

# Child care and early learning updates e-newsletter

**December 16, 2022**

Welcome to The Regional Municipality of Durham's child care and early learning updates e-newsletter. These e-newsletters provide licensed child care operators in Durham Region with updated information related to child care.

This edition includes the following topics:

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## 2023 Canada-Wide Early Learning and Child Care (CWELCC) Rate Reductions

### **CWELCC Rate Reductions**

Effective December 31<sup>st</sup>, 2022, families who attend licensed child care centres who have opted into the CWELCC program will see a further daily rate reduction of 37% of the already reduced parent rate.

A fee calculator has been uploaded to the operator portal to support operators in determining the new rates.

Example 1: A participating licensee had a daily fee of \$50 per day as of March 28<sup>th</sup>, 2022. In the fall of 2022, that rate was reduced by 25% resulting in a parent fee of \$37.50 retroactive to April 1<sup>st</sup>, 2022. As of December 31<sup>st</sup>, 2022, the daily fee will be reduced an additional 37% down to a total parent fee of \$23.63 for 2023.

Example 2: Similarly, if an individual wanted to determine the December 31<sup>st</sup>, 2022 parent fee directly from the March 2022 frozen fee, they would need to apply a 52.75% reduction on the March 2022 fee. If the March 2022 fee was \$50, a 52.75% reduction would become a daily fee of \$23.63 (same as Example 1 above).

## **CWELCC Rate Reductions for Fee Subsidy Families**

Children receiving fee subsidy and who are eligible for CWELCC will have their parent rates further reduced effective December 31<sup>st</sup>, 2022.

We understand operators need to know the new parent rate amounts prior to January to ensure accurate billing. To support Operators, the Fee Subsidy team has generated a list of updated parent fees by site.

Lists have been posted on the operator portal as of December 15<sup>th</sup>, 2022. Please note that regular fee subsidy reviews occurring in December after the CWELCC list was generated may result in an adjusted rate that is different from the CWELCC list. Should you receive a standard parent fee update letter from your fee subsidy caseworker please use that rate.

We will send parents their parent rate change letters during the month of December. The fee subsidy placement lists on the operator portal will not be updated until the month of January as these changes are linked to OCCMS.

We appreciate your patience. If you have any questions, please reach out to your fee subsidy caseworker.

## **CWELCC – Workforce Compensation & Minimum Wage Offset**

### **Workforce Compensation - Wage Floor and Annual Increase**

The 2023 wage floor is \$19/hour (including wage enhancement) for RECE educators and \$21/hour (including wage enhancement) for RECE supervisors and RECE home visitors.

Licensees are required to increase the hourly wage of eligible staff (RECE educators, RECE supervisors, RECE home visitors) by \$1/hour (licensee will also be provided with 17.5% to support benefits) on January 1<sup>st</sup> of each year from 2023 to 2026. RECE's at the wage floor in 2022 will have their hourly wage increased by \$1/hour to move to the 2023 wage floor. RECE's above the wage floor will have their hourly wage increased \$1/hour, up to the \$25/hour wage cap. For those RECE's whose wage falls between \$24.01-\$24.99/hour, funding will be provided to top up their wage to the \$25/hour cap. The \$1/hour annual increase should be calculated prior to any employer-based wage increases.

Licensees must include workforce compensation payments in each pay cheque or payment made. Workforce compensation may not be paid at the end of the year as a lump sum payment. As a best practice, we encourage licensees to list workforce compensation on a separate line on employees pay stubs.

## Examples:

- RECE program staff with a base wage of \$15.50/hr would qualify to have their wage increased to \$19/hr ( $\$15.50 + \$2 \text{ WEG} + \$1/\text{hour annual wage increase plus } \$0.50 \text{ incremental wage floor increase} = \$19/\text{hour}$  which is the 2023 wage floor). \*NOTE this example would apply to any new staff who were not already at the previous wage floor.
- RECE program staff with a base wage of \$18/hour would have their wage increased to \$21/hr ( $\$18 + \$2 \text{ WEG} = \$20/\text{hr}$ ). The annual increase of \$1/hour is provided to bring the wage to \$21/hour.
- RECE program staff with a base wage of \$22.50/hour would have their wage increased to \$25/hr ( $\$22.50 + \$2 \text{ WEG} + \$0.50 \text{ annual wage increase} = \$25/\text{hr}$ ). The annual increase up to \$1/hour is provided to bring the wage to \$25/hr.

## Minimum Wage Offset

To be eligible for minimum wage offset, licensees must employ staff (non-RECE educators, non-RECE supervisors, non-RECE home visitors) in positions that were earning less than \$15/hr (not including WEG funding) in 2021 and/or were earning less than \$15.50/hr on September 30<sup>th</sup>, 2022. Positions created after September 30<sup>th</sup>, 2022, are not eligible for the minimum wage offset.

## Examples:

- If a non-RECE educator was earning \$14.50/hr on April 20, 2021, the licensee would receive workforce compensation funding of \$0.50/hr plus benefits to support that staff's wages in 2022. If that same educator was earning \$15.00/hr on September 30<sup>th</sup>, 2022, the licensee would receive an additional \$0.50/hr plus benefits to support the additional minimum wage increase. As of October 1<sup>st</sup>, 2022, the licensee would receive \$1.00/hr plus benefits to support wages.
- If a non-RECE educator was earning \$15.00/hr in 2021, the licensee would not have received workforce compensation funding in 2022. If that same educator was still earning \$15/hr on September 30<sup>th</sup>, 2022, the licensee would receive \$0.50/hr plus benefits to support the minimum wage increase. As of October 1<sup>st</sup>, 2022, the licensee would receive \$0.50/hr plus benefits to support the staff's wages.

## Application Process for 2023

The 2023 Workforce Compensation / Wage Enhancement Application has been uploaded to the operator portal. Licensees are required to include all staff working at their agency in this application. This application is also the 2022 Wage Enhancement Reconciliation. Funding for Workforce Compensation will be paid to licensees monthly, in advance after the application has been received and reviewed. Payments will backdate payment as required. For any licensees eligible for the Minimum Wage Offset of \$15.50 on October 1<sup>st</sup>, 2022, the first payment will be backdated to October 1<sup>st</sup>, 2022.

## CWELCC Mitigation Funding

The Region of Durham will be providing a one-time mitigation payment to all CWELCC approved licensees in December 2022. To determine this payment, the following was taken into consideration:

- The number of CWELCC eligible spaces
- 2022 operator budget submissions
- An analysis of the licensee's 2022 frozen fees
- The length of time since the licensee last increased rates

This funding can be used to support operating costs, cost escalation and revenue replacement. An advance payment was also provided to licensees upon enrollment and will not be recovered. This payment can be considered additional mitigation.

## CWELCC Monthly Reconciliation Report

The monthly reconciliation report that CWELCC approved sites completed in November was used to calculate the December fee reduction payment. If a Licensee's operating capacities and/or vacancies have changed since submitting the reconciliation, please upload a revised reconciliation report to the operator portal. If not, licensees do not need to submit a CWELCC reconciliation report this month.

For January 2023, we will continue to gather Monthly Reconciliations in the same manner until we are able to shift to using OCCMS and this Operator training can be completed. We will provide more information on OCCMS access and training in the coming weeks.

## CWELCC Licensee Budget Template Training

As part of the ongoing process of CWELCC implementation, licensees with a CWELCC agreement must submit an annual budget. This budget must be based on the most up to date information possible and will be used to forecast CWELCC expenditures and funding needs. To support this process, we will be providing training on how to complete the budget template. We encourage all licensees to attend.

- Online CWELCC budget training sessions will be offered on January 9<sup>th</sup> at 1:30 p.m. and January 10<sup>th</sup> at 11:30 a.m. It is recommended that operators attend one of the sessions. The budget template has been revised this year and this is a good opportunity for operators to get acquainted with the template and ask questions related to their budget.

Licensed child care centres will receive an email with a link to register in the coming days.

## Wage Enhancement

For 2023, the Wage Enhancement thresholds remain the same as 2022.

The 2022 Wage Enhancement reconciliation and 2023 application are part of the Workforce Compensation application as noted in the Workforce compensation section above.

This application MUST be completed and submitted before funding can be provided. The application is currently posted in the Operator Portal in the Broadcast HO section.

## Audited Financial Statements

As of 2023, all childcare centres enrolled in CWELCC are required to provide audited financial statements. Audited financial statements must be uploaded to the operator portal within four months of the centre's year end.

## Service Agreements

The 2020-2022 Annual Service agreement is currently under revision and the new 2023-2025 Service agreements will be posted to the Operator portal in early January. Current service agreements are in full force and effect until the agreement is either revoked or replaced.

## Message from the Association of ECEs Ontario (AECEO)

- If you have an AECEO Letter of Equivalency or Recognition of Equivalency issued prior to February 23, 2014 and are not currently registered with the College of Early Childhood Educators please see the important message below. For more information, please check the [College of ECEs website](#), their [Frequently Asked Questions](#) and the [Application Guidelines](#).

From the College of ECEs:

“If you are thinking of becoming a member of the College using your Letter of Equivalency from the AECEO please do so before **January 1<sup>st</sup>, 2023**. After January 1<sup>st</sup>, 2023 applicants providing a letter of equivalency from the AECEO will be required to meet our education requirement using a different pathway. In all cases applicants must fulfill all other registration requirements to receive a Certificate of Registration from the College. For more information, please visit our website.”

## 2023 AECEO Provincial Conference Call for Proposals

The 2023 Provincial Conference will be held on **April 27-29, 2023**. The theme for the conference is We Raise Each Other Up: ECEs building leadership and learning communities of joy, curiosity and hope.

AECEO is very excited to invite all members of the early years community to submit proposals to present at the 2023 AECEO Provincial Conference. In an attempt to step away from a traditional academic gathering, application submissions are welcomed and encouraged from early years professionals who haven't traditionally seen themselves as conference presenters. The deadline for submissions is **January 9<sup>th</sup>, 2023**. The conference will be held online, and all presentations will be on **April 29<sup>th</sup>, 2023**. [Submit a Proposal!](#)