



County Council

Meeting Date: July 19th, 2022

Submitted by: Cindy Howard – General Manager Finance and Community Services, County Treasurer and Deputy CAO
Joe Winsor – Manager, Social Services
Wayne Meagher – County Barrister & Solicitor

SUBJECT: CANADA-WIDE EARLY LEARNING AND CHILD CARE (CWELCC) and UPDATED CHILD CARE FUNDING FORM OF AGREEMENT

BACKGROUND:

On March 28, 2022 the Province of Ontario announced that an agreement had been reached with the federal government to support Canada-Wide Early Learning and Child Care program (CWELCC). The aim of the investment of \$13.2 billion dollars is to lower child care costs for families and increase access to quality licenced child care over the next three years.

In Ontario the CWELCC program will be implemented using a phased-in approach with a 25% fee reduction retroactive to April 1st being paid out after operators enter into an agreement with the County of Middlesex, and a further 25% reduction by December 2022. As all licenced child care operators have the choice to opt in or out of the program. Families that are using a licenced child care program that chooses to opt out of participating can still apply for regular income based child care fee subsidy and other provincial subsidies.

Effective March 27, 2022, the Ministry of Education implemented a Fee Freeze for all licenced child care programs prohibiting the increase of fees charged to parents of children in licenced child care under the age of 6 years. Unless the centre has made the decision not to participate in the CWELCC program.

In April 2022, the Ministry of Education issued the Addendum To Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline

(2022) (“Addendum”) to all Service System Managers (SSM). The Addendum outlines the Ministry of Education’s requirements for implementing the CWELCC system, including areas in which SSMs are directed to develop local policies and practices as part of implementation.

ANALYSIS:

The Ministry of Education has described 2022 as a year of transition and adjustment as the child care and early years sector undergoes significant transformation through the CWELCC. During the initial phase of CWELCC implementation, from April to December 2022, the Ministry of Education is focused on implementing fee reductions of 25% and 50%.

The CWELCC program is aimed at supporting families to lower cost for licenced child care for children under the age of 6 years. School aged children do not qualify for this program. The CWELCC program’s approach is based on five pillars: improved affordability, improved access, sustaining high-quality service, inclusion and enhanced data and reporting.

Affordability: Existing licenced child care programs will have the option to opt-in or opt-out of the CWELCC program. Operators have until September 1, 2022 to share their intent, with applications due by the end of September 2022.

As part of the phased-in approach, families will see an initial fee reduction of up to 25% (to a minimum of \$12.00/day) retroactive to April 1, 2022. A further reduction will reduce average child care fees by 50% by the end of December, 2022. Additional reductions will take place in September 2024 and September 2025, bringing the provincial daily average cost for licenced child care to \$10.00 per day.

Rebates to parents are anticipated to begin in the fall of 2022 and will be retroactive to April 1, 2022 for families that were using eligible licenced child care programs during that time period. Families will not receive rebates until agreements have been signed with individual licenced child care operators. The existing child care fee subsidy program will continue to be available to support lower income families with affordability.

Access: The CWELCC program includes supports for increased of 86,000 licenced child care spaces (including 15,000 licenced spaces created since 2019). Through Children’s Services and the Middlesex Child Services Network,

work with Ministry of Education staff and the City of London, as our SSM, will occur to ensure new licenced spaces are approved in targeted areas of need.

Quality: The Ministry of Education will begin consultations on measures to support and recognize the dedication of the child care workforce, including professional development training and initiatives. This work has already begun through the Child Care and Early Years Workforce Funding provided by the Ministry of Education. The intent of this funding is to sustain, enhance, growth and attraction to the Early Childhood Educator field.

Inclusion: Future space expansion plans and programming will support the need for child care access for low-income children, vulnerable children, and children from diverse communities.

Wages: The anticipated guidelines will provide a wage floor for qualified Registered Early Childhood Educators. The initial wage requirement will require operators to pay qualified staff a minimum of \$18.00/hour, including the existing \$2.00/hour provincial wage enhancement grant (WEG). The minimum wage floor will increase by \$1.00/per year until the rate of pay reaches \$24.00/hour including the provincial WEG.

Role of the Service System Managers:

The City of London (SSM) and Middlesex County's agreement where Middlesex is an agent to provide and manage service delivery of all child care services in the county will continue as normal. The CWELCC funding will be incorporated as a core service being delivered, the process will mirror that of our already established and successful partnerships i.e. general operating grants, fee subsidy and wage enhancement grants.

Application process:

The application period will be open from July 2022 to September 2022. Centres will have until September 1st, 2022 to provide their intent to opt in or out of this program, as prescribed in the provincial Addendum. Completed applications will be accepted up until September 30th, 2022. An application will be required to be completed for each operator.

Procedural guidelines:

Guidelines have been created and will be provided to centres with the information required to make an informed decision as to opt in or out of the program. If the centre opt's in, the guidelines provide an overview of the expectations of the centre to remain in compliance with the CWELCC program and addendum as set out by the Ministry.

Reporting and Auditing:

Semi-annual reporting to the County of Middlesex will be required:

- Fee Reduction
- Parental contribution reductions (fee subsidy)
- Workforce Compensation

Audits will be completed yearly on a randomly selected subgroup:

- Funding Received (by funding type)
- Funding Administered (by funding type)
- Use of Funding (by funding type)
- Funding Remaining (by funding type)
- Financial Reserves
- Whether a Fee Increase occurred in the year

County Child Care Funding Form of Agreement:

The County has administered and delivered child care services within the geography of Middlesex County since 1976 and continues to do so as agent for the Service System Manager. In 2013, the Middlesex County Barrister & Solicitor's Office ("MCBSO") drafted a County Child Care Funding Agreement Form, which was approved by County Council and Council appointed a "County Child Care Administrator" (the General Manager of Finance and Community Services) with delegated authority to endorse the Form approved by the County Barrister & Solicitor with all Child Care Centre Operators who qualified for Child Care Funding. The 2013 Form has been used effectively by the County with Child Care Centre Operators from 2013-present.

With new CWELCC funding becoming available and in light of the age of the County Form, it became necessary and appropriate to update the County Form both to address CWELCC and to allow for an easy transition to the administration of County Child Care Funding in 2023 and beyond. The updated County Funding Agreement Form attached provides for one agreement for each Child Care Centre Operator to endorse, regardless of which type of funding they may be eligible to receive. This is important because there are number of types of funding now available and there may be additional types of funding additions created in the future. The Agreement secures necessary fundamental covenants from Child Care Centre Operators to the County, with one Schedule for each type of Child Care Funding that any Child Care Operator may qualify for. The type of funding that any Child Care Centre Operator qualifies for is confirmed by the County Child Care Administrator by initialling an "X" in the Agreement and a Centre's eligibility date is confirmed by the County Child Care Administrator in the applicable Schedule. This is important because differing types of Child Care Funding has different eligibility

dates. Otherwise, the form of agreement addresses all legal preconditions necessary to allow the Social Services Department to continue to administer Child Care Funding smoothly and efficiently through 2023 and beyond.

Delegated authority is provided for in the updated form for the County Child Care Administrator to add to or amend the Schedules and the Agreement where necessary in order to maintain and implement regulatory and eligibility changes that may occur from time from the Province of Ontario, Government of Canada, or the Service System Manager, which the County is obliged to implement. This is important because such changes along with new types of funding occur more frequently in today's environment than in past years and when eligibility changes occur, such changes need to be administered quickly. CWELCC in particular, is expected to undergo a number of regulatory changes in the coming years. Once the Form of Agreement is approved by Council by resolution and by-law with delegated authority to the County Child Care Administrator, section 23.1–23.2 of the *Municipal Act, 2001* provides the authority for the County Child Care Administrator to administer the Agreements as set out by Council.

The updated Child Care Funding Agreement's full implementation date, as chosen by the Social Services Department, is January 1, 2023. For Child Care Centre Operators that have current signed Child Care Funding Agreements with the County for the 2022 year, it is appropriate for *Schedule "I"* of the new Form (addressing CWELCC) to be able to be used as an addendum to those current agreements for a 5 month period, so that all current agreements do not need to be immediately re-signed and to allow for a transition to the new Form.

FINANCIAL IMPLICATIONS:

The Province of Ontario has provided the City of London, as the SSM, a prorated funding allocation of \$25.4M to support 2022 expenses associated with delivery of CWELCC in London and Middlesex. The Ministry of Education's allocation modelling uses a cost recovery approach with an anticipated end of year reconciliation based on actual expenses incurred. This funding is provided by the Province of Ontario and Government of Canada, with no municipal contribution or cost share required.

Funding allocations:

Within this process the CWELCC program has 3 distinct funding streams:

- Fee Reduction
 - Retroactive Fee Rebates
 - Ongoing Fee Reduction
- Workforce Compensation
 - Annual Wage Increase

- Minimum Wage Off-Set
- Administration
 - Expenditures reasonable and necessary for the provision of services

All three streams will be directly funded through the CWELCC program provided by the province.

ALIGNMENT WITH STRATEGIC FOCUS:

This report aligns with the following Strategic Focus, Goals, or Objectives:

Strategic Focus	Goals	Objectives
Cultivating Community Vitality	Advance a diverse, healthy, and engaged community across Middlesex County	<ul style="list-style-type: none"> • Promote and support community wellness • Innovate social and community services • Attract, retain, and engage youth in our community • Champion and encourage active transportation and public transit opportunities

RECOMMENDATION:

On the recommendation of General Manager Finance and Community Services (County Treasurer, Deputy CAO) and the County Barrister & Solicitor, that a by-law be introduced to:

- a) approve an updated Middlesex County Child Care Funding Form of Agreement to be effective January 1, 2023;
- b) authorize the use of *Schedule “I”* of the Child Care Funding Form of Agreement to be used immediately as an addendum for current signed Child Care Funding Agreements;
- c) delegate authority to the appointed “County Child Care Administrator” (General Manager of Finance and Community Services) to endorse *Schedule “I”* as a CWELCC addendum with current qualifying Child Care Centre Operators;
- d) delegate authority to the appointed “County Child Care Administrator” (the General Manager of Finance and Community Services) to endorse the updated Middlesex County Child Care Funding Form of Agreement to be effective commencing January 1, 2023 and beyond with qualifying Child Care Centre Operators; and
- e) delegate authority to the appointed “County Child Care Administrator” (the General Manager of Finance and Community Services) to add to/and or amend the Schedules and provisions of the County Child Care Funding Agreements

where necessary in his/her determination, to maintain and implement regulatory and eligibility changes that may occur from time from the Province of Ontario, Government of Canada, or the Service System Manager, which the County is obliged to implement.

Attachment:

- Middlesex County Child Care Funding Form of Agreement

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

CHILD CARE FUNDING AGREEMENT

THIS IS A STANDARD FORM AGREEMENT
TERMS CANNOT BE ALTERED WITHOUT THE APPROVAL OF COUNTY COUNCIL

THIS AGREEMENT effective this 1st day of January, 2023

B E T W E E N:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

("hereinafter referred to as the "Child Care Centre Operator")

-AND-

THE CORPORATION OF THE COUNTY OF MIDDLESEX

an upper-tier municipality incorporated under the laws
of the Province of Ontario

(hereinafter referred to as the "County" or the "Delivery Agent")

collectively hereinafter referred to as the "Parties"

WHEREAS:

- A. The Province of Ontario authorizes various types of Child Care Funding, as defined herein, to be administered and delivered to Child Care Centre Operators;
- B. The County has administered and delivered child care services within the geography of Middlesex County, Ontario, since approximately 1976 and it continues to do so;
- C. Beginning with Provincial social services delivery realignment in 1998, the Province of Ontario commenced the delegation of the responsibility for the management of particularized types of social services over regional geographic service areas to one designated municipality within a geographic regional service area;
- D. Pursuant to section 65(1) of the *Child Care and Early Years Act, 2014, c. 11, Sched. 1*, as amended or replaced (hereinafter referred to as the "CCEYA") and section 2 of Ontario Regulation 175/21 of the CCEYA in reference to Regulation 367/11 of the *Housing Services Act, 2011*, S.O. 2011, Sched.1, the City of London is the designated service system manager for the management of Child Care Services (hereinafter, the "Service System Manager") in the regional geographic service area of the City of London and County of Middlesex (hereinafter, the "Service Delivery Area");
- E. The Province of Ontario has a Transfer Payment Agreement with the Service System Manager providing Child Care Funding for the entire Service Delivery Area;
- F. Pursuant to section 9 of the *Municipal Act, 2001*, S.O., c.25, as amended or replaced (hereinafter referred to as the "**Municipal Act**"), municipalities have powers of natural persons, including the ability to enter into agency agreements for the administration and delivery of services;
- G. Section 107 of the *Municipal Act* authorizes municipalities to make grants on such terms and conditions as to security and otherwise as Council considers appropriate to any person, group, or body, including a fund, within or outside the boundaries of the municipality for any purpose that Council considers to be in the interests of the municipality;
- H. Pursuant to subsection 20(1) of the *Municipal Act*, the Service System Manager and the County, as municipalities, can enter into an agreement for the County to administer and deliver programs and services for the joint benefit of both municipalities;
- I. Pursuant to section 8 of the *Municipal Act*, the powers of municipalities are interpreted broadly so as to confer broad authority on the municipalities to enable municipalities to govern their affairs as they deem appropriate and to enhance the ability of municipalities to respond to municipal issues;
- J. Under the authority of subsection 11(1)5., 9, 20, and 8 of the *Municipal Act*, the Municipal Council of the Service System Manager and Council of the County entered into an agency agreement for the County to administer and deliver Child Care Services as the agent of the Service System Manager to a portion of the Service Delivery Area excluding the geographic area of the City of London as the Delivery Agent, in furtherance of the

economic, social, and environmental well-being of the County and entire Service Delivery Area;

- K. The County, as Delivery Agent, is party to various Child Care Funding agreements with Child Care Centre Operators concerning eligibility, administration, and delivery of various types of Child Care Funding available to duly licenced and qualifying Child Care Centre Operators in the portion of the Service Delivery Area excluding the geographic area of the City of London;
- L. In accordance with section 22 of the *Municipal Act*, the Province of Ontario acknowledges the administration, delivery, and payment of Child Care Funding by the County as the Delivery Agent of the Service System Manager in the portion of the Service Delivery Area excluding the geographic area of the City of London, as well as the leadership contributions by the County to the continuing improvement of the economic viability of the delivery of Child Care Services across the Province of Ontario;
- M. On March 28, 2022, the Government of Canada and the Province of Ontario endorsed a Canada Wide Early Learning Child Care Agreement, jointly providing for a new type of Child Care Funding hereinafter referred to as “**CWELCC**”, addressed in this Agreement by *Schedule “E”*, which lowers fees for parents, provides more accessible and high quality child care for Ontario families with a further 25% free reduction for parents by December 31, 2022, along with further free reductions in upcoming years and a new minimum wage floor for Registered Early Childhood Education;
- N. The County Child Care Administrator is authorized by County Council to endorse Child Care Services Child Care Centre Funding Agreements with Child Care Centre Operators on behalf of the Delivery Agent concerning the eligibility, administration, and delivery of the various types of Child Care Funding available to duly licensed and qualifying Child Care Centre Operators (set out in *Schedules “A” through “E”* of this Agreement) in the portion of the Service Delivery Area excluding the geographic area of the City of London in a Form approved by the County Barrister & Solicitor;
- O. The Child Care Centre Operator is licenced under the CCEYA and provides one or more of the services prescribed in O. Reg. 137/15, as amended or replaced of the CCEYA; and
- P. County Staff are authorized by County Council to administer and deliver Child Care Funding and programs authorized by the Province of Ontario and set out in *Schedules “A” through “E”* and in accordance with this Agreement to the portion of the Service Delivery Area excluding the geographic area of the City of London.

NOW THEREFORE IN CONSIDERATION OF the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the County and the Child Care Centre Operator do hereby agree as follows:

1. DEFINITIONS

1.1 In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

“**Child Care**” means the provision of temporary care for or supervision of children in any circumstance other than in exempt circumstances, as set out in section 3 of the *Child Care and Early Years Act*, 2014, S.O., c. 11, Sched. 1, as amended or replaced.

“**Child Care Centre Operator**” means a licensed child care facility (centre-based or Private-Home Day Care Operator based) under the *Child Care and Early Years Act*, 2014, S.O. 2014, c. 11, Sched. 1 as amended or replaced, which has endorsed this Agreement and is a recipient of Child Car Funding (as defined herein) approved by the County.

“**Child Care Funding**” means any subsidy, grant or funding administered and delivered by the County set out in the Schedules to this Agreement, which a Child Care Centre Operator receives.

“**County**” means the Corporation of the County of Middlesex, being the Delivery Agent of Child Care Services in the portion of the Service Delivery Area excluding the geographic area of the City of London.

“**County Child Care Administrator**” means the General Manager, Finance and Community Services of the Corporation of the County of Middlesex.

“**County Staff**” means the County staff, which administers this Agreement for the Corporation of the County of Middlesex.

“**CWELCC System**” means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in the Canada-Wide Early Learning and Child Care Agreement between the Province of Ontario and Government of Canada and in this Agreement.

“**Delivery Agent**” means the Corporation of the County of Middlesex, being the Delivery Agent of Child Care Funding in the portion of the Service Delivery Area excluding the geographic area of the City of London, Ontario.

“**Eligibility**” or “**Eligible**” means to qualify for a particular type of Child Care Funding by meeting the requirements of the Province and Government of Canada, the CCEYA, this Agreement, and the corresponding Schedule of this Agreement for a particular type Child Care Funding, as confirmed in this Agreement by the County Child Care Administrator, to commence on the date confirmed in the corresponding Child Care Funding Schedule by the County Child Care Administrator.

“**Guidelines**” means all applicable guidelines of the Ministry and the Service System Manager with respect to the provision of services under this Agreement, as amended or replaced from time to time.

“**Home Child Care**” has the meaning set out in the *Child Care and Early Years Act*, 2014, S.O., c. 11, Sched. 1.

“**Ministry**” means the Ministry of Education and Ministry of Children, Community and Social Services.

“**Party**” means one of the two Parties to this Agreement.

“**Programs and Services**” means child care programs and services that are provided to the public by a Child Care Centre Operator which are funded in whole or in part by Child Care Funding, as a result of this Agreement.

“**Service Delivery Area**” means the geographic area of the City of London and County of Middlesex, Ontario.

“**Site**” means the location where a Child Care Centre Operator provides Programs and Services and “**Sites**” has a corresponding meaning for multiple locations.

2. TERM, CHILD CARE FUNDING SCHEDULES, ELIGIBILITY FOR FUNDING, AND AMENDMENT

2.1 This Agreement shall take effect on signing by both Parties and will continue until it is amended, replaced, superseded by a subsequent agreement, or until it is terminated pursuant to the termination provisions in Article 14 this Agreement (hereinafter referred to as the “**Term**”).

3. SCHEDULES

3.1 The following Schedules marked with an “X” by the County Child Care Administrator form a part of this Agreement, as confirmed by the County Child Care Administrator’s initial within this section.

- _____ Schedule “A” - Licensed Child Care Fee Subsidy Service Description
- _____ Schedule “B” - General Operating Grant Service Description
- _____ Schedule “C” - Provincial Wage Enhancement Grant Service Description
- _____ Schedule “D” - Special Purpose (Play Based, Health and Safety) One-time Funding)
- _____ Schedule “E” - Canada Wide Early Learning and Child Care Funding

County Child Care Administrator Initial: _____ Date: _____

3.2 In the event of there is a conflict between a term or obligation in the body of this Agreement and a term or obligation in the Schedules attached to and forming a part of this Agreement, the more restrictive term shall apply.

4. ELIGIBILITY FOR CHILD CARE FUNDING

4.1 Eligibility for the commencement of any type of Child Care Funding, as defined herein, is dependent on the eligibility particulars set out in the respective Schedule of this Agreement applicable to the type of Child Care Funding and the dates on which particular Child Care Funding is confirmed to be effective in the applicable Schedule by the County Child Care Administrator.

- 4.2 Notwithstanding any other provision of this Agreement, eligibility for Child Care Funding, as defined herein, is at all times dependent on the Child Care Centre Operator first meeting the requirements the particular type of Child Care Funding, as set out by the County in the attached Schedules, which shall be amended from time to time as set out in Article 5.2 below to keep in accordance with the requirements and guidelines established by the Province of Ontario, Government of Canada, Service System Manager and Delivery Agent, which change from time to time as child care funding across the Province of Ontario change evolves and adapts.

5. AMENDMENT

- 5.1 The County, in its sole discretion, may amend the terms and conditions of this Agreement including without limitation, the terms and conditions concerning the types of Child Care Funding programs available (set out in *Schedules "A" through "E"* of this Agreement), the types of Care Funding a Child Care Centre Operator qualifies for or is disqualified from (set out in Article 3.1 of this Agreement) in light of Provincial, Government of Canada, Service System Manager and Delivery Agent. In the event the County needs to amend this Agreement, the County shall make reasonable efforts to provide the Child Care Centre Operator with at least sixty (60) days' Notice of the amendment.
- 5.2 The County Child Care Administrator has delegated authority from Council to amend and modify the terms of the Schedules which are attached to and form a part of this Agreement as necessary, or add or delete Schedules from this Agreement in accordance with Article and 5.1 above.
- 5.3 In the event the County amends a Schedule in accordance with Article 5.1-5.2 of this Agreement, the amended Schedule shall be deemed to immediately replace the old Schedule in its entirety.
- 5.4 In the event the Child Care Centre Operator does not agree with any amended Schedule, the Child Care Centre Operator may terminate this Agreement by giving Notice to the County within sixty (60) days of the County providing the amended Schedule(s).
- 5.5 If the Child Care Centre terminates this Agreement pursuant to Article 5 and the Child Care Centre Operator is also in breach of this Agreement, as set out in Article 14.6, the County may take one or more of the actions listed in Article 14.7-14.8.

6. PAYMENT AND RETURN/REALLOCATION OF CHILD CARE FUNDING

- 6.1 The County, in its sole discretion, may pay Child Care Funding to a Child Care Centre Operator in accordance with the type of Child Care Funding the Child Care Centre Operator is Eligible for, as set out by Article 3.1. A Child Care Funding Operator's failure to follow the terms of this Agreement, including submission of reports or data, may result in suspension of funding or termination of this Agreement in accordance with Articles 9.4.
- 6.2 Any Schedule that forms a part of this Agreement, Child Care Funding amount, Eligibility, or payment amount may be amended by the County as its discretion, subject to the provisions of Article 5.2 of this Agreement.
- 6.3 The Child Care Centre Operator shall use the funds provided by the County pursuant to this Agreement only for the purposes for which the funds are provided.
- 6.4 The Child Care Centre shall submit to the County a budget and/or reconciliation with respect to the services it provides pursuant to this Agreement, and such budget shall be provided at intervals as determined by the County.
- 6.5 The Child Care Centre shall, at the request of the County, change its fiscal year end to coincide with the year-end of the County or to such other date as the County directs.
- 6.6 In the event this Agreement or/its Schedules are amended as set out Article 5.1-5.2, the Child Care Centre Operator will return to the County any Child Care Funding remaining in its possession or under its control, for appropriate adjustment.
- 6.7 Without limiting any other rights of the County under this Agreement (inclusive of its Schedules), in the event the Child Care Centre Operator has not spent all of the Child Care Funding allocated, the County may take any or all of the following actions at its discretion:
- (a) demand the return of the unspent Child Care Funding;
 - (b) adjust the amount of any further instalments of Child Care Funding accordingly;

- (c) amend the Agreement as set out in Article 5.1-5.2;
 - (d) terminate the Agreement as set out in Article 14.6(ii)-14.7.
- 6.8 Notwithstanding any other provision of this Agreement, the County will not provide Child Care Funding payments to the Child Care Centre under this Agreement if such payments are not eligible for cost-sharing or full funding from the Ministry pursuant to the *CCEYA* or other applicable legislation.
- 6.9 The Child Care Centre Operator shall hold any funds advanced to the Child Care Centre by the County in trust for the County until such time as the funds are expended in accordance with this Agreement or returned to the County.
- 6.10 Notwithstanding any other provision of this Agreement, the Child Care Centre shall immediately refund to the County any payments made by the County that are in excess of the amount to which the Child Care Centre Operator is entitled, whether or not they have been demanded by the County Child Care Administrator. The County, in its sole discretion, may deduct or set off the overpayment from any subsequent monies due to the Child Care Centre or demand that the Child Care Centre Operator pay an amount equal to the excess funds to the County.
- 6.11 The Child Care Centre Operator shall pay any monies owing the County by cheque payable to "The Corporation of the County of Middlesex" and deliver same to the County as set out in Article 15.
- 6.12 The County, in its sole discretion, may require the Child Care Centre to repay to the County some or all of the Child Care Funding based upon the County's assessment of the current year's final audited statement provided to the County under this Agreement.
- 6.13 If the Child Care Centre uses some or all of the Child Care Funding for purposes other than authorized under this Agreement, the Child Care Centre covenants and agrees that it shall return such funds to the County.
- 6.14 If the Child Care Centre does not comply with the provisions of this Agreement, the Child Care Centre shall be considered in default of this Agreement and all Child Care Funding the County advanced to the Child Care Centre shall be deemed to be a loan and shall be immediately due and payable in full to the County. A default by the Child Care Centre Operator under any of the Schedules to this Agreement constitutes a default under this Agreement.
- 6.15 The County reserves the right to demand interest on the rate of 1.1517 per cent per month, compounded monthly, (equivalent effective annual rate of 15%) determined on any amount owing by the Child Care Centre in accordance with section 446(5) of the *Municipal Act*.
- 6.16 The Child Care Centre shall return all unexpended grant funds to the County within 90 days termination of the Agreement, unless the County has given prior written approval for such Child Care Funding to be spent on a specific program or activity.
- 6.17 In the event that the County determines that the Child Care Centre Operator has failed to meet any of the conditions outlined in this Agreement, inclusive of its Schedules for the provision of the Provincial Wage Enhancement Grant or Home Child Care Enhancement Grant funding, the County may suspend this Agreement and may recover any and all misused funds from the Child Care Centre. The County, in its sole discretion, may deduct or set off any overpayment from any other or subsequent monies due to the Child Care Centre. Additionally, the County may deem the Child Care Centre to be ineligible to receive future Wage Enhancement Grant or Home Child Care Enhancement Grant funding.
- 6.18 The Child Care Centre shall notify the County of any pending sale of assets or transfer of the majority of shares at least 90 days prior to such sale or transfer.
- 6.19 In the event that the Owner defaults on any provision of this Agreement, the provisions of the *Municipal Act* apply;
- 6.20 Without limiting any other remedy set out in this Agreement or otherwise available at law, the County at its discretion may: claim on any bond provided pursuant to this Agreement; cause any expense incurred by the County or its authorized agents to address the default to be added to the tax roll of any Sites owned by the Child Care Centre and collect for such expenses in like manner as municipal taxes; withdraw or revoke any or all Child Care Funding and refuse to approve further Child Care Funding until the default has been rectified; and/or seek redress by legal action.

7. CHILD CARE CENTRE LEGAL AND LICENCED STATUS

- 7.1 The Child Care Centre Operator represents and warrants to the County (and acknowledges that the County is relying thereon) that:
- a. it has a license to operate in good standing in accordance with the *CCEYA* and it is not in contravention of the *CCEYA*.
 - b. The Child Care Centre Operator shall maintain the license in good standing throughout the Term of this Agreement.
 - c. the Child Care Centre Operator, if holding itself out as a corporation, is a corporation duly incorporated under the laws of Ontario and is in compliance with all requirements imposed by such laws;
 - b. the Child Care Centre has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
 - c. the execution and delivery of this Agreement and the consummation of the transactions contemplated under it have been duly authorized by all necessary action and on the part of the Child Care Centre Operator; and
 - d. this Agreement constitutes a valid and binding obligation of the Child Care Centre Operator in accordance with the terms of this Agreement.

8. CHILD CARE OPERATOR SERVICES AND RATES

- 8.1 The Child Care Centre Operator consents to provide Programs and Services in accordance with the Service Description Schedule(s) marked with an “X” in Article 3.1 of this Agreement by the County Child Care Administrator and in accordance with the requirements of its license under Ontario Regulation 137/15 of the *CCEYA* and the policies, guidelines and requirements of the County and Service System Manager.
- 8.2 Keep a copy of this Agreement, in electronic and hardcopy format, on the Child Care Centre Operator’s Sites and available for inspection by the Ministry.
- 8.3 Provide Programs and Services in accordance with the *“How Does Learning Happen? Ontario’s pedagogy for the early years 2014”*, as amended or replaced, which is hereby incorporated by reference into this Agreement.
- 8.4 Where elected by the Child Care Centre Operator, participate in the OneHSN Childcare Application and Waitlist Solution (“**OneHSN**”) as required under this Agreement and will not generate and keep waitlists separate and apart from the centralized waitlist;
- 8.5 Provide inclusive Programs and Services and/or early years programming, as required under Section 49(1) of the *CCEYA*.
- 8.6 Maintain reasonable child care rates as approved by the County and communicate any changes to child care rates for approval of the County prior to implementation.
- 8.7 Offer the same services for the same rates to all individuals accessing care and avoiding member/non-member rates or resident/non-resident rates.
- 8.8 Subject to any particular rate increase rules set out in the Schedules, that the Child Care Centre Operator will not increase rates more than once per year and ensure that rate increases are reasonable and gradual in line with the cost of living (1-3% annually) to avoid hardship to families.
- 8.9 Participate in a meaningful way in providing quality Programs and Services or early years programs and services, including identifying ongoing professional learning opportunities for staff and keeping current with trends in pedagogy.
- 8.10 The Child Care Centre Operator shall immediately report to the County any revisions or use of alternate capacity with respect to spaces for aged 0-5 for which they are receiving fee reduction funding. Any such changes may result in the County adjusting or recovering Child Care Funding.
- 8.11 The Child Care Centre Operator shall complete and submit, satisfactorily to the Ministry, any survey as required by the Ministry (e.g. Licensed Child Care Operations Survey), as communicated to the Child Care Centre Operator by the County. The Child Care Centre

Operator shall not receive funding from the Delivery Agent until the County has received confirmation from the Ministry that the Child Care Centre Operator has satisfactorily submitted the survey.

- 8.12 Upon the request of the County Child Care Administrator, the Child Care Centre shall ensure that its staff providing Programs and Services will be available for consultation with County Staff.

9. RECORDS AND ACCESS TO CHILD CARE CENTRE PREMISES

- 9.1 The Child Care Centre shall maintain the following reports and records:

- a. Service records respecting each of the Programs and Services provided by the Child Care Centre Operator pursuant to this Agreement for each Site where the Programs and Services are provided;
- b. Up-to-date financial records and books of account, maintained in accordance with generally accepted accounting principles, respecting all Child Care Funding received by the Child Care Centre Operator from the County pursuant to this Agreement;
- c. All records maintained in accordance with generally accepted accounting principles;
- d. An audited Financial Statement with respect to the services provided by the Child Care Centre pursuant to this Agreement shall be provided to the County upon request for all Child Care Funding received (excluding Fee Subsidy) over \$75,000.00.
- e. Requests for Fee Subsidy rate increases will include a budget submission that details revenues and expenditures including staff salaries, benefits and qualifications for each staff position and details related to operational costs for each Site the Child Care Centre operates;
- f. Quarterly Reconciliation reports with respect to the services provided by the Child Care Centre pursuant to this Agreement shall be provided to the County for all Child Care Funding as prescribed in the attached Schedules;
- g. Financial records and books of account respecting Programs and Services provided, which are funded in whole or in part by Child Care Funding through this Agreement for each Site where such Programs and Services are being provided and will allow County staff or such other persons appointed by the County, 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.
- h. Any other report or record required pursuant to a Schedule to this Agreement; and

- 9.2 The Child Care Centre Operator acknowledges that reporting requirements for Child Care Funding are subject to change and amendment as types of funding are made available and/or adjusted by the Province, Government of Canada, the Service System Manager and the Delivery Agent. The Child Care Centre Operator further acknowledges that additional reporting requirements beyond those set out in this Agreement or in the Schedules may be created and that the Child Care Operator will provide any other report or record requested by the County, acting reasonably.

- 9.3 The Child Care Centre shall ensure that reports referred to in Article 9.1 and 9.2 above are in such form and contain such content as are reasonably required by the County Child Care Administrator.

- 9.4 The Child Care Centre acknowledges that failure to submit the reports required in accordance with Article 9.1 may result in either the withholding of payment until such reports are submitted or in the termination of this Agreement.

- 9.5 The Child Care Centre shall permit the County at any time during the Term of this Agreement and for seven (7) years after its expiry or termination and during the Child Care Centre Operator's usual business hours, to review all of the Child Care Centre Operator's materials, records and other documents relating to this Agreement provided that the County gives the Child Care Centre Operator twenty-four (24) hours' notice of its intention to do so.
- 9.6 Reports shall be submitted in a method compliant with the ***Municipal Freedom of Information and Protection and Privacy Act***, R.S.O. 1990, c. M. 56 ("***MFIPPA***") and will be communicated to the Child Care Centre Operator in a manner determined by the County.
- 9.7 In the event the Child Care Centre ceases operation, it is agreed that the Child Care Centre Operator will not dispose of any records related to the Services and Programs provided for under this Agreement without the prior consent of the County, which may be given subject to such conditions, as the County deems advisable.
- 9.8 The Child Care Centre Operator will grant access, at reasonable times, to County Staff or their authorized representative, to any premises used by the Child Care Centre Operator in connection with the programs and services pursuant to this Agreement for the purposes of evaluation of the programs and services and for purposes of inspection of the records, documentation and data required to be maintained by the Child Care Centre pursuant of the *CCEYA* and its regulations, and if necessary, to provide copies of same.

10. USE OF CHILD CARE FUNDING AND OBSERVANCE OF THE LAW

- 10.1 The Child Care Centre Operator warrants that it shall use the funds only for the purposes of carrying out the Programs and Services, as set out in the Schedules to this Agreement and for no other or improper purpose.
- 10.2 When a Child Care Centre Operator acquires goods and services with Child Care Funding from this Agreement, it shall be through the use of a process that promotes best value for money and complies with the ***Broader Public Sector Accountability Act***, 2010, S.O., c. 25, including any procurement directive issued thereunder, to the extent applicable.
- 10.3 The Child Care Centre Operator warrants that it shall not sell, change the use or otherwise dispose of any item, furnishing or equipment purchased with Child Care Funding pursuant to this Agreement without the prior written consent of the County, which may be given subject to such conditions, as County deems advisable.
- 10.4 The Child Care Centre and its employees and representatives, if any, shall at all times comply with all applicable federal, provincial and municipal legislation, regulations and by-laws, the Guidelines, and the Operating Guidelines, including but not limited to the ***Ontario Human Rights Code***, R.S.O. 1990, c. H. 19, the *MFIPPA*, the ***Accessibility for Ontarians with Disabilities Act***, 2005, S.O. 2005, c. 11, the ***Occupational Health and Safety Act***, ***Employment Standards Act***, R.S.O. 1990, c. O. 1, and the ***Workplace Safety and Insurance Act***, 1997, S.O., 16, Sched. A as amended or replaced, in respect of the performance of this Agreement.
- 10.5 The Child Care Centre delivering childcare shall be licensed in accordance with, and shall otherwise abide by, the *CCEYA* and the regulations made thereunder.
- 10.6 This Agreement shall automatically terminate if the Child Care Centre delivering childcare ceases to hold a valid license, or a renewal thereof, under the said *CCEYA* for a Site to which Child Care Funding is applicable.

11. INDEMNIFICATION

- 11.1 The Child Care Centre does hereby fully release, hold completely harmless and agrees to defend The Corporation of the County of Middlesex (the Delivery Agent) and The Corporation of the City of London (the Service System Manager as a third party beneficiary to this Agreement), including each of their respective Wardens, Mayors, Councillors, officers, employees, legal counsel, agents, invitees, and successors and assigns (all of which are hereinafter collectively referred to as the "***Releasees***"), at the Child Care Centre's sole expense, from and against any and all manner of claims, demands, losses,

expenses, fines, costs (including legal, expert and consultant fees), charges, actions, claims, demands and lawsuits or other proceedings made or brought against, suffered by or imposed on the Releasees by reason of:

- (a) any breach of this Agreement by any of the Child Care Centre Operator, the Child Care Centre Operator's employees, any subcontractor of the Child Care Centre Operator, or persons for whom the Child Care Centre Operator is responsible for (including volunteers);
- (b) any loss or misuse of funds held by the Child Care Centre Operator, the Child Care Centre Operator's employees, any subcontractor of the Child Care Centre Operator, or persons for whom the Child Care Centre Operator is responsible for (including volunteers);
- (c) the acts or omissions of the Child Care Centre Operator, the Child Care Centre Operator's employees, any subcontractor of the Operator, or persons for whom the Child Care Centre Operator is responsible for (including volunteers) in performing the services or otherwise carrying on the Child Care Centre Operator's business, including any damage to any and all persons or property, whether deliberate, accidental or through negligence, and all tickets, fines and penalties;
- (d) any claim or finding that any of the Child Care Centre Operator, the Child Care Centre Operator's employees, any subcontractor of the Child Care Centre Operator, or persons for whom the Child Care Centre Operator is responsible for (including volunteers) are employees of, or are in an employment relationship with;
- (e) any liability on the part of the Releasees under any statute (including but not limited to the ***Income Tax Act***, RSC, 1985, c. 1 (5th Supp.), as amended or replaced (hereinafter referred to as the "***Income Tax Act***") or an 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 Releasees: the Child Care Centre Operator's employees, any subcontractor of the Child Care Centre Operator, or persons for whom the Child Care Centre Operator is responsible for (including volunteers); and,
- (f) any and all claims, assessments, charges, taxes, or other penalties or demands which may be made by the Canada Revenue Operator, the Minister of National Revenue or other official of the Government of Canada, requiring the Releasees to pay income tax, charges or penalties under the *Income Tax Act* (Canada) in respect of any claims, demands and amounts payable in accordance with the contract which may be made by, on behalf of, or related to Services Canada Skills Development and Human Resources Development Canada or by any other government agency under any applicable statute and regulation with respect to any amounts which may in the future be found to be payable by the Releasees on the Child Care Centre Operator's behalf.

12. INSURANCE

12.1 The Operator undertakes and agrees that throughout the term of this Agreement, the Operator shall obtain and maintain:

- (a) general liability insurance on an occurrence basis covering the Child Care Centre Operator, its officers, servants, contractors, and agents for an amount not less than five million dollars (\$5,000,000.00) dollars to cover any liability resulting from anything done or omitted by the Child Care Centre Operator or its employees, agents or participants, with respect to the services it provides and shall include the Corporation of the Corporation of the County of Middlesex (Delivery Agent) and the City of London (Service System Manager as a third party beneficiary to this Agreement) as additional insureds with respect to the operations of the named insured, such policy to include:
 - (i) non-owned automobile liability, which includes contractual non-owned coverage (SEF 96);
 - (ii) personal liability;
 - (iii) personal injury;
 - (iv) broad form property damage;
 - (v) contractual liability;
 - (vi) owners' and contractors' protective;
 - (vii) products and completed operations;
 - (viii) contingent employers liability;

(ix) cross liability and severability of interest clauses in respect of the named insured; and

the policy shall extend to protect volunteers and shall not contain an exclusion of coverage relating to physical, sexual or emotional abuse claimed against the Child Care Centre Operator;

(b) automobile insurance for any owned or leased vehicle used by the Operator for the provision of services in an inclusive limit of not less than two million (\$2,000,000.00) dollars against statutory liability and accident benefits;

12.2 In addition, the Child Care Centre Operator shall provide, either as a stand-alone policy or as part of the Commercial General Liability, abuse liability coverage, which shall provide coverage for physical and sexual underwritten by an insurer licensed to conduct business in the Province of Ontario with limit of liability no less than five million dollars (\$5,000,000.00);

12.3 In addition, the Child Care Centre Operator shall furnish the City with evidence of Crime, Employee Dishonesty or Bond A policy or equivalent Fidelity Bond in the amount not less than the minimum amount set out in the chart below. The Corporation of the County of Middlesex (Delivery Agent) and the City of London (Service System Manager as a third party beneficiary to this Agreement) shall be shown on the Policy as a named Obligees with respect to any loss or misuse of funds held by the Child Care Centre Operator as described in this Agreement.

Amount of Funding	Minimum Crime Insurance Limit
Less than \$30,000	\$5,000
\$30,001 - \$100,000	\$25,000
Greater than \$100,000	\$100,000

12.4 The Child Care Centre Operator shall submit prior to signing this Agreement, prior to be deemed to Eligible for Child Care Funding by the County, and thereafter on an annual basis, and prior to insurance expiry, a completed Insurance Certificate in a form acceptable to the County, which provides for a minimum of thirty (30) days' notice in advance of cancellation of such insurance.

12.5 The Child Care Centre Operator's insurance shall be primary coverage and not be additional to or seek contribution from any other insurance policies available to the Delivery Agent or Service System Manager;

12.6 Failure to procure and maintain any insurance under this Agreement or Schedules shall constitute a default under this Agreement.

13. CONFIDENTIALITY

13.1 The Child Care Centre, its officers, agents and employees shall treat all information, especially that relating to children and parents, guardians and caregivers which is obtained by it through its performance under this Agreement as confidential and shall not, unless required to do so by law, disclose same, other than in accordance with this Agreement, without the prior written approval of the County.

13.2 The Child Care Centre Operator shall at all times comply with the **Freedom of Information and Protection of Privacy Act**, R.S.O. 1990, c. F. 31, **Personal Information Protection and Electronic Documents Act**, S.C. 2000, c.5.(**"PIPEDA"**), and the **Personal Health Information Protection Act**, 2004, S.O. c. 2 (**"PHIPA"**), as applicable to information collected by the Child Care Centre Operator.

13.3 The Child Care Centre shall not, unless required to do so by law, release information pertaining to subsidized children and parents, guardians and caregivers receiving its services to third parties without first obtaining the written consent of the affected parent or the person entitled to give consent on behalf of the affected subsidized child.

The Operator agrees to obtain the consent in writing of the County before publishing or issuing any information regarding its Programs and Services that are supported in whole or in part by Child Care Funding. The Child Care Centre Operator shall treat all confidential and proprietary information communicated to or acquired by the Child Care Centre Operator, or disclosed by the County in the course of carrying out the Services provided for herein in accordance with the **MFIPPA**. No such information shall be used by the Child Care Centre Operator on any other project without the prior written approval of the County.

- 13.4 The Child Care Centre Operator shall secure confidential information stored and transferred by electronic means by using password protection, encryption of data during transmission and use of firewalls.
- 13.5 The Child Care Centre Operator shall secure confidential information stored in hard copy format by locking the storage of same to prevent access by those who do not require access to the information for the performance of this Agreement.
- 13.6 The Child Care Centre Operator shall secure all confidential information by restricting access to only those individuals who require access to collect, use or transmit the information for the performance of this Agreement.
- 13.7 The Child Care Centre will protect all confidential information in its possession, including during transmission, in accordance with industry best practices.
- 13.8 The Child Care Centre Operator shall require each of its employees and agents, who work under this Agreement or who have access to confidential information of the County, to comply with the requirements of this Agreement with respect to confidentiality.

14. TERMINATION

- 14.1 In addition to any provisions of this Agreement allowing for termination of this Agreement (Articles 9.4, 10.6, 16.6 and 17.6), termination of this Agreement may occur in accordance with this Article 14.
- 14.2 Either party may at any time terminate this Agreement in whole or in part, without penalty or cause, by giving a minimum of (60) days written notice to the other party and in the event the Agreement is terminated in part, the remainder of the Agreement, if capable of performance, shall continue in full force and effect.
- 14.3 Without limiting Article 5.2 and in accordance with Article 5.1 of this Agreement, the applicability of individual Schedules to the Child Care Centre Operator and/or a Child Care Centre Operator's Eligibility for a type or all Child Care Funding as set out in individual Schedules to this Agreement may be terminated.
- 14.4 In the event notice is given under sub-article 5.2, the Child Care Centre Operator shall during the notice period, provide only those services which the County, determines are reasonably required to complete the service in progress.
- 14.5 Notwithstanding any other provision of this Agreement, if in the opinion of the County, the Child Care Centre Operator has conducted an event of default or non-performance and is in breach of this Agreement, the County may terminate this Agreement immediately and in such case, the County will provide the Child Care Centre Operator in accordance with Article 12 (Notice). Notwithstanding the foregoing, the County may, in its discretion, provide the Child Care Centre with a reasonable period of time to rectify the breach.
- 14.6 Each of the following events will constitute an event of default or non-performance:
 - (a) in the opinion of the County, the Child Care Centre Operator breaches any representation, warranty, covenant or other material term of the Agreement, including failing to do any of the following in accordance with the terms and conditions of the Agreement:
 - (i) carry out its Programs and Services in a manner required in order to receive Child Care Funding;
 - (ii) use or spend all of the Child Care Funding; or
 - (iii) provide reports as set out in Article 9.4 or which have been requested;
 - (b) the Child Care Centre Operator's operations, its financial condition, or its organizational structure changes such that it no longer meets one or more of the Eligibility requirements for a type or all Child Care Funding under which the County provides the subsidy, grant, or funding;
 - (c) the Child Care Centre Operator is a corporation and transfers the majority of its issued shares in the capital stock or transfers, issues or divides of any shares of the corporation or of any affiliated corporation sufficient to transfer control to those other than the then present shareholders of the corporation;

- (d) the Child Care Centre Operator makes an assignment, proposal, compromise, or arrangement for the benefit of creditors, or a creditor makes an application for an order adjudging the Child Care Centre Operator bankrupt, or applies for the appointment of a receiver;
 - (d) the Child Care Centre Operator ceases to operate.
- 14.7 In the event the County terminates the Agreement pursuant to Article 14.6, the County may take one or more of the following actions:
- (a) cancel all further instalments of Child Care Funding;
 - (b) demand from the Child Care Centre Operator the payment of any Child Care Funding remaining in the possession or under the control of the Child Care Centre Operator; and
 - (c) determine the reasonable costs for the Child Care Funding Operator to wind down any type of Child Care Funding being provided and do either of the following:
 - (i) permit the Child Care Centre Operator to offset such costs against the amount the Child Care Centre Operator owes pursuant to Article 5.5(b); and
 - (ii) subject to Article 6.1 (Payment), provide Child Care Funding to the Child Care Centre Operator to cover such costs.
- 14.8 Upon termination of this Agreement, the Child Care Centre shall reimburse forthwith to the County any monies advanced by the County which are not expended in accordance with this Agreement and such monies shall constitute a debt owing to the County, enforceable under the terms of the *Municipal Act* and any other means available at law.

15. NOTICE

- 15.1 Any notice or any other communication required or permitted to be given under this Agreement shall be in writing. E-mail correspondence shall be considered to be ‘in writing’ and shall be deemed effective if and at the time delivery is confirmed to the e-mail addresses of the representative officer of a Party listed below or to such other e-mail address as provided by a party in writing during the course of this Agreement to serve as an e-mail address to which notice may be provided. Notice may also be effected if delivered by registered mail or personal delivery and/or by courier with receipt verified by signature, to the officer position noted below for a party or to such other address as may be provided by a party in writing during the course of this Agreement to serve as an address and officer to which notice may be provided. Notice shall be deemed effective at the time of delivery.
- 15.2 Any notice in writing may be delivered to each of the Parties by delivering to the acting officers and addresses set out below:

<p>If for the Child Care Centre Operator:</p> <p>To: <insert Child Care Centre Operator's name></p> <p>Address: <insert Child Care Centre Operator's address></p> <p>Attn: <insert relevant name/position></p> <p>E-mail: <insert e-mail address></p>	<p>If for the County:</p> <p>To: The Corporation of the County of Middlesex</p> <p>County Building 399 Ridout Street N. London, ON N6A 2P1 Attn: County Child Care Administrator</p> <p>E-mail: choward@middlesex.ca</p>
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or to such other addresses as the Parties may from time to time notify in writing, and any demand or notice so made or given shall be deemed to have been properly made or given and received on the day on which it shall have been so delivered or, if mailed, then, in the absence of any interruption in postal service in the County affecting the delivery or handling thereof, on the day following three (3) clear business days following the date of mailing.

16. CHILD CARE CENTRE OPERATOR/COUNTY RELATIONSHIP

- 16.1 The Parties hereto are each independent of the other and this Agreement and shall not be deemed to operate to be carrying on a partnership, joint venture, employment arrangement, master servant relationship or any other similar relationship between the County and the Child Care Centre Operator or between the County and any employees, agent or contractors of the Operator.
- 16.2 The Child Care Centre acknowledges and agrees this Agreement is in no way deemed or construed to be an Agreement of Employment. Specifically, the Parties agree that neither the Child Care Centre nor its employees are employees of the Municipality for the purpose of, but not limited to, the *Income Tax Act*, R.S.C., 1985, c. 1, *Canadian Pension Plan*, R.S.C., 1985, c. C-8, *Employment Insurance Act*, S.C. 1996, c. 23, *Workplace Safety and Insurance Act*, 1997, S.O., c. 16, Sched. A., *Occupational Health and Safety Act Pay Equity Act*, R.S.O. 1990, c. O.1, and the *Health Insurance Act*, R.S.O. 1990, c. H.6., as amended from time to time and any legislation in substitution therefore.
- 16.3 The Child Care Centre is an independent contractor and the Child Care Centre, its agents, officers and employees in the performance of this Agreement shall be taken to be acting in an independent capacity and not as an officer, employee or agent of the Delivery Agent or Service System Manager.
- 16.4 The Operator, in fulfilling its obligations under this Agreement, shall be solely responsible for all of its statutory obligations, including but not limited to the payment of CPP, WSIB, and taxes. The Child Care Centre shall be solely responsible for the payment of any subcontractors employed, engaged or retained by the Child Care Centre for the purpose of assisting it in the discharge of its obligation under this Agreement.
- 16.5 The Child Care Centre shall co-ordinate the services of any subcontractors employed, engaged or retained by it pursuant to sub-article 7.2 and the Child Care Centre shall be liable to the County for any and all costs arising from the errors or omissions of such subcontractors or any of them.
- 16.6 A breach of this section by the Child Care Centre Operator shall entitle the County to terminate the Agreement, in addition to any other remedies that the County has in the Agreement, in law or in equity.

17. CONFLICT OF INTEREST

- 17.1 For the purposes of this Article 17, “**Conflict of Interest**” means a situation in which the interests of the Child Care Centre Operator or the Child Care Centre Operator’s staff or any outside interest or commitment of the Child Care Centre Operator comes into conflict, or appears to come into conflict with the interests of the County and includes both non-pecuniary and pecuniary interests (direct or non-direct).
- 17.2 The Child Care Centre Operator, 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 in Middlesex County where such activity or the provision of such services, creates a Conflict of Interest (actually or potentially) in the sole opinion of the County Child Care Administrator) with the provision of services pursuant to this Agreement. The Child Care Centre acknowledges and agrees that it shall be a Conflict of Interest for it to use confidential information of the County relevant to the services where the County has not specifically authorized such use.
- 17.3 The Child Care Centre Operator shall disclose to the County without delay.
- 17.4 The Child Care Centre Operator shall disclose in writing to the Child Care Administrator without delay, any outside interest and commitments that constitutes an actual or potential Conflict of Interest or which may be reasonably interpreted by an objective member of the public as either a Conflict of Interest or a potential Conflict of Interest, prior to providing Programs and Services funded by Child Care Funding under this Agreement and or if such Conflict of Interest or potential Conflict of Interest arises after the commencement of delivery of Programs and Services funded by the Child Care Funding, immediately upon any such outside interest or commitment coming to the attention of the Child Care Centre Operator.
- 17.5 Upon receipt of the written disclosure set out in Article 11.4 above, the County Child Care Administrator shall review the Conflict of Interest or Potential Conflict of Interest promptly and shall give the Child Care Centre Operator notice in writing of his or her determination as to whether any outside interest or commitment raises a Conflict of Interest or potential Conflict of Interest with respect to the Child Care Centre Operator’s commitments identified in the Schedules to this Agreement. The decision by the Count Child Care Administrator shall be final. Disclosure of Conflicts of Interest or potential Conflicts of

Interest of the Child Care Centre Operator to the County shall be kept confidential except to the extent necessary to review, consider and resolve any Conflict of Interest or potential Conflict of Interest and as permitted by the *MFIPPA*. A Conflict of Interest or potential Conflict of Interest may be resolved by the Child Care Centre Operator amending its obligations under one or more Schedules to this Agreement, or by terminating one or more Schedules to this Agreement upon the written direction of the County Child Care Administrator in accordance with Article 5.1 (Amendment).

- 17.6 A breach of this Article 11 by the Child Care Centre Operator shall entitle the County to terminate the Agreement, in addition to any other remedies that the County has in the Agreement, in law or in equity.

18. COMMUNICATIONS REQUIREMENTS

- 18.1 Unless otherwise directed by the County or the Province and the Government of Canada, the Child Care Centre Operator will:
- (a) acknowledge the support of the County of Middlesex, the Service System Manager, the Province of Ontario, and the Government of Canada (where applicable) for Child Care Funding provided in any of its communication activities, publications, advertising and press releases related to its Programs and Services funded in whole or in part by the Child Care Funding; and,
 - (a) ensure that the acknowledgement is in a form and manner as directed by the County, the Province or the Government of Canada (where applicable).
- 18.2 The Child Care Centre Operator will indicate, in any communication activities, publications, advertising and press releases related to its Programs and Services funded in whole or in part by Child Care Funding, whether such communication activities, publications, advertising and press releases are written, oral, or visual, that the views expressed by the Child Care Centre Operator in the communication activities, publications, advertising and press releases are the views of the Child Care Centre Operator and do not necessarily reflect those of the County or Service System Manager.

19. GENERAL PROVISIONS

- 19.1 **Joint and Several Liability:** Where the Child Care Centre Operator is comprised of more than one entity, all such entities will be jointly and severally liable to the County for the fulfillment of the obligations of the Child Care Centre Operator under this Agreement.
- 19.2 **Time:** The Child Care Centre Operator shall perform its Programs and Services funded in whole or in part by the Child Care Funding expeditiously to meet the requirements of the County and shall complete any portion or portions of the Programs and Services in such order as the County may require.
- 19.3 **Assignment:** Neither Party may assign this Agreement or any part thereof, without the prior consent in writing of the other. The consent of the County may be withheld in its sole discretion or given subject to such conditions as the County may impose.
- 19.3.1 Without limiting the requirements of Article 19.3 above, any change in control of the Child Care Centre (as defined by the *Business Corporations Act*, R.S.O. 1990, c. B. 16), if the Child Care Centre is a corporation, and any reorganization which results in a change in the effective control of the Child Care Centre, if the Child Care Centre is a partnership is considered an assignment to which the provisions of Article 19.3 and Article 14 apply.
- 19.4 **Entire Agreement:** This Agreement and its Schedules, as later amended by the County in accordance with Article 5.1 constitute the entire Agreement between the Parties with respect to Child Care Funding, as defined herein, and in accordance with Article 5.3, each subsequent amendment of this Agreement and its Schedules supersedes all previous agreements, arrangements, or understandings between the parties whether written or oral in connection with or incidental to this Agreement.
- 19.5 **Severability:** In the event any provision of this Agreement be declared or found to be illegal, unenforceable, legally ineffective or void, then each Party shall be relieved of any obligation arising from such provision, but the balance of the Agreement, if capable of performance, shall remain in full force and effect.
- 19.6 **Waiver:** No term or provision of this Agreement shall be deemed waived and no breach consented to unless such waiver or consent is in writing and signed by an authorized

representative of the party claimed to have waived or consented. No consent by Party to, or waiver of, a breach under this Agreement shall constitute a consent to, waiver of, or excuse for any other, different or subsequent breach. The failure of either Party at any time to require performance by the other Party of any provisions shall in no way affect the full right to require such performance at any time thereafter, nor shall waiver by either Party of any breach of the provisions be taken or held to be a waiver of any succeeding breach of such provisions or as a waiver of the provision itself.

- 19.7 **Circumstances Beyond the Control of Either Party:** Neither party shall be responsible for damage caused by delay or failure to perform under the terms of this Agreement resulting from matters beyond the control of the parties including strike, lockout or any other action arising from a labour dispute, fire, flood, act of God, war, riot, or other insurrection, lawful act of public authority, or delay or default caused by a common carrier which cannot be reasonably foreseen or provided against.
- 19.8 **Survival:** All representations, warranties and obligations of payment, records and access, indemnification, insurance, confidentiality, Child Care Centre Operator/County Relationship, and Conflict of Interest (Articles 6, 9, 11, 12, 13, 16 and 17) pursuant to this Agreement shall survive termination or expiry of this Agreement.
- 19.9 **Counterparts and Electronic Endorsement:** This Agreement may be executed and initialed by the Parties by original or electronic signature and be delivered by the parties in separate counterparts by e-mail or other functionally equivalent electronic means of transmission. Execution and delivery copy of this Agreement as set out above shall be deemed to effectively bind the parties and meets the requirements of the *Electronic Commerce Act 2000*, S.O. 2000, c. 17, as amended or replaced. Each counterpart will be considered an original and each, when held together, shall constitute one and the same instrument.
- 19.20 **Governing Law:** This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and Canada and the Parties agree to the exclusive jurisdiction of the courts of the Province of Ontario with respect to the enforcement and interpretation of this Agreement.

[ONE (1) ENDORSEMENT PAGE FOLLOWS]

IN WITNESS WHEREOF this Agreement has been endorsed by the Child Care Centre by its proper signing officers and endorsed by the County by the County Child Care Administrator with delegated authority to bind the County:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date Per: <signature>

Name/Title <please print>

I have authority to bind the Corporation

WITNESS

Date <witness signature>

Name: <print name>

(required where Child Care Centre Operator is not a corporation)

THE CORPORATION OF THE COUNTY OF MIDDLESEX

Date

Per: Cindy Howard
General Manager, Finance and Social Services

I have delegated authority to bind the Municipal Corporation

SCHEDULE “A”: **FEE SUBSIDY**

SERVICE OBJECTIVE:

To provide affordable child care to eligible families in licensed child care facilities.

SERVICE DESCRIPTION:

The Child Care Centre will provide child care services to children on whose behalf a fee subsidy is paid at a licensed child care centre. All child care services will be provided in accordance with the *Child Care and Early Years Act*, 2014, S.O. c. 11, Sched. 1 and the policies, guidelines, and requirements of Middlesex County.

DOCUMENTATION REQUIRED:

The Child Care Centre agrees to provide the following documentation prior to this Service Description Schedule being finalized and prior to December 31st of each year thereafter (unless otherwise stated), as long as this Service Description Schedule is in effect:

1. A list of rates charged by the Child Care Centre to parents.
2. The Articles of Incorporation, listing the Child Care Centre’s current Directors, where the Child Care Centre is a corporation.
3. All documentation set out in _____, which is incorporated by reference into this Agreement.

UNDERSTANDING:

The applicant’s eligibility for fee subsidy will be determined by the County. All communication with the applicant regarding fee subsidy will be the responsibility of the County. The County will send a fee subsidy approval letter to the parent and a copy will go to the Child Care Centre outlining placement start date, daily parental fee and eligible hours of child care.

Any changes in the care approved thru fee subsidy will be determined by the County and communicated to the Child Care Centre. If the Child Care Centre is aware of changes in the child’s care or schedule they will notify the County so that the County may determine whether a parent continues to qualify for fee subsidy within the meaning of the *Child Care and Early Years Act*, 2014, S.O. c. 11, Sched. 1 and Regulations made thereunder.

The County will provide two weeks’ notice (10 business days) regarding termination of child care fee subsidy.

The County will pay fee subsidy on behalf of a child who, on a regularly scheduled days, is sick, absent or on vacation, to a maximum of forty-five (45) days per calendar year. If a child has started child care in-year, the twenty-five days will be prorated accordingly. If absences occur that are in excess of those permitted, the parent is responsible for paying the full cost of care. It is the responsibility of the parent to report any planned or unplanned absences and to abide by any notice periods that may be required. The Child Care Centre shall advise the County of excessive absenteeism.

The Child Care Centre further agrees to provide, upon reasonable notice, any other documentation as required by Middlesex County and/or Ministry of Education.

REIMBURSEMENT TO CHILD CARE CENTRES:

Subject to Canada Wide Early Learning Child Care funding rules, as amended or replaced, Middlesex County will pay to the Child Care Centre in respect of each child on whose behalf a subsidy is paid, the market rate less the parental contribution for each day/week the subsidized child is scheduled to attend the licensed child care program.

BILLINGS:

Child care fee subsidy is paid in arrears. The Child Care Centre will complete and submit the web-based attendance schedule (OCCMS) by the end of the month following the month in question. In particular, the Child Care Centre will verify and/or amend the attendance information for all children who have been approved for a fee subsidy. Subsidy will be paid by the County at the approved rate, for each child less the parental contribution on a on the fifth day of each month. It is the responsibility of each Child Care Centre to collect from the parent, the amount of the parental contribution stipulated in the fee subsidy approval letter.

REPORTING REQUIREMENTS:

Recipients must have their subsidy file reviewed at minimum once a year. This annual review practice involves a reapplication process by which a recipient must resubmit required documents in order to reassess ongoing eligibility. A subsidy file may also be reviewed at any time throughout the year in order to maintain up-to-date information and eligibility.

AUTHORITY AND STANDARDS:

Child Care and Early Years Act, 2014, S.O. c. 11, Sched. 1
Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (the “Provincial Guideline”)
Children’s Services Early Years and Child Care Service Plan 2019-2024

I, the below-signed Child Care Centre Operator, acknowledge and agree with the terms set forth in this Schedule:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date Per: <signature>

Name/Title <please print>

I have authority to bind the Corporation

WITNESS

Date <witness signature>

Name: <print name>
(required where Child Care Centre Operator is not a corporation)

ELIGIBILITY DATE FOR FUNDING

Date

COUNTY CHILD CARE ADMINISTATOR

Per: Cindy Howard
General Manager, Finance and Social Services
I have delegated authority to bind the Municipal Corporation

SCHEDULE “B”: GENERAL OPERATING GRANT

SERVICE OBJECTIVES:

The General Operating Grant is to be used by Child Care Agencies to support the costs of operating licensed child care programs in order to reduce wait times and fees for services, stabilize service levels, and where funds allow, to improve access to high quality affordable early learning and child care services for children and their families. It's anticipated that the following key considerations will be addressed:

- The existing child care system will be transformed (Early Learning Framework) and stabilized to continue the provision of quality, consistent programs and services;
- Parents will have access to a seamless child care system;
- Programs serving children with special needs, Indigenous children, Newcomer children and Francophone children will be supported;
- Child care fees will be stabilized; and
- The licensed child care system will continue to be staffed by qualified individuals who demonstrate best practices in the early learning and care field.

SERVICE DESCRIPTION:

General Operating Grant funding may be provided to non-profit and for-profit child care programs for ongoing costs including: staff wages and benefits, lease and occupancy costs, utilities, administration, transportation for children, resources, nutrition, supplies, maintenance, etc.

The standard will be applied in the following manner:

- Child Care Agencies must demonstrate to Middlesex County that they are able to meet their minimum wage and mandatory benefits requirements without General Operating Grant funding in order to qualify for funding.
- Child Care Agencies should use the General Operating Grant funding to support a stable ongoing operating and wage base rather than allocation as lump sums.
- Child Care Agencies must promptly report any significant reduction in service levels and/or staffing that is not of a temporary nature to Middlesex County.
- Any identified surplus or unspent funds must be returned to Middlesex County or arrangements must be made for them to be deducted from future allocations.
- In the event of a service closure, surplus funds are to be refunded to Middlesex County.
- General Operating Grant funding for the coming year will be calculated using the licensed capacity in place as of the beginning of the current year as per the Centre's Ministry License.
- Middlesex County will provide child care operators with 1/12 of their annual entitlement each month. Adjustments will be made as necessary, subject to available funds.

ELIGIBILITY:

All applicants must meet the following applicable Provincial Guideline and local policies to be considered for funding:

- Be located in Middlesex County
- Demonstrate to Middlesex County that they are able to meet their minimum wage and mandatory benefits requirements without General Operating Grant funding in order to qualify for funding.
- Child Care Agencies should use the General Operating Grant funding to support a stable ongoing operating and wage base rather than allocation as lump sums.
- Child Care Agencies must promptly report any significant reduction in service levels and/or staffing that is not of a temporary nature to Middlesex County.
- Any identified surplus or unspent funds must be returned to Middlesex County or arrangements must be made for them to be deducted from future allocations.
- In the event of a service closure, surplus funds are to be refunded to Middlesex County.
- General Operating Grant funding for the coming year will be calculated using the licensed capacity in place as of the beginning of the current year as per the Centre's Ministry License.
- Middlesex County will provide child care operators with 1/12 of their annual entitlement each month. Adjustments will be made as necessary, subject to available funds.
- Demonstrate financial viability, program sustainability and be in good standing with the County
- Be a centre-based or home-based Child Care Centre that is non-profit, for-profit or directly operated by a municipality
- Be a licensed Child Care Centre by the Ministry of Education and subject to the requirements of all pertinent legislation including the Child Care and Early Years Act, 2014
- Agree to accept children who require a fee subsidy

- Agree to use of the OneHSN Childcare Application and Registry
- Agree to maintain reasonable child care rates as approved by Middlesex County Children's Services
- Enter into an Agreement with the County for the provision of funding and agree with the terms and conditions of the Agreement, which may be adapted based on the Provincial Guideline and local priorities including those outlined in the Children's Services Early Years and Child Care Service Plan.

CALCULATION OF FUNDING:

Funding is allocated equitably and in a transparent manner to meet program objectives and local needs. Funding calculations are adapted based on the Provincial Guideline and local priorities including those outlined in the Children's Services Early Years and Child Care Service Plan.

ALLOWABLE EXPENDITURES:

The Provincial Guideline sets out allowable expenses and are subject to change:

- Staff wages and benefits (can only be used to offset salary costs over and above the Child Care Centre Operators' regulatory requirements for minimum wage and mandatory benefits)
- Lease, occupancy costs and utilities
- Administration
- Transportation for children, resources, supplies and nutrition
- Maintenance.

General operating funds applied to staff wages and benefits are to be distributed equitably to all staff and must be paid out as part of the regular payroll cycle throughout the year.

INADMISSABLE EXPENDITURES:

The Provincial Guideline sets out inadmissible expenses and are subject to change:

- Bonuses (including retiring bonuses), gifts and honoraria
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans
- Property taxes
- Non-arm's length transactions not transacted at fair market value
- Fees paid on behalf of staff for membership in professional organization such as the College of Early Childhood Educators are inadmissible
- Any other expenditure not listed under the allowable expenses section.

OTHER CONSIDERATIONS:

If there is a decrease in the licensed capacity, months or hours of operation, the amount of General Operating Grant funding will decrease. If there is an increase in the licensed capacity, months or hours of operation, the amount of General Operating Grant may increase, subject to available funding.

Other factors that may impact the amount of the General Operating Grant include an increase or decrease in the licensed capacity within the local child care system, the County's available funding allocation, an increase or decrease in the demand for fee subsidy and/or other community priorities.

CONTRIBUTION TO AN OPERATING RESERVE:

General Operating Grant funding cannot be used specifically to establish a reserve or increase the level of a reserve. The General Operating Grant funding received from Middlesex County can be used to offset operating costs thereby freeing up funding from other sources that can be used to establish or increase an operator's operating reserve to the maximum allowable limit. The standard that the County is recommending is based on a formula that would allow sufficient cash flow to cover a Child Care Centre's operating expenses.

An operating reserve is defined as 'current assets' such as any cash, any short term or long term investments (e.g., portfolio investments, Canadian Money Market Funds, Corporate and/or Government Bonds, GICs., etc.), any accounts receivable, and any prepaid expenses, minus

‘current liabilities’ such as accounts payable, any accrued payroll (excluding management bonuses), any accrued vacation pay, and any unearned revenue.

As well, the General Operating Grant funding cannot be used for capital debt costs.

REPORTING REQUIREMENTS:

Recipients are required to demonstrate maintained eligibility and use of funding by reporting annually in accordance with the terms and conditions set out in the Agreement.

Reporting can include, but is not limited to:

- Middlesex County’s Operator’s Annual Reconciliation spreadsheet
- Audited Financial Statements or a Review Engagement (by July 31 of the following year) that verifies funding was used for its intended purpose

AUTHORITY AND STANDARDS:

Child Care and Early Years Act, 2014, S.O. c. 11, Sched. 1

Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (the “Provincial Guideline”)

Children’s Services Early Years and Child Care Service Plan 2019-2024

I, the below-signed Child Care Centre Operator, acknowledge and agree with the terms set forth in this Schedule:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date Per: <signature>

Name/Title <please print>

I have authority to bind the Corporation

WITNESS

Date <witness signature>

Name: <print name>
(required where Child Care Centre Operator is not a corporation)

ELIGIBILITY DATE FOR FUNDING

Date

COUNTY CHILD CARE ADMINISTATOR

Per: Cindy Howard
General Manager, Finance and Social Services
I have delegated authority to bind the Municipal Corporation

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

SCHEDULE "C":
PROVINCIAL WAGE ENHANCEMENT GRANT

SERVICE OBJECTIVES:

- To close the wage gap between Registered Early Childhood Educators (RECE) working in publicly funded schools and RECEs, child care program staff and providers in licensed child care settings.
- To stabilize licensed Child Care Agencies by helping them retain RECEs/child care staff.
- To support greater employment and income security.

SERVICE DESCRIPTION:

The Provincial Wage Enhancement Grant is to support a wage and associated benefit increase to RECEs and other program staff working in ratio in licensed child care programs, and Home Visitors working in licensed Private Home Child Care agencies.

APPLICATION:

Applications are completed annually and will be sent during the first quarter of the year to child care providers who have a service agreement with Middlesex County. may be submitted annually within prescribed timelines and approval is subject to the submission of a complete application, eligibility, established priorities and availability of funding.

The Provincial FUNDING CONDITIONS:

Wage Enhancement/Home Child Care Enhancement Grant funding is an enveloped allocation separate from other funding allocations. Child Care Agencies are required to use the funding only for the intended purpose (i.e. increasing wages of eligible child care staff). The following conditions apply:

1. Child Care Agencies are required to notify their staff of the availability of wage enhancement funding and of the associated Guidelines.
2. Child Care Agencies are required to distribute the wage enhancement funding on regular pay cheques. The funding is not to be issued on a quarterly installment basis.
3. Child Care Agencies must clearly indicate on staff pay cheques the portion of funding that is being provided through the wage enhancement labeled as "Provincial child care wage enhancement".
5. Child Care Agencies are not permitted to substitute dollars that they previously provided to staff with Ministry funding. In other words, wage enhancement funding must be provided in addition to pay equity payments, annual cost of living increases, or wage grid increases.

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

6. Any funding that is not expended by a Child Care Centre in accordance with the funding criteria will be recovered by Middlesex County.
7. If a Child Care Centre chooses to pay wage enhancement funding to its staff based on hours worked and mandatory benefits (as capped by the province) in the current year, rather than based on the previous year's entitlement calculation established by the Ministry, Middlesex County will not be liable for these costs.
8. If a Child Care Centre chooses to use other funding sources to supplement the wage enhancement funding received from Middlesex County they do so at their own discretion and Middlesex County assumes no responsibility for this.
9. The supplemental grant offered as part of this funding must be used to support staff hourly/daily wage or benefits. It provides Child Care Agencies with 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.

ALLOWABLE EXPENSES:

The Provincial Guideline sets out allowable expenses and are subject to change:

- Increase wages of eligible centre-based staff and home visitors by up to \$2 per hour plus 17.5 percent benefits based on their current wage rates for all hours worked in program;
- Increase daily rates of eligible licensed home child-care Child Care Agencies of up to \$20 based on current hours of service provided.

INADMISSABLE EXPENSES:

The Provincial Guideline sets out inadmissible expenses and are subject to annual change:

- Support system expansion or reduce fees
- Increase wages and benefits of Special Needs Resource-funded resource teachers/consultants and Enhanced staff
- Increase wage and benefits of cooks, custodial and other non-program staff positions

REPORTING REQUIREMENTS:

Recipients are required to demonstrate maintained eligibility and use of funding by reporting annually in accordance with the terms and conditions set out in the Agreement.

Reporting can include, but is not limited to:

Reconciliation of Funds (by February 28 of the following year) using the WEG reconciliation template provided by Middlesex County.

Should the County request, the Child Care Agencies may be required to provide supporting documentation.

Should the Child Care Centre have unused Wage Enhancement Funding, an invoice will be issued by Middlesex County to recoup the unused amount.

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

AUTHORITY AND STANDARDS:

Child Care and Early Years Act, 2014, S.O. c. 11, Sched. 1

Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (the "Provincial Guideline")

Children's Services Early Years and Child Care Service Plan 2019-2024

I, the below-signed Child Care Centre Operator, acknowledge and agree with the terms set forth in this Schedule:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date

Per: <signature>

Name/Title <please print>

I have authority to bind the Corporation

WITNESS

Date

<witness signature>

Name: <print name>

(required where Child Care Centre Operator is not a corporation)

ELIGIBILITY DATE FOR FUNDING

Date

COUNTY CHILD CARE ADMINISTRATOR

Per: Cindy Howard

General Manager, Finance and Social Services

I have delegated authority to bind the Municipal Corporation

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

SCHEDULE “D”:

SPECIAL PURPOSE (PLAY BASED, HEALTH AND SAFETY) ONE-TIME FUNDING

SERVICE OBJECTIVES:

Special Purpose funding is intended to strengthen the early years sector by building capacity and assisting with business transformation costs, play-based materials, repairs and maintenance, and other sector priorities to support the provision of high-quality child care programs for children ages 0 to 12.

APPLICATION PROCESS:

Child Care Agencies with a service agreement with Middlesex County that demonstrate financial viability, program sustainability and are in good standing with the County will automatically be issued Play based and Health and Safety Funding in the first quarter of the calendar year.

Child Care Agencies who wish to access Transformation Funding and have a valid expense (as listed below) should submit a request in writing to Middlesex County Children's Services outlining the type of expense and amount requested before the end of the second quarter. Funding will be allocated based on the priorities outlined in the Child Care and Early Years Plan.

PLAY-BASED MATERIAL AND EQUIPMENT:

Play-based material and equipment funding is intended to help child care 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?

ALLOWABLE EXPENDITURES:

Play-based material* and equipment funding may be used to purchase non-consumable quality supplies and equipment to support the ongoing regular operation of the child care program (e.g. kitchen supplies, IT etc.).

HEALTH & SAFETY REPAIRS AND MAINTENANCE FUNDING:

All licensed child care operators are eligible for repairs and maintenance funding. This funding is to assist child care operators in complying with licensing requirements under the *Child Care and Early Years Act, 2014* as well as health & safety practices, the upkeep of equipment, property repairs and maintenance.

ALLOWABLE EXPENDITURES:

Some common health and safety issues include the repairs and replacement of the following:

Food Preparation & Washrooms

Hand washing sink in the kitchen Fixtures, change tables

Dishwasher or hot water booster Partitions

Major appliances Flooring material

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

Major Systems & Play Area

Leaking roof Repair or replacement of:
 Building foundation Damaged walls/peeling paint
 Heating/cooling system Windows
 Ventilation system Damaged/worn outdoor safety surfacing
 Sump pump Fencing
 Emergency lighting/wiring upgrades Drinking water system
 Accessibility Damaged/worn flooring or ceiling
 Windows or doors
 Asbestos removal or encapsulation

Damaged/worn flooring material or ceiling

Windows

Damaged/worn outdoor safety surfacing

Fencing

Drinking water system

Heating system

Peeling paint that may contain lead

Damaged walls

CODE COMPLIANCE:

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

Repairs and maintenance funding cannot be used for program expansion. Repairs and maintenance funding will be paid on an annual basis.

REPORTING REQUIREMENTS:

Recipients of Special Purpose funding are required to demonstrate maintained eligibility and use of funding by reporting annually in accordance with the terms and conditions set out in the Agreement.

Reporting for all Special Purpose funding can include, but is not limited to:

- Reconciliation of Funds (by December 1 of the funding year); Reporting on the quarterly financial reconciliation statement, to be added when funds are used.
- All receipts should be retained for a minimum of one year following the end of the funding year.

TRANSFORMATION FUNDING:

Transformation funding is intended to cover one-time costs including licensed child care centres and home child care agencies that are involved in business transformation activities and/or require business transformation supports. Transformation funding is also intended to cover viability and facilitate child-care transformation that is aligned with Schools-First Child Care Capital Retrofit projects wherever possible.

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

ELIGIBILITY:

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

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

ALLOWABLE EXPENDITURES:

Business transformation supports include the following one-time expenses:

Legal costs (available only to Child Care Centre Operators that are amalgamating)

Lease termination costs (available only to Child Care Centre Operators that are amalgamating and/or relocating)

Moving costs (available only to Child Care Centre Operators that are amalgamating and/or relocating)

Business planning costs

IT upgrades to facilitate internet connectivity for business purposes

Play-based material and equipment

Operating funding to support the viability of Child Care Centre Operators that are transforming their business model and/or

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

AUTHORITY AND STANDARDS

Child Care and Early Years Act, 2014, S.O. c. 11, Sched. 1

Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (the “Provincial Guideline”)

Children’s Services Early Years and Child Care Service Plan 2019-2024

I, the below-signed Child Care Centre Operator, acknowledge and agree with the terms set forth in this Schedule:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date

Per: <signature>

Name/Title <please print>

MIDDLESEX COUNTY CHILD CARE FUNDING AGREEMENT

I have authority to bind the Corporation

WITNESS

Date

<witness signature>

Name: <print name>
(required where Child Care Centre Operator is not a corporation)

ELIGIBILITY DATE FOR FUNDING

Date

COUNTY CHILD CARE ADMINISTATOR

Per: Cindy Howard
General Manager, Finance and Social Services

I have delegated authority to bind the Municipal Corporation

SCHEDULE “E”:
CANADA-WIDE EARLY LEARNING AND CHILD CARE (CWELCC) FUNDING

This Child Care Funding applies to those Child Care Agencies who opt to participate in the CWELCC System. The provisions of this Child Care Funding are in addition to the provisions of the Child Care and Early Years Program and Services Agreement endorsed between the Province of Ontario and Government of Canada (the “**Provincial/Federal Agreement**”). In the event there is a contradiction between the provisions of the Provincial/Federal Agreement and this Schedule, the provisions of this Schedule shall prevail.

FUNDING CONSIDERATIONS:

Funding will be provided based on the following terms and conditions:

1. Funding amounts to a Child Care Centre Operator will be determined at the discretion of the Delivery Agent based on actual amounts.
2. Child Care Centre Operators are required to use CWELCC System Funds to support CWELCC System objectives in accordance with the Purchase of Service Agreement, applicable legislation, regulations, and applicable guidelines requirements provided to Child Care Centre Operators.
3. Child Care Centre Operators are required to return CWELCC System Funds to the Delivery Agent where funds are not used in accordance with the requirements established by the Delivery Agent that applied to the Child Care Centre Operators.
4. Child Care Centre Operators are required to provide sufficient and detailed financial or other information related to their childcare operations as are required by the Delivery Agent for review.
5. Information submitted by the Child Care Centre Operator for eligibility and reasonability of expenditures will be subject to review as part of the Delivery Agent and Service System Manager’s funding and reconciliation process. The Delivery Agent may consider including terms and conditions in their Purchase of Service Agreements that provide for the following rights:
 - a. Discretion to determine eligibility and reasonability of a Child Care Centre Operator’s revenues, costs and expenses based on CELCC System funding requirements provided to Child Care Centre Operator and to adjust funding provided based on review.
 - b. The right to review and confirm that the Child Care Centre Operator did not charge fees for eligible children higher than the fees at which it was capped after March 27, 2022 (unless the fees were communicated to parents prior to March 27, 2022).

- c. Denying funding for expenses, or to only pay what is deemed to be fair market value as determined by the Delivery Agent.
- d. Denying funding for expenditures arising from transactions not conducted at arm's length.
- e. Denying funding for expenditures based on applicable guidelines and parameters provided by the Delivery Agent to Child Care Centre Operators.
- f. Determining the amount of funding that can be spent by Child Care Centre

Operators on administration expenses.

- g. Denying funding for administration expenditures above what has been determined by the Delivery Agent for each Child Care Centre Operator.
- h. Requiring Child Care Centre Operators to seek approval if additional administration funding is required by the Child Care Centre Operator above what is allowed.
- i. The right to determine if a Child Care Centre Operator's operation in childcare for eligible children is sustainable and financially viable. The Delivery Agent has the discretion to define sustainable and financial viability.
- j. The right to verify that increases to base and non-base fees for the care of eligible children were permitted in accordance with O. Reg. 137/15, e.g. a fee increase must be communicated to families/parents prior to March 27, 2022.
- k. The right to verify that Child Care Centre Operators are maintaining the spaces for eligible children for which they are receiving funding to reduce base fees (e.g. a licensed infant space must remain an infant space) along with the right to recover funding from the Child Care Centre Operators as determined by the Delivery Agent.
- l. The requirement for Child Care Centre Operators to report to the Delivery Agent any revisions to capacity or use of alternate capacity for childcare spaces currently licensed for ages 0 to 5.
- m. Requirement that Child Care Centre Operators do not close for more than two (2) consecutive weeks and do not close for more than four (4) weeks within a calendar year while the Child Care Centre Operator is receiving full funding from CWELCC System, unless otherwise approved by the County.
- n. Requirement that full base fees cannot be charged by the Child Care Centre Operator for any closure beyond these timelines. The Delivery Agent may further limit the allowable period of closure (e.g. closures may not exceed ten 10 consecutive days.)

FEE REDUCTION

- a. Child Care Centre Operators' base fees must be determined in accordance with the requirements set out in O.Reg. 137/15 under the CCEYA.
- b. Child Care Centre Operators must reduce base fees for eligible children only. The term "eligible children" is defined in O.Reg. 137/15.
- c. Child Care Centre Operators are required to provide a refund to parents where a base fee higher than the reduced base fee is charged for an eligible child retroactive to the Child Care Centre Operator's CWELCC System enrolment date and for any period after the CWELCC System enrolment date where excess base fees have been prepaid for. System Service Manager/DSSABs can refer to the guideline addendum for further details.
- d. Licensed home childcare agencies participating in the CWELCC System, must ensure that home childcare providers charge parents of eligible children a base fee determined in accordance with O.Reg. 137/15 which applies to children who are Child Care Centre placed and those children that are privately placed in the provider's care.
- e. Thirty-one (31) days after a Child Care Centre Operator is notified by the Delivery Agent of their enrolment date, the Child Care Centre Operator cannot charge a base fee that is higher than the applicable base fee for an eligible child.
- f. Sixty (60) days after a Child Care Centre Operator is notified by the Delivery Agent of their enrolment date, the Child Care Centre Operator is required to provide refunds to any parents for any fees paid that were higher than the reduced base fees paid, for any higher base fees that were prepaid for a period after the enrolment date and any refunds related to reductions in parental contributions families in receipt of fee subsidy for the applicable period.
- g. The Delivery Agent has the right to determine an initial base fee, in the case where the capped fee does not include all of the components required to be included in a base fee under O.Reg. 137/15, or to exclude components that should not be part of a base fee at the discretion of the Delivery Agent.
- h. Child Care Centre Operators must ensure that components that should be captured by the definition of non-base fees under O.Reg. 137/15 should not be included as a component of base fees.
- i. Child Care Centre Operators are required to maintain the reduced base fees until they are either required to reduce them again or if they are no longer participating in the CWELCC System.
- j. In the case where a Child Care Centre Operator transfers shares of the corporation, the Child Care Centre Operator continues to be bound by the requirements in O.Reg.137/15 relating to base fees and non-base fees. In the case a Child Care Centre Operator 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 applicant.

- k. The Delivery Agent has the right to verify the timeliness and accuracy of refunds and fee reductions made by Child Care Centre Operators.

WORKFORCE COMPENSATION

- a. Child Care Centre Operators are required to bring the wages of all eligible RECE staff up to the wage floor plus benefits as identified in the Ministry's Guideline Addendum.
- b. Child Care Centre Operators are required to increase the hourly wage plus benefits of all eligible RECE staff annually as described in the Ministry's Guideline Addendum.
- c. Workforce compensation funding is provided to eligible RECE staff employed by a Child Care Centre Operator that is participating in the CWELCC System regardless of the age of the children they are supporting.
- d. Child Care Centre Operators subject to the Protecting a Sustainable Public Sector for Future Generations Act, 2009 (PSPSFGA) are required to meet any applicable obligations under the PSPSFGA.
- e. Child Care Centre Operators that are subject to the terms of a collective agreement should seek independent legal advice on implementing the wage floor and annual wage increase.
- f. Child Care Centre Operators will be required to apply for the Provincial Wage Enhancement Grant to be eligible to receive workforce compensation funding.
- g. Child Care Centre Operators participating in the CWELCC System prior to December 31, 2022, must issue retroactive payments to eligible RECE staff for any period after the Child Care Centre Operator is notified by the CMSM/DSSAB that they are enrolled in the CWELCC System during which Child Care Centre Operators paid eligible RECE staff wages lower than the wage floor.
- h. Child Care Centre Operators participating in the CWELCC System after December 31, 2022 will not receive funding to issue retroactive payments to eligible RECE staff for wage compensation funding and will only be expected to implement the wage floor and annual wage increase on a go forward basis.
- i. Child Care Centre Operators will be permitted to continue to pay eligible RECE staff below the wage floor for thirty-one calendar days after the CMSM/DSSAB notifies them that they are enrolled in the CWELCC System. After thirty-one days the Child Care Centre Operator will be required to pay eligible RECE staff at least the wage floor. Child Care Centre Operators would then be given one additional month (for a total of sixty days from the day they were notified by the

CMSM/DSSAB) to provide eligible RECE staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date their enrolment in the CWELCC System was confirmed by the CMSM/DSSAB.

- j. Child Care Centre Operators are not permitted to use workforce funding to provide compensation to eligible RECE staff over and above what is mandated based on the requirements set out in the Guideline Addendum without approval from the Ministry.
- k. 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.
- l. Child Care Centre Operators must include workforce compensation payments in each pay cheque or payment made to eligible RECE staff.
- m. Upon receiving confirmation of enrolment in the CWELCC System from their CMSM/DSSAB, and as new eligible RECE staff are hired, Child Care Centre Operators are required to share in writing information about the wage floor and annual wage increase with eligible RECE staff.
- n. Child Care Centre Operators must report on data for meeting wage floor and annual wage increase requirements as determined by the CMSM/DSSAB and the reporting parameters set out in the Ministry's Addendum to the Funding Guideline.
- o. Child Care Centre Operators must provide eligible non-RECE staff that were earning less than \$15 per hour (not including wage enhancement) on March 31, 2021, or were hired after March 31, 2021 and before January 31, 2022 and had wages below \$15 per hour (not including wage enhancement) minimum wage offset funding.
- p. Child Care Centre Operators must report on data for meeting minimum wage offset requirements as determined by the CMSM/DSSAB and the reporting parameters set out in the Ministry's Addendum for the Funding Guideline.

MAXIMUM PROFIT

- a. The Delivery Agent will have the discretion to determine a maximum profit level that would govern the Child Care Centre Operator's provision of childcare to eligible children each calendar year.
- b. This maximum profit level determined by the Delivery Agent will be included by the Delivery Agent in the terms and conditions of their purchase of service agreements with for-profit Child Care Centre Operators each year.
- c. In the case where the Child Care Centre Operator's annual net profit relating to the provision of childcare for eligible children exceeds the maximum profit amount set

by the Delivery Agent, the Child Care Centre Operator will be required to return any excess funds above this maximum amount to the Delivery Agent.

- d. The Delivery Agent has the discretion to determine the portion of the Child Care Centre Operator's net-profit that may be attributed to the provision of childcare for eligible children as compared to net-profit attributed to the provision of childcare for children who are not eligible children.

FINANCIAL REPORTING

- a. Financial reports are prepared and submitted by the Child Care Centre Operator in accordance with the Delivery Agent's reporting requirements and timelines.
- b. Child Care Centre Operators are required to provide all financial and other information based on CMSM/DSSAB requirements, including audited financial statements.
- c. The Child Care Centre Operator will work with the Delivery Agent to reconcile all CWELCC System funding annually according to the reporting and reconciliation documentation provided by the Ministry.
- d. The Delivery Agent has the right to follow up with the Child Care Centre Operator CWELCC System expenditures reported to determine reasonability of variances and/or eligibility of expenditure.
- e. The Delivery Agent will take reasonable and progressive corrective actions on the Child Care Centre Operator who does not comply with reporting requirements.
- f. Adjustments and recoveries of funding provided will be determined at the discretion of the Delivery Agent based on the Delivery Agent's reconciliation process.

RECORDS AND AUDIT

The Child Care Centre Operator:

- 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 seven (7) years.
- b. Cannot dispose of any records related to the services provided under the CWELCC System without prior consent from the Delivery Agent, even when the Child Care Centre Operator is no longer operating.
- c. Must permit the Delivery Agent and/or the Service System Manager to audit financial and service records related to the CWELCC System at any reasonable time.

- d. Must ensure its staff are available for consultation with the Delivery Agent as required.

WITHHOLDING AND RECOVERY OF PAYMENTS AND RIGHT TO SET OFF

The Delivery Agent reserves the right to withhold, or recover funding based on the following:

- a. Funding spent on ineligible expenditures.
- b. Funding spent on expenditures unrelated to the objectives of CWELCC.
- c. Expenditures not at fair market value.
- d. Child Care Centre Operator not meeting deadlines relating to request for information, documentation and reporting.
- e. Child Care Centre Operator not meeting the requirements under the CWELCC System applicable guidelines or any other specific deadlines noted by the CMSM/DSSAB.
- f. CWELCC System funds not used in accordance with the requirements and any applicable guidelines provided by CMSMs/DSSABs to Child Care Centre Operators.
- g. Child Care Centre Operators who have not completed their annual Licensed Child Care Operations Survey as per O.Reg.137/15(77).

I, the below-signed Child Care Centre Operator, acknowledge and agree with the terms set forth in this Schedule:

<INSERT LEGAL NAME OF CHILD CARE CENTRE OPERATOR>

Date

Per: **<signature>**

Name/Title **<please print>**

I have authority to bind the Corporation

WITNESS

Date

<witness signature>

I have delegated authority to bind the Municipal Corporation