 million,
- Indigenous Component – \$4.8 million,
- Capacity Building Component – \$6.6 million,
- Repairs and Maintenance Component – \$2.3 million,
- Utilization Adjustment – \$37.2 million, and
- Capping Adjustment.

The Special Purpose allocation totals \$196.4 million in 2024.

Rural/Remote Component

The Rural/Remote Component recognizes the increased costs of providing child care services in rural areas and large geographic areas with highly dispersed populations. This component is based on two data measures:

- Population density - measured by the ratio of surface area and total population. CMSMs and DSSABs with less density presumably incur a greater cost to provide service. This measure is calculated by:
 - Land mass divided by total population
- The Rural and Small Community Measure (RSCM) - determines the proportion of the population that resides in rural areas or small communities.

The Rural/Remote Component funding totals \$37.2 million in 2024 and is based on the following data elements and benchmarks:

Remote/Rural Component Data Elements	2024 Benchmark
Population Density	\$3,375,911 per square km per person
Rural and Small Community Measure	
Northern & 100% Rural	\$79.20 per person
Northern & < 100% Rural	\$54.54 per person
<300,000 total population and 100% Rural	\$11.41 per person
<300,000 total population and < 100% Rural	\$7.23 per person
>300,000 total population	\$0.00 per person

Language

This component recognizes the unique costs of providing child care services to those who speak French most often at home and to those who have no knowledge of either official language.

The population speaking French most often at home data element divides CMSMs and DSSABs into 3 tiers:

- Tier 1: CMSMs and DSSABs with total populations less than or equal to 150,000, or CMSMs and DSSABs with total populations greater than 150,000 with less than or equal to five percent of the provincial total of those identified as speaking French most often at home;
- Tier 2: CMSMs and DSSABs with total populations greater than 150,000 that have greater than five percent and less than or equal to twenty percent of the provincial total of those identified as speaking French most often at home;
- Tier 3: CMSMs and DSSABs with total populations greater than 150,000 that have greater than twenty percent of the provincial total of those identified as speaking French most often at home.

The Language Component funding totals \$67.4 million in 2024 and is based on the following data elements and benchmarks:

Language Component Data Elements	2024 Benchmark
No knowledge of either official language	\$137.89 per person
Those that speak French most often at home	
<i>Total population less than 150,000 or total population greater than 150,000 with between 0 and 4.9%</i>	\$26.41 per person
<i>Total population greater than 150,000 with between 5.0% and 19.99% speaking French at home</i>	\$52.82 per person
<i>Total population greater than 150,000 with 20% or more speaking French at home</i>	\$79.23 per person

Cost of Living Component

This component recognizes that there are higher costs of providing child care services in certain areas when compared to the provincial average. Funding is allocated based on:

- 0 to 12 child populations in large CMSMs and DSSABs (greater than 125,000),

to capture the unique issues facing communities with large populations.

- Data from Statistics Canada’s 2011 Survey of Household Spending (SHS), which is based on household expenditure estimates and population size.
- Factors were derived to determine a weighting of each CMSMs and DSSABs total population data.

The Cost of Living Component funding totals \$40.9 million in 2024 and is based on the following data elements and benchmarks:

Cost of Living Component Data Elements	2024 Benchmark
Survey of Household Spending	
<i>Population of 0 to 99,999</i>	\$1.80 per person
<i>Population of 100,000 to 249,999</i>	\$1.95 per person
<i>Population of 250,000 to 999,999</i>	\$2.05 per person
<i>Population of 1,000,000 and over</i>	\$2.21 per person
0 to 12 year old population in communities with > 125,000 total population	\$10.65 per person

Indigenous Component

The Indigenous component of the funding formula supports the unique costs of providing culturally appropriate child care services for families identifying themselves as Indigenous living off reserve. Funding is allocated using Statistics Canada data on the number of children between the ages of zero to four with Indigenous ancestry who live off reserve. This funding should be used with the overall objective of increasing access to licensed child care for Indigenous children and families.

The Indigenous Component funding totals \$4.8 million in 2024 and is based on the following data element and benchmark:

Indigenous Component Data Element	2024 Benchmark
0 to 4 year olds with Indigenous ancestry	\$135.56 per child

Capacity Building Component

This component aims to improve the provision of high quality child care by making funding available for professional development opportunities.

Capacity Building funding totals \$6.6 million in 2024 and is based on the following data elements and benchmarks:

Capacity Building Component Data Elements	2024 Benchmark
0 to 3.8 years (weighted) ²⁰	\$18.28 per staff for ratio
3.9 to 12 years	\$3.07 per child

Repairs and Maintenance

Repairs and Maintenance funding supports licensed child care service providers and home child care agencies to ensure that they meet the licensing requirements under the CCEYA relating to their physical infrastructure/facilities.

The Repairs and Maintenance funding totals \$2.3 million in 2024 and is based on the following data elements and benchmarks:

Repairs and Maintenance Data Elements	2024 Benchmark
4 and 5 year olds	\$6.09 per child
0 to 12 year olds	\$0.23 per child

Utilization Component

The utilization component was developed to reflect funding needs and demand for child care services based on the level of voluntary CMSM and DSSAB contributions. Utilization funding encourages service managers to contribute more than their minimum cost share requirement to support their local child care services system.

Consistent with other components of the funding formula, in order to provide stability to the sector, underlying data used in the utilization calculation remains unchanged for 2024. Consistent with prior year, the 2024 utilization component is based on the data and calculation methodology used in 2020, and is further outlined below:

- The 2020 calculation for the utilization component uses 2018 Financial Statements data to determine the level of municipal contribution in relation to the municipal minimum cost share requirements.

In 2024, consistent with 2023, 2022, 2021 and 2020, the total utilization component funding pool is \$37.2 million. The utilization component depends on the level of all

²⁰ The weighting is based on the staffing ratios outlined in the CCEYA based on age groups.

municipal contributions in 2018 financial statements, in conjunction with the change in funding from 2019 to 2020.

The utilization component is based on two factors:

- The CMSM/DSSAB's change in funding over the prior year (2019 vs. 2020); and
- The CMSM/DSSAB's contribution in relation to its minimum cost share requirements as submitted in the Financial Statements to the Ministry (i.e. 2018 Financial Statements).

The table below summarizes how the utilization mechanism works:

Scenario	A Increase (Decrease) in Funding 2020 vs. 2019	B 2018 Over (Under) Contribution compared to minimum required cost share	C Utilization adjustment only applies to those that underspend	D Receives Utilization Allocation
1	Increase	Over-contribution, where $B > A$	\$0	B-A is used to determine proportionate share of utilization allocation
2	Increase	Over-contribution, but $B < A$	\$0	\$0
3	Increase	Under-contribution	50% of underspending B	
4	Decrease	Over-contribution	\$0	B is used to determine proportionate share of utilization allocation
5	Decrease	Under-contribution, where $(B) < (A)$	\$0	\$0
6	Decrease	Under-contribution, but $(B) > (A)$	50% of difference from $(B)-(A)$	

In scenarios 1 and 4, utilization funding is provided to those CMSMs and DSSABs who exceeded their municipal cost share requirement in 2018. Their utilization allocation is equal to its proportionate share of the individual CMSM/DSSAB specific municipal over- contribution relative to the total over-contributions of all CMSMs and DSSABs province wide.

However, in scenario 2, CMSMs and DSSABs that experience an increase in funding from 2019 to 2020 that is greater than their 2018 over-contribution are not eligible to receive the utilization allocation.

In scenario 3, CMSMs and DSSABs that did not meet their minimum cost share requirement in 2018 will have their funding adjusted provided that the CMSM's/DSSAB's funding (before the utilization and capping) has increased from the prior year (i.e. 2019 to 2020). In this case, the utilization adjustment is equal to one half of a CMSM's/DSSAB's underspending in 2018 (i.e. total child care recovery).

In scenario 5, CMSMs and DSSABs that did not meet their minimum cost share requirement in 2018 but experience a decrease in funding from 2019 to 2020 that is greater than their under-contribution are not subject to a utilization adjustment.

In scenario 6, where the CMSM's/DSSAB's funding has decreased from 2019 to 2020, and the decrease is less than their 2018 under-contribution, the utilization adjustment is equal to one half of the difference between the decrease in funding from prior year and their under-contribution in 2018.

Capping Adjustment

In order to allow service system managers to adjust to the funding formula, the ministry implemented a 10 percent cap for all CMSMs and DSSABs that saw a decrease in General allocation funding in comparison with their 2012 allocations.

There will be no changes to the capping mechanism in 2024. This means that in 2024, no CMSM's or DSSAB's General allocation has decreased by more than 10 percent when compared to its 2012 allocation (the capping adjustment is applied before the Administration Cost Share and Threshold Adjustments).

For those CMSMs and DSSABs that contribute to the capping mechanism because their 2024 General allocation exceeds their 2012 allocation by more than ten percent, their capping contribution has been determined as follows:

1. Calculate the total amount of capping funding needed so that no CMSM/DSSAB General allocation in 2024 decreases by more than ten percent compared to their 2012 allocation;
2. Subtract 110 percent of a CMSM's/DSSAB's 2012 allocation from its 2024 General allocation (excluding their cap contribution);
3. Determine each CMSMs and DSSABs proportional contribution to funding the amount of capping required in step one above by dividing the amount in step two by the total amount province-wide; and
4. Multiply the percentage generated in step 3 with the amount in step 1 to identify a CMSM/DSSAB's contribution to the capping mechanism.

Application of Capping Adjustment in 2024

Applying the capping adjustment to 2024 allocations has resulted in the following:

- 31 CMSMs and DSSABs contribute to the capping pool. Their contribution is proportional to the size of their General allocation increase.
- 11 CMSMs and DSSABs that do not gain or lose more than 10% of their General allocation compared to 2012 are not affected by the capping calculation (do not contribute to the capping pool).
- 5 CMSMs and DSSABs are capped in 2024 and therefore receive funding from the capping pool. The capping mechanism limits their losses to ten percent from 2012 funding levels.

Small Water Works and Territory Without Municipal Organization

Small Water Works

The Ministry provides funding (\$0.2 million) to support costs related to small water systems for licensed child care centres (e.g. wells, septic systems).

CMSM and DSSAB small water works allocations are based on reported expenses of 2018 Financial Statements. This funding is claims-based.

Territory Without Municipal Organization (TWOMO)

The Ministry provides funding to support territories without municipal organization (\$1.3 million). TWOMO funding only applies to DSSABs for territory without municipal organization (e.g. area with no municipality or First Nation) and is intended to support the cost of child care services and service system administration provided in territories without municipal organization.

TWOMO allocations for DSSABs are based on reported expenses of 2018 Financial Statements. This funding is claims-based.

Child Care Expansion Plan

The child care expansion plan was allocated through a funding mechanism that utilizes many of the data elements of the Child Care Funding Formula. The Expansion Plan allocations were determined separately from General child care

funding to enable the ministry to redirect funding previously aimed at older children (3.9 to 12 year olds) to infants, toddlers and preschoolers under the expansion plan. In addition, year 1 expansion plan allocations were calculated using 2017 data and year 2 expansion plan allocations were calculated using 2018 data.

Under the expansion plan's funding mechanism:

- The utilization component is removed;
- As the funding is targeted for expansion, the capping component is removed;
- Small Water Works and Territories without Municipal Organization funding have been removed as they are claims based;
- Funding previously allocated by the 3.9 to 12 year old benchmarks in the Core Services Delivery Allocation and the Capacity component of the CCFF are shifted to the corresponding 0 to 3.8 year old benchmarks in each of the two allocations/components.

In addition to the modified funding mechanism, 2020 Expansion Plan allocations also included adjustments to reflect actual school-based capital openings under the expansion plan and projected openings in 2020.

In 2020 the expansion plan allocations included the following updates, which continue to apply in 2024 as well:

- CMSMs and DSSABs were asked to cost share expansion plan operating funding at a rate of 80/20 provincial/municipal. Please note that while cost sharing is recommended, the ministry is committing to providing the provincial allocation regardless of the CMSM/DSSAB contribution.

Early Learning Child Care Agreement (ELCC)

ELCC funding was allocated through a funding mechanism that utilizes many of the data elements of the Child Care Funding Formula. Two distinct ELCC allocations were determined separately from general child care funding, one is intended for 0 to 6 year olds and the other is for 0 to 12 year olds. ELCC allocations were calculated using 2017 data and remain unchanged from 2018.

Under the ELCC's funding mechanism:

- The utilization component is removed;
- As the funding is targeted for expansion, the capping component is removed;

- Small Water Works and Territories without Municipal Organization funding are removed as they are claims based;
- For the ELCC funding dedicated to 0 to 6 year olds, funding previously allocated by the 3.9 to 12 year old benchmarks in the Core Services Delivery Allocation and the Capacity component of the CCFF is shifted to the corresponding 0 to 3.8 year old benchmarks in each of the two allocations/components;
- For the ELCC funding dedicated to 0 to 12 year olds, no further changes were made to the funding mechanism.

The current ELCC agreement was extended for four additional years, from April 1, 2021 to March 31, 2025. Under the renewed agreement, Ontario will receive a total of \$764.5 million in federal funding over four years and includes terms and conditions that are generally consistent with the previous agreement. CMSMs and DSSABs will see an increase in their 2024 child care ELCC allocations compared to 2023 based on additional ELCC funding being provided as part of this renewed agreement. Similar to previous years, the child care ELCC increase in 2024 will be provided to CMSMs and DSSABs proportionally based on their existing ELCC funding for child care.

Base Funding for LHCC

The Base Funding for LHCC allocations for CMSMs and DSSABs are based on the address of LHCC agencies as recorded in the Child Care Licensing System (CCLS) database²¹. The 2024 allocations were determined by multiplying the benchmark amount of \$6,900 by the number of active homes for home child care agencies as of March 31, 2018. The number of active homes was determined using 2018 licensed child care survey data as reported by LHCC agencies.

Administration Cost Share Adjustment

As of 2021, CMSMs and DSSABs were required to cost share provincial child care administration funding at a rate of 50/50 provincial/municipal. Two adjustments were made in 2021 and continue in 2024 as follows:

- 1) An adjustment was applied to General/Expansion Plan allocations to reflect the new cost share arrangement. The adjustment was calculated based on each CMSM/DSSAB's proportional share of the 2021 child care allocations. The TWOMO allocation, Early Learning and Child Care allocation, 2021 Transitional Grant, Wage Enhancement/Home Child Care Enhancement Grant (HCCEG), and

²¹ Ministry approved adjustments to the location of homes among CMSMs/DSSABs in 2019 were reflected in 2021 allocations and continue to be reflected in 2022, 2023 and 2024.

Administration for Wage Enhancement/HCCEG were not included in this calculation.

- 2) The Wage Enhancement/HCCEG administration allocation was adjusted to reflect the new cost share arrangement.

Administration Threshold Adjustment

As 2022, the threshold for allowable administrative funding CMSMs/DSSABs can spend on child care will be reduced from 10% to 5%. The following adjustment was made for 2022 and continues in 2024 as follows:

- 1) An adjustment was applied to General/Expansion Plan allocations to reflect the updated administration threshold. The adjustment was calculated based on each CMSM/DSSAB's proportional share of the 2022 child care allocations. The TWOMO allocation, Early Learning and Child Care allocation, 2022 Transitional Grant, Wage Enhancement/Home Child Care Enhancement Grant (HCCEG), and Administration for Wage Enhancement/HCCEG were not included in this calculation.

Special Needs Resourcing and Administration Expenditure Benchmarks

Based on an analysis of prior year expenditures, the Ministry has developed expenditure benchmarks to ensure spending in administration and Special Needs Resourcing (SNR) is maintained at reasonable levels.

- The expenditure benchmark for administration shall not represent an amount greater than 5 percent of any CMSMs and DSSABs 2024 provincial allocation. The TWOMO allocation, Early Learning and Child Care allocation, Wage Enhancement/Home Child Care Enhancement Grant (HCCEG) and Administration for Wage Enhancement/HCCEG are not included in this benchmark calculation.
- The expenditure benchmark for Early Learning and Child Care (ELCC) administration shall not represent an amount greater than 10 percent of any CMSMs and DSSABs 2024 Early Learning and Child Care allocation.
- The expenditure benchmark for Special Needs Resourcing shall not represent an amount less than 4.1 percent²² of any CMSMs and DSSABs 2024 allocation. The TWOMO allocation, Wage Enhancement/HCCEG and Administration for Wage Enhancement/HCCEG are not included in this benchmark calculation.

²² CMSMs/DSSABs can spend a greater portion of their allocation on SNR depending on local need.

The Ministry continues to monitor expenditures for these two program categories.

Cost Share Requirements

Administration – 50/50

CMSMs and DSSABs are required to cost share provincial child care administrative funding, including wage enhancement/home child care enhancement grant (HCCEG) administration, at a rate of 50/50 provincial/municipal. The administration cost share requirement for General/Expansion Plan will be calculated based on the 5% administration threshold. The administration cost share requirement for Wage Enhancement/HCCEG will be calculated based on the Wage Enhancement/HCCEG Administration allocation.

General Allocation – 80/20

CMSMs and DSSABs will be required to continue cost sharing at a rate of 80/20 provincial/municipal, an amount equal to all the detail codes previously cost shared at 80/20.

Expansion Plan – 80/20

CMSMs and DSSABs are asked to continue to cost share Expansion Plan operating funding at a rate of 80/20 provincial/municipal, which is an amount equal to the recommended cost share in 2020. Please note that while cost sharing is recommended, the ministry is committed to providing the provincial allocation regardless of the CMSM/DSSAB contribution.