

2025 Canada-Wide Early Learning and Child Care (CWELCC) System

Allocation Update and Information Webinar for Operators

December 13, 2024

Agenda

Agenda	
5 minutes	Opening Remarks and Webinar Overview
10 minutes	Recap of the 2025 CWELCC Workbook and Validation Process
10 minutes	2025 Allocation Package and Funding Process
10 minutes	Updated Ministry of Education Guidelines
25 minutes	Q&A



Section 1

Opening Remarks & Webinar Overview



Webinar Objectives

1

Recap the 2025 Workbook Validation and Allocation Process

2

Discuss Allocation Package and next steps for 2025

3

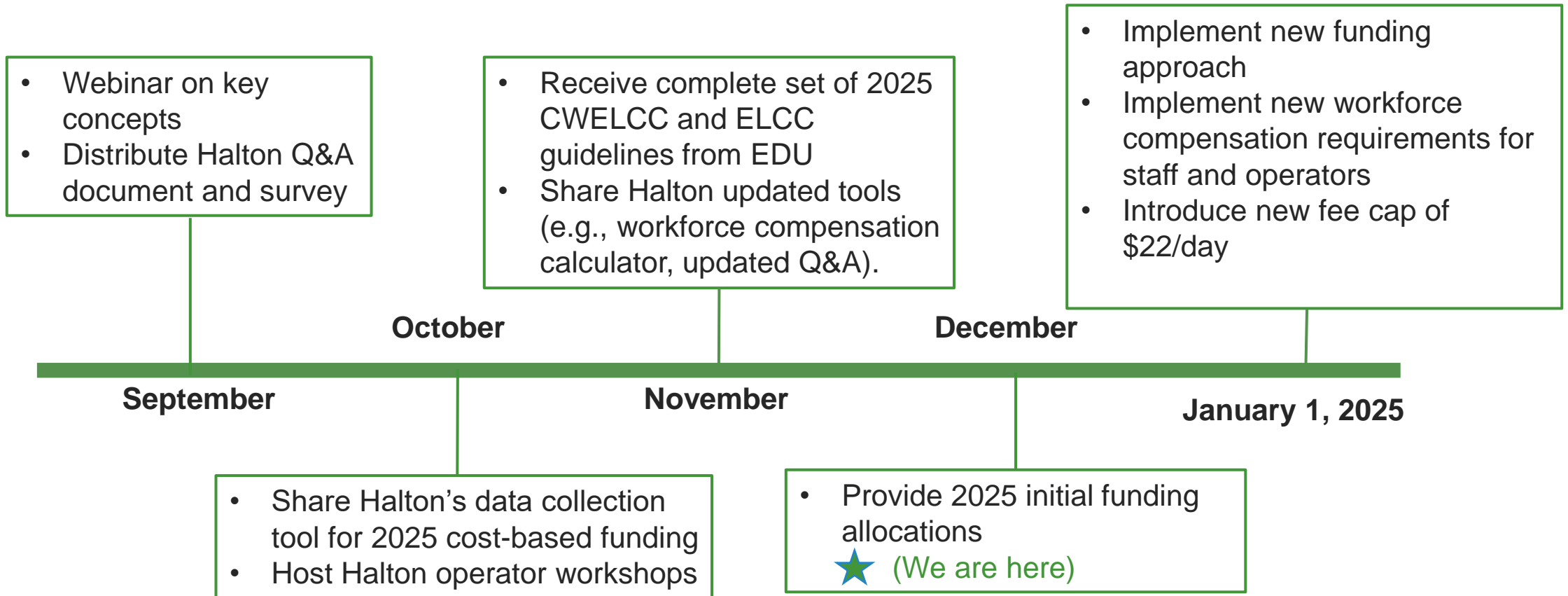
Provide an update on the 2025 guidelines

4

Q&A



Halton Region's Implementation Roadmap



Section 2

Recap of the 2025 CWELCC Workbook and Validation Process

Cost-Based Funding Model and Timelines Recap

CWELCC Cost-Based Funding intends to:

- More accurately reflect the true cost of providing licensed childcare in Ontario
- Replace the current revenue replacement method, which replaced lost revenue due to fee caps
- Provide funding at a license level; funding **cannot** be reallocated between licenses

Timelines:

- **October 18:** Halton Region provided Operators 2025 Cost-Based Funding Workbooks to support allocation process
- **October 18 – November 6:** Operators completed and submitted workbooks to Halton Region
- **November 6 – December 10:** Halton Region and Optimus SBR completed detailed analysis of workbooks and connected with 109 operators to provide support with workbook completion
- **Week of December 16:** Halton Region to distribute allocation packages and January 2025 CWELCC funding

We appreciate your timely responses to the Region's questions, to ensure accurate completion of your workbooks. This supported accurate Cost-Based Funding calculations.



Workbook Validation Approach

Benchmark Allocation

- Halton Region program analysts reviewed 109 operator cost-based funding workbooks
- Primary focus was to review and validate the benchmark allocations ensuring:
 - Workbooks were completed accurately with sufficient information
 - Reasonability of data in comparison to operating and financial data previously collected by the Region

Legacy Top-Up

- Optimus SBR established a framework for validating legacy costs
- Using a cost per space day methodology, operators with high costs compared to peers were identified
- Operators with apportionments deviating from the Ministry methodology were also identified

Workbook Validation: Outcomes

Following the validation exercises, organizations can expect to receive one of the following:

1. Benchmark only;
2. Benchmark and Adjusted Legacy Top-Up Allocation;
3. Benchmark and Legacy Top-Up; or
4. Benchmark and Legacy Top-up (if applicable) with an adjustment to the Base Fee Revenue Offset submitted by the Operator.

Operator workbooks will provide further information and explanation if there has been an adjustment to your allocation. Your program analyst will connect with you in early January for further discussion.

2025 Accountability Framework

The Ministry of Education requires the Region to develop an Accountability Framework, as part of the 2025 CWELCC Cost Based Funding Guidelines. The table below outlines the tools and timelines for implementation.

Accountability Tool	Undertaking Entity	Details	Implementation Timelines
Cost Reviews	Halton Region	Process under development	Early Spring
In-Year Reconciliation	Halton Region	Process under development	Throughout 2025
Year-End Reconciliation	Halton Region	Process under development	Early 2026
Year-End Audit	Independent Auditor	5% of eligible centres/agencies to be audited	Early 2026

Section 3

2025 Allocation Package and Funding Process

Allocation Package Components

The week of December 16th, Operators will receive a letter that outlines the core components of their total Cost-Based Funding Allocation.

The allocation package will include:

- Information on the 2025 Workforce Compensation
- 2025 Workforce Compensation Calculator
- Information on the Ministry’s new direction around registration and mandatory fees
- Your validated 2025 Cost-Based Funding workbook

Allocation for Head Office Name, License Name:
(License Number)

Total Cost-Based Funding Allocation in 2025		
A	Adjusted Benchmark Allocation <i>(*For details on each component of the benchmark allocation please refer to Section 4 of your enclosed 2025 Cost-Based Funding Workbook)</i>	\$
B	Legacy Top-Up Allocation, if applicable	\$
C	Program Cost Allocation Subtotal (A + B)	\$
D	Allocation In Lieu of Profit/Surplus	\$
E	Less Adjusted Base Fee Revenue	(\$)
F	Total Cost-Based Funding Allocation (C + D + E)	\$

Please note that the amount in the table above is your **initial total allocation for the 2025 calendar year**. This will be split into 12 equal monthly payments. Your January 2025 payment is \$XXXXXX.



Funding Process for 2025

Next Steps

- Halton Region will distribute allocations week of December 16
- Operators should review their allocation
 - If the Region requires further clarification on your workbook, your program analyst will connect with you in early January 2025.
 - If Operators have questions, please contact your program analyst

Summary

- Operators are encouraged to plan carefully and work within their allocations, as there is no additional funding set aside for contingencies.
- The Ministry has not provided Halton with additional funding to support emerging issues, repairs and maintenance, as was made available in 2024.
- Ad hoc adjustments will not be made to allocations on monthly basis. Adjustments to allocations may be made through reconciliation processes (in development).
- Your letter communicates an **initial** annual allocation for 2025, split into 12 monthly payments.
- The Region may require more information on costs over the year, which will be gathered through cost reviews for organizations with disproportionately high legacy-top ups and reconciliations for all operators.

The Region is committed to working with Operators throughout the year.

Section 4

Updated Ministry of Education Guidelines Released November 26 2024

Fee Reduction Requirements

On December 3, 2024, the Ministry confirmed fee reduction requirements which will take effect January 1, 2025. Fee reduction amendments were made to Ontario Regulation 137/15 under the *Child Care and Early Years Act, 2014*.

Key Takeaways:

- **Daily base fees will be capped at a maximum of \$22 per day for eligible children**
 - CWELCC enrolled programs charging more than \$22 per day must reduce fees to \$22 per day; fees less than \$22 per day will be maintained at the current fee
- **CWELCC enrolled licensees must consider all mandatory fees charged to parents/guardians when calculating overall base fee (e.g. registration fees, other fees) and remain in compliance with cap of \$22 per day**
 - Region has removed estimated base fee revenue from registration/mandatory fees from workbooks.
 - Region will work with operators who continue to collect registration fees and other one-time or recurring fees in early 2025, to determine if further adjustments may be required to their initial allocation.

Ministry Updates: 2025 Workforce Compensation Requirements as of November 26, 2024

WEG/HCCEG/GOG Funding

- Wage Enhancement Grant (WEG) / Home Child Care Enhancement Grant (HCCEG) and Workforce Compensation funding for staff serving children aged 0 to 5 have been reinvested into Cost-Based Funding allocations.
 - Enhancements are included in program staffing and supervisor benchmarks for centres, and home childcare visitor benchmark for home agencies.
- **General Operating Grant must be included** in the calculation of the base wage for calculating workforce compensation entitlements in 2025
 - **No staff should see decreases to their wages in 2025**

Note:

- Operator workbooks have been updated to reflect the provincial workforce changes communicated by the Ministry.
- Operators can refer to their workbooks, and use the Halton Region CWELCC Workforce Calculator Tool, to determine staff wage compensation payments.

Annual Increase and Wage Floor

- 2025 Wage Eligibility Ceiling and Wage Floors for RECE staff:

	Wage Ceiling	Wage Floor
RECE Program Staff	\$27	\$24.86
RECE Supervisor / RECE Home Child Care Visitor	\$30	\$25.86

- Operators are required to increase the hourly wage of eligible RECE staff by \$1 per hour plus benefits on January 1, 2025, compounded year-over-year, up to the wage ceiling (up to \$3 per hour in 2025).

2025 CWELCC Applications

- Halton will be opening the CWELCC application process for 2025 in the coming weeks.
- A memo detailing important details and timelines will be shared with operators shortly.
- Please visit [Halton.ca](https://www.halton.ca) for the most up to date information.

Q&A: Virtual Discussion Participation



One at a Time

Use the 'Raise Hand' function or type your question in the chat function



Microphone

Please mute your microphone when you are not speaking



Multi-Tasking

Avoid multi-tasking if possible



Camera

Use of camera is encouraged

Actively participate

Be open, honest and respectful

Listen to the input from others

Key Resources and Contacts

- The slides from today will be circulated to all Halton CWELCC Operators.
- If questions remain, please email your program analyst.

Thank You!