

Report to Community and Protective Services Committee

To: Chair and Members, Community and Protective Services Committee
From: Kevin Dickins
Deputy City Manager, Social and Health Development
Subject: Cross Jurisdictional Fee Subsidy Agreement – Child Care and Early Years
Date: October 1, 2024

Recommendation

That, on the recommendation of the Deputy City Manager, Social and Health Development, that the following actions **BE TAKEN** to the Cross Jurisdictional Fee Subsidy Agreement – Child Care and Early Years report and the as attached proposed by-law (Appendix “A”) **BE INTRODUCED** at the Municipal Council meeting on October 15, 2024 to:

- a) Authorize and approve the Cross Jurisdictional Fee Subsidy Agreement Template (as attached as Schedule “1”)
- b) That, the Delegate to the Deputy City Manager, Social and Health Development or their written designates, the power to execute Cross Jurisdictional Fee Subsidy Agreements based on the Template authorized and approved in a); and the power to edit and amend the Template authorized and approved in a) from time to time in accordance with Provincial Guidelines, so long as such actions are:
 - i. Consistent with the requirements contained in the Template approved in section a) above;
 - ii. In accordance with all application legislation;
 - iii. Do not require additional funding or are provided for in the City’s current budget; and,
 - iv. Do not increase the indebtedness or liabilities of The Corporation of the City of London.

Executive Summary

The Corporation of the City of London, as the designated Service System Manager (SSM) for Child Care and Early Years in London and Middlesex, is responsible for system planning, provision of fee subsidy, administration of operating funding, system capacity-building, and special needs resourcing for licensed child care.

On September 29, 2023, the Ministry of Education brought into effect updates to Ontario Regulation 138/15 under the *Child Care and Early Years Act, 2014*, requiring Service System Managers to make reasonable efforts to work together or with licensees cross-jurisdictionally to facilitate access to fee-subsidized child care for parents. This update supports parental choice through access to fee subsidy outside of their home community, to best meet the needs of the family.

The City of London is interested in entering into cross jurisdictional fee subsidy agreements with neighbouring municipalities to enable families to access subsidized child care across jurisdictions, enhancing parental choice and access to care.

Linkage to the Corporate Strategic Plan

Strategic Area of Focus: Wellbeing and Safety

- Outcome: London is an affordable and supportive community for individuals and families.

Analysis

1.0 Background Information

SSMs routinely enter into agreements with child care providers located within their respective geographical areas, which includes the provision of child care fee subsidy on behalf of eligible families residing within that area. Cross jurisdictional placements with fee subsidies were not supported, limiting access for fee-subsidy families needing child care outside their home jurisdiction.

The recent changes to Ontario Regulation 138/15 encourage municipalities to adopt practices that enable cross jurisdictional fee subsidy arrangements. In response to this directive, the City of London has developed a Cross Jurisdictional Fee Subsidy Agreement Template. This template will facilitate agreements with neighboring SSMs to ensure families have access to subsidized child care across different jurisdictions.

Fee subsidy is provided to eligible persons / families who financially qualify and have an approved activity.

2.0 Discussion and Considerations

2.1 Key Components to the Agreement

The purpose of the Cross Jurisdictional Fee Subsidy Agreement is to enhance access to subsidized child care for families by establishing a framework between partnering SSMs. This agreement allows families to receive fee subsidies even when accessing child care services outside their home municipality, removing geographical barriers and providing greater flexibility in choosing child care options that best meet their needs. It also aims to streamline administrative processes and promote coordinated support across jurisdictions.

Definitions:

- “Care Providing SSM” – the Service System Manager for the geographical area where the child care provider is located.
- “Resident SSM” – the Service System Manager for the geographical area where the parent resides.

Fee Subsidy Eligibility: Managed by the Resident SSM, including approvals for cross jurisdictional placements.

Placement Eligibility: Approved only under specific conditions, such as moving to the Care Providing SSM’s area, unavailable programs, shared custody arrangements, or special circumstances.

A child will not be placed in a cross jurisdictional placement until it has been approved by the Resident SSM and accepted by the Care Providing SSM.

Administration of Subsidies: Care Providing SSMs manage subsidy payments to local operators through their existing agreements, reducing the administrative burden for operators and the Resident SSM.

Information Sharing: Protocols for sharing information, with signed family consent, to ensure proper administration and monitoring. SSMs entering into the agreement must comply with the current privacy requirements of the *Municipal Freedom of Information and Protection of Privacy Act, 1990 (MFIPPA)*.

Semi-Annual Reconciliation: Semi-annual account reconciliation will occur to manage payments between SSMs.

2.2 Benefits to Families

This agreement will offer several benefits, including:

- Increased access to child care options for low income families, allowing them to choose child care settings that best meet their needs.
- Reduction in administrative burden for operators supporting families in cross jurisdictional placements.
- Enhanced collaboration among Service System Managers to support regional child care needs.

3.0 Financial Impact/Considerations

There are no financial implications for the City of London as fee subsidies for families residing in London and receiving child care in a partnering jurisdiction will continue to be funded through the allocation from the Ministry of Education.

Conclusion

In alignment with the Ministry's direction and our commitment to improving access to child care for families, it is recommended that Council approve the Cross Jurisdictional Fee Subsidy Agreement Template. This agreement will provide families with greater flexibility and support, ultimately enhancing the child care experience across the region.

Prepared by:	Adrienne Small, Manager, Child Care and Early Years
Submitted by:	Shirley Glover, Director, Child Care and Early Years
Recommended by:	Kevin Dickins, Deputy City Manager, Social and Health Development

APPENDIX "A"

Bill No. _____
2024

By-law No. .- _____

A by-law to authorize and approve a Cross Jurisdictional Fee Subsidy Agreement Template and to authorize the Deputy City Manager, Social and Health Development or their written designates to edit, amend and execute agreements using the Cross Jurisdictional Fee Subsidy Agreement Template.

WHEREAS section 5(3) of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001*, S.O. 2001, C.25, as amended, provides a municipality with the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority;

AND WHEREAS section 22 of the *Municipal Act, 2001* provides that a municipality may provide a system that it would otherwise not have power to provide within the municipality, if it does so in accordance with an agreement with the Province of Ontario under a program established and administered by the Province of Ontario;

AND WHEREAS section 23.1 of the *Municipal Act, 2001* enables a municipality to delegate certain powers and duties any Act, to a person or body, subject to restrictions set out in the *Municipal Act, 2001*;

AND WHEREAS under section 2 of Ontario Regulation 138/15 under the *Child Care and Early Years Act, 2014* ("CCEYA") The Corporation of the City of London is designated as the Service System Manager for the geographic service area of "City of London and County of Middlesex";

AND WHEREAS under section 9 of Ontario Regulation 138/15 under the *Child Care and Early Years Act, 2014*, service system managers shall make reasonable efforts to facilitate the provision of assistance to an applicant for the cost of a service operated in a service area other than the service area in which the applicant resides;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The Cross Jurisdictional Fee Subsidy Agreement Template, attached to this By-law as Schedule "1", is authorized and approved.
2. The Deputy City Manager, Social and Health Development, or their written designates, are severally delegated the power to approve and execute Cross Jurisdictional Fee Subsidy Agreements based on the Template authorized and approved in section 1 of this By-law.
3. The Deputy City Manager, Social and Health Development, or their written designates, are severally delegated the power to edit and amend the Cross Jurisdictional Fee Subsidy Agreement Template from time to time in accordance with Provincial Guidelines and in accordance with this By-law.
4. The delegation of power to the Deputy City Manager, Social and Health Development, and their written designates, to act under this by-law, is subject to the following:

- i. such actions are consistent with the requirements contained in the Template approved in section 1 above;
- ii. such actions are in accordance with all applicable legislation;
- iii. such actions do not require additional funding or are provided for in the City's current budget; and,
- iv. such actions do not increase the indebtedness or liabilities of The Corporation of the City of London.

5. This by-law comes into effect on the day it is passed subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Passed in Open Council on October 15, 2024 subject to the provisions of PART VI.1 of the *Municipal Act, 2001*.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –

SCHEDULE "A"
[ATTACH AGREEMENT]

Schedule 1

CROSS JURISDICTIONAL FEE SUBSIDY AGREEMENT

Dated this _____ day of _____, 2024 (the "Effective Date")

BETWEEN:

THE CORPORATION OF _____
("CMSM/DSSAB")

-and-

THE CORPORATION OF THE City of London

("the City of London")

RECITALS:

- A.** CMSM/DSSAB and the City of London are designated child care Service System Managers ("SSMs", and each an "SSM") pursuant to the *Child Care and Early Years Act, 2014*, S.O. 2014, c.11, Sched.1 (the "CCEYA") and regulations thereunder, as amended from time to time.
- B.** In addition to other statutory duties under the CCEYA, SSMs are mandated to develop and administer local policies respecting the operation of child care and early years programs and services and to administer the delivery of financial assistance in accordance with the regulations, pursuant to sections 56 (a) and (b) of the CCEYA.
- C.** CMSM/DSSAB and the City of London, as SSMs, routinely enter into agreements with child care providers located within their respective geographical areas in order to provide child care Fee Subsidy on behalf of eligible families for licensed child care programs in their areas.
- D.** CMSM/DSSAB and the City of London have policies in place recognizing that families who are eligible to receive child care Fee Subsidy are generally eligible within the area where the family resides.
- E.** CMSM/DSSAB and the City of London have policies in place also recognizing that situations may occur in which a family who is eligible for child care Fee Subsidy may require a licensed child care program located within the geographical area of another SSM.

NOW THEREFORE CMSM/DSSAB and the City of London agree as follows:

1. PURPOSE

1.1 CMSM/DSSAB and the City of London have entered into this Agreement for the purpose of facilitating a cross jurisdictional arrangement to support families' eligible for Fee Subsidy who reside in the geographical area of one SSM to access required child care in the geographical area of the other SSM.

2. DEFINITIONS AND INTERPRETATION

2.1 In this Agreement:

- (a) "Agreement" means this Agreement and the Schedules to this Agreement as may be amended from time to time;
- (b) "Care Providing SSM" means the Service System Manager for the geographical area in which the child care provider is located;
- (c) "Fee Subsidy" means the per diem rate paid to a child care provider on behalf of a Parent less the Parental Contribution;
- (d) "Municipal Rate" means the approved daily rate the Care Providing SSM has negotiated with the child care provider for child care services;
- (e) "Parent" means an individual determined by the Resident SSM to be eligible for a child care Fee Subsidy based on the Province's income test;
- (f) "Parental Contribution" means the amount which the Parent is required to pay to the child care provider for licensed child care; and
- (g) "Resident SSM" means the Service System Manager for the geographical area in which the Parent resides.

2.2 Words used in this Agreement shall be interpreted consistent with their meaning as used in the CCEYA and the Ministry of Education Funding Guidelines as applicable.

3. SCHEDULES FORMING PART OF THIS AGREEMENT

3.1 The following Schedules form part of this Agreement. The parties agree to comply with the terms, conditions and obligations contained in these Schedules and the parties agree that all references in this Agreement to "this Agreement" shall be deemed to include such Schedules:

- (a) Schedule "A": Placements;

- (b) Schedule "B": Care Providing Service System Manager Obligations;
- (c) Schedule "C": Resident Service System Manager Obligations;
and
- (d) Schedule "D": Payment.

4. TERM AND TERMINATION

- 4.1 This Agreement shall commence as of the Effective Date and shall continue in full force and effect until terminated in accordance with the provisions of this Agreement (the "Term").
- 4.2 Each party shall have the right to terminate this Agreement at their sole and absolute discretion without penalty or cause by providing thirty (30) days written notice to the other party.
- 4.3 This Agreement may be terminated at any time without penalty or cause upon the written consent of both parties.
- 4.4 This Agreement may be terminated immediately by either party ("the Terminating Party"), upon the Terminating Party giving written Notice of termination to the Contravening Party, where:
 - (a) the Contravening Party has failed to comply with a term of this Agreement and, despite having been given written Notice of the failure by the Terminating Party, and a reasonable time to rectify the failure, the Contravening Party has failed to rectify the failure to the satisfaction of the Terminating Party within the time period specified by the Terminating Party in the Notice;
 - (b) the Contravening Party has breached a material term of this Agreement; or
 - (c) the Contravening Party has committed an act or omission which the Terminating Party reasonably believes could put the safety of individuals at risk or could threaten the integrity or reputation of the Terminating Party.
- 4.5 Upon termination of this Agreement, the parties intend that the terms and conditions of this Agreement shall survive and continue to be in full force and effect, as applicable and for such time and to the extent that is necessary, to govern the continuation of any placements of children who, at the time of termination, are already placed in a cross jurisdictional placement pursuant to this Agreement. For greater certainty, and without limiting the foregoing, this survival of terms includes the survival of the right of either party, in its sole and absolute discretion, to terminate any cross jurisdictional placement at any given time.

5. NOTICE

5.1 Any notice shall be in writing and sent by courier or by e-mail to the SSM to whom it is given as follows:

CMSM/DSSAB:

Early Years and Child Care Services
Attn: Director, Early Years and Child
Care Services
E-mail Address:

CITY OF LONDON:

Child Care and Early Years
Attn: Director, Child Care and Early Years
335 Wellington St., Suite 248
P.O. Box 5045
London, ON
N6A 3N7
E-mail Address: childrensservicesadmin@london.ca

5.2 Any notice delivered by e-mail shall be deemed to have been received upon the sender receiving an acknowledgement of receipt from the recipient; any notice delivered by courier shall be deemed to have been received on the date of delivery as confirmed by the signature of the recipient as shown on the delivery confirmation receipt.

5.3 At any time during the Term, either party may change its contact person information for Notice, as set out above, by providing the other party with Notice of the change.

6. COMMUNICATION

6.1 The following individuals shall serve as contact persons for the day-to-day communications required between the parties in relation to this Agreement:

CMSM/DSSAB:

Name
Title
Phone:
Email:

CITY OF LONDON:

Paul Van Dyk,
Manager, Fee Subsidy
Child Care and Early Years
519-661-2489 x 4794
pvandyk@london.ca

6.2 Each SSM shall ensure the other SSM has the contact information of the staff authorized to approve cross jurisdictional placements under this Agreement.

6.3 At any time during the Term, either party may change its contact person information, as set out above, by providing the other party with written notice of the change.

7. INDEMNITY

7.1 Each SSM ("the Indemnifying Party") shall indemnify and hold

harmless the other SSM, their respective Councilors, officers, employees and agents, from all claims, demands, losses, damages, costs, actions, suits or proceedings by whomever made, brought or sustained, arising from, caused by, or attributable to any act or omission of the Indemnifying Party, or any person or entity for whom the Indemnifying Party is in law responsible, in relation to this Agreement.

8. GENERAL PROVISIONS

- 8.1 A waiver of any term of this Agreement must be written and signed by the party providing the waiver.
- 8.2 Neither SSM shall assign this Agreement or any part thereof.
- 8.3 Any amendment to this Agreement shall be made in writing and signed by the duly authorized signing officers for both parties.
- 8.4 Any CMSM/DSSAB subject to this agreement must comply with the current privacy requirements of the Municipal Freedom of Information and Protection of Privacy Act, 1990 (MFIPPA)."

- Signature Page Follows -

IN WITNESS WHEREOF CMSM/DSSAB and the City of London have executed this Agreement by the hands of their signing officers, duly authorized in that regard.

THE CORPORATION OF THE _____

CMSM Name

Director,

Date: _____

I have authority to bind the Corporation

THE CORPORATION OF THE CITY OF LONDON

Shirley Glover

Director, Child Care and Early Years

Date: _____

I have authority to bind the Corporation

SCHEDULE "A"
PLACEMENTS

1. Placement Eligibility

1.1 The SSMs agree a cross jurisdictional placement under this Agreement will be approved only under the following situations:

- (a)** a family is moving to the geographical area of the Care Providing SSM and a placement is available prior to the family's move date;
- (b)** a specific program for a child is not available in the Resident SSM's geographical area but is available within the Care Providing SSM's geographical area;
- (c)** there is a domestic contract for shared custody of which one parent resides in the geographical area of the Care Providing SSM;
- (d)** child care special circumstances, such as, but not limited to -
 - i.** hours that cannot be accommodated by the Resident SSM
 - ii.** transportation concerns (time and /or distance)
 - iii.** lack of an appropriate placement with the Resident SSM due to age category/range.
- (e)** A family identifies a location in the Care Providing SSM that is appropriate to their family's needs and/or sufficient space is available.

2. A child will not be placed in a cross jurisdictional placement under this Agreement until the placement is approved by the Resident SSM and accepted by the Care Providing SSM and the commencement date for the placement has been confirmed by both SSMs to each other in writing.

3. Term of a Placement

3.1 The SSMs agree a cross jurisdictional placement will be applicable until the family ages out of a child care placement or the family identifies a different program that will meet their needs within the Resident SSM.

- (a)** The decision to extend the cross jurisdictional placement will be at the sole discretion of the Care Providing SSM based on the family's current circumstances, efforts to secure a suitable placement within their own jurisdiction and the Care Providing SSM's planning and service needs. The extension of

a cross jurisdictional placement will be assessed on a case by case basis.

4. Early Withdrawal of a Placement

4.1 In addition to each child care provider's early withdrawal policy, both SSMs agree to have a policy in place which stipulates that Parents in receipt of child care Fee Subsidy shall give no less than two (2) weeks' notice to the Care Providing SSM prior to withdrawing a child from care.

4.2 Where a SSM receives notice that a child in a cross jurisdictional placement is being withdrawn from care, that SSM shall communicate this information to the other SSM immediately.

SCHEDULE "B"
CARE PROVIDING SERVICE SYSTEM MANAGER OBLIGATIONS AND RIGHTS

1. Obligations

- 1.1 The Care Providing SSM shall manage all aspects of the relationship with the child care provider.
- 1.2 The Care Providing SSM shall ensure it has a written agreement in place with each child care provider providing care through a cross jurisdictional placement under this Agreement.
- 1.3 The Care Providing SSM shall advise the Resident SSM of the child care provider site details and actual Municipal Rates, and of any changes to the child care provider and/or child care provider fees which impact Parents currently involved under a cross jurisdictional placement.
- 1.4 The Care Providing SSM shall advise the Resident SSM of any changes to the amount of care and/or changes to a care schedule which would impact the Parental Contribution.
- 1.5 The SSM who is in contact with the Parent first shall receive and obtain written consent from the Parent for the purposes of cross jurisdictional child care Fee Subsidy and share a digital copy of the signed consent with the Care Providing SSM/Resident SSM.

2. Rights

- 2.1 The fee subsidy payment policy regarding closures, non-operational and snow/inclement weather days shall be governed by the Care Providing SSM.
- 2.2 In its sole and absolute discretion, the Care Providing SSM may:
 - (a) refuse to accept a specific cross jurisdictional placement at any given time;
 - (b) terminate a specific cross jurisdictional placement at any given time; and/or
 - (c) place a hold on accepting additional cross jurisdictional placements.

SCHEDULE "C"
RESIDENT SERVICE SYSTEM MANAGER OBLIGATIONS AND RIGHTS

1. Obligations

- 1.1** The Resident SSM shall advise the Care Providing SSM of any fee caps established by the Resident SSM which are applicable to placements.
- 1.2** The Resident SSM shall manage all aspects of its relationship with the Parent which shall include but not be limited to:
- (a)** the eligibility for child care Fee Subsidy;
 - (b)** approval for a cross jurisdictional placement;
 - (c)** absent days; and
 - (d)** case management.
- 1.3** The Resident SSM shall advise the Care Providing SSM of any changes to the Parental Contribution amount, number of days approved and care schedule which may impact a Parent involved under a current cross- jurisdictional placement.
- 1.4** The Resident SSM will be responsible for managing changes to a placement with the Parent in cases where the family's provider/child care site under this Agreement becomes non-operational.
- 1.5** The SSM who is in contact with the Parent first shall receive and obtain written consent from the Parent for the purposes of cross jurisdictional child care Fee Subsidy and share a digital copy of the signed consent with the Care Providing SSM/Resident SSM.
- 1.6** The Resident SSM shall provide the Care Providing SSM with the following information and/or documents from the family's Ontario Child Care Management System (OCCMS) electronic file but not limited to:
- (a)** details captured on the Applicant 1 Name screen
 - (b)** details captured on the Case Management screen;
 - (c)** details captured on the Applicant 2/Other Adults in Home screen;
 - (d)** document list from the Documentation screen utilizing the "Print Documents" feature;
 - (e)** details captured on the Work/School screen;

- (f) details captured on each Child Profile screen;
- (g) details captured on the Income Test screen; and
- (h) details of the child care placement approval - for example, the number of approved days, the daily rate assigned, and effective dates.

2. Rights

2.1 In its sole and absolute discretion, the Resident SSM may:

- (a) refuse to approve a specific cross jurisdictional placement at any given time;
- (b) terminate a specific cross jurisdictional placement at any given time; and/or
- (c) place a hold on approving additional cross jurisdictional placements

SCHEDULE "D"
PAYMENT

1. Each SSM shall maintain accurate and complete financial records related to monies paid and received under this Agreement; and shall make the records available to the other party upon reasonable notice.

- 2 Care Providing SSM**
- 2.1 The Care Providing SSM shall determine the Municipal Rates paid to a child care provider.
- 2.2 On a monthly basis, for each cross jurisdictional placement under this Agreement, the Care Providing SSM will:
 - (a) complete the Resident SSM's web-based attendance records within the month the attendance becomes available to complete including recording days of attendance, sick/absent and vacation days;
 - (b) pay the child care provider the Parent's Fee Subsidy amount.
- 2.3 On a semiannual basis, for each cross jurisdictional placement under this Agreement, the Care Providing SSM will:
 - (a) submit an invoice to the Resident SSM for the total amount paid out for cross jurisdictional placements on behalf of the Resident SSM, less the calculated CWELCC discounts.
 - (b) Submit a redacted Centre Payment Detail Summary to the Resident SSM that captures the details of the care and costs for the cross jurisdictional placements, including the calculation for the CWELCC discounts - capturing the manual calculation for the CWELCC cap on fees (if applicable).

- 3. Resident SSM**
- 3.1 Where the Resident SSM has a maximum rate/cap established, the Resident SSM is responsible to:
 - (a) pay the full daily Municipal Rate invoiced and paid by the Care Providing SSM to the child care provider; and
 - (b) address any difference in cost between the Care Providing SSM's Municipal Rate and the maximum rate/cap set by the Residential SSM directly with the Parent.
- 3.2 On a semi annual basis, for each cross jurisdictional placement

under this Agreement, the Resident SSM will:

- (a) review the submitted redacted Centre Payment Detail Summary for accuracy; and
- (b) pay the invoice(s) for the cross jurisdictional placements from the Care Providing SSM within thirty (30) days of receipt.

3.3 Where a Municipal Rate overpayment is calculated for any reason, the Resident SSM will assume the overpayment amount and make arrangements with the Parent to recover the outstanding balance in accordance with the Resident SSM's own policy.

4. Parental Contributions

4.1 The Resident SSM shall ensure Parents are aware Parental Contributions are paid by a Parent under this Agreement directly to the child care provider.