



Ministry of Education

Ontario Child Care and Early Years Funding Guidelines

for Consolidated Municipal Service Managers and
District Social Services Administration Boards

Chapter 5: Infrastructure Guideline

NOVEMBER 2025

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PART 1: START-UP GRANTS

1.A PURPOSE

Ontario's Action Plan for implementing CWELCC includes developing a framework for targeted space creation and providing funding for Start-up Grants to support the creation of new, affordable child care spaces for eligible children in targeted locations and for populations most in need.

Start-up Grants support directed growth by enabling space creation in neighbourhoods that have had historically lower rates of space availability that may not be accommodated through natural growth.

1.B ELIGIBILITY

In keeping with the ministry's commitment to support all licensees/licence applicants regardless of auspice, for-profit and not-for-profit child care licensees/licence applicants who are enrolled in CWELCC are eligible to apply for Start-up Grants.

Funding for Start-up Grants is available to support the creation of new licensed child care spaces approved for enrolment in CWELCC in alignment with the CMSM's/DSSAB's Directed Growth Plan.

To access funding for Start-up Grants, CMSMs/DSSABs require a commitment from the licensee/licence applicant to:

- Participate in the CWELCC system for at least 7 years after opening the new child care spaces (that is, from the first day of operation).
- Spend the Start-up Grant funding from the date the service agreement between the licensee/license applicant and the CMSM/DSSAB is executed to December 31, 2026.
- Prioritize the creation of and access to new licensed full-day child care spaces for children 0 to 4 years old in communities with vulnerable children and children from diverse populations, including, but not limited to, children living in low-income families, children with disabilities and children needing enhanced or individual supports, Indigenous children, Black and other racialized children, children of newcomers to Canada, and official language minorities.

Start-up Grants must fund projects required for child care facilities to be created, retrofitted, renovated, or expanded to accommodate a maximum group size for each age grouping for eligible children.

CMSMs/DSSABs may enter into service agreements with licensees/licence applicants to flow Start-up Grant funding, regardless of head office location.

Eligible centre-based licensees/licence applicants can receive a grant of up to \$350,000 for every 20 child care spaces created. Eligible home child care licensees/license applicants can receive grants of up to \$1,200 per CWELCC space created, to a maximum of \$7,200 per provider.

Only licensees/licence applicants are eligible recipients of Start-up Grant funding.

Eligible expenses:

The eligible expenses for child care centres are:

- Play-based materials, equipment, and furnishings (both indoors and outdoors) as outlined in O. Reg. 137/15 under the *Child Care and Early Years Act, 2014*.
- Non-consumable supplies/equipment to support the ongoing regular operation of the child care program (for example, appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- Renovations, additions, or repairs to licensed child care facilities or potential child care facilities as approved by CMSMs/DSSABs.
- Changes to outdoor play space that are required as a result of the expansion of child care spaces in the centre so that the licensee continues to comply with O. Reg. 137/15. Funding to cover the costs incurred to make outdoor play space changes are subject to the overall project cap of \$350,000 per 20 child care spaces created.
- Leasehold improvements.

The eligible expenses for home child care are:

- Play-based materials, equipment, and furnishings (both indoors and outdoors) as outlined in O. Reg. 137/15 that can be transferred between home child care licensees as required.

Ineligible expenses:

- Purchase of land or buildings.
- Debt costs, including principal and interest payments related to capital loans, mortgage financing, and operating loans.
- Property taxes.
- Expenditures related to care of children aged 6 to 12.
- Expenditures related to facilities owned by school boards. Indoor and outdoor renovations, additions or repairs to home child care licensee premises or potential home child care licensee premises.
- Capital projects for licensed child care programs for kindergarten and school-aged children, and before and after school programs

1.C IMPLEMENTATION

Licensee/Licence applicants must apply for Start-up Grants from the CMSM/DSSAB where the proposed new spaces are to be located.

Application process for funding

CMSMs/DSSABs must establish an equitable and transparent process for licensees/licence applicants to apply for Start-up Grant funding. The application process for Start-up Grant funding must capture details on how the projects will improve access to licensed child care in communities with vulnerable children and children from diverse populations including:

- children living in low-income families.
- children with special needs.
- Indigenous children.
- Black and other racialized children.
- children of newcomers to Canada.
- Francophone children.

The Start-up Grant funding application must include an estimated date for the creation of the new licensed full-day child care spaces that is prior to December 31, 2026. CMSMs/DSSABs may wish to consult with their legal counsel to obtain legal advice on the application or the administration process.

When approving applications for Start-up Grants, CMSMs/DSSABs should consider:

- cost effectiveness.
- available operating funding.
- capacity of program to access funds through other means.
- program budget and financial history.
- child care licensing history.
- current licensed and operational capacity.
- age groups (serving eligible children and prioritizing the creation of full-time spaces).
- long-term viability.
- investment in quality programming.

Home child care agency expansion

Home child care agency licensees/licence applicants may apply for Start-up Grants through the CMSM/DSSAB where the proposed new home child care premises will be located. If the home child care agency licensee is seeking to expand (that is, add new approved home child care premises in excess of their existing licensed capacity for a given service area), the licensee must request a revision to their licence in the Child Care Licensing System (CCLS).

Prior to the ministry's review, the request will be sent to the CMSMs/DSSABs associated with the home child care premises. Once the CMSMs/DSSABs have endorsed the increase in capacity, the ministry will proceed with reviewing and processing the revision request.

For clarity, prior to receiving Start-up Grant funding, home child care agency licensees/licence applicants must receive written confirmation from the respective CMSMs/DSSABs that the proposed new home child care premises align with their Directed Growth Plans/service system plans and are eligible to receive CWELCC funding.

Licensees/licence applicants whose floor plans are pending ministry approval

At their discretion, CMSMs/DSSABs may provide conditional approval of Start-up Grants to licensees/licence applicants whose floor plans are pending ministry approval, and for which the CMSMs/DSSABs have confirmed CWELCC eligibility (refer to Chapter 2, Division 1: CWELCC Participation).

CMSMs/DSSABs should consider legal and risk management implications of conditional approvals to service agreements and abide by ministry requirements regarding the development of service agreements for Start-up Grants below.

Service agreements

Upon approval of the Start-up Grant application, CMSMs/DSSABs must enter into a service agreement with the licensee/licence applicant. Funding is not considered committed and must not be flowed to licensees/license applicants until there is a fully executed service agreement.

Service agreements for Start-up Grants between CMSMs/DSSABs and home child care licensee/license applicant must include a commitment from the home child care licensee/license applicant to maintain the number of approved child care spaces in the service area, even if the home child care licensee/licence applicant or their capacity changes.

If the licensee/licence applicant withdraws from CWELCC or ceases their operations, CMSMs/DSSABs must recover the Start-up Grant funding and return to the ministry as part of regular financial reporting processes.

Managing Start-up Grant projects

Wherever possible, CMSMs/DSSABs should provide funding to licensee/licence applicants on demonstrated cash needs and minimize large advance lump sum payments. For example, CMSMs/DSSABs could provide funding on milestones, such as 20% of the approved funding upon execution of the service agreement, 50% upon confirmation of receipt of construction permits, 20% upon confirmation of structural framing for renovations or additions, and 10% upon confirmation of a child care centre opening for business.

CMSMs/DSSABs must ensure licensees/licence applicants complete work and use the Start-up Grant funding on or before December 31, 2026.

1.D ACCOUNTABILITY REQUIREMENTS

CMSMs/DSSABs must track and report Start-up Grant expenditures separately from other CWELCC and child care administration.

CMSMs/DSSABs must have policies and procedures in place with licensees/licence applicants to fulfill all reporting requirements to the ministry. CMSMs/DSSABs should take reasonable and progressive corrective actions where a licensee/licence applicant does not comply with reporting requirements related to Start-up Grants.

Should the licensee/licence applicant fail to use funding in accordance with the terms and conditions of their purchase of service agreement, CMSMs/DSSABs must have policies and procedures in place as part of their financial review and reconciliation process related to the recovery of funds.

Unused funding

Any funding provided to licensee/licence applicants that remains unspent by December 31, 2026, or funding that was not used for its intended purpose, must be recovered by the CMSM/DSSAB. This could also include withholding payments or reducing funding to a licensee/licence applicant when they do not meet the obligations related to the use of the funding.

CMSMs/DSSABs had until December 31, 2025, to enter into service agreements that committed funds to licensees/licence applicants. For any application still pending full execution of the service agreement by that date, without exception, funding will be considered uncommitted and must be returned to the ministry.

As part of the regular annual financial reporting process, CMSMs/DSSABs will return to the ministry any funding that was:

- Not committed to licensee/licence applicants by December 31, 2025.
- Committed but not paid to licensees/licence applicants by December 31, 2026.
- Recovered from licensees/licence applicants who withdrew from CWELCC, ceased operations, or used funds on ineligible expenses.

1.E REPORTING REQUIREMENTS

Please refer to Chapter 7: EFIS Reporting Requirements for more information.

PART 2: CANADA-ONTARIO EARLY LEARNING AND CHILD CARE INFRASTRUCTURE FUND

2.A. PURPOSE

The Canada-Ontario Early Learning and Child Care Infrastructure Fund (ELCC Infrastructure Fund) supports infrastructure projects with a goal of increasing inclusion in child care for underserved communities through the creation of new, licensed child care spaces.

The ELCC Infrastructure Fund supports not-for-profit licensed child care centres in alignment with Ontario's Access and Inclusion Framework and will complement the Start-up Grant program. (For further details on Start-up Grants, please see Part 1 of this Chapter.)

2.B ELIGIBILITY

Consolidated Municipal Service Managers and District Social Services Administration Boards (CMSMs/DSSABs) are required to use ELCC Infrastructure Fund funding to support the creation of new, licensed child care spaces that meet all the following criteria:

- Provided by a not-for-profit licensee including those directly operated by a CMSM/DSSAB
- Centre-based.
- Community-based.
- Approved for enrolment in the Canada-wide Early Learning and Child Care (CWELCC) system.
- Aligned with CMSM's/DSSAB's Directed Growth Plan.
- Supports children aged 0 to 4 (excluding children eligible to attend junior kindergarten).
- Supportive of inclusion for underserved communities including:
 - Communities in rural and remote regions,
 - Communities in high-cost urban areas,
 - Communities with low-income households,

- Communities with barriers to access (for example, Black and other racialized communities; Indigenous communities; communities with newcomers; communities with families, caregivers and children with disabilities; or Francophone communities),
- Communities requiring child care during non-standard hours.
- Only licensees/ licence applicants are eligible recipients of Infrastructure Fund funding.

For additional clarity, licensed or licence applicants of home child care agencies and those operating for-profit child care centres or school-based child care centres (that is, child care centres operating in facilities owned by school boards) are not eligible to receive ELCC Infrastructure Fund funding.

To access ELCC Infrastructure Fund funding, CMSMs/DSSABs must require a commitment from the licensee/licence applicant to:

- Continue operating in the facility for at least 7 years after opening the new child care spaces (that is, from the first day of operation).
- Participate in the CWELCC system for at least 7 years after opening the new child care spaces (that is, from the first day of operation).
- Spend the ELCC Infrastructure Fund funding from the date the service agreement between the licensee/licence applicant and CMSM/DSSAB is executed to December 31, 2026 (that is, the licensee/licence applicant must spend the funding by December 31, 2026).
- Prioritize the creation of new licensed, full-day child care spaces that support inclusion in the following underserved communities:
 - rural and remote regions,
 - high-cost urban areas,
 - low-income households,
 - communities with barriers to access (for example, Black and other racialized communities; Indigenous communities; communities with newcomers; communities with parents, caregivers and children with disabilities; and Francophone communities),
 - communities requiring child care during non-standard hours.
- Support infrastructure projects for children 0 to 4 years (excluding children eligible to attend junior kindergarten), and

- Have a purchase of service agreement with the CMSM/DSSAB and be eligible to receive fee subsidy payments from the CMSM/DSSAB.

Infrastructure projects must be built in accordance with the *Child Care and Early Years Act, 2014* (CCEYA), Ontario's Building Code and the *Accessibility for Ontarians with Disabilities Act, 2005* and other applicable legislation.

2.B (1) Eligible and ineligible expenses

ELCC Infrastructure Fund funding must fund projects required for child care facilities to be created, retrofitted, renovated or expanded to accommodate a maximum group size for each age grouping for eligible children in accordance with O. Reg. 137/15.

Eligible expenses include:

- Purpose built new construction, renovations, retrofits, and additions to community-based child care facilities. This includes expenses incurred through the planning, design and building stages of these projects.
- Purchase of land or buildings.
- Purchase of play-based materials, equipment, and furnishings (both indoors and outdoors) as outlined in O. Reg. 137/15 under the CCEYA.
- Purchase of non-consumable supplies/equipment to support the ongoing regular operation of the child care program (for example, appliances, IT equipment, supplies to support learning environments while adhering to health and safety requirements).
- Changes to outdoor play space that are required as a result of the creation of new child care spaces so that the licensee continues to comply with O. Reg. 137/15.
- Leasehold improvements.

For clarity, the following are ineligible expenses:

- Debt costs, including principal and interest payments related to capital loans, mortgage financing, and operating loans.
- Property taxes.
- Amortization of existing assets.

- Operating expenses.
- Expenditures related to child care programs for kindergarten and school-aged children and before and after school programs, whether licensed or in the process of seeking licence approval.
- Expenditures related to facilities owned by school boards.
- Expenditures related to home child care spaces, whether licensed or in the process of seeking licence approval.

2.B (2) Alignment with Directed Growth Plans and Start-up Grants

Directed Growth Plans

Operating Funding

CMSMs/DSSABs are provided multi-year Directed Growth space allocations by the ministry. The Directed Growth space allocations identify the number of new spaces that the ministry will support through operating funding up to March 31, 2026. ELCC Infrastructure Fund funding must be used to support the creation of new spaces within CMSMs'/DSSABs' Directed Growth space allocations. There is no net new operating funding associated with the spaces created through the ELCC Infrastructure Fund. CMSM/DSSABs must use operating funding provided through cost-based funding allocations to support the operation of spaces created through the use of ELCC Infrastructure Fund funding.

Location of infrastructure projects

CMSMs/DSSABs must select locations for infrastructure projects that are aligned with their Directed Growth Plans and Ontario's Access and Inclusion Framework, and that support inclusion for underserved communities.

Start-up Grants

CMSMs/DSSABs may allocate Start-up Grant funding and ELCC Infrastructure Fund funding to the same infrastructure project. Refer to Part 1 of this Chapter for information on the Start-up Grants program.

2.C IMPLEMENTATION

Licensees/licence applicants must apply for ELCC Infrastructure Fund funding from the CMSM/DSSAB where the proposed new spaces are to be located.

2.C (1) Application process

CMSMs/DSSABs are responsible for administering the ELCC Infrastructure Fund application process. CMSMs/DSSABs must establish an equitable and transparent process for eligible licensees/licence applicants. The application process must capture details on how the projects will improve inclusion for underserved communities as defined in section 2.B Eligibility. CMSMs/DSSABs can consider implementing a two-step application process to accommodate an initial planning and design phase.

The application must include an estimated date for the creation of the new licensed spaces, and this date should be from the date of the application to December 31, 2026. CMSMs/DSSABs may wish to consult with their legal counsel to obtain legal advice on the application or the administration process.

When approving applications for the ELCC Infrastructure Fund, CMSMs/DSSABs must consider:

- Alignment of the new spaces with Ontario's Access and Inclusion Framework.
- Cost effectiveness.
- Available operating funding.
- Capacity of program to access funds through other means.
- Program budget and financial history.
- Child care licensing history.
- Current licensed and operating capacity.
- Age groups (serving eligible children and prioritizing the creation of full-time spaces).
- Long-term viability.
- Investment in quality programming.

2.C (2) Licensees/licence applicants whose floor plans are pending ministry approval

CMSMs/DSSABs should receive a floor plan approval letter issued by the Ministry of Education's Child Care Branch from a licensee/licence applicant prior to flowing ELCC Infrastructure Fund funding to them. CMSMs/DSSABs may provide funds without a floor plan approval letter to support licensees'/licence applicants' development of a floor plan.

At their discretion, CMSMs/DSSABs may provide conditional approval of ELCC Infrastructure Fund funding to licensees/licence applicants whose floor plans are pending ministry approval, and for which the CMSMs/DSSABs have confirmed CWELCC eligibility (refer to Chapter 2, Division 1: CWELCC Participation Guideline).

CMSMs/DSSABs should consider legal and risk management implications of conditional approvals to service agreements and abide by ministry requirements regarding the development of service agreements for ELCC Infrastructure Fund funding below.

2.C (3) Service agreements

Upon approval of an ELCC Infrastructure Fund application, CMSMs/DSSABs must enter into a service agreement with the eligible licensee/licence applicant. Funding is not considered committed and must not be flowed to licensees/licence applicants until there is a fully executed service agreement.

If the licensee/licence applicant withdraws from CWELCC or ceases their operations, CMSMs/DSSABs must recover the ELCC Infrastructure Fund funding and return it to the ministry as part of regular financial reporting processes, as outlined in *Accountability Requirements*.

2.C (4) Managing ELCC Infrastructure projects

Wherever possible, CMSMs/DSSABs should provide funding to licensees/licence applicants on a demonstrated cash-needs basis and minimize large advance lump sum payments. For example, CMSMs/DSSABs could provide funding on milestones such as 20% of the approved funding upon execution of the service agreement, 50% upon confirmation of receipt of construction permits, 20% upon confirmation of structural framing for renovations or additions, and 10% upon confirmation of the new child care centre opening for business.

CMSMs/DSSABs must ensure licensees/licence applicants complete work and use the ELCC Infrastructure Fund funding on or before December 31, 2026.

2.D ACCOUNTABILITY REQUIREMENTS

CMSMs/DSSABs must track and report the ELCC Infrastructure Fund service data and expenditures separately from other CWELCC and child care funding. Additionally, tracking and reporting for projects that receive both Start-up Grant funding and ELCC Infrastructure Fund funding must be done separately.

CMSMs/DSSABs must have policies and procedures in place with licensees/licence applicants to fulfill all reporting requirements to the ministry. CMSMs/DSSABs should take reasonable and progressive corrective actions where licensee/licence applicant does not comply with reporting requirements related to ELCC Infrastructure Fund funding.

CMSMs/DSSABs must request sufficient and appropriate financial information, which may include audited financial statements, from all child care licensees/licence applicants in receipt of ELCC Infrastructure Fund Funding to verify that the funding provided was used for the purposes intended and that financial viability has been maintained (refer to Chapter 2, Division 1: CWELCC Participation Guideline).

Should the licensee/licence applicant fail to use funding in accordance with the terms and conditions of their purchase of service agreement, CMSMs/DSSABs must have policies and procedures in place as part of their financial review and reconciliation process related to the recovery of funds.

CMSMs/DSSABs must not permit the sale, lease, or otherwise disposal of any asset purchased or created with the ELCC Infrastructure Fund funds that exceeds the cost of \$1.5 million, without the ministry's prior written consent. This will continue in full force and effect for a period of seven years after the opening of the new child care spaces.

2.D (1) Unused funding

Any funding provided to licensees/licence applicants that remains unspent by December 31, 2026, or funding that was not used for its intended purpose, must be recovered by the CMSM/DSSAB. This could also include withholding payments or reduced funding to licensee/licence applicant when they do not meet the obligations related to the use of the funding.

CMSMs/DSSABs have until December 31 of a given calendar year to commit that year's ELCC Infrastructure Fund allocation to licensees/licence applicants. Any pending applications, without a fully executed service agreement by December 31 of that calendar year, without exception, are considered uncommitted, and the associated funding must be returned to the ministry.

As part of the regular annual financial reporting process for a given calendar year, CMSMs/DSSABs will return to the ministry any funding that was:

- Not committed to licensees by December 31 of that year.
- Committed but not paid to licensees by December 31, 2026.
- Recovered from licensees/licence applicants who withdrew from CWELCC or ceased operations or used funds on ineligible expenses.

2.E COMMUNICATIONS PROTOCOL REQUIREMENTS

In addition to meeting the requirements in Chapter 1: Funding Guideline, Part 1.D, CMSMs/DSSABs and community partners must meet the requirements outlined below.

Expectations regarding announcements:

CMSM/DSSAB Announcement	Recognition Expectation
Announcement related to funding for the ELCC Infrastructure Fund	Clearly acknowledge contributions made by the Province of Ontario and the Government of Canada

CMSMs/DSSABs must meet the requirements outlined in section 1.D Communications in Chapter 1: Funding Guideline for all ELCC Infrastructure Fund communications with the following adjustments to the timeline requirements:

- Public communications – CMSMs/DSSABs must first contact the Ministry of Education through ministryofeducation@ontario.ca about the plan to publicly communicate at least three weeks in advance of an announcement.
- Major announcements and events (including opening of new child care centres or major additions to existing child care centres) – CMSMs/DSSABs must invite the Ministry of Education as early as possible and no later than 8 weeks before the event. Invitations can be sent to ministryofeducation@ontario.ca.

2.F REPORTING REQUIREMENTS

The following section provides a complete overview of all reporting requirements. Where indicated, data will be reported through EFIS; otherwise, data will be collected through a template (to be provided by the ministry).

All EFIS specific reporting requirements are outlined in Chapter 7: EFIS Reporting Requirements.

Project level data requirements reported **through ministry-provided template**:

- Name of project.
- Project completion date.
- Number of net new licensed child care spaces supported with ELCC Infrastructure Fund funding by age group (infant, toddler, preschool, family age grouping).
- Location by postal code.
- Total Project Costs (of Project Supported by ELCC Infrastructure Fund)
- Projects Cost Funded by ELCC Infrastructure Fund funding
- List the most common eligible expenses covered by ELCC Infrastructure Fund funding by an SSM.
- Identification of which of the following underserved communities are expected to be supported:
 - Communities in rural and remote regions,
 - Communities in high-cost urban areas,
 - Communities with low-income households,
 - Communities with barriers to access (for example, Black and other racialized communities; Indigenous communities; communities with newcomers; communities with parents, caregivers and children with disabilities; or Francophone communities
 - Communities requiring child care during non-standard hours
- Metrics used to identify underserved communities.

- Brief description of how it will increase access and inclusion for underserved communities. For a more detailed description of access and inclusion, please reference Ontario's Access and Inclusion Framework.
- Identification of the project as offering French-language or bilingual programs, as applicable.
- Identification of the project as offering Indigenous-led programs, as applicable.
- Number of consultations and stakeholders involved to support planning and operationalizing of ELCC Infrastructure Fund projects.
- Overview of feedback received from consultations to support planning and operationalizing of ELCC Infrastructure Fund projects.