



Ministry of Education

Ontario Child Care and Early Years Funding Guidelines

for Consolidated Municipal Service Managers and
District Social Services Administration Boards

Chapter 3, Division 2: Innovation Fund Guideline

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PART 1: INNOVATION FUND

1.A PURPOSE

The ministry is providing time-limited Innovation Fund funding for 2026 to Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs) to support them in developing, building on/enhancing, and implementing innovative strategies to support the recruitment and retention of the child care and early years workforce. CMSMs/DSSABs are expected to engage and collaborate with local community partners to develop local solutions and address local needs related to child care and early years workforce issues.

1.B ELIGIBILITY

Eligible Expenses

CMSMs/DSSABs may only use Innovation Fund funding for eligible expenses for projects which received prior ministry approval; such expenses are those associated with developing, building on/enhancing or continuing innovative strategies related to recruitment and retention of the child care and early years workforce and creating equity-based workplaces.

CMSMs/DSSABs have the discretion to support expenses and costs associated with developing, enhancing or continuing existing innovation efforts such as:

- developing a collaborative workforce strategy with local community partners by adding to or enhancing established recruitment and retention initiatives;
- creating and sustaining an equity-based workplace by enhancing strategies and incentives to support diversity and inclusion in the child care and early years workforce;
- providing retention and recruitment resources (for example, early childhood educator [ECE] employment opportunities, career maps);
- continuing the promotion and marketing of ECEs as a valued profession and the range of career options available;
- establishing innovative partnerships with education/post-secondary institutions, such as local school boards and Ontario Colleges of Applied Arts and Technology, to increase the number of qualified staff in the early years and child care workforce;

- providing financial support in the form of grants (for example, tuition/travel for education/training in Ontario) for new ECE students or non-ECE program staff who do not meet the criteria for or are not receiving funding under the ECE Qualification Upgrade Program (QUP) to obtain additional qualifications (for example, individuals with less than six months of early years and child care experience);
 - CMSMs/DSSABs are responsible for ensuring that individuals applying for financial assistance under the Innovation Fund meet this criteria (for example, requiring individuals to attest that they are not receiving funding under QUP).
- measuring and reporting on the impacts of the recruitment and retention strategies implemented; and
- professional learning opportunities, resource creation, or mentorship opportunities focused on one or more of the following:
 - supporting children with special needs
 - early years pedagogy
 - mental health and resiliency
 - diversity, equity, and inclusion

For greater clarity, a range of persons may be served by projects/initiatives funded under the Innovation Fund, including but not limited to: students and prospective Early Childhood Educators and assistants, staff of child care operators licensed under the *Child Care and Early Years Act, 2014* (CCEYA), including staff of licensed home child care agencies, home child care providers (as defined under the CCEYA).

Ineligible Expenses include:

- enhancements to wage and salary rates for staff employed by licensees;
- increases to benefits (including vacation); or
- new compensation entitlements such as one-time payments (for example, bonuses).

1.C REPORTING REQUIREMENTS

Please refer to Chapter 7: EFIS Reporting Requirements for information on reporting requirements.

In addition to the reporting requirements outlined in Chapter 7, CMSMs/DDSABs will be required to submit an outcomes report in early 2026 to the ministry that:

- describes the local specific projects implemented;
- explains the number of individuals supported as reported in EFIS; and
- describes the impact of the Innovation Fund.