2025 Canada-Wide Early Learning and Child Care (CWELCC) Cost-Based Funding Guidelines

Questions and Answers
September 2024

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Cost-Based Funding Approach

Q1. Why is the CWELCC funding approach changing from revenue replacement to a cost-based approach?

A1. The Province is changing the funding approach to a cost-based approach to better reflect the true cost of providing child care. Under the new cost-based funding model, operators will receive benchmark funding that is representative of the typical costs of providing high-quality child care in Ontario.

The Province expects that the new approach will provide more stability and predictability for operators. The Province has also noted that the current revenue approach has posed challenges, including that it was based on a point in time when some operators had kept fees low to support families during the COVID-19 pandemic.

Q2: Where can I find the Ministry of Education 2025 Cost-Based Funding Guidelines?

A2: The Ministry of Education's 2025 Cost-Based Funding Guidelines are available on the Ministry of Education's website.

Q3. Can you provide an example of how this funding approach will apply to my organization?

A3. CWELCC allocations for each organization for 2025 cannot yet be confirmed by the Region. This will happen later this year. There will be a data collection exercise for the Region to complete with operators, before allocations can be confirmed. Allocations are anticipated to be confirmed in December. In the meantime, examples are provided in the Ministry of Education 2025 Cost-Based Funding Guidelines, beginning on page 55 of how allocations will be calculated. Operators are also encouraged to use the Provincial tools to estimate benchmark allocations and legacy top-ups.

Q4. How were the benchmarks in the cost-based funding approach developed?

A4. The Ministry of Education developed the benchmarks through analysis of data collected from the child care sector, and accounting for cost escalation and other policy changes. The purpose of the benchmark allocation is to generate initial, cost-based funding amounts that represent typical costs for eligible centres/agencies, adjusted for regional differences, to help ensure that similar eligible centres/agencies receive similar funding. The benchmarks are intended to be an average representation of the cost of child care.

Q5. Will there be adjustments to funding in 2025 and beyond for increased costs and inflation?

A5. The Ministry's cost-based funding allocation provides funding to each eligible centre/agency based on benchmarks and appropriate top-ups and accounts for cost escalation and other policy changes.

In 2025, the reconciliation process will support with determining actual program costs, adjusting overpayments and reallocating funding to eligible centres or agencies as needed. Legacy top-ups can also support with increased costs not covered through the benchmarked cost-based funding allocation.

The Ministry of Education has not provided any confirmation of planned updates to the cost based funding approaches or benchmarks that it will use, for years beyond 2025.

Q6. What is the growth multiplier? Is it the same as the inflation rate?

A6. The growth multiplier is not the same as the inflation rate. The growth multiplier is used to calculate growth top-up for new licensed spaces in existing centres or new active homes associated with existing agencies. Halton Region has no new confirmed CWELCC spaces to allocate so the growth top-up will not apply in the initial allocation of 2025 funding.

Q7. What will happen if the benchmark and legacy top-up allocations are not spent? Does an operator keep the remaining amounts as profit?

A7. No, unspent benchmark and legacy top-up allocation funding may not be kept as profit. It is important to note that operators will receive an initial funding allocation for 2025 based on the data collection exercise which will take place fall 2024.

The Ministry's 2025 Cost-Based Funding Model Guidelines outline that Service System Managers will compare the funding provided through the cost-based allocation to an operator's actual cost-based funding required for the calendar year and recover any overpayments. There will be a reconciliation process to recover unused funding, which is still to be developed as the Region awaits further direction and tools from the Ministry.

Q8. What other funding streams will operators participating in the CWELCC program receive in 2025?

A8. The age 0-5 portion of routine child care funding the Region currently administers to child care operators, including General Operating Grant (GOG), Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG), will be integrated into the new cost-based funding allocation under CWELCC, starting January 1, 2025.

Halton Region is currently determining an approach for other sector initiatives such as special needs resourcing, capacity building and professional learning, and more information will be shared later.

Q9. Will there be any emergency funding if operators have unexpected, non-discretionary costs in 2025 such as critical repair and maintenance expenses?

A9. The Ministry is not providing a separate funding allocation to support emergency, unexpected costs in 2025. The Region has been directed by the Ministry to do an in-year reconciliation to recover cost-based funding overpayments from operators to redistribute as necessary. Funding recovered in-year may be reallocated to support emergency expenses, however this is not guaranteed. Operators should plan proactively for emergency costs and consider using other revenue sources available such as reserves and non-base fee revenue, other government funding or loans to cover such unexpected costs.

Q10. Will changing hours of operations impact an operator’s funding?

A10. Operators are currently expected to maintain service levels and not implement any dilution of services, including any reductions of hours of operation. Operators must continue to report their hours of operation in their parent handbooks for transparency.

The Ministry has indicated that the benchmarks apply to all programs that the operator is choosing to operate. The benchmarks were calculated considering the cost structures of all programs, including those operating in the evening, overnight and weekends, or those with longer hours). This means the benchmarks represent typical costs per space for the applicable age group.

If a legacy centre/agency’s benchmark allocation does not fully cover their eligible costs, they can apply for a legacy top-up. More details will be included on how to apply for legacy top-up when the Region releases its data collection tool later this fall. In the meantime, operators can use the Ministry of Education legacy estimator tool to estimate legacy top-up funding.

Q11. As a multi-service organization, the profits from the preschool program support other programs. Can this occur through the new funding model?

A11. The Region will seek further clarification from the Ministry and provide a response once clarification is received.

Q12. Are existing loans an eligible expense in the cost-based model?

A12. Loans may qualify as an eligible expense if they are directly related to non-recurring eligible costs, include contractual obligations (i.e. interest and repayment requirements), and the finance costs do not exceed the interest rates outlined by the Canada Small Business Financing Program rates.

In cases where there is a non-arms-length relationship with shareholders, operators must demonstrate that the interest rate is comparable to market rates and not artificially inflated.

Q13. For operators who have multiple sites, does the data reported need to be separated for each site or per operator?

A13. The data reported needs to be separated for each individual license within the organization. Allocations are calculated at the license-level.

Benchmark Allocations

Q14. Is the benchmark allocation for centres based on operating capacity or licensed capacity?

A14. To calculate a centre's benchmark allocation, operating spaces, licensed spaces and service days are used. Operating spaces are used to calculate variable costs (e.g. program staffing, operations variable) and licensed spaces are used to represent fixed costs (e.g. accommodations, operations fixed). Service days are used to calculate supervisor costs which are fixed per centre. Please see section 1.1 starting on pg. 16 of the Ministry of Education's 2025 Cost Based Funding Guidelines for further details on the calculations.

Q15. Is the benchmark allocation for home child care agencies based on active homes or licensed capacity?

A15. To calculate an agency's benchmark allocation, the number of active homes and active home days is used. The number of active homes means a home child care, overseen by an agency with at least one eligible child, and is used to calculate provider compensation, visitor compensation and agency operations. Active home-days is the sum of the number of service days applicable to each active home in the agency. Please see section 1.1 starting on pg. 16 of the Ministry of Education's 2025 Cost Based Funding Guidelines for further details on the calculations.

Q16. The program staffing benchmark allocation incorporates pay and benefits for program staff counting towards ratio requirements. Can an operator have staff over the ratio requirements such as float staff?

A16. The program staffing benchmark allocation is calculated to account for pay and benefits for program staff in eligible centres counting towards ratio requirements in O. Reg 137/15 under the *Child Care and Early Years Act*. There is also an ancillary multiplier built into the calculation to reflect typical ancillary costs such as supplementary benefits or supply coverage for vacation or sick days. The operations benchmark also accounts for non-program staff pay and benefits.

An operator's individual eligible costs do not need exactly align with each benchmark allocation, as some individual costs may vary. For example, some operators may have higher staffing costs but lower operations or accommodations costs. This may provide some flexibility in situations where operators have higher program staffing costs. Operators can also apply for a legacy top-up if the benchmark allocation is insufficient.

Q17. How is the supervisor benchmark allocation calculated?

A17. The supervisor benchmark allocation is calculated per eligible centre, by multiplying the supervisor benchmark (found on Schedule A in the Guidelines) by the number of service days for the centre, and adjusting for the proportion of spaces serving children 0-5. There is one supervisor benchmark allocation per centre.

An operator's individual eligible costs do not need exactly align with each benchmark allocation, as some individual costs may vary. For example, some operators may have higher supervisor costs for multiple positions but lower operations or accommodations costs. This may provide some flexibility in situations where operators have higher supervisor costs. Operators can also apply for a legacy top-up if the benchmark allocation is insufficient.

Q18. Will operators be allocated a *total* cost-based funding allocation or is it broken down by program cost components?

A18. Operators will receive both the total cost-based funding allocation, as well as a breakdown of the allocation by each component (i.e. program staffing, accommodations, operations).

Q19. Schedule A – 2025 Benchmark Tables in the Guidelines shows an operations benchmark for both variable and fixed costs. How is the operations benchmark calculated with the variable and fixed benchmarks for centres?

A19. The operations component of the benchmark allocation contains two parts: a fixed component and a variable component.

- The **operations component (fixed)** represents typical fixed operational costs, such as utilities and insurance. To calculate the operations component (fixed), the operations (fixed) benchmark is multiplied by the number of licensed space-days for each age group. An example can be found on page 22.
- The **operations component (variable)** represents typical variable operating costs, such as pay and benefits for non-program staff, food, and program equipment and supplies. To calculate the operations component (variable), the operations (variable) benchmark is multiplied by the number of operating space-days for each age group. An example can be found on page 23.

An eligible centre's total operations component is calculated by adding the fixed operations component and the variable operations component.

Q20. Schedule A – 2025 Benchmark Tables in the Guidelines shows an operations benchmark for both variable and fixed costs. How is the operations benchmark calculated with the variable and fixed benchmarks for licensed home child care agencies?

A20. For licensed home child care agencies, the agency operations component of the benchmark allocation contains two parts: a fixed component and a variable component.

- The **operations component (fixed)** represents typical fixed operational costs, such as accommodations, utilities and insurance. To calculate the operations component (fixed), the operations (fixed) benchmark is multiplied by the number of months of operations.
- The **operations component (variable)** represents the typical variable operating costs, such as pay and benefits for the head office staff. To calculate the operations component (variable), the operations (variable) benchmark is multiplied by number of active home-days. An example can be found on page 25.

An eligible agency's total operations component is calculated by adding the fixed operations component and the variable operations component.

Q21. If the accommodations benchmark is below actual accommodation costs for the organization, will the legacy top-up support the difference between the benchmark and actual accommodations costs?

A21. The benchmark allocations are based on typical costs so an eligible centre's cost structure may not align with the benchmark allocations. Each operator has flexibility within the funding model as each individual, eligible costs do not need to align with each benchmark allocation component. For example, some centres/agencies may have relatively high accommodation costs but low operations costs and can use the funding within their allocation as needed.

To account for differences in 2025, a legacy top-up can support operators in the transition to cost-based funding, if their eligible costs will exceed their benchmark allocations for the calendar year. This is to avoid legacy centres/agencies having to unnecessarily and significantly change their operating models due to the implementation of cost-based funding.

The Ministry indicates that benchmark allocations will be sufficient to cover the costs of about 50% of operators. Some legacy centres/agencies may have funding room for additional eligible costs to improve quality. The other 50% (that is, legacy centres/agencies that will see their legacy costs structures covered by top-ups) could increase quality by using their existing resources more efficiently, reinvesting their amounts in lieu or profit/surplus, or by finding other revenue sources such as non-base fees.

Q22. We understood from the Guidelines that benchmark funding will not be reconciled to actual program costs. Can you please confirm that is the case?

A22. The Ministry had advised that Service System Managers (Halton Region) must compare the funding provided to an eligible centre/agency against the eligible centre's/agency's Actual Cost-Based Funding for the calendar year and recover any overpayments. Reconciliation of funding will be performed by Halton Region to calculate any overpayments, if applicable.

The Ministry of Education's 2025 Cost Based Funding Guidelines (pg. 8) indicate that under the cost-based funding approach, the amount of funding a licensee can receive ("Actual Cost-Based Funding") crystalizes upon the assessment, at the time of reconciliation, of eligible costs incurred for the eligible centre/agency during the calendar year.

To enable licensees to incur eligible costs to provide child care to eligible children during the calendar year, Service System Managers will provide an initial Cost-Based Funding Allocation determined by the Ministry formula.

To ensure accountability over public funds, Cost-Based Funding Allocations set the maximum amounts that could be claimed by licensees. In other words, this cost-based approach is not a pure "cost reimbursement" model.

Q23. How are 2023 legacy costs adjusted for increased operating costs in 2025?

A23. To recognize that costs may have changed between 2023 and 2025, the Ministry has included a cost escalation factor and operating scaling factor to adjust 2023 legacy costs when determining legacy top-up. Two scaling factors are applied to 2023 adjusted costs:

- Cost escalation factor to adjust for higher prices (1.0465%); and
- Operating scaling factor, a calculation to evaluate operational capacity by age group, accounting for operator's 2025 operating plan and divided by 2023 actuals (i.e. number of operating space-days, staff-child ratio, typical hours of service and licensed spaces)

An example of calculating legacy costs can be found in the Guidelines on page 67.

Q24. What if an operator did not pay any wages or benefits to owners in 2023? How is this reflected in the legacy top-up?

A24. In 2023, some legacy centres/agencies may have provided dividends or other benefits instead of a salary to controlling owners who contribute labour to the operation of their child care businesses. Since dividends or other benefits are not eligible costs under the cost-based funding approach, they are excluded from the calculation of a legacy top-up.

As these forms of compensation are ineligible, the Ministry has accounted for controlling owner's compensation through a fixed amount of $465, multiplied by the number of service days in the calendar year.

Q25. Can you clarify the definition of Controlling Owner in the guidelines? What percentage of ownership is considered the controlling owner?

A25. As part of the legacy top-up, operators can add one controlling owner's compensation for labour across all licenses they operate. The compensation amount is the minimum of:

- The 2023 salary and benefits for the one controlling owner multiplied by the cost escalation factor and,
- $465, applicable to only one legacy centre/agency per operator, multiplied by the number of service days in the calendar year for that centre/agency.

The controlling owner's compensation for labour can only be claimed once per operator, including operators with more than one eligible centre/agency or operators with more than one controlling owner.

The controlling owner is a decision the operator can make and it is not based on a percentage of ownership.

Q26. Will operators/owners be allowed their salary amount that was paid in 2023, as well as the $465 a day. Is there a restriction on the amount of salary an owner can take as salary?

A26. The 2023 salary and benefits for controlling owners can be claimed, but only for either: 1) the 2023 salary (adjusted by the cost escalation factor of 1.0465) or 2) $465 multiplied by the number of service days in the calendar year for the centre/agency, whichever is lower. So, while there is no set cap on the salary amount itself, the total salary amount eligible must be based on the lesser of these two amounts.

Dividends or other benefits provided in lieu of salary are not eligible costs per Ministry Guidelines that can be claimed in the legacy top-up calculation. The controlling owner salary and benefits can only be claimed per licensee across their CWELCC sites.

Q27. The legacy cost estimator asks you to deduct the workforce compensation funding amount for 2023 and then asks you to add back in the 2025 workforce compensation funding amount. When will we know this amount for 2025, so that we can complete the calculator and estimate our legacy amount. Do we put zero in 2025 or the same amount?

A27. As part of the Halton Region data collection tool, which will calculate allocations, the Region will collect updated staffing information from operators. This will support with estimating 2025 workforce compensation funding that can be used in the calculation of the legacy-top up.

The Ministry of Education has not yet confirmed workforce compensation funding eligibility requirements for 2025, so operators can estimate in the interim. An estimate could be based on current CWELCC guidelines regarding expected wage floors/ceilings for 2025, annual increase of up to $3 per hour and the existing WEG guidelines, until that confirmation is received. The amount should not be zero.

Q28. How are 2023 audited costs adjusted to represent 2025 costs in the legacy estimator tool?

A28. The majority of eligible costs in the legacy estimator tool for 2023 are scaled by a cost escalation factor of 1.0465%, and an operating scaling factor, if operating spaces have increased between 2023 and 2025.

For certain fixed costs including occupancy costs, insurance costs and property tax, the 2023 costs are not scaled, but are actual costs for 2025 as these fixed costs do not follow the Ministry of Education's cost escalation assumptions.

For controlling owner compensation, the 2023 cost is scaled by only the cost escalation factor of 1.0465% to estimate the 2025 cost. The claimed cost is the minimum of this amount and $465 multiplied by the number of service days in the calendar year for that centre/agency.

All costs reported in the calculation of the legacy top-up must be consistent with auditable documentation, and operators may be asked to provide supporting documentation to confirm these costs if requested by the Region.

Q29. Will a rolling top-up be reduced year-over-year for 2026 and beyond?

A29. Rolling top-up is for eligible centres/agencies after 2025 who received a top-up in the previous year, such as legacy top-up. For 2026, the Ministry of Education has indicated that the rolling top-up will be calculated using 2025 actual eligible costs. More information about rolling top-up is expected to be provided by the Ministry at a later date.

Allocation in Lieu of Profit/Surplus

Q30. Is profit margin capped at 8%?

A30. The Ministry has indicated that the average allocation in lieu of profit/surplus is 8%. However, the percentage may vary depending on the final calculation at reconciliation. The allocation in lieu of profit/surplus is reconciled at year end, by taking the base rate of 4.25% applied to Actual Program Costs and the premium rate of 3.5% applied to Actual Program Costs up to the benchmark allocation, plus a flat amount of $6,000 for the calendar year.

Q31. Are there restrictions on how the allocation in lieu of profit/surplus is spent?

A31. The Ministry has indicated that the allocation in lieu of profit/surplus is to support reinvestment in child care. No further restrictions have been detailed to date by the Ministry of Education, however the CWELCC Guidelines for 2025 have not yet been released. It is important to consider that allocation in lieu of profit/surplus is subject to re-calculation and potential reconciliation after year-end. If the Actual Program Costs are less than the Program Cost Allocation, the amount of profit/surplus allocated may be adjusted. Operators are encouraged to familiarize themselves with the Ministry Guidelines regarding the principle-based definition of eligible costs for further guidance on how cost eligibility will be assessed in 2025 to ensure they do not incur ineligible costs.

Base Fees, Non-Base Fees and Fee Reduction

Q32. Do we reduce fees by 25% to a cap of $22 per day, or change all fees to $22 daily as of January 1st?

A32. Child care base fees for CWELCC operators will be capped at $22 per day, effective January 1, 2025. This means that, starting January 1, 2025, base fees would be either $22 or the current reduced base fee charged to parents on December 31, 2024, whichever is less.

If families are currently paying less than $22 per day (e.g. a fee that is under the cap), their fee will stay the same.

Q33. Can operators revisit their base fee offerings and shift certain activities to non-base fees (i.e. French classes, piano lesson, karate, swimming) or introduce new non-base fees (i.e. donations, renting space)?

A33. The programs and services (including program quality, hours, availability, and other elements) offered as of March 27, 2022 under the operator’s base fee must be maintained. Families should not experience any reduction in service offerings, or surcharges from services that were originally part of base fees prior to the introduction of CWELCC.

Any programs and services currently included as part of the base fee must be included in the base fee and cannot be shifted into to non-base fees. Non-base fees are optional items or services that parents/caregivers are not required to pay to receive child care. All base fees and non-base fees and must be outlined in the operator’s Parent Handbook.

The regulatory framework under the *Child Care and Early Years Act, 2014* does not prohibit licensees from using other revenue sources. Other revenue such as donations or fundraising (that are not mandatory for families), non-base fees revenue, and interest income will not be factored in the calculation of either Cost-Based Funding Allocations nor Actual Cost-Based Funding.

Q34. Can operators continue to charge families registration fees?

A34. Yes, operators can continue to charge families registration fees but can also choose to stop charging registration fees in 2025. Funding for administration and operating costs, which registration fees typically support, is factored into the cost-based funding allocation. Furthermore any registration fee revenue or revenue from other mandatory fees must be included in Estimated Base Fee Revenue under the 2025 Cost Based Funding Approach, which is then subtracted from (and therefore will reduce) the program cost allocation provided to operators.

Registration fees are frozen at March 27, 2022 levels and families are eligible for a 52.75% fee reduction for registration fees for eligible children. For example, if the registration fee is $100, operators would collect $47.25 from families. Registration fees are not subject to the $22 cap.

Q35. Are the benchmarks supposed to replace the parent fee revenue?

A35. Benchmark allocations are not intended to fully replace revenue from reduced parent fees, and operators will continue to collect fees from parents although, those fees will be reduced. The purpose of the benchmark allocation is to generate initial, cost-based funding amounts that represent typical costs incurred for eligible centres/agencies, adjusted for regional differences, to help ensure that similar eligible centres/agencies receive similar funding. The base fee revenue will be subtracted from the program cost allocation provided to operators.

Workforce Compensation and Wage Enhancement Grant

Q36. Are operators required to make adjustments to staff wages effectively immediately since we were not adding GOG in the calculations of the CWELCC wage support?

A36. No. Operators are required to keep staff wages constant until staff become eligible for additional increases. Staff wages are not to be reduced.

The Ministry has found that different service system managers may have been inconsistently applying provincial guidelines regarding eligibility for wage improvements (such as CWELCC wage supports). This means that staff in some regions may have received their entire CWELCC wage increases up front, rather than gradually.

Halton Region will not be required to recover related funding that has already flowed to operators for wage increases.

In 2025, the base wages – for the purposes of determining workforce funding allocations (such as WEG/HCCEG or wage enhancements as part of CWELCC) – must include any general operating funding provided to staff to improve their wages. Staff must not see any reduction in their wages in 2025 as a result of these changes. The Region will develop a workforce compensation calculator to support operators in determining workforce compensation eligibility for eligible staff in 2025, once the Ministry of Education releases further guidelines to confirm the eligibility requirements.

Q37. Will the wage floor and wage ceiling for eligible Registered Early Childhood Educators continue? Will workforce compensation funding be provided in addition to the cost-based allocation?

A37. The workforce compensation funding approach for CWELCC is anticipated to remain the same, however the Ministry of Education has not yet released the CWELCC Guidelines for 2025 to confirm this. Per current Guidelines, CWELCC operators are required to increase the hourly wage of eligible RECE staff by $1/hour, plus benefits on January 1st, of each year, compounded from the previous year, from 2023 to 2026 up to the wage eligibility ceiling. The new minimum wage floor for 2025 will also come into effect on January 1.

Q38. Is General Operating Grant a separate allocation in addition to the cost-based allocation?

A38. No, the Ministry of Education has integrated routine operating funding (i.e. general operating grant) into the cost-based funding under CWELCC for children age 0-5. Routine funding such as GOG will not be paid on top of the benchmark allocations.

Q39. Will CWELCC-enrolled operators continue to receive WEG and CWELCC workforce funding for school-age staff supporting 6-12 age groups in 2025?

A39. Yes, CWELCC-enrolled operators will continue to receive WEG and CWELCC workforce compensation funding for school-age staff supporting 6-12 age groups in 2025.

Q40. Is there funding allocated for staff sick days and health benefits?

A40. Program Staffing, Supervisor, and Home Visitor benchmark allocations in the new cost-based funding approach include funding for benefits and ancillary costs including supplementary benefits. Therefore, cost-based funding allocations are inclusive of these expected costs.

Fee Subsidy

Q41. How will fee subsidy be impacted?

A41. All families that are currently receiving fee subsidy should continue to do so and should see no disruption in their services or subsidies. For non-CWELCC operators, existing fee subsidy agreements may continue to be funded until the benefitting child ages-out of the program or leaves the centre/agency.

Children aged 0-5 in families newly qualifying for fee subsidy must be placed in centres/agencies participating in CWELCC. Children aged 6-12 in families newly qualifying for fee subsidy will be placed with operators participating in CWELCC or with programs only serving children aged 6-12.

Q42. Do you foresee any changes in the future for paying for children in receipt of fee subsidy on closure days (i.e. Civic Holiday, emergency closures, snow days)?

A42. No decision has been made at this time regarding adjusting the fee subsidy policies for 2025 regarding closure days. Through the CWELCC Guidelines, the Province has introduced a limit on the Region's fee subsidy spending this year, which poses an additional challenge for adjusting fee subsidy policies with funding implications. We are committed to looking at options to address these challenges.

Operating Days

Q43. Would the statutory holidays and closure days be paid under the new funding model when fees are charged?

A43. In the new cost-based model, a "service day" is defined as a 24-hour period starting either at the beginning of the day when the eligible center or active home normally starts accepting children or at the end of the previous 24-hour period. This period applies when the operator is enrolled in CWELCC for the eligible center/agency and charges a base fee as outlined in the parent handbook, even if the center or home is closed, such as on a statutory holiday.

The Ministry has not yet released the 2025 CWELCC Guidelines, which may provide further information regarding closure days.

Tools and Resources

Q44. Where can I access the 2025 CWELCC Cost-Based Funding Guidelines?

A44. The 2025 CWELCC Cost-Based Funding Guidelines and Questions and Answers are available on the Ministry of Education's website.

Q45. When will we receive our 2025 allocation?

A45. In October 2024, Halton Region will distribute a data collection tool for child care operators to complete, that will inform the 2025 funding allocations. Initial 2025 Cost-Based Funding allocations will be provided in December 2024, including benchmark allocations and top-ups, as applicable.

Q46. In the Legacy Cost Estimator provided by the Ministry of Education, there are not enough cells to accurately input the number of service days for each active home for licensed home child care agencies. How should I proceed?

A46. We appreciate the feedback on the Legacy Cost Estimator. The tool is developed by the Ministry of Education to support operators with estimating costs so changes cannot be made to this specific tool. However, Halton Region will be collecting legacy cost data in a similar approach and will take this into account when developing this tool.

Q47. In the Legacy Cost Estimator provided by the Ministry of Education, what line is monthly rent reflected?

A47. In the Stage 2 tab of the Legacy Cost Estimator, rent costs can be included under Accommodations GIFI code 8911 of real estate rental.

Next Steps

Q48. If I remain in the system as of January 1st, 2025, am I required to stay in for all of 2025?

A48. The Region wants to work with operators to understand their allocation and make the best decision for their organization. You may provide notification of your intent to opt out of CWELCC to the Region at any time during your participation, but we encourage you to wait until your allocations are confirmed and to discuss any concerns with us before making a final decision.

Operators are not required to remain in CWELCC for all of 2025 if they continue in the program. Before you make a decision to opt out, please reach out to childcareservices@halton.ca to discuss your concerns with us.

Q49. What happens if an operator opts out starting January 1, 2025 and wants to opt back in later?

A49. If an operator opts out, their spaces will be reallocated back into the CWELCC system. Operators who opt out and are interested in opting back in would need to apply when Halton Region has CWELCC spaces available. The Region has a significant number of operators who are interested in applying for enrollment and expansion in CWELCC, and as such, opportunities to opt back into the program will be limited.

It is anticipated that the next allocation of community-based spaces will be 347 spaces in 2026. Halton Region will soon release a local directed growth plan which outline priorities for enrollment and expansion of affordable child care spaces in CWELCC, including priority neighbourhoods and priorities for child care under the Ministry of Education's Access and Inclusion Framework.

Non-CWELCC Operators

Q50. Can you share the list of child care programs who are not enrolled in CWELCC in Halton Region and their contact details?

A50. The Region is unable to share a list of non-CWELCC operators. However, the Ministry of Education's Licensed Child Care Website includes a list of all licensed child care in Ontario, including location and whether the program is enrolled in CWELCC.

Q51. Will Halton be opening spaces for the CWELCC program this coming January?

A51. No new CWELCC spaces have been confirmed for Halton Region as part of the cost-based funding announcement in August. Applications for new child care operators to enroll into CWELCC or for existing CWELCC-enrolled operators to expand in Halton are currently closed as there is no provincial funding available for enrollment or expansion at this time. The next confirmed allocation of community-based spaces in Halton is anticipated to be 347 spaces in 2026.

Halton Region continues to advocate to the provincial government to ensure as many Halton families as possible receive affordable child care. Any future updates related to CWELCC enrollment will be made available on Halton.ca.

Q52. My child care program is not currently enrolled in CWELCC. Can I still apply for an agreement for WEG/HCCEG funding? If I currently have a CCSMA or WEG agreement, will I continue to have one in 2025?

A52. Operators that are licensed for 0-5 age groups and are not participating CWELCC are not eligible to receive any federal or provincial child care funding, except for existing fee subsidies. In the new cost-based funding model, routine funding in the current 2024 model such as GOG and WEG will not be provided for licensees serving children 0-5 outside of the CWELCC system.

Q53. Will operators who choose to opt out of CWELLC qualify for funding or other supports?

A53. Operators who opt out will receive fee subsidy funding until the benefitting child ages out of care or leaves the program voluntarily but will no longer be eligible for WEG or GOG funding effective January 1, 2025. The Region is seeking clarity from the Ministry of Education on other supports and funding (e.g. special needs resourcing, capacity building) that non-CWELCC operators will be eligible for in 2025.