

CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM (CWELCC)

SERVICE AGREEMENT

Special Provisions: Children's Services

1.0 INTERPRETATION

1.1 In this Agreement,

- a) "Act" means the *Child Care and Early Years Act, 2014*, S.O. 2014, c.11, Sched. 1.
- b) "Actual Cost" means funding to support the costs incurred in the portion of the Licensee's child care business for eligible children, net of fee generated revenues received by the Licensee from base fees, any provincial and current ELCC funding, municipal funding, and other revenues provided to a Licensee to support the costs associated with base fees for eligible children.
- c) "Base Fee" means any fee or part of a fee that is charged in respect of a child for child care, including anything a Licensee is required to provide under the Act, or anything a Licensee requires the parent to purchase from the Licensee, but does not include a non-base fee.
- d) "Child" means a person who is younger than 13 years old, and "Children" means more than one of them.
- e) "Child Care" means the provision of temporary care for or supervision of Children.
- f) "Child Care Centre" means a premises operated by a person licensed under the Act to operate a child care centre at the premises, and "Child Care Centres" means more than one of them.
- g) "Child Care Services" means programs and services that,
 - (a) include the provision of Child Care, or
 - (b) are Early Years Programs and Services.
- h) "Child Care Subsidy" means the provision of financial assistance paid for by the Corporation for a Subsidized Child.
- i) "Child with Special Needs" means a Child whose cognitive, physical, social, emotional or communicative needs, or those whose needs relating to overall development, such a nature that the additional supports are required for the Child, and "Children with Special Needs" means more than one of them.
- j) "CMSM" means the Consolidated Municipal Service Manager designated by the Regulations as the Service System Manager as defined in the Act. This can be used interchangeably with "Corporation" throughout this agreement.
- k) "College" means the College of Early Childhood Educators.
- l) "Corporation" means the CMSM set out in paragraph B-1(a) of this Agreement. This can be used interchangeably with "CMSM" throughout this agreement.
- m) "Corporate Staff" means the staff of the Corporation authorized to exercise the rights and perform the duties of the Corporation under this Agreement.

- n) “CWELCC Monthly Attendance Tracking” means the monthly attendance tracking outlined in Schedule “C”.
- o) “CWELCC System” means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in an agreement entered into by the Province of Ontario and the Government of Canada.
- p) “Eligible Child” means any child under six (6) years old; and up until June 30 in a calendar year, any child who (a) turns six years old between January 1 and June 30 in that calendar year, and (b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care, as defined in the Act.
- q) “Emergency” means an urgent or pressing situation in which immediate action is required to ensure the safety of Children and adults in a Child Care Centre or an EarlyON CFC.
- r) “Funding Streams” has the meaning ascribed to it in section 3.0 herein.
- s) “Funds” means the money the ministry provides to the CMSM to allocate pursuant to the CWELCC System.
- t) “Home Child Care” means Child Care that meets the description set out in paragraph 1 of subsection 6(3) of the Act.
- u) “Home Child Care Agency” means an entity that is licensed as a home child care agency under the Act, and “Home Child Care Agencies” means more than one of them.
- v) “Home Child Care Provider” means any person who provides Home Child Care for one or more Children.
- w) “License” means a licence issued under the Act and, unless the context indicates otherwise, includes a provisional licence.
- x) “Licensed Child Care” means Child Care that,
 - i. is provided at a Child Care Centre; or
 - ii. is Home Child Care.
- y) “Licensee” means a home child care agency or child care centre-based operator as defined in the Act and refers to the “licensee” set out in paragraph B-1(b) of this Agreement. This can be used interchangeably with “Service Provider” throughout this agreement.
- z) “Ministry” means the Ministry of Education.
- aa) “Non-base Fee” means any fees charged for optional items or optional services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent and the Licensee in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide their child but failed to provide), as defined in the Act.
- bb) “Parent” or “Guardian” means a person having lawful custody of a Child or a person who has demonstrated a settled intention to treat a Child as a child of his or her family.
- cc) “Parent Fees” means the fee payable to the Licensee by the Parent or Guardian of an Eligible Child determined in accordance with the Regulations. May also be referred to as “parental contribution” throughout this agreement.

- dd) “Program Adviser” means a person designated as program adviser under section 68 of the Act.
- ee) “RECE” means an Early Childhood Educator registered with the College.
- ff) “Regulations” means the regulations made under the Act.
- gg) “Resource Consultant” means an employee of a community agency qualified to support Children with developmental and/or behavioural needs.
- hh) “Service Provider” means the Service Provider set out in paragraph B-1 (b) of this agreement. This can be used interchangeably with “Licensee” throughout this agreement.
- ii) “Services” has the meaning ascribed to it in section 3.1 herein.
- jj) “Statutory Benefits” means benefits Licensees are required to provide their staff as determined by the law (e.g., vacation days, statutory holidays, Canada Pension Plan, Employment Insurance).
- kk) “Statutory Holiday” means any one of New Years Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day, and “Statutory Holidays” means more than one of them.
- ll) Wage Enhancement Grant (“WEG”) and Home Child Care Enhancement Grant (“HCCEG”) The WEG and HCCEG are grants provided to Child Care Centres and Home Child Care Agencies to subsidize the wages of eligible program staff and home visitors.

2.0 CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM FUNDING (CWELCC)

2.1 PURPOSE

- a) Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will be used to build and leverage the success of Ontario’s existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity in early learning and child care, towards achieving the objectives of:
 - i. Providing a 25% fee reduction retroactive to April 1, 2022 building to a 50% reduction in average parent costs for licensed early learning and child care by the end of calendar year 2022 and reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces;
 - ii. Creating 86,000 new high-quality, affordable licensed child care spaces, predominantly through not-for-profit licensed child care;
 - iii. Addressing barriers to provide inclusive child care; and
 - iv. Valuing the early childhood workforce and providing them with training and development opportunities.

2.2 ELIGIBILITY CRITERIA

- a) Licensees participating in the CWELCC System must have a CWELCC System service agreement with the CMSM in the areas they provide care and operate under the criteria outlined in Appendix A- CWELCC System Guidelines to receive funding from the CMSM to reduce child care fees for eligible children and increase compensation for eligible staff.
- b) Licensees participating in the CWELCC System must demonstrate financial viability to the CMSM.
- c) All Licensees, regardless of participation in the CWELCC System, must maintain current parent fees for eligible children unless a fee increase was communicated to families/parents on or before March 27 2022. All licensed child care programs serving eligible children are subject to the fee freeze until one of two conditions is met:
 - i. The Licensee notifies the CMSM, staff and the parents of eligible children in writing that they are NOT participating in the CWELCC System this year and will not be subject to terms and conditions of the System; or
 - ii. The Licensee participates in the CWELCC System and is subject to the regulatory rules for parent fees in participating programs (pursuant to O. Reg. 137/15 (s.77.4) made under the Act).
- d) Licensees participating in the CWELCC System must maintain existing (pre-CWELCC System announcement on March 28, 2022) licensed spaces for children 0-5 (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the CMSM and the CMSM shall determine whether this may result in a funding adjustment or recovery from the Licensee.
- e) Licensees must complete and submit an application to the CMSM to demonstrate that they meet the stipulated criteria in order to be eligible to participate in the CWELCC System.

2.3 IMPLEMENTATION

- a) For the initial transition year of the CWELCC System, all child care programs licensed as of March 28, 2022 are required to notify parents and staff by November 1, 2022 of whether or not they intend to participate in the CWELCC System. Under O. Reg. 137/15, all Licensees are subject to this requirement and must communicate one of the following to parents and staff:
 - i. the Licensee is choosing NOT to participate in the CWELCC System and will not be subject to terms and conditions of the CWELCC System; or
 - ii. the Licensee will be applying to the CMSM to participate in the CWELCC System.
- b) Licensees applying to participate in the CWELCC System are required under O. Reg. 137/15 to communicate to all parents and staff when a decision is made by the CMSM within fourteen (14) days of the CMSM's notification of their approval or denial.

- c) Child care programs enrolled post-December 31, 2022 are not eligible for retroactive fee reduction.
- d) Funding provided through the CWELCC System is specific to meeting the CWELCC System's objectives. Licensees entering into a new purchase of service agreement for the CWELCC System are not by default eligible to access 2022 Child Care, EarlyON and Workforce Allocations (with the exception of the Wage Enhancement Grant) if they are not already in receipt of this funding.
- e) Licensees must maintain their licence to operate in good standing in accordance with the Act and are not in contravention of the Act. The CMSM is required to stop funding a child care program that has its licence revoked or suspended by the ministry (director).
- f) Licensees must reduce and set parent fees in accordance with O. Reg. 137/15. Licensees are required per O. Reg. 137/15 (s.82.(1)) to keep a copy of their purchase of service agreement, in electronic or hard copy format, on the child care premises, and available for ministry inspection.
- g) Licensees must maintain the aged 0-5 spaces for which they are receiving fee reduction funding (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the CMSM and the CMSM should determine whether this may require adjusting or recovering funding from the Licensee.
- h) Licensees must complete the annual Licensed Child Care Operations Survey, as required by a ministry director, under O. Reg. 137/15 (s.77). The CMSM is required to withhold funding to Licensees until the CMSM has confirmed that the survey has been submitted. The CMSM will receive confirmation from the ministry upon the Licensee's submission of the survey.

3.0 FUNDING STREAMS FOR CWELCC SYSTEM

3.1 The Licensee receiving funding from the CMSM shall comply with all of the terms and conditions set out by the Ministry, and contained in the Act, the Regulations and this Agreement.

3.2 The Licensee receives funding from the Ministry from one (1) or more of the following Canada Wide Early Learning and Child Care System Funding streams (the "Funding Streams"):

a) **CWELCC FEE REDUCTION FUNDING**

This funding is intended to support parents, families and communities by reducing base fees/parent fees for eligible children in licensed child care.

ELIGIBLE EXPENDITURES:

- Any costs associated with a Licensee's base fee for children who are under six (6) years of age or turning six (6) before June 30.
- A fee reduction of up to 25% to support refunds retroactive to April 1, 2022 for eligible children (up to a minimum of \$12 per day).

- A 50% fee reduction on average for eligible children by the end of calendar year 2022.
- \$10 per day average child care fees for eligible children by the end of fiscal year 2025-2026.

b) **CWELCC WORKFORCE COMPENSATION FUNDING**

This funding is focused on supporting the recruitment and retention of Ontario’s child care workforce by providing improved compensation for low wage earners through the implementation of a wage floor and an annual wage increase for eligible Registered Early Childhood Educator (RECE) staff. In addition, workforce compensation funding will be provided to Licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.

ELIGIBLE EXPENDITURES:

- Funding to support increased compensation of eligible staff to meet the Wage Floor and Annual Wage Increase requirements.

HOURLY WAGE FLOOR 2022 – 2026

	2022	2023	2024	2025	2026
RECE PROGRAM STAFF	\$18	\$19	\$20	\$21	\$22
RECE CHILD CARE SUPERVISORS OR RECE HOME CHILD CARE VISITORS	\$20	\$21	\$22	\$23	\$24

(In addition to the hourly wage noted in the chart above, staff are required to receive benefits)

- Funding to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022.
 The minimum wage offset will not apply to non-program staff such as:
 - Cook, custodial and other non-program staff positions *
 - SNR-funded resource teachers/consultants and supplemental staff *
 - Staff hired through a third party (i.e., temp agency)

* The only exception to the first two positions noted above is if the staff is a non-RECE and the position spends at least 25 per cent of their time to support ratio requirements as outlined in the Act in which case the staff would be eligible for the minimum wage offset for the hours that they are supporting the ratio requirements

4.0 CWELCC SERVICE DESCRIPTION

4.1 The Licensee shall provide the services outline in Schedule “A” (the “Services”).

4.2 In addition to the requirements of Section G-12 of this Agreement, the Licensee shall have a current and valid License issued by the Ministry.

5.0 FEE REDUCTION

- 5.1** Licensees' base fees must be determined in accordance with the requirements set out in O. Reg. 137/15 under the Act.
- 5.2** Licensees' must reduce base fees for eligible children only.
- 5.3** Licensees' are required to provide a refund to parents where a base fee higher than the reduced base fee is charged for an eligible child, retroactive to Licensee's CWELCC System enrolment date and for any period after the CWELCC enrolment date where excess base fees has been prepaid for.
- 5.4** Licensees are only required to reduce and refund base fees (i.e., mandatory fees) and do not need to reduce or refund non-base fees (i.e., optional fees).
- 5.5** Licensed home child care agencies participating in the CWELCC System must ensure that home child care providers charge parents of eligible children a base fee determined in accordance with O. Reg. 137/15, which applies to children who are agency placed and those children that are privately placed in the provider's care.
- 5.6** Within 20 days after a Licensee is refunded by the CMSM the Licensee is required to provide refunds to families 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 Child Care Subsidy for the applicable period.
- 5.7** 21 days after a Licensees is notified by the CMSM of their enrolment date, the Licensee cannot charge a base fee that is higher than the applicable base fee for an eligible child.
- 5.8** The CMSM shall have 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 CMSM. The calculation for the fee structure will be based on the approved actual cost (negotiated cost) minus parent fee = approved CWELCC allocation.
 - a)** This fee (negotiated cost for CWELCC) shall supersede and replace all previous agreements between the parties herein with respect to the subject matter of this Agreement.
- 5.9** Child Care Subsidy recipients will benefit from a full 25% parental contribution reduction.
- 5.10** The CMSM is required to calculate the parental contribution reduction for Child Care Subsidy families and must ensure the refund is provided by the Licensee to the parents as applicable.
- 5.11** Licensees 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.

- 5.12 Licensees are required to maintain the reduced base fees until they are either required to reduce them again, or if they are no longer participating in the CWELCC System.
- 5.13 The CMSM shall have the right to verify the timeliness and accuracy of refunds and fee reductions made by Licensees.

6.0 **WORKFORCE COMPENSATION**

6.1 **WAGE FLOOR AND ANNUAL WAGE INCREASE**

- a) Licensees are required to bring the wage of all eligible RECE staff up to the wage floor plus benefits set out in the “Hourly Wage Floor 2022 to 2026” table in section 3.2 (b) herein and Appendix A - CWELCC System Guidelines.
- b) Workforce compensation funding includes up to 17.5 per cent in benefits. Benefits of up to 17.5 per cent must support Licensees in meeting their statutory benefit requirements.
- c) Once all statutory benefit requirements are met (including up to 2 weeks of vacation and 9 statutory days), any remaining funding within 17.5 per cent can be used to fund other benefit expenses paid by the employer on behalf of the employee.
- d) Licensees are required to increase the hourly wage plus benefits of all eligible RECE staff annually as described in Appendix A - CWELCC System Guidelines.
- e) Workforce compensation funding is provided to eligible RECE staff employed by a Licensee that is participating in the CWELCC System regardless of the age of the children they are supporting (e.g., not limited to staff supporting children under the age of 6). Data collected from the CWELCC Application Section 4: Staffing Information will be used to provide workforce compensation funding allocation for 2022. A year end workforce compensation reconciliation report is required to be completed by the Licensee and submitted to the CMSM to determine if any further workforce compensation funding is required or recovery of any portion of the workforce compensation funding is required.
- f) Licensees subject to the *Protecting a Sustainable Public Sector for Future Generations Act* (PSPSFGA) are required to meet any applicable obligations under the PSPSFGA.
- g) Licensees that are subject to the terms of a collective agreement should seek independent legal advice on implementing the wage floor and annual wage increase.
- h) Licensees will be required to apply for the WEG/HCCCEG (through the CMSM) to be eligible to receive workforce compensation funding.
- i) Licensees participating in the CWELCC System prior to December 31, 2022, must issue retroactive payments to eligible RECE staff for any period after the Licensee is notified by the CMSM that they are enrolled in the CWELCC

System during which Licensees paid eligible RECE staff wages lower than the wage floor.

- j) Licensees participating in the CWELCC System after December 31, 2022, will not receive funding to issue retroactive payments to eligible RECE staff for wage compensation funding and will only be expected to implement the wage floor and annual wage increase on a go forward basis.
- k) Licensees will be permitted to continue to pay eligible RECE staff below the wage floor for thirty-one (31) calendar days after the CMSM notifies them that they are participating in the CWELCC System. On and after the 32nd day after the Licensee is notified by the CMSM of the participation date, the Licensee is required to pay eligible staff at least the wage floor. Licensees would then be given one (1) additional month (for a total of 60 days from the day they were notified by the CMSM) to provide eligible staff with a retroactive payment for any wages that were below the wage floor, retroactive to the date their confirmed participation in the CWELCC System.
- l) Licensees are not permitted to use workforce compensation funding to provide compensation to eligible RECE staff over and above what is mandated based on the Wage Floor and Annual Wage Increase on a go forward basis without approval from the CMSM.
- m) 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.
- n) Licensees must include workforce compensation payments in each pay cheque or payment made to eligible RECE staff.
- o) Licensees are required to share in writing, information about the wage floor and annual wage increases with eligible RECE staff upon receiving confirmation of enrolment in the CWELCC System from the CMSM.
- p) Licensees must report on data for meeting wage floor and annual wage increase requirements, as well as reporting parameters as determined by the CMSM.

6.2 MINIMUM WAGE OFFSET

- a) Licensees must provide eligible non-RECE staff that were earning less than \$15 per hour (not including wage enhancement) on March 31, 2021, or were hired after March 31, 2021 and before January 1, 2022 and had wages below \$15 per hour (not including wage enhancement), minimum wage offset funding. Refer to section 6.1 e) herein for detailed reporting requirements.

7.0 PAYMENT

- 7.1 Subject to the terms of this Agreement, and provided the Licensee is in compliance with the terms and conditions contained herein, the CMSM agrees to pay the Licensee the fees outlined in Schedule “B” and the Budget Schedule.

- 7.2** The Licensee acknowledges that the source of funding provided under this Agreement is the Ministry and nothing in this Agreement shall cause the CMSM to transfer funds in excess of the amount stated in Schedule “B” of this Agreement or to transfer funds if not received by the CMSM from the Ministry. For clarity, if at any time the funding provided by the Ministry is altered, rescinded or terminated, the CMSM reserves the right to terminate this Agreement and any unspent funds shall be returned to the CMSM.
- 7.3** Should any Ministry guidelines or requirements change at any time such that the Licensee is unable to fulfil its obligations under this Agreement, any unspent funding shall be repayable to the CMSM immediately.
- 7.4** The Licensee agrees to use the funding received in accordance with section 7.1 for the strict purpose of providing the Services to support CWELCC System objectives.
- 7.5** Any surcharges, administration fees or holding fees imposed by the Licensee, including but not limited to registration fees, late pick-up fees and duplicate tax receipt fees, are the sole responsibility of each Eligible Child’s Parent or Guardian and shall not be paid by the CMSM.
- 7.6** The Licensee acknowledges that the CMSM in no way warrants or represents that the Licensee will be guaranteed any minimum number of Children requiring Child Care Services.
- 7.7** The Licensee shall submit to the CMSM a CWELCC Monthly Attendance Tracking report within seven (7) days following the first day of each and every month in a format outlined in Schedule “C” for all Services provided during the previous month for each Eligible Child. Each report shall be processed by the CMSM as they are received.
- 7.8** The CMSM will provide the Licensee with a monthly cash flow advance equal to fifty percent (50%) of the total CWELCC funding payable by the CMSM associated with the most recently processed CWELCC Monthly Attendance Tracking report, provided that the Licensee has established that CWELCC funding has been funded by the CMSM for at least the six (6) most recent consecutive months. The CMSM reserves the right to vary this amount at any time.
- 7.9** The CWELCC Monthly Attendance Tracking report shall be reconciled with the previous month’s CWELCC Monthly Attendance Tracking to determine if:
- a) any further CWELCC funding is required relative to the previous month’s CWELCC Monthly Attendance Tracking report; or
 - b) recovery of any portion of the CWELCC funding relative to the previous month’s CWELCC Monthly Attendance Tracking report is required.
- 7.10** If additional CWELCC funding is required in accordance with section 7.9 a) herein relative to the previous month’s CWELCC Monthly Attendance Tracking report, the CMSM shall tender payment, subject to the other provisions of this Agreement on or before the last day of the month in which the most recent CWELCC Monthly Attendance Tracking report is received.

- 7.11 If recovery of any portion of the CWELCC funding is required relative to the previous month's CWELCC Monthly Attendance Tracking report in accordance with section 7.9 b) herein, the CMSM may either reduce the next monthly cash flow by, or require repayment of, an amount equal to the difference in the previous month's CWELCC Monthly Attendance Tracking report.
- 7.12 In the event a Child Care Centre operated by the Licensee closes due to inclement weather, i.e. a snowstorm, the Licensee shall not charge CWELCC funding to the CMSM for such closure days.
- 7.13 The CMSM must not provide fee holidays (i.e., a period where parents pay no fees as CMSMs cover the fees) with CWELCC System funding.
- 7.14 Adjustments and recoveries of funding provided will be determined at the discretion of the CMSM based on the reconciliation process.

7.15 **STATUTORY HOLIDAYS**

- a) The Licensee can claim CWELCC funding for Statutory Holidays that occur while an Eligible Child is attending a Child Care Centre, provided that it is the normal practice of the Licensee to bill for such Statutory Holidays.
- b) In order for the Licensee to receive CWELCC funding from the CMSM for Statutory Holidays, the Eligible Child must be attending the Child Care Centre the week of the Statutory Holiday in accordance with the Child Care Schedule. The CMSM shall also need to be satisfied that the Eligible Child would have otherwise attended the Child Care Centre that day, if not for the Statutory Holiday occurring.

7.16 **CLOSURES**

- a) The Licensee shall not close for more than two consecutive weeks and cannot close for more than four weeks within a calendar year where parents are charged full fees.
- b) If a Licensee does not charge fees for the closure period, the days of the closure do not need to be counted in the limits set out in 7.16 a).
- c) In accordance with O. Reg. 137/15 under the Act, Licensees must disclose in the parent handbook the times when the services are offered and the holidays observed, the base fee and any non-base fees that may be charged, and whether or not the licensee is enrolled in the CWELCC System.
- d) Full base fees cannot be charged by the Licensee for any closure beyond these timelines.

7.17 **FEE SCHEDULE AND BUDGET SCHEDULE**

- a) The Licensee shall accept CWELCC System funding from the CMSM in accordance with the negotiated fee listed in Schedule "B" as full payment for each Eligible Child, less the Parent Fees.

- b) The CMSM may at its option withhold payment of any amount of CWELCC System funding payable under this Agreement if not eligible for funding by the Ministry under the Act.

8.0 TERMINATION AND WITHDRAWAL OF CHILDREN

- 8.1** Where an Eligible Child's enrollment is withdrawn without prior notice by the Parent or Guardian to the Licensee a maximum of two weeks of CWELCC funding; shall be paid by the CMSM to the Licensee from the last day of attendance. In the case of the vacancy being filled by another Eligible Child the aforementioned CWELCC funding will be paid by the CMSM to the Licensee up to the start of the placement of the replacing Eligible Child, should the type of Child Care being provided to the replacing Eligible Child have not otherwise been available.
- 8.2** The two weeks of CWELCC funding payable in accordance with section 8.1 herein shall only be paid by the CMSM should the established Termination Date be later than the expiration of the two weeks' notice of withdrawal.
- 8.3** Upon an Eligible Child failing to attend the Licensee's Child Care Centre for one (1) consecutive week without prior written notification of the Eligible Child's absence to the Licensee by his or her Parent or Guardian, the Licensee shall provide the Eligible Child and his or her Parent or Guardian with two (2) weeks' notice of termination of enrollment at the Licensee's Child Care Centre.
- 8.4** Sections 8.1 and 8.2 and 8.3 are not applicable if the Licensee terminates Child Care Services without notice.
- 8.5** In the event that an Eligible Child does not commence attendance at the Licensee's Child Care Centre in accordance with his or her Child Care Schedule, and the Parent or Guardian of said Eligible does not provide the Licensee with at least one week's prior notice that the Eligible Child's enrollment at the Child Care Centre is no longer required, a maximum of two weeks' of CWELCC funding shall be paid by the CMSM to the Licensee.
- 8.6** All fees to be paid for withdrawal of an Eligible Child's Child Care Services without notice shall be determined by the CMSM.

9.0 TERMINATION OF THE AGREEMENT

- 9.1** If at any point during the Term of this Agreement, there are no Eligible Children enrolled at a Child Care Centre operated by the Licensee, the CMSM may terminate this Agreement.
- 9.2** Where the CMSM becomes aware that a Licensee does not meet the requirements of the Act, the CMSM will promptly notify the appropriate Program Adviser. Any revision to the Licensee's license status due to contravention of the Act or the Regulations may lead to the automatic termination of this Agreement by the CMSM, in its sole discretion.
- 9.3** If in the opinion of the CMSM the Licensee fails to comply with any of the terms of this Agreement, and the CMSM gives to the Licensee written notice of the non-compliance, and the Licensee fails to remedy the breach within twenty (20) days of the written notice being given, then the CMSM may forthwith terminate this

Agreement without any further notice to the Licensee upon the expiry of the said twenty (20) days.

- 9.4** The CMSM may terminate this Agreement for any reason and at any time upon providing sixty (60) days written notice to the Licensee.
- 9.5** The Licensee may terminate this Agreement for any reason and at any time upon providing sixty (60) days written notice to the CMSM.

10.0 RECORDS, INVOICES AND REPORTING REQUIREMENTS

- 10.1** The Licensee shall keep accurate records of all Services related to the CWELCC System, for each site where CWELCC System funding is being provided for at least seven (7) years, including but not limited to all records set out herein, daily attendance logs, receipts for Services and payroll records, and shall supply to the CMSM any information from these records that the CMSM may request.
- 10.2** The Licensee cannot dispose of any records related to the services provided under the CWELCC System without prior consent from the CMSM, even when the Licensee is no longer operating.
- 10.3** The Licensee shall submit to the CMSM all required records, reports and invoices for fees outlined in section 10.1 herein in a form satisfactory to the CMSM. All child care Licensees in receipt of CWELCC funding must submit financial information as well as audited financial statements to the CMSM to verify that the funding provided was used for the purposes intended. For 2022, Licensees opting into the CWELCC agreement without an existing service agreement with their municipalities will not be required to submit audited financial statements.
- 10.4** The Licensee shall submit invoices for payment of CWELCC funding in the format of the CWELCC Monthly Attendance Tracking report in Schedule "C".
- 10.5** The CMSM shall review all reports and invoices for approval and processing of payment in accordance with the terms of this Agreement.
- 10.6** The reports shall be supported by such substantiating documentation as may be required by the CMSM, which shall include but not be limited to:
- a) Daily attendance log; and
 - b) Parental fees.
- 10.7** The Licensee must complete the annual Licensed Child Care Operations Survey, as required under O. Reg. 137/15 (s.77) in order to continue to receive funding under the CWELCC System.
- 10.8** The Licensee shall immediately report to the CMSM any revisions in service levels, capacity or use of alternate capacity for child care spaces currently licensed for ages 0-5 and/or staffing at a Child Care Centre operated by the Licensee that is not of a temporary nature.
- 10.9** The Licensee shall maintain sufficient and detailed financial records and books of account respecting Services provided for each Child Care Centre where CWELCC System Services are being provided and will allow Corporate Staff or such other persons appointed by the CMSM 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. The CMSM shall have discretion to determine if the Licensee's operation in child care for eligible children is sustainable and financially viable. The CMSM shall have the discretion to define sustainable and financial viability.

10.10 The CMSM requires the Licensee to submit reports outlined but not limited to Schedule "D" for the Funding Streams identified herein.

10.11 The Licensee will work with the CMSM to reconcile all CWELCC System funding annually according to the reporting and reconciliation documentation provided by the Ministry.

10.12 The CMSM will take reasonable and progressive corrective actions on the Licensees who does not comply with reporting requirements.

11.0 SALE OF A CHILD CARE CENTRE

11.1 This Agreement is neither transferable nor assignable by either party without the prior written consent of the other party. In the event the Licensee's Child Care Services business is sold, the Licensee shall provide the CMSM with sixty (60) days prior written notice of the date of the sale.

11.2 In the case where a Licensee that is a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make a change to the corporation's board of directors, the Licensee would remain enrolled in the CWELCC System and must maintain the applicable base fees.

11.3 In the case where a Licensee sells substantially all its assets and the purchaser obtains a new licence to operate a child care centre or as a home child care agency, to continue operating the child care program, the purchaser must:

- a) Charge base fees in accordance with O. Reg. 137/15 for newly issued licences.
- b) Apply to participate in the CWELCC System in accordance with the process set out by the CMSM or notify the CMSM and parents that do not wish to participate.