

Ontario Child Care and Early Years Funding Guidelines – Questions and Answers

Release 3: November 2024

Links to Previous Q&A Releases:

[2025 Cost-Based Funding Guidelines – Questions and Answers \(Release 1 - July 2024\)](#)

[2025 Cost-Based Funding Guidelines – Questions and Answers \(Release 2 - October 2024\)](#)

Contents

General	2
Funding Guideline (Chapter 1)	3
CWELCC Participation (Chapter 2)	5
Local Priorities (Chapter 3)	6
<i>Child Care Wage Enhancement (WEG) / Home Child Care Enhancement Grants (HCCEG) (Chapter 3: Local Priorities, Part 2)</i>	6
<i>Workforce Compensation (Chapter 3: Local Priorities, Part 3)</i>	7
<i>Professional Learning (Chapter 3: Local Priorities, Part 4)</i>	9
<i>Flexibility Funding (Chapter 3: Local Priorities, Part 7)</i>	9
<i>Special Needs Resourcing (Chapter 3: Local Priorities, Part 7)</i>	10
<i>Fee Subsidy (Chapter 3: Local Priorities, Part 7)</i>	12
Infrastructure (Chapter 5)	13
Other	15
<i>Directed Growth</i>	17

Question	Answer
General	
<p>68. What changes have been made to the structure of the Guidelines, and what content has changed?</p>	<p>The 2024 Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline and the 2024 Canada Wide Early Learning and Child Care Guidelines have been consolidated into a chapter-based structure.</p> <p>This reorganization aims to improve clarity, flow, and ease of use by grouping content by theme/area of focus:</p> <ul style="list-style-type: none"> • Chapter 1 - Consolidates financial and administrative guidance and clarifies the order of operations for cost sharing requirements. • Chapter 2 - Includes all information relevant to CWELCC participation (Division 1) and describes cost-based funding parameters and supports CMSM/DSSABs in the administration of that calculation (Division 2). No substantive changes other than minor clarifications communicated in October 2024. • Chapter 3 – Describes funding largely outside of the CWELCC system. Updates eligibility due to funding integration. Most local priorities funding is now for CWELCC-enrolled licensees or those exclusively serving children aged 6 to 12. Consolidates several funding lines into General Operating Expense for added flexibility for CMSMs/DSSABs. • Chapter 4 – Indigenous-led child care and early years. No substantive changes. • Chapter 5 – Describes Start-up Grants (no substantive changes) with more details on ELCC infrastructure program to follow. • Chapter 6 – EarlyON child and family centre programs and service. No substantive changes. • Chapter 7 – Combines reporting requirements related to service data for all funding programs. No substantive changes.

Question	Answer
Funding Guideline (Chapter 1)	
69. Will CMSMs/DSSABs need to submit Interim Reporting in 2025?	No, the Interim Reporting requirement has been cancelled for 2025 to reduce the administrative burden during the transition to the new Cost-Based Funding approach. However, the ministry may request ad hoc in-year reporting from CMSMs/DSSABs if needed.
70. What funding flexibility is available across different allocations for 2025?	<p>In 2025, CMSMs/DSSABs will have flexibility mainly within their Local Priorities – Flex Funding allocations which can be directed towards different expenditure categories.</p> <p>Cost-Based Funding and other specific allocations, such as workforce compensation and Professional Learning are enveloped, and must be used exclusively for their designated purposes. While excess Local Priorities – Flex Funding may support certain Cost-Based Funding expenditures, the reverse is not permitted.</p>
71. How should CMSMs/DSSABs prioritize spending if there are excess funds within an enveloped program?	For Wage Enhancement/Home Child Care Enhancement Grant (WEG/HCCEG), funds must be used to meet eligible needs within their designated purpose as a first step. Flexibility is only available in specific cases, such as using excess WEG/HCCEG funds for Local Priorities – Flex Funding expenses once all WEG/HCCEG needs have been met. For workforce compensation and Professional Learning, there is no flexibility– that is, the money cannot be moved around to cover different costs. Once all funding obligations are met in these categories, any excess funding will be recovered by the ministry. See Chapter 3 for further details.
72. Why is flexibility limited for certain funding allocations?	Maintaining these limits ensures that funds are used as intended, focusing on specific priorities and targeted programs. By keeping the funds directed toward their intended purpose, CMSMs/DSSABs can better meet the unique needs these allocations are designed to support.

Question	Answer
<p>73. Why are CMSMs/DSSABs expected to meet their contractual service targets for child care even if there are no penalties for 2025?</p>	<p>Meeting contractual service targets helps maintain stability and support for children and families. While penalties are not being applied for 2025, the ministry encourages CMSMs/DSSABs to maintain service levels to support families and ensure a smoother transition when new targets and controls are potentially introduced for 2026.</p>
<p>74. If we cannot meet a service target, what steps should we take?</p>	<p>If CMSMs/DSSABs anticipate not meeting a service target, please inform your ministry financial analyst. While there are no funding adjustments for un-met targets for 2025, timely communication will help ensure accurate data collection and future planning.</p>
<p>75. How will service targets evolve as the CWELCC system continues to develop?</p>	<p>The ministry will be evaluating the impact of the shift to cost-based funding and consulting with CMSMs/DSSABs to review and potentially update service targets starting for 2026. This process aims to reflect the evolving needs and structure of the CWELCC system.</p>
<p>76. What does it mean for CMSMs/DSSABs to meet their full municipal cost-share obligations?</p>	<p>CMSMs/DSSABs must meet their full municipal cost share obligations as outlined in Schedule D of the Transfer Payment Agreement. This includes cost sharing ratios such as 80/20 for Cost-Based Funding and Local Priorities, and 50/50 for Administration. Certain targeted programs, like Wage Enhancement Grant/Home Child Care Enhancement Grant, workforce compensation, Professional Learning and Start-up Grants do not require municipal contributions.</p>
<p>77. How does the “order of operations” for applying funds work?</p> <p>(note: this is distinct from ‘order of operations’ for wage and compensation enhancements. For more information on that topic, see question 82)</p>	<p>The “order of operations” refers to the sequence in which funding is applied by the ministry when calculating final entitlement for CMSMs/DSSABs. Funding is first applied using 100% provincial funding. Following this, cost-shared provincial and required municipal contributions are applied, reflecting the cost-sharing arrangements for 80/20 for Cost-Based Funding and Local Priorities and 50/50 for Administration. Once the provincial and required municipal contributions are used, then federal funds are applied, where applicable. The specific order for each funding allocation is outlined in Schedule D of the Transfer Payment Agreement.</p>
<p>78. Why must provincial and municipal contributions be used before federal funds?</p>	<p>Existing provincial funding and, where applicable, municipal cost share requirements in child care need to be maintained, with federal funding intended to build upon, not replace these investments. By using provincial and municipal funds first, Ontario ensures alignment with the intent of federal agreements and fulfills the funding obligations.</p>

Question	Answer
79. Will the administration allocation for 2025 be split between Cost-Based Funding and Local Priorities or aligned to one funding stream?	<p>The administration allocation for 2025 is intended to support administrative costs associated with all types of child care funding, which includes Cost-Based Funding and Local Priorities and other funding allocations. As such, the administration allocation is aligned across both Cost-Based Funding and Local Priorities, providing administrative support for all child care funding types, rather than being limited to one funding stream. Additionally, there is a separate administration allocation specifically for WEG/HCCEG. For EarlyON, CMSMs/DSSABs may continue to use up to 10% of their total EarlyON allocation for administration costs.</p>
80. Will there be any portion of the administration funding without cost-share requirements?	<p>Yes. A portion of the administration funding does not have cost share requirements. The 50/50 provincial and required municipal cost share is used first. Then federal funding, which does not require additional cost sharing can be used once the 50/50 obligations have been met.</p>
<h3>CWELCC Participation (Chapter 2)</h3>	
81. Why is the requirement for CWELCC-enrolled licensees to provide audited financial statements to CMSMs/DSSABs being changed?	<p>The goal is to simplify the reporting process between CMSMs/DSSABs and licensees. Rather than requiring mandatory audited financial statements, CMSMs/DSSABs determine what financial information is sufficient and appropriate to verify that funds have been used as intended and to validate financial viability. This approach reduces the administrative burden while maintaining accountability for Cost-Based Funding.</p>

Question	Answer
Local Priorities (Chapter 3)	
82. What is the order of operations to apply wage and compensation enhancements?	<p>The order of operations is the following:</p> <ol style="list-style-type: none"> 1. Base wage (including minimum wage obligations or any employer-based wage improvements such as obligations from collective agreements); 2. General operating funding used to support wage improvements (other than WEG and workforce compensation); 3. WEG (up to \$2 per hour, up to a maximum wage of \$32.81 per hour as per Part 2 of this guideline chapter); 4. Workforce compensation annual wage increases of up to \$1 per hour, compounded year-over-year, up to the wage eligibility ceiling for the calendar year; and 5. Workforce compensation incremental amount to reach the wage floor for the calendar year, if applicable.
<i>Child Care Wage Enhancement (WEG) / Home Child Care Enhancement Grants (HCCEG) (Chapter 3: Local Priorities, Part 2)</i>	
83. Is WEG/HCCEG administration funding still provided for all child care centres including CWELCC enrolled-centres/agencies?	<p>Yes. CMSMs/DSSABs are required to provide a minimum of 1.4% of the total WEG/HCCEG administration funding to licensees in respect to the administration cost of WEG/HCCEG for positions providing services to children aged 6 to 12 years old.</p> <p>For CWELCC enrolled-centres/agencies, WEG/HCCEG administration funding in respect of children aged 0 to 5 has already been incorporated into cost-based funding.</p>

Question	Answer
<i>Workforce Compensation (Chapter 3: Local Priorities, Part 3)</i>	
<p>84. Has eligibility for the annual up to \$1 per hour increases under the Child Care Workforce Strategy changed for workforce compensation for 2025?</p>	<p>The position eligibility requirements for the annual (up to) \$1 per hour increases under the Child Care Workforce Strategy have not changed for 2025. To be eligible to receive annual wage increases, staff must be an RECE employed by an eligible licensee, be in one of the positions stated in the guidelines, and must also be receiving WEG.</p> <p>However, centre/agency eligibility has changed in the 2025 guidelines. For 2025, the following centres/agencies are eligible for workforce compensation:</p> <ul style="list-style-type: none"> • CWELCC-enrolled centres/agencies; <ul style="list-style-type: none"> ○ CWELCC-enrolled centres/agencies will automatically receive workforce compensation funding for eligible positions serving children aged 0 to 5 through benchmark allocations under cost-based funding. • Centres/agencies exclusively serving children aged 6 to 12. <p>Any centre/agency receiving workforce compensation funding must meet requirements outlined in Chapter 3, Part 3, including CWELCC-enrolled centres/agencies receiving benchmark allocations under cost-based funding.</p> <p>Please note that eligible centres/agencies must apply and receive WEG for eligible positions serving children aged 6 to 12 in order to receive workforce compensation funding.</p>
<p>85. Will minimum wage offset funding continue to be made available in 2025 to eligible agencies?</p>	<p>Yes, minimum wage offset funding will continue to be provided for centres/agencies as long as they meet the eligibility requirements stated in the guidelines. Specifically, they must be centres/agencies participating in CWELCC and also serving children aged 6 to 12 or centres/agencies exclusively serving children aged 6 to 12. Minimum wage offset funding will no longer be available for centres/agencies participating in CWELCC for staff serving children age 0 to 5, as salaries for these staff are built into their benchmark allocations under cost-based funding.</p>

Question	Answer
<p>86. Why is minimum wage offset being held at 2023 levels when minimum wage continues to increase in Ontario?</p>	<p>The minimum wage offset was established when CWELCC was introduced to offset the impact of minimum wage increases through the transition into CWELCC. With the introduction of cost-based funding, funding for salaries and wages in respect of positions serving children aged 0 to 5 is now covered as an eligible expense.</p> <p>For 2025, to continue to support affordability for families with children aged 6 to 12, despite fees not being frozen for that group, the minimum wage offset is being held at 2023 levels.</p>
<p>87. Are all licensees receiving provincial funding required to provide workforce compensation funding and WEG to their staff?</p>	<p>No, not all licensees receiving provincial funding are required to provide workforce compensation and WEG/HCCEG to their staff. For centres/agencies enrolled in CWELCC and also serving children aged 6 to 12 or centres/agencies exclusively serving children aged 6 to 12, WEG/HCCEG is application-based. If centres/agencies apply for and receive WEG, workforce compensation funding must also be paid in respect of eligible positions.</p> <p>For CWELCC-enrolled centres/agencies, there is no longer any application for eligible staff serving children aged 0 to 5. WEG/HCCEG and workforce compensation funding is now built directly into benchmark allocations under cost-based funding.</p> <p>Licensees must pay eligible staff accordingly and meet requirements set out in the guidelines.</p>
<p>88. Should staff continue to receive WEG and workforce compensation funding for sick days, professional development days, and vacation days?</p>	<p>If an RECE position is eligible for WEG and workforce compensation funding and the staff person is on vacation, taking a sick day or part of a professional development day, workforce compensation continues to be available for the individual.</p>

Question	Answer
<i>Professional Learning (Chapter 3: Local Priorities, Part 4)</i>	
<p>89. Does the pedagogy of the centre/agency impact access to CWELCC professional learning funding?</p>	<p>Professional learning funding is provided to CMSMs/DSSABs only, as part of 'local priorities' funding, separate from Cost-Based Funding. In Ontario, CMSMs/DSSABs are designated under the <i>Child Care and Early Years Act, 2014</i> as service system managers responsible for planning, managing and coordinating child care, including the administration of professional learning funding. For any information related to professional learning funding eligibility, licensees should contact their CMSMs/DSSABs.</p> <p>Detailed information on funding guidance on local priorities funding is provided in the 2025 Guidelines for CMSMs/DSSABs.</p>
<p>90. Can we carry forward the 2024 Professional Learning funding into 2025?</p>	<p>No. If CMSMs/DSSABs did not spend the 2024 Professional Learning funding, it cannot be carried forward into 2025 and must be returned to the Ministry.</p>
<i>Flexibility Funding (Chapter 3: Local Priorities, Part 7)</i>	
<p>91. What flexibility exists under the General Operating expense for 2025?</p>	<p>The General Operating expense provides CMSMs/DSSABs a flexible line of funding with broad eligibility criteria in order to support shifting needs, regional differences, or emerging priorities in their communities, while minimizing administrative burdens. This allocation supports the costs of operating eligible licensed child care programs to reduce wait times and parent fees, stabilize service levels, support compliance with licensing requirements, cover one-time repairs and maintenance costs and business transformation costs, and improve access to high-quality, affordable early learning and child care services. (Prior to 2025, such expenses were covered under multiple funding programs.).</p>

Question	Answer
<p>92. If CMSMs/DSSABs want to expand current Indigenous-led programs that were originally approved under the Journey Together funding, are they expected to use the Indigenous-led operating funding or are they required to add another service agreement and fund it separately with General Operating expense?</p>	<p>Funding provided for Indigenous-led child care and child and family programs must only be used for the project and expenses specified in the approved applications. Funding is enveloped and allocated based on program proposals approved by the ministry. As this is an enveloped allocation, funds may only be spent according to the approved proposals. Any significant changes to the approved program or activities must be reported to and approved by the ministry.</p>
<p><i>Special Needs Resourcing (Chapter 3: Local Priorities, Part 7)</i></p>	
<p>93. Has the spending requirements for Special Needs Resourcing changed in 2025?</p>	<p>CMSMs/DSSABs are required to spend a minimum of 8.5% of their Local Priorities – Flex Funding allocation on Special Needs Resourcing to support the inclusion of children with special needs. CMSMs/DSSABs are encouraged to consider local service area needs when determining their SNR expenditure.</p> <p>While the required minimum spend has increased on paper (up from 4.1% in 2024), this higher percentage equates to the same overall spending level across the province due to the smaller ‘base’ for SNR spending outside of cost-based funding.</p> <p>Where a CMSM/DSSAB does not meet the minimum spending requirement of 8.5% of their Local Priorities – Flex Funding allocation, the ministry will recover all remaining unspent funds.</p>

Question	Answer
94. What expenditures are out of scope for Special Needs Resourcing funding?	<p>Out-of-scope expenditures include the following:</p> <ul style="list-style-type: none">• Treatment services (e.g., individual therapeutic service provision through existing programs like Preschool Speech and Language and Bild Low Vision programs);• Case Management of programs and services outside of child care;• Supports to children and families in their homes;• Child care fees to cover operating costs for licensed child care; and• Nursing Supports. <p>The ministry required CMSMs/DSSABs to develop SNR transition plans to eliminate out of scope program expenditures (e.g., referral pathways for sharing information about a range of provincially funded specialized services for families and timelines for the discontinuation of out of scope SNR service delivery). The ministry expects that the execution of transition plans by CMSMs/DSSABs are completed in 2024, after which funding for out-of-scope expenditures will be discontinued.</p>

Question	Answer
<i>Fee Subsidy (Chapter 3: Local Priorities, Part 7)</i>	
<p>95. How has eligibility for fee subsidy changed?</p>	<p>As of January 1, 2025, new fee subsidies can no longer support families with children enrolled in centres/agencies that serve children aged 0 to 5 if the centre/agency is not enrolled in CWELCC.</p> <p>For greater clarity, in addition to meeting the eligibility requirements for fee subsidy in this section, to receive new fee subsidies, children must also be enrolled in one of the following programs:</p> <ul style="list-style-type: none"> • CWELCC-enrolled centre/agency (fee subsidy available for children aged 0 to 12) • A centre/agency exclusively serving children aged 6 to 12 • Camps and children’s recreation programs • Before and after school program offered directly by school boards • Before and after school programs operated by third party programs • Unlicensed child care for Ontario works participants as described below <p>The exception to this criteria is <i>existing</i> fee subsidy agreements at otherwise ineligible centres/agencies that serve children aged 0 to 5 (i.e., centres/agencies that could be enrolled in CWELCC, but are currently not enrolled). Funding for these <i>existing</i> fee subsidy agreements may continue until the benefiting child ages-out of the program or leaves the centre/agency.</p> <p>Fee subsidy for eligible families is subject to the availability of fee subsidy funds within the budget of the CMSM/DSSAB and space availability within an eligible child care program.</p> <p>O. Reg. 138/15 requires CMSMs/DSSABs to make reasonable efforts to work together, or with eligible child care programs, to facilitate access for eligible families seeking subsidized child care outside of their home region.</p>

Question	Answer
<p>96. Would families who reside outside of Ontario be eligible for fee reduction when enrolled in a CWELCC-participating program in Ontario? The children would be deemed eligible in accordance with the CWELCC age criteria.</p>	<p>Yes, a family living outside of Ontario would have access to fee reductions through CWELCC, where the child is eligible as per O. Reg. 135/17 and is enrolled with an eligible centre/agency that is participating in the CWELCC system.</p>
<p>Infrastructure (Chapter 5)</p>	
<p>97. When do you expect to have funding available through the ELCC Infrastructure Fund?</p>	<p>Ontario signed the Canada-Ontario Early Learning and Child Care Infrastructure Funding Agreement in March 2024. The ministry is now working with federal colleagues to negotiate the program parameters, including eligibility requirements, and anticipates more information will be available in the coming months.</p>
<p>98. Are there any changes to the Start-up Grant program?</p>	<p>The CWELCC guidelines have been revised to indicate that Start-up Grant funding applications from licensees and service agreements between CMSMs/DSSABs and licensees must include an estimated date for project completion that can be no later than December 31, 2026. This means that CMSMs/DSSABs must ensure licensees with expected project completion dates in 2026 complete their work and use the Start-up Grant funds on or before December 31, 2026.</p>
<p>99. What is the end date for all space creation projects funded by Start-up Grants under the current CWELCC agreement?</p>	<p>Under the current CWELCC Agreement, the end date for all projects funded by Start-up Grants is December 31, 2026. Any service agreements entered into by CMSMs/DSSABs and licensees in 2025 for Start-up Grant funding must, therefore, have expected completion dates (that is, constructed and fully licensed) no later than December 31, 2026, for the creation of the new licensed child care spaces.</p>

Question	Answer
<p>100. Are Start-up Grant funds for 2026 included in the 2025 allocation?</p>	<p>Yes, the Start-up Grant allocations for 2025 include 2026 funding. For 2024, Start-up Grant allocations included funding to support the creation of all the community-based spaces included in the 2024 targets and 50% of the same type of spaces in the 2025 targets. Similarly, the 2025 Start-up Grant allocations include funding to support the creation of the other 50% of the community-based space in the 2025 targets and 100% of the same type of spaces in the 2026 target.</p>
<p>101. If the completion date of a project funded by Start-up Grants with a service agreement signed in 2023 is extended for another year, would we use the funding parameters from the 2023 CWELCC guidelines or those from the current CWELCC guidelines as a basis for the added funds?</p>	<p>If the service agreement between the licensee and CMSM/DSSAB was executed in 2023 for a project that has been delayed into the next funding year, where funds are available from the CMSM's/DSSAB's following year's Start-up Grant allocation, the CMSM/DSSAB must use the funding parameters as set out under the 2023 CWELCC guidelines for the added funds.</p>
<p>102. Under the ELCC agreement community-based capital funding was an eligible expense. Is there any opportunity for CMSM/DSSABs to support community-based capital projects through the funding outlined in these guidelines?</p>	<p>Yes, CMSMs/DSSABs have the opportunity to support community-based capital projects. Start-up Grant funding is available to support capital needs in community-based settings as long as eligibility requirements are met, as outlined in the Guidelines.</p> <p>Ontario is also working to finalize the Action Plan for the Early Learning and Child Care Infrastructure Fund which will provide more opportunities for infrastructure funding.</p>

Question	Answer
<p>103. Given that the 2024 Start-up Grant allocations provided for the creation of all 2024 community-based space targets and 50% of 2025, are CMSMs/DSSABs allowed to carry over all or part of the 2025 portion of the 2024 Start-up Grant allocation into the following funding year? For example, if a CMSM/DSSAB had an amount of their 2024 Start-up Grant allocation uncommitted by December 31, 2024, would they be allowed to carry it over to 2025, assuming that the amount uncommitted was part of the allocation for 50% of 2025 spaces?</p>	<p>As part of the regular annual financial reporting process, CMSMs/DSSABs are required to return to the ministry any funding for a given funding year that was not:</p> <ul style="list-style-type: none"> - Committed to licensees by December 31, - Committed but not paid to licensees by December 31 of the year when the project was supposed to complete, - Recovered from licensees who withdrew from CWELCC, ceased operations prior to March 31, 2026, or used funds on ineligible expenses. <p>As per the scenario provided, if a CMSM/DSSAB had an amount of their 2024 Start-up Grant allocation that was not committed to licensees by December 31, 2024, the CMSM/DSSAB would be required to return that amount to the ministry and not carry over any portion of that amount into the 2025 funding year.</p>
<p>Other</p>	
<p>104. Will CMSMs/DSSABs receive allocations in 2025 for the Innovation Fund?</p>	<p>The details of the CWELCC Innovation Fund are still in development. More details will be shared with CMSMs/DSSABs once available.</p>

Question	Answer
<p>105. Do the closure limits in the 2023 and 2024 CWELCC guidelines (a licensed child care program may not exceed two consecutive weeks of closure, and not more than four weeks of closure within a calendar year) still apply in the new funding formula?</p>	<p>Yes, if a child care program is participating in the CWELCC system and charges fees to parents/guardians during a closure period, the closure may not exceed two consecutive weeks and not more than four weeks of closure within a calendar year. This guidance also applies to statutory holidays.</p> <p>If a licensee charges fees to parents/guardians for a statutory holiday closure, the statutory holiday would count towards the closure limits set out above. If a program does not charge fees for a closure period, the days of closure do not need to be counted in the closure limits set out above.</p> <p>The regulations under the CCEYA do not prohibit child care licensees from charging fees during scheduled closures, such as statutory holidays. As private businesses, each child care licensee sets their own fee policies.</p>
<p>106. When are the changes to the regulations expected?</p>	<p>If approved, amendments to Ontario Regulation 137/15 under the <i>Child Care and Early Years Act, 2014</i> will come into effect on January 1, 2025. There are no expected changes to O. Reg. 138/15.</p> <p>Additional information, including, Qs and As and details on the implications of new maximum daily fees, will be provided in the near future.</p>
<p>107. Why is the template for the expected Standardized Financial Reports from licensees not shared at this time?</p>	<p>To standardize reporting, the ministry will be consulting with CMSMs/DSSABs prior to finalizing templates, including for the Licensee’s Standardized Financial Report, the Cost Review Report Back, and the Request for Release of Cost-Based Allocation Holdback.</p>
<p>108. Will there be other reporting obligations imposed on CMSM/DSSABs or licensees?</p>	<p>The ministry plans to consult on the collection of comprehensive site-level data (including inputs and assumptions used in the cost-based funding allocation and actual eligible costs). This data would be used to monitor the performance of the cost-based funding formula and for potential future adjustments to the benchmarks.</p>

Question	Answer
<i>Directed Growth</i>	
<p>109. Are auspice requirements still required to be met by CMSMs/DSSABs by the end of the current CWELCC agreement?</p>	<p>Based on feedback from CMSMs/DSSABs, the ministry provided CMSMs/DSSABs with greater flexibility in their annual auspice ratios to enable them to meet their space creation targets under Directed Growth. Auspice ratios no longer need to be met year over year if the CMSM/DSSAB can ensure that:</p> <ul style="list-style-type: none"> • the total number of new for-profit spaces do not exceed the targets that have been set for the CMSM/DSSAB regarding the proportion of not-for-profit new spaces that can be created by the end of 2026 (that is, while maintaining their auspice ratio), and; • the total number of new for-profit spaces in a given year is within their Directed Growth space creation targets for that year. <p>CMSMs/DSSABs must monitor and have strategies in place to reach their auspice target by the end of 2026. The ministry remains available to discuss local circumstances with CMSM/DSSAB partners.</p>
<p>110. Can CMSMs/DSSABs still decline applications for enrolment or expansion under CWELCC where the application does not align with auspice requirements under directed growth?</p>	<p>CMSMs/DSSABs may decline a licensee’s application for enrolment in CWELCC for various reasons, including if the proposed new spaces do not align with auspice targets established by the ministry regarding the proportion of for-profit and not-for-profit new spaces that can be created as part of CMSMs’/DSSABs’ space allocations.</p> <p>For more information about the reasons that CMSMs/DSSABs may decline a licensee’s application for enrolment, please see Chapter 2 of the Guidelines.</p>

Question	Answer
<p>111. When a CWELCC-enrolled licensee decreases their licensed capacity, does the redistribution of those spaces need to align with the CMSM's/DSSAB's directed growth plan?</p>	<p>Net new CWELCC spaces need to conform with a Directed Growth Plan. However, if, in a given year, a licensee stops participating in CWELCC, or decreases their licensed capacity, the corresponding replacement spaces would not contribute to growth targets because they are not net new spaces. Therefore, the reallocation of replacement spaces is not required to align with the CMSM's/DSSAB's Directed Growth Plan. That stated, in determining where to reallocate the spaces, the CMSM/DSSAB must try to maintain their age group distribution of centre-based spaces, comply with its auspice ratio requirements, and ensure sufficient funding exists to cover the new spaces.</p>
<p>112. Does a Before and After School Program (BASP) space count as one space for both directed growth and auspice targets in 2025 and 2026?</p>	<p>Yes. The ministry tracks space creation using licensed spaces for eligible age groups for centres and eligible children enrolled in home child care for home child care agencies. A licensed space used to deliver a Before and After School program (BASP) counts as one space for any given year, even if the space is utilized by two or three different children within a service day. Similarly, an eligible child enrolled with a home child care agency counts as one space for the purposes of calculating the auspice ratio and net new CWELCC spaces.</p>
<p>113. For summer programs under CWELCC, would the temporary increase in spaces count towards directed growth? If not, what is the minimum number of days a space needs to be operational to count towards directed growth?</p>	<p>The ministry tracks space creation using licensed spaces for eligible age groups for centres and eligible children enrolled in home child care for home child care agencies. The space counts are completed quarterly for centres (March 31, June 30, September 30 and December 31) and annually for home child care agencies (December 31). Net growth is calculated as the space count as at the current period minus the space count as at the previous period. All net new licensed CWELCC spaces created by CMSMs/DSSABs between December 31, 2022 and December 31, 2026 will count toward their Directed Growth targets.</p>