



**CORPORATION OF THE TOWNSHIP OF PRINCE**

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**By-Law 2024-19**

**DSSAB Annual Agreement for Childcare Services 2024**

***Being a BY-LAW to authorize the Mayor and CAO/Clerk-Treasurer to sign a Service Agreement between the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) and the Corporation of the Township of Prince (Service Provider)***

**NOW THEREFORE the Council for the Township of Prince enacts as follows:**

**THAT** the Mayor and CAO/Clerk-Treasurer are hereby authorized to execute and affix the Corporate Seal to a Service Agreement between the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) and the Corporation of the Township of Prince (Service Provider) for the provision of Children's Services: Licensed Child Care which Agreement is attached hereto as Schedule "A"

**1. Schedule "A"**

Schedule "A" forms art of this by-law

**READ and passed in open Council on this 14th day of May 2024**



Enzo Palumbo, Mayor



Jillian Hayes, CAO Clerk

SEAL



This Agreement made the **1st** day of **JANUARY 2024**:

Children's Services: Licensed Child Care

EY 24 004

**DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD**

Hereinafter called "DSSMSSAB"

And

**CORPORATION OF THE TOWNSHIP OF PRINCE**

Hereinafter called the "Service Provider"

Hereinafter collectively referred to as "the Parties"

**ARTICLES OF AGREEMENT**

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**WHEREAS** it is the responsibility of the DSSMSSAB, the District of Sault Ste. Marie Social Services Administration Board to deliver various social services and programs for the benefit of eligible participants residing in the area of jurisdiction: City of Sault Ste. Marie, Prince Township and area known as Sault North Planning Board;

**AND WHEREAS** the Service Provider has the ability to deliver certain social services and programs (the "Designated Program") in a timely and efficient manner;

**NOW** therefore in consideration of the mutual covenants and agreements contained herein and subject to the terms and conditions hereinafter set out, the parties agree as follows:

**1. CONTRACT DOCUMENTS AND ORDER OF PRECEDENCE**

The following documents and any amendments thereto, constitute the entire agreement between the Service Provider and the DSSMSSAB with respect to its subject matter and supersede all previous understandings, agreements, negotiations and documents collateral, oral or otherwise between them relating to its subject matter.

- a. General Conditions of the Contract
- b. Schedule 'A'
- c. Schedule 'B'

## 2. DEFINITIONS

**Agreement:** means the contract between the DSSMSSAB and the Service Provider with respect to the Services contemplated within this document.

**Board:** means the eight locally elected political representatives on the DSSMSSAB. The Board consists of five representatives from Sault Ste. Marie, one representative from Prince Township and two representatives from the Sault North Planning Board Area.

**DSSMSSAB:** means District of Sault Ste. Marie Social Services Administration Board.

**MFIPPA:** means the Municipal Freedom of Information and Protection of Privacy Act, R.S.O. 1990, c.M.56.

**Services:** means all services and deliverables to be provided by a Service Provider as described in this document.

**Service Provider:** means the Successful Proponent(s) with whom the DSSMSSAB enters into an Agreement.

**Site Authority:** means the DSSMSSAB designate specified with authority pertaining to the provision of Services.

## 3. GENERAL CONDITIONS OF THE CONTRACT

### 3.1 Effective Date and Duration

This Agreement shall come into effect on the date it is signed by the last of the Parties to do so and shall expire at the end of the Designated Program period unless the Agreement is terminated on a prior date in accordance with the terms of this agreement.

### 3.2 Termination for Convenience

The DSSMSSAB may terminate any issuing Agreement at any time subject to **30** days written notice to the Service Provider. The DSSMSSAB shall provide appropriate compensation to the Service Provider proportionate to the Services satisfactorily performed by the Service Provider prior to the termination date.

### 3.3 Reduction or Termination of Initiative

If the initiative named in this Agreement is cancelled, the DSSMSSAB may, upon not less than thirty (30) days notice, reduce the funding under this Agreement or terminate the Agreement.

### 3.4 Termination

*Termination for Default*

1. The following constitutes Event of Default:
  - a) The Service Provider becomes bankrupt, has a receiving order made against it, makes an assignment for the benefit of creditors, takes the benefit of the statute relating to bankrupt or insolvent debtors or an order is made or resolution passed for the winding up of the Service Provider;
  - b) The Service Provider ceases to operate;

- c) The Service Provider is in breach of the performance of, or compliance with, any provision of this Agreement;
- d) The Service Provider, in support of its application for the DSSMSSAB contribution or in connection with this Agreement, has made materially false and misleading representations, statements or declarations, or provided materially false and misleading information to the DSSMSSAB or in the opinion of the DSSMSSAB there is a material adverse change in the risk in the Service Provider's ability to complete the Designated Program or to achieve the expected results of the project set out in accompanying schedules.

2. If

- a) An Event of Default specified in paragraph 3.4.1 occurs; or
- b) An Event of Default specified in paragraphs 3.4.1 occurs and has not been remedied within thirty (30) days of receipt by the Service Provider of written notice of default, or a plan satisfactory to the DSSMSSAB to remedy such Event of Default has not been put into place within such time period,

the DSSMSSAB may, in addition to any remedies otherwise available, immediately terminate the agreement by written notice. Upon providing such notice of termination, the DSSMSSAB shall have no obligation to make any further contribution to the Service Provider.

- 3. In the event the DSSMSSAB gives the Service Provider written notice of default pursuant to paragraph 3.4 2b), the DSSMSSAB may suspend any further payment under this agreement until the end of the period given the Service Provider to remedy the event of Default.
- 4. The fact that the DSSMSSAB refrains from exercising a remedy it is entitled to exercise under this Agreement shall not be considered to be a waiver of such right and, furthermore, partial or limited exercise of a right conferred upon the DSSMSSAB shall not prevent the DSSMSSAB in any way from later exercising any other right or remedy under this Agreement or other applicable law.

### **3.5 Compliance with Laws and Licensing**

The Service Provider will be responsible for a strict adherence to all Federal, Provincial, and Municipal statutes, regulations, by-laws, codes, and codes of professional conduct, and where applicable must obtain all permits and licenses.

### **3.6 Health and Safety**

The Service Provider shall perform all work in compliance with the Occupational Health and Safety Act of Ontario.

The Service Provider acknowledges its duty as an employer and a supervisor under the Occupational Health and Safety Act and under the applicable regulations and in particular, that the Service Provider shall take every precaution reasonable under the circumstances for the protection of a worker.

The Service Provider acknowledges possession of a copy of the Occupational Health and Safety Act and applicable regulations for these Services.

The Service Provider shall provide all required safety and personal protective equipment as required under the Occupational Health and Safety Act or the Safety Policies of the Proponent.

The Service Provider releases and discharges the DSSMSSAB from any claim or demand for any action taken by the DSSMSSAB to exercise its duties of due diligence under the Occupational Health and Safety Act.

The Service Provider shall carry Workers Safety and Insurance Board coverage for its employees and any necessary liability insurance coverage. The Service Provider will be responsible for presenting a WSIB Certificate of Clearance upon award of any contract.

### **3.7 Compliance with the Accessibility for Ontarians with Disabilities Act, 2005**

The Service Provider shall ensure that all its employees, agents, volunteers, or others for whom the Service Provider is legally responsible have received training and comply with the requirements of the Accessibility for Ontarians with Disabilities Act, 2005, as amended.

For further information visit:

<http://www.mcsc.gov.on.ca/en/mcsc/programs/accessibility/index.aspx>

The DSSMSSAB reserves the right to require the Service Provider to demonstrate that its training policies meet these requirements.

### **3.8 Disposition of Capital Assets**

1. During the Designated Program period, the Service Provider shall preserve any capital asset purchased by the Service Provider with funding provided under this Agreement and shall not dispose of it unless the DSSMSSAB authorizes its disposition.
2. At the end of the Designated Project Period, or upon termination of this Agreement, if earlier, the DSSMSSAB reserves the right to direct the Service Provider to dispose of any capital asset purchased by the Service Provider with funding provided under this Agreement by:
  - a) Selling it, at fair market value and applying the funds realized from such sale to offset the DSSMSSAB's contribution to the eligible expenditures;
  - b) Turning it over to another organization or to an individual designated or approved by the DSSMSSAB; or
  - c) Disposing of it in such other manner as may be determined by the DSSMSSAB.

### **3.9 DSSMSSAB and Consultation**

The Service Provider agrees that the staff providing services pursuant to this agreement will upon reasonable request, be available for consultation with the DSSMSSAB's staff.

### **3.10 Financial Records and Reporting**

1. The Service Provider will maintain financial records and books of account in accordance with Generally Accepted Accounting Principles (GAAP) respecting services provided pursuant to this agreement and will allow the DSSMSSAB's staff or such other persons appointed by the DSSMSSAB to inspect and audit such books and records at all reasonable times both during the term of this Agreement and subsequent to its expiration or termination.

2. The Service Provider will upon request submit to the DSSMSSAB an audited financial statement and reconciliation report with respect to the services provided pursuant to this Agreement within five (5) months of the Service Provider's financial year-end.
3. The Service Provider will retain the records and books of account referred to in clause 3.9 for a period of seven (7) years.
4. The Service Provider will retain all relevant documentation supplied by and/or to applicants to support funding decisions and allocations.

### **3.11 Service Records**

In the event the Service Provider ceases operation, it is agreed that the Service Provider will not dispose of any records related to the services provided for under this Agreement without the prior consent of the DSSMSSAB, which may be given subject to such conditions, as the DSSMSSAB deems advisable.

### **3.12 Notices**

Any notices to be given and all reports, information, correspondence, and other documents to be provided by either party under this Agreement shall be given or provided by personal delivery, mail, courier service, fax or email at the postal address, fax number or email address, as the case may be, of the receiving party as shown in Schedule 'A'. If there is any change to the postal address, fax number or email address or contact person of a party, the party concerned shall notify the other in writing of the change as soon as possible.

Notices, reports, information, correspondence, and other documents that are delivered personally or by courier service shall be deemed to have been received upon delivery, or if sent by mail five (5) working days after the date of mailing, or in the case of notices and documents sent by fax or email, one (1) working day after they are sent.

### **3.13 Insurance**

The Service Provider shall be required to purchase and maintain in force, at its own expense (including the payment of all deductibles) and for the duration of Services, appropriate comprehensive general liability insurance coverage to cover claims for bodily injury or property damage resulting from anything done or omitted by the Lead Agency or its employees, agents or service participants, if any, in carrying out the service. A minimum of five (5) million dollars comprehensive general liability insurance coverage will be required during the term of this agreement. Verification of insurance coverage shall be provided to the Agent within thirty (30) days of the signing of this agreement.

**The Board then reserves the right to determine the amount of coverage required in consultation with the Service Provider on a case by case base.**

### **3.14 Indemnification**

The Service Provider shall indemnify and hold harmless the DSSMSSAB and their respective officers, directors, agents and employees, and each of them, from and against claims, demands, losses, costs, damages, actions, suits or proceedings by third parties that arise out of, or are attributable to, the Service Provider's performance of the Services.

### **3.15 Confidentiality**

The Service Provider shall treat as confidential all information of any kind which comes to the attention of the Service Provider in the course of carrying out the Services and shall not

disseminate such information for any reason without the express written permission of the DSSMSSAB.

### **3.16 Relationship Between the Parties and Non-Liability of DSSMSSAB**

The management and supervision of the designated program are the sole and absolute responsibility of the Service Provider. The Service Provider is not in any way authorized to make a promise, agreement or contract on behalf of the DSSMSSAB. This Agreement is a service agreement only for the services outlined in this agreement and not a contract for employment. The parties hereto declare that nothing in this agreement shall be construed as creating a partnership, an employer-employee, or agency relationship between them. The Service Provider shall not represent itself as an agent, employee or partner of the DSSMSSAB.

### **3.17 Ownership and Confidentiality of the DSSMSSAB Provided Data**

All correspondence, documentation and information provided by the DSSMSSAB staff to the Service Provider connection with, or arising out of the Services or the acceptance of this contract:

- a) is and shall remain the property of the DSSMSSAB;
- b) must be treated by the Service Provider as confidential; and
- c) must not be used for any purpose other than for fulfillment of any related services under this agreement.

### **3.18 Freedom of Information**

Any information collected by the Agent on behalf of the DSSMSSAB pursuant to this Agreement is subject to the rights and safeguards provided for in the Municipal Freedom of Information and Protection of Privacy Act.

### **3.19 Conflict of Interest**

The Service Provider, any of its sub-contractors and any of their respective advisors, partners, directors, officers, employees, agents, and volunteers shall not engage in any activity or provide any services to the DSSMSSAB where such activity or the provision of such services creates a conflict of interest (actually or potentially) in the sole opinion of the DSSMSSAB and the Service Provider with the provision of services pursuant to the Agreement. The Service Provider acknowledges and agrees that it shall be a conflict of interest for it to use confidential information of the DSSMSSAB relevant to the services where the DSSMSSAB has not specifically authorized such use.

### **3.20 Assignment of Agreement**

The Service Provider will not assign this Agreement, or any part thereof, without the prior written approval of the DSSMSSAB, which approval may be withheld by the DSSMSSAB in its sole discretion or given subject to such conditions as the DSSMSSAB may impose.

### **3.21 Amendment**

This Agreement may be amended by mutual consent of the parties. To be valid, any amendment to this Agreement shall be writing and signed by the parties.

### **3.22 Dispute Resolution**

In the event of a dispute arising under the terms of this Agreement, the Parties are unable to resolve the dispute through negotiation, they agree to give good faith consideration to resorting to other alternate dispute resolution processes to resolve the dispute. However, the Parties

agree that nothing contained in this section shall affect, alter or modify the rights of either Party to terminate the Agreement.

**3.23 Method of Payment**

The DSSMSSAB and Services Provider agree to adhere to the payment schedule outlined in Schedule 'A'.

**IN WITNESS WHEREOF** the parties have set their hands and seals on the day and year first above written.

**DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD**

By:  \_\_\_\_\_ Date: 3/25/2024  
Name: Mike Nadeau  
Title: CEO

*I have the authority to bind the District of Sault Ste. Marie Social Services Administration Board*

**CORPORATION OF THE TOWNSHIP OF PRINCE**

By:  \_\_\_\_\_ Date: 3/24/2024  
Name: Enzo Palumbo  
Title: Mayor

*I have the authority to bind the Corporation*



## SCHEDULE 'A'

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### DSSMSSAB

ADDRESS: Elgin Tower, 390 Bay Street, Suite 405  
PO Box 277 Sault Ste. Marie ON P6A 5L8

CONTACT PERSON: **Tanya Ritter, Integrated Program Manager**

PHONE: 705-542-9338

FAX: 705-542-5212

EMAIL: [t.ritter@socialservices-ssmd.ca](mailto:t.ritter@socialservices-ssmd.ca)

### SERVICE PROVIDER

NAME: **Corporation of the Township of Prince**

ADDRESS: 3042 Second Line, W. Prince Township P6A 6K4

CONTACT PERSON: **Kate Parniak, Manager**                      **Enzo Palumbo, Mayor**

PHONE: 705-779-3627

EMAIL: [kmitchell@twp.prince.on.ca](mailto:kmitchell@twp.prince.on.ca)                      [epalumbo@princetwp.ca](mailto:epalumbo@princetwp.ca)

### 1. DESIGNATED TERM OF AGREEMENT

The term of this agreement will commence on January 1, 2024 – December 31, 2025

### 2. PAYMENT FOR SERVICES

The DSSMSSAB agrees to issue payment of of **\$22,703.25** the 2024 year, cash flowed through monthly payments and expended within the parametres of this contract and accompanying schedules. As stated in Schedule "B-1", additional onetime funding may be issued at a later date if available.

**SCHEDULE 'B'**

**SCOPE OF SERVICES**

**SCHEDULE "B-1"**

**FUNDING AND AGREEMENT SUMMARY**

<b>SCHEDULE</b>		<b>SUMMARY</b>
<b>SCHEDULE "B-2"</b>	Additional Contractual Requirements	
<b>SCHEDULE "B-3"</b> Service Delivery and Philosophy	Commitment to deliver service as per "How Does Learning Happen? Ontario's Pedagogy for the Early Years	
<b>SCHEDULE "B-4"</b> Reporting Requirements & Progressive Limitations	Reporting expectations, contract compliance and late submissions policy	
<b>SCHEDULE "B-5"</b> Capacity Building Quality Assurance Professional Practice	Supports initiatives directed by the Sault Ste. Marie Early Years Leadership Table and the Quality Assurance Committee  Dependent on in-year funding availability Determined by number of: Programs, Staff and PPL's	
<b>SCHEDULE "B-6"</b> Special Purpose Funding	Issued to offset onetime operational expenses Dependent on in-year funding availability and program need	
<b>ALLOCATION</b>		
<b>SCHEDULE "B-7"</b> Special Needs Resourcing	Commitment to delivery of inclusive services and when approved, Enhanced Ratio Support	Ratio support funds administered through Thrive CDC
<b>SCHEDULE "B-8"</b> Fee Subsidy	Attendance based reimbursement of subsidized spaces for qualifying families	Calculated and paid monthly
<b>SCHEDULE "B-9"</b> Pay Equity	2003 Mediated Memorandum of Settlement Proxy Order from Pay Equity Commission	<b>\$2,447.25</b>
<b>SCHEDULE "B-10"</b> Wage Enhancement	Provincial grant to narrow gap between RECE wages in education sector and licensed care	<b>\$5,689.63</b>
<b>SCHEDULE "B-11"</b> General Operating	Funded through model using operating capacity of Licensed Site and DSSMSSAB authorized 'Points System'	<b>\$14,566.37</b>
<b>SCHEDULE "B-12"</b> Canada Wide Early Learning & Child Care	<i>(Estimated and reconciled quarterly)</i>  1) Parental Fee Reduction 2) Workforce Compensation 3) Emerging operational issues	1) Issued when qualifying family attends 2) Application based 3) Application based
<b>SCHEDULE "B-13"</b> Licensed Home Child Care	Base funding supports to increase provider compensation & fee reductions for families	N/A
<b>TOTAL</b>		<b>\$22,703.25</b>

**Service Location:**

Mountain View Public School  
Mahler Road  
Goulais River ON P0S 1E0

**General Operating Details**

24 School Age	\$9,018.75
Cost of Living Allowance	\$547.62
Rural Grant	\$5,000.00
<b>Total</b>	<b>\$14,566.37</b>

## **SCHEDULE "B-2"**

### **SERVICE NAME: Additional Conditions and Requirements**

#### **1. Definitions**

In this Agreement,

- a) "Agreement" means the recitals, the Agreement and all Schedules attached hereto.
- b) "DSSMSSAB" means the staff of the DSSMSSAB authorized to exercise the rights and perform the duties of the DSSMSSAB under this Agreement.

#### **2. Service**

- a) The Service Provider agrees to provide services in accordance with the terms and conditions of this Agreement and attached Schedule(s) and in accordance with the policies, guidelines and requirements of the DSSMSSAB and the Ministry of Education in effect during the term of this Agreement.
- b) For greater certainty the provisions of the Agreement in no way relieve the Service Provider of its obligations and responsibilities under the *Child Care and Early Years Act, 2014* and regulations thereunder.

#### **3. Consideration**

- a) The DSSMSSAB will pay to the Service Provider, for allowable expenditures incurred pursuant to this Agreement, an amount not to exceed the amount stipulated in Schedule "B-1". The amounts, times and manner of such payments will be made in accordance with Schedule "B-4".
- b) The parties agree that an approved funding allocation will be negotiated on or before the start of the applicable fiscal year while this Agreement is in force. In the event the funding is not re-negotiated by that time, payments will continue to be made in accordance with the approved budget amounts for the immediately preceding fiscal year until such time as the funding allocation is re-negotiated or this Agreement is terminated.
- c) The Service Provider may transfer funds between the DSSMSSAB budget lines only with the prior written approval of the DSSMSSAB.
- d) It is agreed and understood that the DSSMSSAB may withhold and/or recover payments in whole or in part if the Service Provider is in breach of its obligations under this Agreement.
- e) If Service levels are not achieved as indicated in the attached Schedules and Program Operating Capacity, the DSSMSSAB in its discretion may assess an amount against the Service Provider reflective of the underachieved levels, which the Service Provider shall refund within 30 days. If the Service Provider fails to refund the assessment by its due date, the DSSMSSAB may reduce one or more subsequent payments to the Service Provider until reimbursed in full.

#### 4. Representations, Warranties and Covenants of the Service Provider

The Service Provider represents, warrants and covenants to the DSSMSSAB (and acknowledges that the DSSMSSAB is relying thereon) that:

- a) the **Service Provider** will deliver services as outlined in Schedule “B” of this document;
- b) the Service Provider holds and will maintain a current and clear license issued under the *Child Care and Early Years Act, 2014* during the Term of this Agreement and any extension thereof;
- c) this Agreement constitutes a valid and binding obligation of the Service Provider in accordance with the Terms of this Agreement;
- d) the Service Provider’s facilities are suitable for providing the services and programs under the Agreement and otherwise are, and will remain in compliance with all legislation affecting such matters, including but not limited to protection of privacy legislation;
- e) the Service Provider shall employ competent employees and volunteers of good character and shall maintain documentation of all staff qualifications;
- f) the Service Provider warrants that it currently has and will maintain a board of directors of not less than 5 members throughout the term of this Agreement. A certificate confirming names of Board members must be submitted on an annual basis following each Annual General Meeting of the Corporation;
- g) the Service Provider has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
- h) the Service Provider shall notify the DSSMSSAB as soon as possible regarding any change to School Age Market Rate charged by submitting copy of the corresponding approved Board Motion;
- i) the Service Provider shall notify the DSSMSSAB as soon as possible regarding any plans to change ownership;
- j) the Service Provider shall notify the DSSMSSAB as soon as possible of any plans for closure of any program or site where services are provided; and
- k) the execution and delivery of the Agreement and the consummation of the transactions contemplated under it have been duly authorized by all necessary action on the part of the Service Provider.

The Service Provider acknowledges that any breach of any of the above representations and warranties shall constitute default under the terms of this Agreement entitling the DSSMSSAB, in addition to any other remedy, to exercise its termination right.

## **5. DSSMSSAB Access and Consultation**

The Service Provider will permit the DSSMSSAB staff to enter at reasonable times any premises used by the Service Provider in connection with the provision of services pursuant to this Agreement and under its control in order to observe services and inspect all records relating to the services provided pursuant to this Agreement.

The Service Provider agrees that the staff providing services pursuant to this Agreement will, upon reasonable request, be available for consultation with the DSSMSSAB.

## **6. Financial Records and Reports**

- a) The Service Provider will prepare and submit annually or at any time upon reasonable request a financial report in such form and containing such information as the DSSMSSAB may require.
- b) The Service Provider will adhere to any additional financial reporting requirement specified in the attached Schedules.
- c) The Service Provider shall submit to the DSSMSSAB, all meeting minutes, including minutes of the Annual General Meeting, once approved.

## **7. Centralized Waitlist**

- a) The Service Provider agrees to participate in the DSSMSSAB centralized waitlist and accept families into their program as per the waitlist guidelines that have been identified. No child, whether full fee or subsidized, shall be accepted into a program unless their parent or guardian has previously completed the centralized waitlist online application and is the next available party prepared to accept an offer.
- b) The Service Provider will participate in training to ensure that all relevant staff are proficient in using the centralized waitlist.
- c) Any proposed internal waitlist policies of the Service Provider shall be submitted to the DSSMSSAB for prior approval.
- d) With respect to the administration of the centralized waitlist for the service area of the DSSMSSAB, the Service Provider agrees to implement, follow, adhere to and comply with all written policies, guidelines, procedures and directives established by the DSSMSSAB from time to time.

## **8. Quality Assurance**

- a) The Service Provider shall deliver to each child enrolled in an Early Years program, including each child with Special Needs, high quality programming which meets the requirements of all applicable legislation and regulatory standards including without limitation, the College of Early Childhood Educators of Ontario Code of Ethics and Standards of Practice.

- b) The Service Provider shall meet such standards with respect to programs, staffing and delivery of the Early Years Services as may from time to time be determined by the DSSMSSAB.
- c) The Service Provider shall ensure staff and supervisors regularly participate in initiatives established by the DSSMSSAB which are designed or intended to benefit the Service Provider including, without limitation, programs to assist in capacity building, programs to provide networking opportunities, programs that promote inclusion, leadership and other early years system planning initiatives, and will fully participate in the DSSMSSAB Quality Assurance Framework initiatives.
- d) The DSSMSSAB expects that at a minimum, there will be full staff participation in two Professional Learning opportunities per year, that are sponsored by the DSSMSSAB and, where the Service Provider will continue to receive funding, as per the regular daily DSSMSSAB allocation.
- e) The Service Provider shall provide such data as may be required by the DSSMSSAB to assess the Service Provider's level of participation in Quality initiatives and professional learning.

## **9. Reports**

- a) The Service Provider will maintain service records respecting each site where service is being provided and prepare and submit at such intervals as indicated in Schedule "B-9" specific reports respecting the services being provided pursuant to this Agreement, acceptable to the DSSMSSAB which shall include program data such as statistics on target achievements and such other information as the DSSMSSAB requires.
- b) The Service Provider will also prepare and submit to the DSSMSSAB, annually, or at any time upon reasonable request, comprehensive reports acceptable to the DSSMSSAB respecting the services being provided.

## **10. Additional Insurance**

The Service Provider will submit to the DSSMSSAB, a certificate from their insurer naming the DSSMSSAB as additional insured, or upon the request of the DSSMSSAB, provide a copy of any insurance policy.

The policy shall include errors and omissions professional liability insurance covering the work and services described in this Agreement, such policy to provide coverage for an amount not less than five million (\$5,000,000) dollars and to continue for twelve (12) months following the expiry or earlier termination of the Agreement.

## **11. Additional Indemnification**

The Service Provider undertakes and agrees to defend and indemnify the DSSMSSAB and hold harmless the DSSMSSAB and those for whom it is responsible in law, at the Service Provider's sole expense, from and against all claims, demands, suits, losses, costs, damages and expenses that the DSSMSSAB, and those for whom it is responsible in law, may sustain or incur by reason of:

- a) any breach of this Agreement by the Service Provider, the Service Provider's employees, any subcontractor of the Service Provider, or persons for whom the Service Provider is at law responsible;
- b) any loss or misuse of funds held by the Service Provider, the Service Provider's employees, subcontractor of the Service Provider, or persons for whom the Service Provider is at law responsible, under this Agreement;
- c) the acts or omissions of the Service Provider, the Service Provider's employees, subcontractor of the Service Provider, or any person for whom the Service Provider is at law responsible in performing the services or otherwise carrying on the Service Provider's business, including any damage to any and all persons or property, whether deliberate, accidental or through negligence, and all tickets, fines or penalties;
- d) any claim or finding that the Service Provider, the Service Provider's employees, subcontractor of the Service Provider, or persons for whom the Service Provider is at law responsible are employees of, or are in any employment relationship with, DSSMSSAB or are entitled to any Employment Benefits of any kind; and,
- e) any liability on the part of the DSSMSSAB, under the *Income Tax Act* (Canada) or any other statute (including, without limitation, any Employment Benefits statute), to make contributions, withhold or remit any monies or make any deductions from payments, or to pay any related interest or penalties, by virtue of any of the following being considered to be an employee of the DSSMSSAB, from Service Provider: Service Provider's employees or others for whom Service Provider is at law responsible in connection with the performance of services or otherwise in connection with Service Provider's business.

## **12. Additional Termination**

### **Where No Appropriation**

If the DSSMSSAB does not receive the necessary appropriation from the Province the DSSMSSAB may terminate the Agreement immediately without liability, penalty, or costs by giving written notice to the Service Provider.

If the DSSMSSAB terminates the Agreement under this section, it may, in its discretion, take one or more of the following actions:

- a) cancel further instalments of Funds;
- b) demand from the Service Provider the payment of any Funds remaining in the possession or under the control of the Service Provider; and
- c) determine the reasonable costs for the Service Provider to wind down the Program and permit the Service Provider to offset such costs against the amount owing.



### **13. Consequences of Termination**

- a) Upon any termination of this agreement, a full accounting of all funds received by the Service Provider up to the date of termination shall take place. The Service Provider agrees to give access to the DSSMSSAB and its authorised agents access to its premises and all business records as may be reasonably required to conduct such accounting. If the accounting determines that the Service Provider has been overpaid it shall reimburse any overpayment of funds to the DSSMSSAB within thirty (30) days of receipt of the accounting.
- b) Upon termination the Service Provider shall forthwith deliver to the DSSMSSAB or to whom it directs all records in any media, all property, software, materials, signage and equipment owned by the DSSMSSAB or its agents and it shall co-operate in the orderly transfer of operations.
- c) Notwithstanding the termination of this Agreement or any extension thereof the provisions of Sections related to Report, Financial Reports, Service Records, Confidentiality, Conflict of Interest, Indemnification and Disposition of Equipment shall continue to be binding upon the parties.

### **14. Debt Due and Payment**

If at any time the DSSMSSAB provides Funds in excess of the amount to which the Service Provider is entitled under the Agreement, the DSSMSSAB may:

- a) deduct an amount equal to the excess funds from any further instalments of funds; or
- b) demand that the Service Provider pay an amount equal to the excess funds to the DSSMSSAB.

### **15. Parties Independent**

The Service Provider is not an agent, joint venturer, partner, or employee of the DSSMSSAB, and the Service Provider will not represent itself in any way that might be taken by a reasonable person to suggest that it is, or take any actions that could establish or imply such a relationship. The Service Provider shall have no authority to bind the DSSMSSAB to any contract or obligation of any kind.

### **16. Recognition and Awareness of Public Support**

The Service Provider shall acknowledge the DSSMSSAB's contribution of funding with respect to the provision of services under the Agreement. The Service Provider shall post on its premises any signage provided by the DSSMSSAB with respect to the program. The DSSMSSAB reserves the right to waive this requirement

### **17. Succession**

This Agreement shall be binding upon and endure to the benefit of both the Service Provider, its successors and assigns as provided in the Agreement and the DSSMSSAB, its successors and assigns.

## **SCHEDULE “B-3”**

### **SERVICE NAME: Service Description Overview**

#### **SERVICE OVERVIEW**

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

#### **SERVICE DELIVERY**

The DSSMSSAB and the Service Provider will maintain open communication and work together to provide families with children aged 0-12 in the Sault Ste. Marie Service Area, regardless of socio-economic background, culture, or language, access to high quality and inclusive child care/early years services that will ensure children are given a healthy start in life.

The delivery of core services will be guided by the Service Overview. The DSSMSSAB is accountable to the Ministry of Education for the purchase of services delivered by the Service Provider. The following responsibilities are in addition to those outlined in the legal agreement.

#### **SERVICE EXPERIENCE AND PHILOSOPHY**

The Ontario Early Years Policy Framework articulates the following vision for early years programs:

*“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.” -How Does Learning Happen? Ontario’s Pedagogy for the Early Years*

Published in 2007, Early Learning for Every Child Today, referred to as ELECT, set out six principles to guide practice in early years settings:

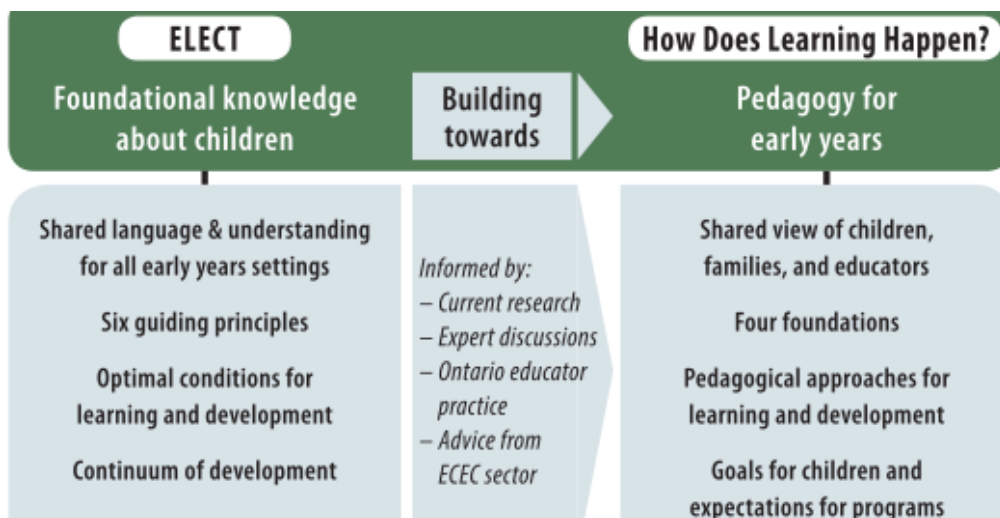
1. Early child development sets the foundation for lifelong learning, behavior and health.
2. Partnerships with families and communities strengthen the ability of early childhood settings to meet the needs of young children.
3. Respect for diversity, equity and inclusion are prerequisites for honouring children’s rights, optimal development and learning.
4. A planned curriculum supports early learning.
5. Play is a means to early learning that capitalizes on children’s natural curiosity and exuberance.
6. Knowledgeable, responsive early childhood professionals are essential.

ELECT also provides a continuum of development for children from birth to age eight. It is recognized as a foundational document in the early years sector. It provides a shared language and common understanding of children’s learning and development for early years professionals as they work together in various early years settings.

Research, theory, and practice suggest that high-quality early childhood programs:

- a) establish positive, responsive relationships with children and their families;
- b) value children as individuals and as active and competent contributors with their own interests and points of view;
- c) recognize the connection between emotional wellbeing and social and cognitive development and the importance of focusing on these areas holistically;
- d) provide environments and experiences for children to explore ideas, investigate their theories, and interact with others in play;
- e) engage with families and support each child within the context of his or her family, recognizing that family and child well-being are inextricably linked;
- f) provide ongoing opportunities for educators to engage in critical reflection and discussion with others about pedagogy and practice to support continuous professional learning and growth.

Through critical reflection and learning we build from a foundational knowledge of children through the ELECT document and move towards a better understanding of how children learn.

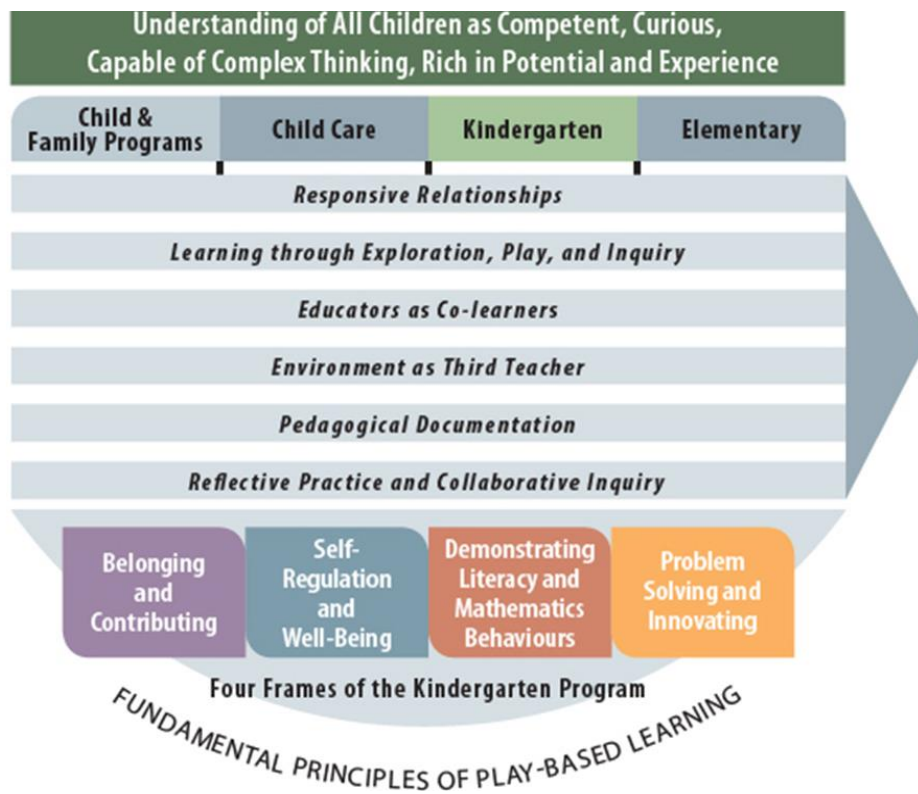


Goals for children’s learning, development, health, and well-being are integral to all aspects of early years programs, from policies and procedures to environments, experiences, and interactions. Grounded in a view of the child as competent and capable and organized around the foundations of belonging, well-being, engagement, and expression, the following goals are a starting point to help educators place children first within all aspects of the program.

- Every child has a sense of belonging when he or she is connected to others and contributes to their world.
- Every child is developing a sense of self, health, and well-being.
- Every child is an active and engaged learner who explores the world with body, mind, and senses.
- Every child is a capable communicator who expresses himself or herself in many ways.

Programs are expected to provide pedagogical direction for educators in a variety of ways as they:

- cultivate authentic, caring relationships and connections to create a sense of belonging among and between children, adults, and the world around them;
- nurture children’s healthy development and support their growing sense of self;
- provide environments and experiences to engage children in active, creative, and meaningful exploration, play, and inquiry; and
- foster communication and expression in all forms.



### SERVICE EVALUATION

The District of Sault Ste. Marie Social Services Administration Board will evaluate the Services provided by the Service Provider under each of the following categories:

- a) maintenance of condition free licensing;
- b) number of unqualified staff who are actively upgrading their credentials.
- c) timely, complete and accurate submissions of attendance and annual reporting requirements;
- d) participation in and quality of participation in the Quality Assurance Framework, Program Development and Professional Development; and
- e) adherence to all DSSMSAB policies and procedures including Serious Occurrence reporting and Criminal Reference Checks in accordance with legislation.

**The DSSMSAB agrees to:**

- a) Provide up to two Professional Development opportunities to Early Childhood Educators and/or not-for-profit Boards of Directors in the community in partnership with the Quality Assurance Committee.
- b) Provide a system wide Quality Assurance Program in partnership with Quality Assurance committee members and support Service Providers as they identify opportunities to enhance the quality of their programs.

**The Service Provider agrees to:**

- a) Deliver child care services in accordance with this Schedule, the Strategic Plan for the delivery of early Years Services in Sault Ste. Marie and work collaboratively with the Quality Assurance Coordinator when implementing strategies to strengthen the alignment of services with the Ontario Early Years Policy Framework.
- b) Each site will have a program statement that is consistent with the Minister's Policy statement on programming and pedagogy and is sensitive to the social, linguistic and cultural diversity of each local program. This will ensure that staff and volunteers have a shared understanding of the goals that guide the Early Years programs at each site.
- c) Work positively and collaborate with local Special Needs Resourcing Organization(s) and/or Service Providers; understand that services received are based on discussion of child's identified needs. There is an expectation that the Service Provider works with the identified Special Needs Resourcing organization to determine the way that program staff will be mentored to address the needs of the child. This can include periodic training, working with an Early Learning Resource Consultant for a specified and/or limited period of time, implementing recommended changes to the environment or curriculum, or participating in a needs assessment to determine eligibility for Enhanced Ration Support funding. Special Needs Resourcing funds are limited and used at the discretion of the Special Needs Resourcing organization and/or the DSSMSSAB.
- d) Work positively and collaboratively with community partners to improve organizational capacity to provide inclusive and culturally responsive services to children and families.
- e) Ensure, each year, staff participate in a minimum of two professional development opportunities including the annual Professional Development Day offered by the DSSMSSAB and the Quality Assurance committee.
- f) Ensure that Supervisory staff have regular opportunities to enhance their leadership skills through professional development and access available Early Years provider networking sessions including those that support participation in community of practice forums occurring throughout the year.
- g) Participate on the local Early Years Service System Management Table and other committees that may, from time to time be recommended by the DSSMSSAB.

## **SCHEDULE “B-4”**

### **Reporting Requirements and Progressive Limitations**

#### **SERVICE OBJECTIVES**

All Service Providers who receive funding from the DSSMSSAB shall submit documentation as required, dependent upon the type of agreement they hold. Service Providers understand that should they not comply with reporting requirements within the expected timelines, progressive limitations will be applied by the DSSMSSAB.

#### **SERVICE PROCEDURE OVERVIEW**

The Early Years Director, or designate, will contact the Service Provider to request submission of documentation. The Service Provider is responsible for contacting the Director or designate to discuss an alternative timeline if they are unable to meet the designated date. Should the documentation not be submitted, the DSSMSSAB will serve notice by email and funding may be withheld.

#### **POLICY FOR LATE FILING**

If a submission is not received by the filing deadline, the DSSMSSAB will take the following progressive action until the submission is received:

Step 1
10 days after the filing deadline the DSSMSSAB will inform the Service Provider that the submission is overdue
Step 2
25 days after the filing deadline the DSSMSSAB may reduce the applicable funding type by 25% of the monthly payment
Step 3
50 days after the filing deadline the DSSMSSAB may reduce the applicable funding type by 50% of the monthly payment

Upon submission of DSSMSSAB requirements, payments will revert back to the regular monthly payment process with the first payment including withheld funds.

Should the Service Provider have outstanding submissions the DSSMSSAB may exercise its discretion by not providing funding in the subsequent calendar year.

The Service Provider shall ensure that all reports are in such form and contain such content as are reasonably required by the DSSMSSAB.

#### **ACCESS TO RECORDS**

As per the Service Agreement with the DSSMSSAB, the Service Provider must make financial and enrollment records available to DSSMSSAB staff within 5 business days of the request. The DSSMSSAB may request access to the Service Providers records any time during the term of the Agreement and for seven years after the expiry or termination of the Agreement.

In addition to any in-year requests, the Service Provider must submit the following information to the DSSMSSAB as outlined below.

	<b>Submission Type</b>	<b>Due Date</b>
<b>1</b>	Service Agreement / Amendments	30 days after date of receipt
<b>2</b>	Draft Annual Operating Budget Finalized Annual Operating Budget	60 days before the next funding year 30 days after new funding year
<b>3</b>	Audited Financial Statement Letter of Finding	Four months after year end <u>or</u> letter from auditor stating Service Provider submitted all required documents and completed audit is pending
<b>4</b>	OCCMS: Attendance, Vacancies and Occupancy Report	Attendance and Vacancy/Occupancy information by age group by the end of the third business day of the following month
<b>5</b>	Wage Enhancement Reconciliation Wage Enhancement Applications	January 15 <sup>th</sup> (following funding year) December 1 <sup>st</sup> (prior to next funding year)
<b>6</b>	One-Time Grants Reconciliation	As per date specified in contract amendment or approval or as specified in written request
<b>7</b>	Statistical / Target Information	As per date specified in written request
<b>8</b>	Board of Directors: -Names and contact information -List of Signing Officers  Board Minutes	Annually or upon changes  Copy to be forwarded once approved by Board
<b>9</b>	Changes to Operating Capacity or any revisions or use of alternate capacity	Submitted in writing prior to making changes
<b>10</b>	Changes in School Age Market Rates and requests to increase Fee Subsidy rates	60 days prior to rate change (board motion to be included)
<b>11</b>	Insurance Certificate, confirming liability as per contract and naming DSSMSSAB as additional insured	Annually upon renewal
<b>12</b>	CWELCC Attendance and Funding Report by Site	Completed monthly and submitted within 3 business days after month end.
<b>13</b>	Copy of most recent Program Statement	Submitted with annual budget
<b>14</b>	Motion from Board of Directors indicating support and participation in Quality Assurance program	Submitted after the first scheduled Board meeting once Service Agreement is endorsed

## **ANNUAL BUDGET**

The Service Provider will submit a draft annual Budget to the DSSMSSAB 60 days prior to year-end and a finalized budget 30 days after new funding year begins. The budget will contain operating costs and all sources and amounts of revenue. A maximum of 10% of DSSMSSAB revenue will be allocated to administrative expenses. (This will not include the Supervisor's salary).

DSSMSSAB funding can be utilized to support:

- a) a supervisor who has 5 full-time staff to spend half of the allocated supervisory hours on administrative duties;
- b) a supervisor with more than 7 full-time staff to work full-time on administrative duties; and
- c) a full-time administrator's salary for agencies with an operating capacity of 90 children or more.

## **AUDITED FINANCIAL STATEMENTS**

Service Providers receiving funding in excess of \$20,000 must provide the DSSMSSAB with audited financial statements within four months of the organization's fiscal year end. A two month extension can be requested by the Auditor. The DSSMSSAB also requires that the Management Letter be submitted along with the audit.

NOTE:

1. A Management Letter is issued by the auditor to the Board of Directors after the audit has been completed. The purpose of the letter is to identify any weaknesses in the organization's internal controls or other significant matters that were identified during the course of the audit.
2. Auditors are strongly encouraged to contact the DSSMSSAB and request an "Audit Confirmation Letter" which itemizes all funding received by the Service Provider in the fiscal year.

## **DSSMSSAB Audit Requirements**

1. Payments received from the DSSMSSAB are to be recorded as revenue and not as an offset to any expenditure. If offsetting did occur, it can be detailed either on the Income Statement (Profit and Loss Statement) or in the Notes to the Financials with a schedule detailing how DSSMSSAB funding was recorded and displayed on the financials.

Revenue sources are to be recorded as:

- Parent Fees
  - Fee Subsidies
  - CWELCC
  - General Operating Grant
  - Wage Subsidies (Pay Equity, Professional Practice Leader funding, Wage Enhancement)
  - Onetime funding grants (Restricted contribution)
  - Other (Specify)
2. Include a note which breaks down staffing costs by reporting salary expenses separately from benefit expenses (*The DSSMSSAB is required by the Ministry of Education to confirm that General*



*Operating funding has not been used to support minimum wage requirements. This information along with the collection of staffing levels will assist with this process.)*

3. Contract amendments are provided and identify where to apply revenue. If all funding is not expended in the year of the amendment, it should be recorded as a deferred contribution with an audit note to identify where the deferred revenue came from and its purpose. Deferred contributions are recognized as revenue in the year in which the related expense is incurred.

Service Providers may be required to revise and resubmit audited financial statements that do not comply with auditing/accounting standards or DSSMSSAB reporting requirements. Failure to submit an audit in the specified format may result in sanctions being applied.

When a Service Provider has incurred a deficit, a realistic business plan that identifies how the deficit will be addressed in the following year, must be submitted with the audit.

## **GOVERNANCE**

1. The Service Provider will maintain a minimum of five directors.
2. The Service Provider shall submit a copy of any and all meeting minutes as they are approved, including the Annual General Meeting Minutes each year. The minutes shall include the approval of previous year's AGM minutes, the election of the Board of Directors and appointment of the auditor.
3. The Service Provider will submit annually submit a list of current Board Directors and Signing Officer(s) – including contact information and update immediately when changes occur.
4. Two Signing Officers are recommended for cheque signing purposes in a non-profit organization.

## **INSURANCE**

As insurance coverage is renewed, a copy of the updated certificate must be submitted to the DSSMSSAB. The current minimum level for general liability insurance is five million dollars.

The certificate must list all locations in receipt of funding from the DSSMSSAB, contain a cross liability clause, and name the DSSMSSAB as an additional insured.

## **REPORTS (Service Provider to maintain and provide if requested):**

- a) Service records for each service and program provided by the Service Provider as part of this Agreement;
- b) Up to date financial records and books of account respecting all funds received by the Service Provider from the DSSMSSAB as part of this agreement and maintained in accordance with generally accepted accounting principles;
- c) Financial statements and reconciliation reports with respect to the services and programs provided as part of the Agreement;

- d) Quarterly reports on enrollment of all children served including full fee; (template provided by DSSMSSAB); and
- e) any other report that the Ministry or the DSSMSSAB may reasonably request.

From time to time the DSSMSSAB may undertake a compliance audit to ensure that the goals of CWELCC are being achieved, including reduced base fees being implemented consistently, and to ensure compliance with the workforce compensation requirements including increasing wages to support a mandated wage floor and annual wage increase.

The DSSMSSAB may also undertake an audit of a program's attendance records as per our Ministry of Education responsibilities. Attendance records will be requested without notice, reviewed on site and copies requested for comparison to OCCMS files.

## **SCHEDULE "B-5"**

### **Capacity Building | Quality Assurance | Professional Practice**

#### **BACKGROUND**

The District of Sault Ste. Marie Early Years Leadership Table and Quality Assurance Committee uses a collaborative approach in planning for and execution of capacity building initiatives at a local level. This group of Child Care, Licensed Home Child Care and EarlyON Supervisors, Managers, Special Needs Resource Managers, Indigenous-led Supervisors, Managers, and community partners (by invitation) meet regularly to identify gaps in service delivery and local capacity.

The Professional Practice Leader (PPL) plays an integral role in the success of the Quality Assurance Program by being a role model and inspiring others to deepen their own knowledge of current pedagogy and reflect on how this knowledge informs their daily practice.

#### **OBJECTIVE**

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.

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*. Capacity building initiatives helps child care operators to put this pedagogical framework into practice.

The PPL role will strategically challenge and mentor their peers with coaching strategies to create a culture of reflective teaching and best practices that lead to quality early childhood environments.

To meet this objective, the PPL will advocate for and implement components of the QA Program within each agency by:

- conducting informal evaluations using QA approved Program tools;
- engaging peers in dialogue about QA Program components;
- collaborating with peers and supervisor to establish program goals and action plans and motivating peers to implement action plans;
- engaging in professional development opportunities including participation in PPL meetings, independent study to develop personal skills and knowledge; and
- participating in community professional development opportunities.

#### **ELIGIBLE EXPENSES**

- 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).

## **ROLES AND RESPONSIBILITIES**

The **Service Provider** will support and promote professional learning and development opportunities by fully participating in programs and events funded by the DSSMSSAB and planned through Leadership and Quality Assurance members. This includes but is not limited to:

1. Professional Practice Leader meetings and initiatives
2. Mentorship and/or Recruitment and Retention strategies
3. Non-profit Board Training
4. Leadership and Business Administration Training
5. Program closures for child care educator professional learning
6. Post-secondary institution certificate courses, workshops

## **SCHEDULE “B-6”**

### **SERVICE NAME: Special Purpose Funding**

**Play Based Materials & Equipment | Repairs & Maintenance | Transformation**

#### **OBJECTIVE**

Special Purpose funding is issued to offset child care expenses that support the transformation and stabilization of the child care system to ensure that families have access to affordable, inclusive and accessible licensed child care that is compliant with licensing and health requirements and is built on the foundation of the How Does Learning Happen Pedagogy.

#### **CONTINGENCIES**

Service Providers are accountable for all funding received and are required to submit individual Reconciliation Reports in conjunction with all related receipts. It is the responsibility of the Service Provider to ensure purchases and/or installations of any equipment or materials meet Federal, Provincial, Municipal safety regulations, guidelines and/or licensing requirements.

Eligibility Criteria:

- a) Engage in the Quality Assurance program.
- b) Be inclusive of children with special needs.
- c) Reflect equality and respect within the racial, ethnic, cultural, linguistic, and family diversity of the program and broader community.
- d) Have sound business practices and be in good standing with respect to financial/contract reporting requirements as set out by DSSMSSAB.

Funding may be limited or unavailable during the period of this Agreement.

#### **PRE-APPROVAL**

All Repairs and Maintenance purchases require pre-approval as funding is issued on a claims basis. Play Based Materials and Equipment or Transformation funding for single purchase items in excess of \$5,000, requires pre-approval.

Requests will include the following:

<b>Funding Type</b>	<b>Outline the details of needs or requirements:</b>	<b>Vendor and estimated completion date</b>	<b>Age Group</b>	<b>Amount</b>
Play Based Materials and Equipment	Builds on the foundation of How Does Learning Happen.			
Repairs and Maintenance	Meets licensing and health and safety requirements.			
Transformation	Contributes to agency stabilization and modernization.			

## 1. FUNDING TYPES

### 1.1 Play Based Materials & Equipment Funding

The DSSMSSAB has developed an equitable approach to the allocation of Play Based Materials & Equipment funding. Through application of the General Operating framework, financial support is weighted by the total number of licensed spaces operated by Service Providers and available funding within a given year.

Funding is intended to help Service Providers 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.

Play Based Materials and Equipment funding may also be used to purchase high quality, durable supplies and equipment that supports the regular operation of the child care program (ie: kitchen supplies and/or supplies to support the learning environment while adhering to health and safety requirements).

Ineligible Materials:

- a) Consumable materials (ie: art paper, paint, glue)
  - utilize other funding streams, such as parent revenue, for this purpose
- b) Toys that limit imaginative play
  - action figures or dolls with pre-set accessories or movements
  - toys that talk, sing or dance
- c) Toys that are branded such as with a TV show or popular character

### 1.2 Repairs and Maintenance

Funding is intended to support child care operators not in compliance with licensing requirements or at risk of non-compliance under the *Child Care and Early Years Act, 2014*. Funding may cover one-time costs such as repair or replacement of major systems, play areas, or to maintain compliance with fire, building or health codes.

Requests that demonstrate the most critical and time sensitive needs are a priority followed by eligible requests, reviewed on a first-come, first-served basis, until funding is exhausted. Supporting documentation identifying the non-compliance along with quotes/estimates is required. Operators may be required to cost-share the expense when DSSMSSAB funding resources are constrained.

- ❖ Operators approved for this funding must ensure that on-site repairs and/or renovations are complete between January 1st and November 15th of the current calendar year. Funding reconciliation is required.

### 1.3 Transformation

Transformation Funding is available on a claims basis intended to cover one-time costs that facilitate child care transformation activities and/or require business transformation supports. Requests must clearly state how funding will support long-term program viability and demonstrate that a strategic planning process has occurred.

Business transformation activities are defined as, but not limited to the following:

- a) The amalgamation of two or more centres.
- b) The relocation of a child care centre to a school or within the community.
- c) The retrofitting of an existing child care centre to serve younger age groups.

Business transformation supports may include the following one-time expenses:

- a) Legal costs (available only to operators that are amalgamating).
- b) IT upgrades to facilitate internet connectivity for business purposes.
- c) Technology upgrades (administrative / financial software and training to support modernization).
- d) Website development / Marketing / Signage.
- e) Parent communication applications.
- f) Consultant services to assist with performance management, by-laws or policy development.

## 2. Funding Conditions

The Service Provider agrees to:

- a) submit supporting documentation for all Special Purpose funding received, in a DSSMSSAB approved format (the OCCMS system is now set for Special Purpose invoice submissions - see sample below);
- b) **label receipts/invoices** by site, age grouping and funding type:  
Repairs & Maintenance | Play Based Materials & Equipment | Transformation;
- c) keep all supporting documentation (receipts, paid invoices, and proof of payment) for a minimum of seven years as verification may be requested at any time;
- d) request approval prior to procuring single item purchases over \$5,000;
- e) submit a spending plan by October of each year, with timelines for any remaining Special Purpose Funds; and
- f) recovery of funding not utilized in an approved manner or not expended within approved timelines.

The OCCMS system tracks utilization of Special Purpose Funding.  
The Service Provider agrees to enter invoice information through this portal.

Operators Attendance Special Purpose Expenses Admin Help

## Welcome to OCCMS - Operators



### Ontario Child Care Management System

Operators Attendance Special Purpose Expenses Admin Help

### Special Purpose Invoices

Year: 2023 Month: January

[View Invoices](#)

### Special Purpose Invoice

Head Office is not HST Registered - Include HST in all Amounts

Site:

Type:

Comment: In this section add:  
1. Vendor Name  
2. Site and age grouping purchase is intended for

Invoice Amount:

[Save](#) [Cancel](#)



## **SCHEDULE “B-7”**

### **Delivery of Inclusive Services**

#### **BACKGROUND**

Funding for child care services will be negotiated with Service Providers who demonstrate a commitment to provide high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs to children and families in the District of Sault Ste. Marie.

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.

#### **PRINCIPLES OF INCLUSIVE DELIVERY**

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 practices.
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 Expression.

#### **SERVICE OVERVIEW**

Special Needs Resourcing (SNR) funding is to be used to support the inclusion of children with special needs in licensed child care and approved Early Years settings at no additional cost to parents/guardians and to meet the requirements set out below.

1. Services and supports purchased through SNR funding are for children with special needs up to **13 years of age** primarily in licensed child care centres and regulated private-home day care or those in receipt of services before August 31, 2017, and allowed to continue until they turn 18, provided that they meet other eligibility criteria that are unrelated to age.
2. The Service Provider shall ensure that inclusive services are provided in accordance with the *Child Care and Early Years Act, 2014* and the Ministry of Education Management and Funding Guideline as well as any other requirements of the DSSMSSAB.
3. The Service Providers must comply with legislative and regulatory requirements for obtaining parental consent for service and information exchange for any purpose (e.g. referrals).

4. The Service Provider shall collaboratively create individual and program specific support/action plans to ensure inclusion and increase program capacity through regular consultation. This will be done using a combination of consultation as well as day to day mentoring through the use of Resource Consultants as the situation warrants.
5. The Service Provider will work with Resource Consultants to provide a wide range of services and supports for children with special needs and their families. These supports may include providing child care staff with program adaptation strategies, developing individual support plans, conducting developmental screens and supporting early intervention, providing referrals to and coordinating the services of community agencies, providing information and resources for parents and obtaining specialized equipment as required, and assessing individual programs for Enhanced Ratio Support eligibility.
6. The Service Provider will ensure that Parents/Guardians are an integral part of the team in the successful inclusion of their child and provide support in their roles as advocates for their children. Each child receiving ongoing SNR supports will have an individual support plan, developed in partnership with Thrive Child Development Centre (Thrive), the program, and the Parent/Guardian of the child that reflects an assessment of needs and preferences.
7. The Service Provider will work with Thrive to provide training to child care staff on inclusion principles and on child specific needs as required.

## **ENHANCED RATIO SUPPORT FUNDING TO SUPPORT LICENSED CHILD CARE**

When faced with a situation where barriers to inclusion exist and temporary supports are required to meet the unique needs of the children participating in the program, funding to support enhanced staffing for the transition period may be available. Under the direction of Thrive Child Development Centre, and in collaboration with the Service Provider funding may be available to hire an additional educator to support a group of children within a centre. Thrive will complete a multi-needs index and a determination of services tool to identify the level of support recommended and determine eligibility for Enhanced Ration Support funding. Each request for funding is unique and will vary depending on the individual needs of the program.

With Enhanced Ratio Support funding, an additional educator is hired by the Service Provider to support a class-wide approach and the individual may not be a subject matter expert in special needs resourcing. The temporary support person is to interchange with the educators to work within all of the necessary classroom roles, and not intended to work solely with one child. It is the responsibility of all educators in the classroom to work alongside the resource consultant and implement the strategies to support the group. The additional educator may at times be required to cover ratio to complete the program expectations while one of the other educators is attending inclusion meetings or completing inclusion specific training as recommended by Thrive.

The two main priorities are:

1. To work as part of the team to support the whole program and not a specific child (the enhanced staff is not considered a part of ratio and is not to be solely responsible for a specific child).
2. Use a team approach to assist in supporting the implementation of goals/strategies/rewards or incentive programs, the resource consultant and program staff have previously agreed upon.

The Service Provider Agrees to use the invoicing format provided by Thrive Child Development Centre.

## **SCHEDULE “B-8”**

### **SERVICE NAME: Child Care Fee Subsidy**

#### **SERVICE OBJECTIVE**

Child Care Fee Subsidies enable families with children, who qualify, to access high quality, developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs in the District of Sault Ste. Marie.

#### **SERVICE OVERVIEW**

A Fee Subsidy is financial assistance provided on behalf of parents/guardians towards the cost of child care services, home child care and extended-day programs, including non-instructional days. Receipt of Fee Subsidy funds is conditional upon all reporting and service delivery requirements being met.

#### **REQUIREMENTS AND CONDITIONS**

- a) The Service Provider shall operate a non-provisional licensed Child Care program or Home Child Care agency at each of their child care locations and provide a mix of full time and part time (part day/full day and/or part week/full week) child care spaces that meet the needs of the families enrolled.
- b) Fee Subsidy is conditional upon all reporting requirements remaining current. The Service Provider is subject to review and/or audit upon the DSSMSSAB’s request and must provide such information as deemed necessary by the DSSMSSAB.
- c) The Service Provider will be required to submit an annual budget submission to the DSSMSSAB.
- d) Receipt of Child Care Fee Subsidy is dependent on available funding, parental choice for qualifying families, space availability and the Service Providers willingness to actively participate in the DSSMSSAB Quality Assurance Program.
- e) The DSSMSSAB reserves the right to review and amend external and internal procedures and policies by which the Fee Subsidy Program is administered.
- f) Fee Subsidy is subject to the availability of subsidy funds within the budget of the DSSMSSAB. The DSSMSSAB may at any time alter the number of children eligible for subsidy within the District of Sault Ste. Marie child care system.
- g) The DSSMSSAB shall be entitled, upon notifying the eligible parent/guardian, to remove a Subsidized Child from any Child Care Centre at which the Service Provider provides services pursuant to the Agreement, at any time if, in the opinion of the Director of Early Years, the health and safety of the Subsidized Child would be at risk if they remained in the child care centre.
- h) Any amendments to market rates for child care must be submitted to the DSSMSSAB and accompanied by a signed motion from the Service Provider’s Board. Revisions to daily rates can be submitted for consideration or adjustment once per calendar year – with two months notice.

## SERVICE DESCRIPTION

### Eligibility

Service Providers are to adhere to the most current DSSMSSAB Policy Information Manual for Child Care Operators.

1. Families must complete an application for Fee Subsidy with the Case Manager for determination of eligibility.
  - a) In the event that the family is determined to have “available income” to contribute towards the cost of child care, the DSSMSSAB will advise the Service Provider of the parental contribution. The Service Provider is responsible for the collection of this amount from the family.
  - b) Any child care fees that are incurred by a family when deemed ineligible, will be the sole responsibility of the family and collection thereof will be the sole responsibility of the Service Provider.
  - c) The Service Provider shall not charge a surcharge, administrative fee or other levy to a family over and above the approved fees without prior written approval of the DSSMSSAB.
  - d) Once a family is eligible for subsidized care, they must continue to meet eligibility requirements. Case Managers have an ongoing review process in place and will inform the Service Provider of any relevant changes to the parental contribution or forthcoming withdrawals from service, if known.
  
2. **Attendance and Billing**
  - a) The Service Provider shall maintain an attendance register detailing attendance on a daily basis of each child. The attendance register shall contain sufficient data to ensure its validity for year-end reconciliation purposes.
  - b) The Service Provider must immediately notify the Case Manager of any changes to a child’s approved schedule by completion of the *Change of Information* form.
  - c) Under the Ontario Child Care Management System, (OCCMS) automated billing process, attendance reports are distributed/available to Service Providers on the first working day of the calendar month subsequent to the month in which the services were provided. The Service Provider is required to complete online monthly attendance records using OCCMS. Attendance is to be completed by the third business day of the month and subsidy payments will be completed through electronic transfer by the 10<sup>th</sup> business day. Should the Service Provider fail to submit attendance on time, subsidy payments will be delayed.
  - d) The Service Provider is required to complete and update the vacancy and operating capacity section on the Attendance Sheet on a monthly basis.

- e) The DSSMSSAB will issue funds monthly based upon receipt of attendance. Any adjustments will be processed within three months of the discrepancy coming to the attention of the DSSMSSAB. Should the Service Provider disagree with the fee subsidy allocation, notification is required within 10 business days of receipt of payment. The Case Manager will review discrepancy and notify the Service Provider of their decision. If additional payment is warranted, payment will be adjusted with the following months' attendance.
- f) The DSSMSSAB may in its sole discretion reduce proportionally the amount payable to the Service Provider where the absenteeism of a subsidized child exceeds the maximum number of approved paid days away.

### **3. Change / Termination of Subsidized Services**

- a) For the purpose of this Agreement, enrollment shall be deemed to commence upon the first day of attendance of any Subsidized Child as identified by the DSSMSSAB and shall terminate upon the last day of attendance of same child provided that proper notice of withdrawal has been given.
- b) Where the Service Provider is aware of a forthcoming termination of subsidy, the DSSMSSAB shall be notified immediately using the *Change of Information* form.
- c) The Service Provider shall require the parent/guardian to provide ten (10) days written notice of withdrawal from services for a subsidized space. Where the attendance of the Subsidized Child was terminated without sufficient notice, the child shall be deemed enrolled up to a maximum of ten (10) days after his/her last day of attendance—provided the Service Provider does not fill the vacant space left by such child.

It is recommended that any policies and procedures related to enrollment/participation of children be implemented consistently with full fee paying and subsidized families.

### **4. 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.

As outlined in provincial guidelines, the DSSMSSAB will, through a budgeted allocation, give priority to Ontario Works where possible. As a result, the DSSMSSAB may occasionally contact the Service Provider directly with a request to utilize a vacant space for this purpose.

## **SCHEDULE “B-9”**

### **Pay Equity Memorandum of Settlement**

#### **BACKGROUND**

The government reached a mediated Memorandum of Settlement (MOS) with five unions in the spring of 2003 regarding the funding for proxy pay equity. The Memorandum of Settlement covers the period between January 1, 1999 and December 31, 2005. Although the MOS has ended, existing pay equity base funding under the MOS will continue to be made available to Child Care Operators who were already in receipt of this funding.

#### **OBJECTIVE**

Support eligible organizations with the cost of implementing proxy pay equity. The Pay Equity Act requires employers to make annual adjustments of a minimum of 1 per cent of the previous year’s payroll toward proxy pay equity targets until pay equity has been achieved.

#### **REQUIREMENTS AND CONDITIONS:**

The Service Provider will use the Funds to meet their pay equity obligations and are required to:

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

The Service Provider is required to provide a year-end reconciliation that shows the actual pay equity expenditures under the MOS. Pay equity funds may not be used for any other purpose.

Wage Enhancement funding may not be used to fund pay equity obligations that are not fully covered by Pay Equity Memorandum of Settlement funding or to cover any additional pay equity obligations.

## **SCHEDULE “B-10”**

### **SERVICE NAME: Provincial Wage Enhancement Grant**

#### **SERVICE OBJECTIVES**

The provincial wage enhancement grant (WEG) will help narrow the gap between RECE wages in the education sector and the licensed child care sector, help retain Registered Early Childhood Educators (RECEs), and support access to stable, high quality child care programs for children and families. This grant will also support licensed home child care agencies and strengthen the licensed home child care system.

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

#### **SERVICE OVERVIEW**

The WEG supports a wage increase of up to \$2 per hour, plus 17.5% benefits to Registered Early Childhood Educators and other child care program staff working in licensed child care centres and licensed home child care.

WEG funding is available to eligible child care program staff, working in all licensed child care centres, whose positions can be counted toward adult to child ratios under the *Child Care and Early Years Act, 2014* (CCEYA) including:

- Registered Early Childhood Educators (RECEs);
- Program staff;
- Supervisors; and
- Home Visitors employed by licensed Home Child Care operators.

#### **REQUIREMENTS AND CONDITIONS**

1. It shall be within the DSSMSSAB’s sole discretion to determine whether the Service Provider meets the conditions and requirements for eligibility set out in this Agreement, as well as the amount of funding.
2. Eligibility criteria is used to determine entitlement (based on hours worked in prior year to determine payments in current year). For centres that open in the current year, an estimate number of hours worked is calculated. The Service Provider may run short of the Wage Enhancement Grant should staffing or hours exceed available funding.
3. To receive the full WEG, RECEs, Home Visitors and other child care program staff must be:
  - a) Employed in a licensed child care centre or agency;
  - b) Have an associated base wage (excluding WEG) of \$28.59 or less per hour (i.e. \$2 or more below the wage cap of \$30.59 in 2024); and
  - c) Be in a position categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014*.



Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the *Child Care and Early Years Act, 2014* may also be eligible for WEG funding.

#### **4. Partial Wage Enhancement**

To receive a partial WEG Grant (less than \$2.00 per hour and 17.5% benefits), program staff must:

- a) Be employed in a licensed child care centre or home child care agency;
- b) Have an associated wage between the Ministry of Education threshold and the maximum \$2 per hour increase (excluding the previous year's WEG); and
- c) Be categorized as a child care supervisor, RECE, home child care visitor, or can be otherwise counted toward adult to child ratios under the *Child Care and Early Years Act, 2014*.

Supplementary program staff positions that are in place to maintain lower adult-child ratios than required under the *Child Care and Early Years Act, 2014* may also be eligible for partial WEG.

#### **5. Ineligible Positions (Non-Program Staff)**

- a) Cook, administrative, custodial and other non-program staff positions are not eligible for WEG funding.
- b) Special Needs Resource funded resource teachers/consultants and supplemental staff are not eligible for WEG.
- c) The only exception to this provision is if at least 25% of the non-program staff position is used to support ratio requirements, in which case the staff may be eligible for partial WEG funding equal to the proportion of their time used to support ratio requirements.
- d) Staff hired through a third party (i.e. temp agency).

#### **6. Home Child Care Enhancement Grant (HCCEG) - Home Child Care Providers**

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

- a) Hold a contract with a licensed home child care agency;
- b) Provide services to one child or more (including privately placed children; excluding the provider's own children);
- c) Provide full time services on average (6 hours or more a day); and
- d) Receive base daily fees, excluding prior year's HCCEG, of \$285.90 or less (i.e. \$20 below the cap of \$305.90 in 2024).

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

- a) Hold a contract with a licensed home child care agency;
- b) Provide services to one child or more (including privately placed children; excluding providers own children);
- c) Provide part time services on average (less than 6 hours a day); and
- d) Receive base daily fees, excluding prior year's HCCEG of \$1173.54 or less. (i.e.\$10 below the cap of \$183.54 in 2024).

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

## **7. Supplemental Grant**

The supplemental grant must be used to support staff, home visitors' and providers' hourly/daily wage or benefits. This grant of \$150.00 per funded FTE centre-based staff and \$50 for each eligible home child care provider allows licensees some flexibility to provide and implement wage enhancement in a way that aligns with their regular operations.

The Service Provider must ensure that the supplemental grant is used to support staff, home visitors and home providers' hourly/daily wage or benefits. This includes the flexibility to cover salary shortfalls (due to increased hours in program or new staff) 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.

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

## **8. Benefits**

- a) The benefit amount calculated in the application is based on 17.5% of the salary component and includes mandatory benefits, 9 statutory holidays and up to two weeks' vacation pay. The employer may have a benefit surplus if they are exempt from EHT or WSIB.
- b) Agencies may use residual benefit funding to support wage enhancement salaries. Please note this is one-way funding flexibility only, which means salary funding cannot be used for benefits.
- c) Supplemental grant provides flexibility to cover additional benefits, (e.g. vacation days, sick days, PD days and/or other benefits) once mandatory benefits are covered.

## **9. Administrative Expenses**

- a) One-time administrative funding may be provided to eligible operators to cover administrative effort associated with the implementing of WEG.
- b) To be eligible, the Service Provider must demonstrate limited administrative resources to complete application, develop internal payment processes or to track data and expenditures.
- c) Administrative grants are not guaranteed and are subject to available funding.

## **APPLICATION & RECONCILIATION**

- a) The Service Provider is required to submit an application for WEG funding (by site) on the DSSMSSAB approved application form by December 1<sup>st</sup> of the prior year.
- b) Within 30 days of the end of the calendar year to which the WEG funding applies, the Service Provider shall provide a completed reconciliation form which shall confirm the amount of WEG funding used by the Service Provider in accordance with the terms and conditions set within this Schedule.

- c) In the event that the Service Provider has not used all of the WEG funding, the Service Provider shall remit a cheque payable to the “District of Sault Ste. Marie Social Service Administration Board” in the amount of the surplus funding along with the completed reconciliation form.

## **RESTRICTIONS**

WEG funding is a Ministry of Education enveloped allocation and the Service Provider is required to use the funding only for the intended purpose.

### **The Service Provider will:**

- a) Pay the WEG funding to eligible staff as part of their standard wage rate (for example, biweekly payroll);
- b) Issue lump sum disbursements only when processing DSSMSSAB retroactive payments.
- c) Give the WEG funding solely to eligible staff to increase wages; and
- d) Immediately return to the DSSMSSAB upon reconciliation, any WEG funding that cannot be used within the calendar year and in accordance with the conditions outlined within this Schedule.

### **The Service Provider will not:**

- a) Substitute payments previously provided to staff with WEG funds;
- b) Exceed an hourly wage increase of \$2.00 plus 17.5 percent mandatory benefit using WEG funding;
- c) Use WEG on any other child care program expenses;
- d) Use the WEG Grant to support child care centre expansion or to reduce fees; or
- e) Issue WEG funding to staff not hired to work in a capacity that directly covers child care ratios. (The Supervisor, as listed on the license, is entitled to the WEG Grant for all hours worked.)

## **ACCOUNTABILITY AND REPORTING**

The DSSMSSAB is required to submit reports to the Ministry of Education to support accountability and inform future policy and implementation decisions.

As related to the receipt and allocation of WEG funding, the Service Provider is required to:

- a) Clearly indicate on staff pay cheques the portion of funding that is being provided through the Wage Enhancement Grant labelled as **PCCWE “Provincial Child Care Wage Enhancement”**;
- b) As and when requested, submit to the DSSMSSAB a statement signed by a designated Signing Officer which attests that 100% of the WEG Grant funding was provided directly to eligible child care staff for wages and benefits as per this Agreement and that no portion of the WEG Grant funding was used for any other purpose; and
- c) Participate in any reconciliation process put in place by the DSSMSSAB which is subject to audit by the DSSMSSAB.

As and when requested by the DSSMSSAB, the Service Provider shall report the following service data and financial information:

- Number of Registered Early Childhood Educators Full Time Equivalents (FTEs) receiving a full WEG;
- Number of Supervisor FTEs receiving a full WEG;
- Number of other program FTEs receiving a full WEG;
- Number of Registered Early Childhood Educators FTEs receiving a partial WEG;
  - Number of Supervisor FTEs receiving a partial WEG;
  - Number of other program FTEs receiving a partial WEG;
  - Number of Home Visitor FTEs receiving a full WEG;
  - Number of Home Visitor FTEs receiving a partial WEG;
  - Number of licensed child care programs receiving WEG
  - Total WEG funding paid to fully eligible positions, separated into wages and benefits; and
  - Total WEG funding paid to partially eligible positions, separated into wages and benefits.

At its sole discretion, the DSSMSSAB may request additional service data and financial information of the Service Provider, and the Service Provider is required to report the requested information. Non-compliant operators may be deemed ineligible to receive future WEG funding.

In the event that the DSSMSSAB determines that the Service Provider has failed to meet the funding conditions outlined in the Agreement for the provision of wage enhancement/HCCEG funding, the DSSMSSAB must recover all misused funds. Additionally, non-compliant Service Providers may be deemed ineligible to receive future wage enhancement funding.

## **SCHEDULE 'B-11'**

### **SERVICE NAME: Child Care General Operating Grant**

#### **SERVICE OBJECTIVE**

The General Operating Grant supports the cost of operating licensed child care programs, including home child care, reduces fees for services, stabilizes service levels, and where funds allow, improves access to high quality developmentally appropriate, inclusive, evidence based licensed Child Care and Early Years programs in the District of Sault Ste. Marie.

#### **SERVICE OVERVIEW**

General Operating Grants are provided to Not-for-Profit Service Providers who demonstrate a commitment to provide high quality, licensed Child Care and Early Years programs to children and families. Receipt of the General Operating grant is conditional upon all reporting and service delivery requirements being met and is allocated based on occupancy rates.

#### **REQUIREMENTS AND CONDITIONS**

- i) The Service Provider shall operate a non-provisional licensed Child Care program or Home Child Care agency at each of their child care locations and provide a mix of full time and part time (part day/full day and/or part week/full week) child care spaces to meet the needs of the families enrolled.
- j) The General Operating Grant is conditional upon all reporting requirements remaining current. The Service Provider is subject to review and/or audit upon the DSSMSSAB's request and must provide such information as deemed necessary by the DSSMSSAB.
- k) The Service Provider will be required to submit an annual budget submission to the DSSMSSAB.
- l) To qualify for this funding, the Service Provider must demonstrate that they meet the minimum wage and mandatory benefits requirement, without utilizing General Operating funds.
- m) Upon written approval of the DSSMSSAB Early Years Director, 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, maintenance, etc.
- n) Service Providers are to use the operating funding allocations to support a stable ongoing operating and wage base, rather than allocating as lump sums or bonuses.
- o) General Operating funding will be managed by the Service Provider as "site specific" for centre based programs with more than one site. The closure of a site does not permit the General Operating funding to be re-distributed to another site/location.
- p) Service providers **must** immediately report to the DSSMSSAB, any significant reduction in service levels and/or staffing, that is not of a temporary nature. Permanent reduction of staffing and/or service levels will result in a proportional recalculation of the amount of operating funding approved by the DSSMSSAB.

The DSSMSSAB will reconcile use of funds annually and any identified surplus must be returned to the DSSMSSAB or deducted from future allocations. The DSSMSSAB reserves the right to approve any identified surplus for specific purposes. In the event of a service closure, funds will be prorated and surplus funds are to be refunded to the DSSMSSAB.

### **INADMISSIBLE EXPENSES**

The following expenses are considered inadmissible:

- a) 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;
- b) Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans;
- c) Non-arm's length transactions not transacted at fair market value.
- d) Fees paid on behalf of staff for membership in professional organizations such as the College of Early Childhood Educators are inadmissible expenditures; and,
- e) Any other expenditure not listed within Requirements and Conditions.

The Service Provider agrees to abide by policies and procedures as outlined in the Business Practice Guidelines for Child Care Service Operators.

## **Schedule “B-12”**

### **PROGRAM NAME: Canada Wide Early Learning Child Care (CWELCC)**

#### **BACKGROUND**

The Government of Canada has identified child care as a national priority to enhance early learning and childhood development, support workforce participation and contribute to economic recovery. On March 28, 2022, a \$13.2 billion agreement was reached between the Federal and Provincial governments for a national child care program to support families in Ontario.

By 2025-26, Ontario will have average licensed child care fees of \$10/day for existing programs for children 0-5 years of age and families will have access to high quality, and inclusive licensed child care. The plan contains 5 pillars: improving affordability, enhancing quality via a strong, qualified workforce, increasing access through the creation of new spaces, supporting inclusion, and responsive data and reporting.

The DSSMSSAB is responsible for the implementation of this new plan for Child Care called the Canada Wide Early Learning and Child Care program (CWELCC) at the local level and for doing so within the authority of the *Child Care and Early Years Act, 2014* and the DSSMSSAB Guidance Document.

#### **SERVICE OBJECTIVE**

The District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) is committed to ensuring that the CWELCC System is planned and implemented in accordance with the Ministry of Education Agreement, Policies and Guidelines through a process that is fair, accountable and transparent.

The Ministry of Education is taking a phased approach to implementing the CWELCC System, with a focus on the immediate objectives of affordability for families and system stability, before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term.

It is understood that this schedule in no way supersedes any understanding found in the general conditions of the service agreement.

#### **INITIAL PARTICIPATION CRITERIA**

New regulations and changes to the licensing process took effect December 31, 2022 and apply to applicants seeking new licenses. Child care operators who obtain a new license must set their base fees at or below the regional maximum as set out by age group pursuant to O.Reg137/15 of the CCEYA. Regional maximum fees would also apply to any new age groups that a licensee begins operating after March 27, 2022 (e.g., apply to revise license to add an infant room), or where a Service Provider begins operating an age group after March 27, 2022 that the licensee had not operated for at least two years (e.g., a licensee wishes to use an alternate capacity that has not been used recently or re-open a room that was closed during the pandemic).

Regional maximum base fees apply until one of the two conditions is met:

- 1) the licensee provides notification to the CMSM/DSSAB that the licensee is not participating in CWELCC, or

2) the licensee receives notice from the CMSM/DSSAB that its application for CWELCC has been accepted in which case the base fees must be reduced.

The Service Provider further agrees that the CWELCC Guidance Document is adhered to and has confirmed that the following criteria have been met:

- a) Submission of Audited Financial Statements and other requested information related to operations, which demonstrate to the DSSMSSAB that agency is sustainable and financially viable.
- b) Operations are in accordance with the Child Care and Early Years Act, 2014 (CCEYA), its regulations, the CWELCC Guidance Document and the fully executed Purchase of Service Agreement.
- c) Licensed spaces for children ages 0 – 5 years (pre-CWELCC System announcement on March 28, 2022) are maintained and spaces have NOT been changed to a different age grouping. (e.g., converting infant spaces to toddler, or infant spaces to kindergarten) in 2022.
- d) CWELCC System enrolment status was initially communicated to all parents and staff, in writing, and within 14 days of being notified by the DSSMSSAB of the results of the CWELCC application.
- e) Completion of the annual Licensed Child Care Operations Survey, as required under section 77 of O. Reg. 137/15.
- f) Reduction and refund of base fees in accordance with O. Reg.137/15.
- g) Retention of an electronic or hard copy of the purchase of service agreement at the child care centre or home child care agency, available for ministry inspection.
- h) Maintain a license in good standing with, and not in contravention of, the CCEYA.

## **FUNDING TERMS AND CONDITION**

Funding allocations to the Service Provider will be determined at the discretion of the DSSMSSAB based on actual costs. As such, the Service Provider agrees to:

- a) use CWELCC Funds to support CWELCC System objectives in accordance with this amendment, applicable legislation and regulations and applicable guideline requirements;
- b) return CWELCC System Funds to the DSSMSSAB where funds are not used in accordance with the requirements established by the DSSMSSAB;
- c) provide sufficient and detailed financial or other information related to child care operations as required by the DSSMSSAB for review;



- d) submit information for eligibility of base/non-base fees which will be subject to review as part of the DSSMSSAB funding and reconciliation process;
- e) accrue funds allocated for a specific year but paid out after December 31 of the following year and work with auditors to ensure payments are captured in the correct year in audited financial statements; and
- f) submit (within stated timelines) all data requests and reports related to CWELCC funding.

## **FUNDING ACCOUNTABILITY AND CONSIDERATIONS**

CWELCC funding amounts to Service Providers will be determined in accordance with current and/or future ministry guidelines, DSSMSSAB guidelines and funding allocations received during the course of this agreement and are at the discretion of the DSSMSSAB. The DSSMSSAB Guidance Document will be revised if/when such changes occur.

To support fee reductions in child care for eligible children, CWELCC funding is provided by the DSSMSSAB to Service Providers to support the cost associated with the mandated reduction in a Service Provider's base rate.

- a) The DSSMSSAB will issue the 52.75% CWELCC funding for eligible children, up to the rate charged on March 27, 2022, if the March 27, 2022 rate is determined to contain eligible costs only (base fees). If it is determined that non-eligible charges are included (non-base fees) the amount of CWELCC issued for daily care will be reduced to exclude the ineligible charges. New licensed programs will be issued 52.75% of the regional maximum as approved by the DSSMSSAB.
  - New Service Providers will issue retroactive refunds of 47.25% of the DSSMSSAB approved regional base rate to parents and, moving forward, continue to only charge parents of eligible children 47.25% of this established base rate. DSSMSSAB will issue funding retroactive to the Service Provider's Participation Date in the CWELCC System.
  - Full fee paying families are required to pay a minimum of \$12.00/day for qualifying CWELCC children. This minimum fee does not apply to children who are not eligible (i.e., school age children over 6 years).
  - To ensure an equivalent fee reduction is applied to families receiving child care fee subsidy (who do not pay the full cost of a licensed space), the DSSMSSAB will reduce the parent contribution for eligible children by 52.75% (with no floor of \$12 for families receiving subsidy).
- b) To ensure consistent financial management practices across all Service Providers and that adequate funding is available for fee reduction and workforce compensation as Service Providers enroll in the program, the DSSMSSAB will not provide funding to reduce base fees for eligible children in excess of what is required to meet the CWELCC initiative.

- c) Non-base fees are not eligible for CWELCC funding and are not subject to the parameters set out; however, they must meet the definition of non-base fee set out in O. Reg. 137/15. Non-Base Fees charged by the Service Provider to parents for things that are not included in the Base Fee, as well as their associated costs, will be omitted by DSSMSSAB when determining the funding amounts to be flowed to enrolled Service Providers (for example: fees for picking up a child late).

NOTE: Anything that a parent is required to pay (i.e., mandatory fees) must be included as part of the base fee.

- d) The DSSMSSAB will endeavor to ensure that funding provided to Service Providers supports inflationary costs associated with base fees for a Service Provider's child care operations for eligible children in accordance with Ministry Guidelines and subject to confirmed funding availability.

### **DSSMSSAB FUNDING DETERMINATIONS**

To determine eligibility and reasonability of revenues, costs and expenses based on CWELCC System funding requirements, and to adjust or deny funding provided based on review; the DSSMSSAB maintains the right to:

- a) Confirm that the Service Provider did not charge fees for eligible children higher than the fees at which it was capped after March 27, 2022 (or the DSSMSSAB capped regional rate in accordance with O.Reg. 236/22 Table 1).
- b) Determine if a Service Provider's child care operations is sustainable and financially viable. The DSSMSSAB has the discretion to define sustainable and financially viable.
- c) 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 was communicated to families/parents prior to March 27, 2022).
- d) Verify that the Service Provider is maintaining the spaces for eligible children for whom they are receiving funding to reduce base fees (e.g., a licensed infant space must remain an infant space) and recover funding from the Service Provider should said spaces not be maintained.
- e) Require that the Service Provider report to the DSSMSSAB any revisions to capacity or use of alternate capacity for child care spaces currently licensed for ages 0-5.
- f) Require that the Service Provider does not close for more than 2 consecutive weeks and does not close for more than 4 weeks within a calendar year while the Service Provider is receiving full funding from the CWELCC System. Base fees cannot be charged for any closure beyond these timelines.
- g) Recover excess funding, or funding not used for its intended purpose. The DSSMSSAB has the right to withhold funding, reject the expense, recover funding already paid, or only provide funding for the expenditures the DSSMSSAB deems to be fairly charged.

## FEE REDUCTION

Fee reduction funds are to be used by the Service Provider to support parents and families by directly reducing base fees for eligible children. The Child Care and Early Year's Act, 2014 (CCEYA) sets out the rules regarding what participating child care operators will be permitted to charge parents as part of their base fee.

As such, the Service Provider agrees to the following terms and conditions.

- a) Base fees will be reviewed and must be determined in accordance with the requirements set out in O. Reg. 137/15 under the CCEYA.
- b) Base fees will be reduced for eligible children only.
- c) In addition to the 25% reduction, refunds will be issued to parents where the rate charged on March 27, 2022 was higher than the base rate determined by the DSSMSSAB for an eligible child. This applies both retroactively to the Service Providers CWELCC System enrolment date and for any period after the enrolment date where a higher rate was paid.
- d) Licensed home child care agencies participating in the CWELCC System are responsible for ensuring that Home Child Care providers charge parents of eligible children a base fee determined in accordance with O. Reg. 137/15. This applies to children who are agency placed and those children who are privately placed in the provider's care. The DSSMSSAB may request documentation from the Service Provider to confirm Home Child Care operator compliance.
- e) 20 days after the Service Provider is notified by the DSSMSSAB of their enrolment date, the Service Provider must begin charging the reduced base fee determined by the DSSMSSAB for an eligible child.
- f) 20 days after the Service Provider received a copy of the executed Amendment and is in receipt of CWELCC funding, the Service Provider is required to issue refunds to parents for:
  - any fees paid that were higher than the reduced base fee;
  - higher base fees that were prepaid for a period after the enrolment date; and
  - parental contributions to families in receipt of fee subsidy for the applicable period.
- g) The Service Provider is required to set base fees in accordance with O. Reg/137/15. The Service Provider will work with the DSSMSSAB to ensure that non-base fees as defined in O. Reg. 137/15 are not included in the base fee.
- h) The Service Provider is required to maintain the reduced base fees until they are either required to reduce them again, or they are no longer participating in the CWELCC System.
- i) In the case where the Service Provider transfers shares of the corporation the child care operator continues to be bound by the requirements in O. Reg. 137/15 relating to base fees and non-base fees. In the case where the Service Provider sells all of its assets and ceases to

be licensed, the purchasing corporation must apply for a license 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 new applicant.

- j) The DSSMSSAB has the right to verify the timeliness and accuracy of refunds and fee reductions made by the Service Provider.
- k) Where the Service Provider offers programming for eligible children and children who are not eligible, and has shared costs, audited financial statements and financial information provided by the Service Provider will be used to determine the actual cost of child care for eligible children which can be supported with CWELCC System funding. The DSSMSSAB has the discretion to determine an appropriate methodology that proportionately allocates shared programming expenses.
- l) The Service Provider must submit (within stated timelines) all data requests and reports related to fee reduction payments as set out in this amendment and the Guidance Document.

## **WORKFORCE COMPENSATION**

NOTE: For child Service Providers with programs serving any eligible child, the Service Provider must be a participant in the CWELCC System to access workforce compensation.

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

Funding to meet the wage floor and annual wage increase for eligible RECE staff will be provided to the Service Provider to offset approved wage compensation increases.

Non-RECE staff associated with the increased minimum wage that came into effect October 1, 2023 may also be eligible for funding. (See Minimum Wage Offset)

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

The Service Provider will submit required staffing information to determine workforce compensation. Additional information may be requested in the future to monitor compliance to the wage floor, annual wage increase and wage cap/ceiling requirements.

As such, the Service Provider agrees to:

- a) Apply for the Wage Enhancement Grant and include this grant allocation prior to increasing salaries to the annual cap with workforce compensation funding.

- b) Bring the wage of all eligible RECE staff up to the wage floor plus benefits as identified in the CWELCC Guidance Document.
- c) Increase the hourly wage plus benefits of all eligible RECE staff annually as described in the CWELCC Guidance Document.
- d) Issue workforce compensation funding to eligible RECE staff employed by the Service Provider (participating in the CWELCC System) regardless of the age of the children they are supporting (e.g., not limited to staff supporting children under the age of 6).

### **3.1 ADDITIONAL LIMITATIONS**

- a) Once notified by the DSSMSSAB of approval to participate in the CWELCC and upon receipt of the funds, the Service Provider will issue retroactive payments to eligible RECE staff who were paid wages lower than the wage floor as of the Service Provider's participation date in the CWELCC System.
- b) The Service Provider will ensure any retroactive payments related to wage floor requirements are paid to eligible staff on or before 61 calendar days after the service agreement with DSSMSSAB is signed (the enrolment date).
- c) The Service Provider will be expected to implement the wage floor and annual wage increase on a go forward basis.
- d) The Service Provider is permitted to continue to pay eligible RECE staff below the wage floor for thirty-one calendar days after the DSSMSSAB provides notice of enrolment in the CWELCC System. After 31 days, the Service Provider will be required to pay eligible RECE staff at least the wage floor. The Service Provider will then be given one additional month (for a total of 61 days) to provide eligible RECE staff with a retroactive payment for any wages that were below the wage floor.
- e) The Service Provider is not permitted to use workforce compensation funding to provide compensation to eligible RECE staff over and above what is mandated based on the requirements as set out in the Guidance Document.
- f) 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.
- g) The Service Provider must include workforce compensation payments in each pay cheque or payment made to eligible RECE staff (not paid out at the end of the year as a lump sum payment).
- h) Upon receiving confirmation of enrolment in the CWELCC System from the DSSMSSAB, and as new eligible RECE staff are hired, the Service Provider is required to share, in writing, information about the wage floor and annual wage increase with eligible RECE staff.

- i) The Service Provider must submit (within stated timelines) all data requests and reports required by the DSSMSSAB to ensure that wage floor and annual wage increase requirements are being met.

**ANNUAL INCREASE (Wage Floor and Ceiling)**

The Service Provider is required to increase the hourly wage of eligible staff by \$1/hour, plus benefits on January 1 of each year, compounded from the previous year, from 2023 to 2026.

To receive the CWELCC annual wage increases, eligible staff must be receiving Wage Enhancement Funding (WEG), and their hourly wage including WEG on December 31, 2023 must be below the wage cap of \$25 per hour. Benefits should not be included when determining the base wage.

Wage Floor	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20	\$21	\$22	\$23	\$24

**To determine annual wage and wage floor increase eligibility, follow this order of operations:**

1. Base wage by employer (includes any employer-based wage improvements such as obligations from collective agreements and minimum wage increases),
2. WEG (\$2 per hour, up to a maximum of \$30.59 per hour as per the Early Years and Child Care guideline),
3. CWELCC annual wage increases of \$1 per hour, compounded year over year, up to \$25 per hour,
4. CWELCC incremental wage floor increase, if applicable.

*Example: RECE wage calculation for staff with a base wage of \$19.50 per hour as at December 31, 2023. Assumes a base wage increase of 2.1% in 2024.*

Year	Base Wage per hour	WEG	CWELCC Annual Wage Increase	CWELCC Wage Floor Increase	New Wage*
2023	\$19.50	\$2	\$1	\$0	\$22.50
2024	\$19.91	\$2	\$1+\$1	\$0	\$23.91

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

**INELIGIBLE POSITIONS**

The wage floor and annual increase does not apply to non-RECE program staff and non-program staff such as:

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

The only exception to the non-program staff noted above is if the child care staff member is an RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in

the CCEYA, in which case the staff would be eligible for the wage floor and annual wage increase for the hours that they are supporting the ratio requirements.

Qualified staff, child care supervisors, or home child care visitors that are director approved to be employed in these positions, but do not have an RECE designation, are not eligible for the wage floor or annual wage increase supported by workforce compensation funding.

### **BENEFITS FUNDING AND FLEXIBILITY**

Workforce compensation funding includes up to 17.5% in benefits to meet statutory requirements. Once all statutory benefit requirements are met, any remaining funding within 17.5% can be used to fund other benefit expenses paid by the employer on behalf of the employee.

### **MINIMUM WAGE OFFSET**

Where the Service Provider is participating in the CWELCC System and eligibility is met, Minimum Wage Offset funding will be issued to non-RECE program staff, supervisors or home care visitors who were earning less than \$16.55 per hour (not including Wage Enhancement) on October 1, 2023. Positions created after October 1, 2023 are not eligible for the minimum wage offset.

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

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

The only exception to the non-program staff noted above is if the child care staff member is an RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in the CCEYA, in which case the staff would be eligible for the minimum wage increase for the hours that they are supporting the ratio requirements.

Similar to workforce compensation funding, minimum wage offset funding includes up to 17.5% in benefits to support meeting statutory benefit requirements.

The Service Provider must submit (within stated timelines) all data requests and reports required by the DSSMSSAB to ensure minimum wage offset requirements are being met.

### **FINANCIAL REPORTING**

1. As part of the DSSMSSAB financial review process at year end, the Service Provider is required to submit detailed financial information and audited financial statements to the DSSMSSAB to verify that the funding provided was used for the purpose(s) intended.

As such, the Service Provider will:

- a) Prepare and submit financial reports, audited financial statements and other information in accordance with the DSSMSSAB's reporting requirements and timelines.
- b) Reconcile all CWELCC System funding annually according to the reporting and reconciliation documentation required by the DSSMSSAB and the Ministry.

- c) Follow up with the DSSMSSAB on any requests related to CWELCC System expenditures reported in order to determine reasonability of variances and/or eligibility of expenditures.
  - d) Agree to progressive corrective actions taken by the DSSMSSAB should the Service Provider not comply with reporting requirements.
  - e) Agree to any adjustments and recoveries of funding as determined by and at the discretion of the DSSMSSAB based on the DSSMSSAB's reconciliation process.
2. The DSSMSSAB is required to undertake audits on a sample of Service Providers in receipt of CWELCC System funding on an annual basis to confirm that CWELCC System funding has been used for its intended purpose.

As such, the Service Provider:

- a) 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.
- b) Cannot dispose of any records related to the services provided under the CWELCC System without prior consent from the DSSMSSAB, even when the Service Provider is no longer operating.
- c) Must permit the DSSMSSAB to audit financial and service records related to the CWELCC System at any reasonable time.
- d) Must ensure its staff are available for consultation by the DSSMSSAB as required.

## **ANNUAL FINANCIAL AUDIT**

The Service Provider will submit to the DSSMSSAB audited financial statements prepared by a licensed public accountant and a Management Letter (issued by the external auditor) within four months of the Service Provider's year-end.

- a) The audited financial statements shall disclose separately, either on the face of the statement of operations or in the notes to the financial statements, the categories of funding received from the DSSMSSAB during the period.
- b) The Service Provider will ensure that the annual audited financial statements clearly provide a reconciled, unaudited separate schedule for each category of funding received by the DSSMSSAB and how this funding has been expended throughout the year.
- c) The audited financial statements shall disclose as a note, information related to reserves and/or accumulated surplus and/or retained earnings for each Service Provider provided by the Service Provider.
- d) The Service Provider will accrue funds allocated for a specific year but paid out after December 31 of the following year and work with auditors to ensure payments are captured in the correct year in audited financial statements.



## **WITHHOLDING AND RECOVERY OF PAYMENT**

The DSSMSSAB maintains the right to withhold payment or to reduce funding issued to the Service Provider when obligations relating to the use of CWELCC System funds or other related DSSMSSAB funding requirements are not met.

The right to withhold or recover funding includes, but is not limited to, the following:

- a) Funding spent on expenditures unrelated to the objectives of CWELCC.
- b) The Service Provider has not met deadlines relating to request for information, documentation and reporting.
- c) The Service Provider is not meeting the requirements under the CWELCC System, applicable guidelines, or any other specific deadlines noted by the DSSMSSAB.
- d) CWELCC System funds are not used in accordance with requirements and applicable guidelines provided by the DSSMSSAB to the Service Provider.
- e) The Service Provider did not complete their annual Licensed Child Care Operations Survey, as per O.Reg.137/15 (77).

## **OTHER REPORTING REQUIREMENTS**

For each CWELCC System funding initiative the Service Provider will report on service data and expenditures supported by CWELCC System funding. This is separate from any service data and expenditure requirements associated with other provincial funding provided.

### **Fee Reduction:**

- Number of children served through fee reductions by age group (exclude fee subsidy).
- Number of licensed child care spaces supported with fee reduction (by age group), including licensed spaces occupied by children receiving subsidies.
- Number of child care centres and home providers supported with Fee Reduction.
- Number of children who have received refunds.

### **Workforce Funding:**

- Total number of RECE program staff, total number of RECE supervisors and total number of RECE home child care visitors supported by the wage floor (2022).
- Total number of RECE program staff, total number of RECE supervisors and total number of RECE home child care visitors supported by the annual wage increase (starting 2023).
- Actual total expenditure on the wage floor paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Actual total expenditure on the annual wage increase (starting 2023) paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Actual total expenditure on benefits paid out to RECE program staff, RECE supervisors, and RECE home child care visitors. Each staff category reported separately.
- Number of child care sites supported by the wage floor and/or wage increase.

#### Minimum Wage Offset:

- Total number of non-RECE program staff, total number of non-RECE supervisors and total number of non-RECE home child care visitors supported by the minimum wage offset.
- Actual total expenditure on the minimum wage offset paid out to non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.
- Benefits paid out to child care operators for non-RECE program staff, non-RECE supervisors, and non-RECE home child care visitors. Each staff category is reported separately.
- Number of child care sites supported by the minimum wage offset.
- Number of home child care agencies receiving funding for minimum wage offset.

#### **APPEALS**

The Service Provider may submit a written request for the DSSMSSAB to review any application or funding decision regarding CWELCC System eligibility. To ensure adequate and appropriate follow-up, appeals should be submitted directly to the Early Years Program Manager.

Please include:

- a) written explanation of issue;
- b) supporting documentation; and if possible,
- c) the section of the Guidance Document in question.

The DSSMSSAB will provide an initial response within 10 business days of receipt of the appeal and a written decision within 30 days of receiving the appeal.

#### **CWELCC Directed Growth Plan: Start-up Funding**

Ontario's Action Plan for implementing the Canada-Wide Early Learning and Child Care (CWELCC) system includes developing a framework for targeted space creation and providing funding for start-up grants to support the creation of new, affordable child care spaces for children under age six in targeted locations and for populations most in need.

Start-up grants will support directed growth by enabling space creation in neighbourhoods that have had historically lower rates of space availability that may not be accommodated through natural growth.

#### **OBJECTIVE**

Funding for start-up grants is available to support the creation of new licensed spaces approved for enrolment in CWELCC in alignment with the DSSMSSAB's directed growth plan. Directed Growth projects will prioritize the creation of and access to new licensed full day spaces for children birth to 6 years in communities with vulnerable children and children from diverse populations, including, but not limited to:

- children living in low-income families
- children with disabilities and children needing enhanced or individual supports
- Indigenous children, Black and other racialized children
- children of newcomers to Canada, and official language minorities.

## **FUNDING TERMS AND CONDITION**

- a) Start-up grants can be used to offset the initial costs required to expand or create spaces such as equipment and leasehold improvements. The grant supports community-based space expansion projects and prioritize the creation of new licensed full-day spaces for children aged 0 – 5 years. Start-up Grants may be used for retrofits, renovations, or expansion projects, but cannot be used to purchase land or buildings. Space expansion projects for child care programs that run during school hours for kindergarten and school-aged children are not eligible.
- b) All space expansion and start-up grant funded projects must be created, retrofitted, renovated, and/or expanded to accommodate a maximum group size for each age grouping for children under the age of six and provide full-time access to care.
- c) The start-up grant must be expended within two years from the date this service agreement is executed. If the Service Provider withdraws from CWELCC or ceases their operations, the DSSMSSB will recover the start-up grant funding.
- d) Unexpended funding issued to Service Provider, or funding not used for its intended purpose, will be recovered by the DSSMSSAB. This may also include the right to withhold payments or to reduce funding to the Service Provider should obligations related to the use of start-up grants not be met.

## **ELIGIBLE EXPENSES**

- a) Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 19 of Ontario Regulation 137/15 under the Child Care and Early Years Act, 2014.
- b) Non-consumable supplies/equipment to support the ongoing regular operation of the child care program (e.g. appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- c) Renovations, additions, or repairs to licensed child care facilities or potential child care facilities as approved by DSSMSSAB.

## **INELIGIBLE EXPENSES**

- a) Purchase of land or buildings
- b) Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans
- c) Property taxes
- d) Expenditures related to 6 to 12-year-old age groups

## **REPORTING REQUIREMENTS**

The Service Provider will track and report start-up grant expenditures separately from other CWELCC and child care funding. Invoices related to purchases will be submitted in one file with an accompanying balance sheet that includes date of purchase and general description.

## **EMERGING ISSUES**

The purpose of emerging issues funding is to support CWELCC enrolled Service Providers in addressing non-discretionary cost pressures (beyond the Service Provider's Control).

Emerging issues funding is provided to help provide stability to Service Providers through a pre-approval application-based process. Service Providers must be able to identify the known non-discretionary cost pressures as early as possible in operating budgets, demonstrate that the non-discretionary expenses exceed their revenue for eligible spaces (including routine funding, fee reduction, wage enhancement, workforce compensation, cost escalation and parent fees).

## **REQUIREMENTS AND CONDITIONS**

Emerging Issues funding can be used exclusively for addressing Service Provider's non-discretionary cost pressures.

### **Cost Eligibility:**

- Legitimately incurred for child care delivery (required to provide care under the CCEYA and its regulations or, if above the regulated requirements, not an optional service);
- Necessary, economical, and with due regard for health and safety;
- Non-discretionary (ie., costs that the operator must incur, such as arms-length cost increases, requirements to meet health and safety needs or legislative/regulatory obligations); or
- Incurred in relation to the provision of child care for eligible children. Where child care is also provided to ineligible children (such as children aged 6 to 12). Costs must be prorated using a method that is reasonable, in the opinion of the DSSMSSAB.

### **Ineligible Costs:**

- Incurred for the creation of new spaces;
- Discretionary (i.e. costs that are not necessary to incur, such as increasing staffing ratio above current levels, disbursement of dividends, payment of performance bonuses, increases in owner's compensation, in-kind benefits or perks, or replenishment of reserves);
- Supported by other government funding; or
- Related to:
  - Non-cash expenses such as amortization expenses or bad debt expenses;
  - Repayment of reverse mortgages; or
  - Prior years' costs or losses

### **Eligible costs:**

- Incurred in relation to the provision of child care for eligible children. Where child care is also provided to ineligible children (such as children aged 6 to 12), costs must be prorated using a method that is reasonable, in the opinion of the DSSMSSAB;

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

## **APPLICATION & RECONCILIATION**

- a) The Service Provider is required to submit an application for Emerging Issues funding (by site) on the DSSMSSAB approved application form by January 31, 2024 or as soon as non-discretionary cost pressures are identified throughout the year;
- b) Within 30 days of the end of the calendar year to which the Emerging Issues applies, the Service Provider shall provide a completed reconciliation form which shall confirm the amount of the Emerging Issues funding used by the Service Provider in accordance with the terms and conditions set within this Schedule; and
- c) In the event that the Service Provider has not used all of the Emerging Issues funding, the Service Provider shall remit a cheque payable to the “District of Sault Ste. Marie Social Services Administration Board” in the amount of the surplus funding along with the completed reconciliation form.

## **APPEALS**

The Service Provider may submit a written request for the DSSMSSAB to review any application or funding decision regarding Emerging Issues eligibility. To ensure adequate and appropriate follow-up, appeals should be submitted directly to the Early Years Program Manager.

Please include:

- a) written explanation of issue;
- b) supporting documentation; and if possible,
- c) the section of the Guidance Document in question.

The DSSMSSAB will provide an initial response within 10 business days of receipt of the appeal and a written decision within 30 days of receiving the appeal.