

**The Corporation of the City of Cornwall
("Corporation")
Service Agreement
Canada Wide Early Learning and Child Care Agreement (CWELCC)**

Schedule "A-9": Service Description Schedule

Organization Name: Name of Child Care Service Operator
Address

Legislation: *Child Care Early Years Act (CCEYA)*

Service name: Child Care – CWELCC

Service Objectives

The CWELCC system will benefit all families with children aged 0 to 5 years who access child care in an approved licensed child care setting by reducing the cost of care. The CWELCC system will support access to affordable and stable, high-quality child care programs for children and families.

For families enrolled in an approved licensed child care setting, the CWELCC system will provide a 25% fee reduction retroactive to April 1, 2022 building to a 50% reduction in average parent costs (based on 2020 levels) for licensed early learning and child care by January 2023 and reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces.

Service Description

Participation in the CWELCC system is optional; however, child care Licensees are encouraged to participate so that families can benefit from reduced fees.

Implementation Approach

1. Application Process

- a. Licensees who wish to participate in the CWELCC system must apply to the City of Cornwall's Children's Services Division using the municipal application form available on the City's website.
- b. Licensees who do not wish to participate in the CWELCC system must complete and submit the Ministry provided Opt-Out form to the City of Cornwall's Children's Services Division.
- c. Licensees must indicate their intent to participate or not participate to the City of Cornwall's Children's Services Division by November 1, 2022. Licensees that indicate they are not participating in the CWELCC system will not be

permitted to change that decision and apply to participate for the remainder of 2022.

2. Eligibility Criteria for Licensed Child Care Operator Participation

The following requirements must be met by the Licensee for enrolment into the CWELCC system:

- Licensee may need to demonstrate financial viability to the Corporation (For example, where a Licensee has accumulated arrears, has not serviced their debt, or is approaching bankruptcy).
- Licensee must operate in accordance with their purchase of service agreement, the *Child Care and Early Years Act, 2014 (CCEYA)* and its regulations, as well as the requirements outlined by the City of Cornwall's Children's Services Division.
- Licensees must maintain existing (pre-CWELCC System announcement on March 28, 2022) licensed spaces for eligible children. Licensees may not convert any existing spaces for eligible children to other age groups (e.g., converting infant spaces to toddler, or infant spaces to kindergarten) in 2022.
- Licensees must communicate their CWELCC System enrolment status to all parents and staff within 14 days of the licensee being notified by the Corporation of the results of their application in accordance with O. Reg. 137/15.
- Licensees must complete the annual *Licensed Child Care Operations Survey*, as required under section 77 of O. Reg. 137/15 in order to continue to receive funding under the CWELCC System.
- Licensees must reduce and refund base fees in accordance with O. Reg.137/15. Licensees are required to keep an electronic or hard copy of their purchase of service agreement at the child care centre or home child care agency and make it available for Ministry inspection.
- Licensees must maintain their licence in good standing in accordance with the CCEYA.

3. Terms of this Agreement

This contract will be in force from April 1, 2022 to December 31, 2022, unless it is superseded by a subsequent contract, or it is terminated in its entirety by either party by giving sixty (60) days written notice. In the event of termination, the Licensee will refund forthwith to the Corporation any monies advanced by the Corporation and not expended in accordance with the CWELCC guidelines.

4. Funding Considerations

The following terms and conditions relating to CWELCC system funding will be enforced for all Licensees who are approved to participate in the CWELCC system:

- Funding amounts to a Licensee will be determined at the discretion of the the Corporation based on actual costs.
- Licensees are required to use CWELCC System Funds to support CWELCC System objectives in accordance with the purchase of service agreement, applicable legislation, regulations, and applicable guidelines requirements provided to Licensees.
- Licensees are required to return CWELCC System Funds to the Corporation where funds are not used in accordance with the requirements established by the City of Cornwall's Children's Services Division that apply to Licensees.
- Licensees are required to provide sufficient and detailed financial or other information related to their child care operations as required by the Corporation for review.
- Information submitted by the Licensee for eligibility will be subject to review as part of the Corporation's funding and reconciliation process.
- The Corporation reserves the right to:
 - Review and to confirm that the Licensee did not charge fees for eligible children higher than the fees at which it was capped after March 27, 2022 (unless the fees were communicated to parents prior to March 27, 2022).
 - Determine the amount of funding that can be spent by Licensees on administration expenses, and to deny funding for additional administration expenditures above this amount.
 - Require Licensees to seek approval if additional administration funding is required by the Licensee above what is allowed.
 - Determine if a Licensee's operation in child care for eligible children is sustainable and financially viable, as defined by the Corporation.
 - Verify that increases to base and non-base fees for the care of eligible children were permitted in accordance with O. Reg. 137/15, (e.g., a fee increase must be communicated to families/parents prior to March 27, 2022).
 - Verify that Licensees are maintaining the spaces for eligible children for which they are receiving funding to reduce base fees (e.g., a licensed infant space must remain an infant space) along with the right to recover funding from the Licensee.
- The requirement for Licensees to obtain approval from the City of Cornwall's Children's Services Division for any revisions to capacity or use of alternate capacity for child care spaces currently licensed for ages 0-5.

- Requirement that Licensees do not close for more than 2 consecutive weeks and do not close for more than 4 weeks within a calendar year while the licensee is receiving full funding from the CWELCC System.
- The Corporation will pay to the Licensee, for admissible expenditures incurred pursuant to this contract. The Corporation reserves the right to determine the amounts, times, and manner of such payments.
- It is agreed and understood that the Corporation may withhold payments or recover funding if the Licensee is in breach of its obligations under this contract, including but not limited to:
 - Funding spent on expenditures unrelated to the objectives of CWELCC.
 - Licensee not meeting deadlines relating to request for information, documentation, and reporting.
 - Licensee not meeting the requirements under the CWELCC System, applicable guidelines or any other specific deadlines noted by the Corporation.
 - CWELCC System funds not in used in accordance with the requirements and any applicable guidelines provided by the Corporation to Licensees.
 - Licensee did not complete their annual *Licensed Child Care Operations Survey*, as per O.Reg.137/15 (77).

5. Fee Reduction

The following terms and conditions relating to the fee reduction portion of the CWELCC system funding will be enforced for all Licensees who are approved to participate in the CWELCC system:

- Licensees' base fees must be determined in accordance with the requirements set out in O. Reg. 137/15 under the CCEYA.
- Licensees must reduce base fees for eligible children only. The term 'eligible children' is defined in O. Reg. 137/15.
- Licensees are required to provide a refund to parents where a base fee higher than the reduced base fee is charged for an eligible child, retroactive to the Licensee's CWELCC System enrolment date and for any period after the CWELCC enrolment date where excess base fees has been prepaid for.
- Licensed home child care agencies participating in the CWELCC System must ensure that home child care providers charge parents of eligible children a base fee determined in accordance with O. Reg. 137/15, which applies to children who are agency placed and those children that are privately placed in the provider's care.

- 21 days after a Licensee is notified by the Corporation of their enrolment date, the Licensee cannot charge a base fee that is higher than the applicable base fee for an eligible child.
- 20 days after a Licensee receives funding from the Corporation, the Licensee is required to provide refunds to parents for any fees paid that were higher than the reduced base fees paid, for any higher base fees that were prepaid for a period after the enrolment date, and any refunds related to reductions in parental contributions families in receipt of fee subsidy for the applicable period.
- The Corporation has the right to determine an initial base fee, in the case where the capped fee does not include all of the components required to be included in a base fee under O. Reg. 137/15, or to exclude components that the Corporation has deemed should not be part of a base fee.
- Licensees are required to maintain the reduced base fees until they are either required to reduce them again, or if they are no longer participating in the CWELCC System.
- In the case where a Licensee transfers shares of the corporation the licensee continues to be bound by the requirements in O. Reg. 137/15 relating to base fees and non-base fees. In the case where a Licensee sells all of its assets and ceases to be licensed, the purchasing corporation must apply for a licence under the CCEYA and may submit an application to enroll in the CWELCC System, in which case the base fee and non-base fee rules in O. Reg. 137/15 apply to the applicant.
- The Corporation has the right to verify the timeliness and accuracy of refunds and fee reductions made by Licensees.

6. **Workforce Compensation**

The following terms and conditions relating to the workforce compensation portion of the CWELCC system funding will be enforced for all Licensees who are approved to participate in the CWELCC system:

With respect to the Wage floor and Annual Wage Increase:

- Licensees are required to bring the wage of all eligible RECE staff up to the wage floor plus benefits as identified in the ministry's Guideline Addendum.
- Licensees are required to increase the hourly wage plus benefits of all eligible RECE staff annually as described in the ministry's Guideline Addendum.
- Workforce compensation funding is provided to eligible RECE staff employed by a Licensee that is participating in the CWELCC System regardless of the age of the children they are supporting.

- Licensees subject to the *Protecting a Sustainable Public Sector for Future Generations Act, 2019 (PSPSFGA)* are required to meet any applicable obligations under the PSPSFGA.
- Licensees that are subject to the terms of a collective agreement should seek independent legal advice on implementing the wage floor and annual wage increase.
- Licensees will be required to apply for the Wage Enhancement Grant to be eligible to receive workforce compensation funding.
- Licensees participating in the CWELCC System prior to December 31, 2022, must issue retroactive payments to eligible RECE staff for any period after the Licensee is notified by the Corporation that they are enrolled in the CWELCC System during which Licensees paid eligible RECE staff wages lower than the wage floor.
- Licensees participating in the CWELCC System after December 31, 2022, will not receive funding to issue retroactive payments to eligible RECE staff for wage compensation funding and will only be expected to implement the wage floor and annual wage increase on a go forward basis.
- Licensees will be permitted to continue to pay eligible RECE staff below the wage floor for thirty-one calendar days after the Corporation notifies them that they are enrolled in the CWELCC System. After 31 days, the Licensee would be required to pay eligible RECE staff at least the wage floor. Licensees would then be given one additional month (for a total of 60 days from the day they were notified) to provide eligible RECE staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date their enrolment in the CWELCC System was confirmed by the Corporation.
- Licensees are not permitted to use workforce compensation funding to provide compensation to eligible RECE staff over and above what is mandated based on the requirements set out in the Guideline Addendum without approval from the ministry.
- Workforce compensation funding must be considered in addition to and not reduce other planned compensation increases for eligible staff. For example, the wage floor and annual wage increase cannot be used to reduce planned merit increases for eligible staff.
- Licensees must include workforce compensation payments in each pay cheque or payment made to eligible RECE staff.
- Upon receiving confirmation of enrolment in the CWELCC System from the Corporation, and as new eligible RECE staff are hired, Licensees are required to share in writing, information about the wage floor and annual wage increase with eligible RECE staff.

- Licensees must report on data for meeting wage floor and annual wage increase requirements as determined by the Corporation and the reporting parameters set out in the ministry's Addendum to the Funding Guideline.

With respect to the Minimum Wage Offset

- Licensees must provide eligible non-RECE staff that were earning less than \$15 per hour (not including wage enhancement) on March 31, 2021, or were hired after March 31, 2021 and before January 1, 2022 and had wages below \$15 per hour (not including wage enhancement), minimum wage offset funding.
- Licensees must report on data for meeting minimum wage offset requirements as determined by the Corporation and the reporting parameters set out in the ministry's Addendum to the Funding Guideline.

7. Financial Reporting

As part of the CWELCC System accountability framework, the following terms and conditions relating to financial reporting requirements will be enforced for all Licensees who are approved to participate in the CWELCC system:

- Financial reports are prepared and submitted by the Licensee in accordance with the Corporation's reporting requirements and timelines.
- Licensees are required to provide all financial and other information based on the Corporation's requirements, including audited financial statements (audited financial statements are not applicable for new Licensees without an existing service agreement).
- Licensee will work with the Corporation to reconcile all CWELCC System funding annually according to the reporting and reconciliation documentation provided by the Ministry.
- The Corporation has the right to follow up with Licensee on any CWELCC System expenditures reported.
- The Corporation will take reasonable and progressive corrective actions on the Licensee who does not comply with reporting requirements.
- Adjustments and recoveries of funding provided will be determined at the discretion of the Corporation based on the Corporation's reconciliation process.

8. Records and Audits

The Corporation will undertake audits on a random sample of Licensees in receipt of CWELCC funding on an annual basis to confirm that CWELCC funding has been used for its intended purpose.

The following terms and conditions relating the audit process will be enforced for all Licensees who are approved to participate in the CWELCC system:

- The Licensee must maintain complete financial and service records of accounts of expenditures related to the CWELCC System, for each site where CWELCC System funding is being provided, for at least 7 years.
- The Licensee cannot dispose of any records related to the services provided under the CWELCC System without prior consent from the Corporation, even when the Licensee is no longer operating.
- The Licensee must permit the Corporation to audit financial and service records related to the CWELCC System at any reasonable time.
- The Licensee must ensure its staff are available for consultation by the Corporation as required.

9. Other

- a. The Corporation maintains the right to review and amend internal procedures and policies by which the CWELCC Program is administered.
- b. The Corporation has the right to identify and make changes to the existing processes between the CWELCC Program and Licensees to create or improve efficiencies and accountability.

In witness whereof this contract has been signed by an authorized Corporate official on behalf of the Corporation and the Child Care Service Operator by its proper signing officers.

Signed, sealed and delivered

On the _____ day of _____, 2022

On behalf of the Corporation
Glen Grant
Mayor

On behalf of the Corporation
Manon Levesque
City Clerk

Child Care Service Operator: Name of Child Care Service Operator

Witness*

By: Signing Officer **

(Seal)

Position:

Witness *

By: Signing Officer**

Position:

* Witness required where the Child Care Service Operator is a sole proprietor or partner in a partnership. Not required when corporate seal

is affixed.
** I have the authority to bind the Corporation.

SAMPLE