

TO: Child Care Licensees

FROM: Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division

DATE: August 17, 2022

SUBJECT: **CWELCC Enrolment Update**

In March, Ontario signed a historic deal with the federal government that will lower licensed child care fees to an average of \$10 a day by September 2025. As a first step, families will see an average 25% reduction in their fees retroactive to April 1, 2022 which will be further reduced to 50% by the end December 2022.

Enrolment into the Canada-Wide Early Learning and Child Care System (CWELCC) is now underway across the province and rebates have started to flow to parents in parts of Ontario.

As we approach the deadline for licensees to enrol with their local service system manager, many of you continue to have questions about enrolment in CWELCC and whether it will impact how you operate your program.

I am pleased to provide the following updates so that licensees have the information they need to make informed decisions about enrolment, and ensure that rebates can begin to flow to families as soon as possible:

CWELCC Application and Enrolment

- Your local service system manager, if they have not already done so, will make a standard CWELCC Funding Agreement available to all licensees by August 29, 2022. This standard agreement will include the terms and conditions that licensees will be required to abide by after enrolment.
- The deadline for licensees to apply with your local service system manager has been extended to November 1, 2022.
- Service system managers must process enrolment applications and confirm eligibility within 10 calendar days of receipt of the application.
- Service system managers and licensees have 30 calendar days from the date of application to execute an agreement for CWELCC funding.

Rebates to Families

- Licensees are required to provide rebates to families within 20 calendar days of receiving funding from the service system manager.
- Licensees are permitted to provide rebates in the form of a credit towards future child care where the child continues to receive care from the provider.

Regulatory Amendments

O. Reg. 137/15 has also been amended to align with these updates. Specifically:

- September 1, 2022 deadline to notify parents and staff about a licensee's intent to enrol in CWELCC has been updated to November 1, 2022.
- Once enrolled, licensees have 20 calendar days to reduce their fees by 25% (instead of 31 days).
- Licensees must issue rebates to parents within 20 calendar days of receiving CWELCC funds from the service system manager (instead of 60 days).
- Rebates can be provided in the form of credits for future child care provided the child continues to receive child care and can make use of a credit. If a child withdraws and has not used their entire credit, the licensee will have 20 calendar days to issue a refund of the remaining balance.
- The definition of "eligible child" has been updated to clarify that children are eligible for the entire month of their birthday (e.g., if a child turns 6 on September 15th, they are considered eligible until the end of September).

Funding Guidelines

The ministry has updated the 2022 CWELCC Guidelines to address key concerns raised by child care licensees and service system managers. Some key changes that have been made to better support participation in the CWELCC System include:

- Confirming that licensees applying to the CWELCC System may withdraw their application at any time, or terminate their participation in the System, subject to the terms of their CWELCC System service agreement. CMSMs/DSSABs may not impose any penalties related a licensee's termination.
- Clarifying that licensees operating as for-profit corporations or individuals can continue to earn profit and licensees operating as not-for-profit corporations will be permitted a surplus amount to build reserves or re-invest in the organization.
- Setting out key principles for the year ahead including a commitment to timely rebates and cost reductions for parents, protection for for-profit and non-profit spaces and an efficient administrative system focused on minimally necessary collection of information from licensees.

Opt Outs

A small number of licensees have already notified their service system manager that they do not want to enrol in the CWELCC system at this time. With the additional information released today, we wanted to provide those programs that have already opted out with the chance to reconsider that decision.

If you have already notified your service system manager that you are not going to be applying for enrolment and you wish to change that decision and apply, please contact your service system manager for more information.

Next Steps

I strongly encourage all licensees to apply to CWELCC by November 1, 2022. This will ensure the families you serve will see a reduction in their eligible child care fees for 2022 and benefit from future reductions in 2023.

Rebates to families for child care fees paid in 2022 are only eligible for licensees who apply by December 31, 2022. For licensees who apply in 2023, rebates will not be provided to families for their 2022 child care fees.

If you have questions about enrolling, please contact your service system manager. Contact information for all 47 service system managers can be found at [Service system managers for child care and early years programs | ontario.ca](#).

If you have questions about licensing requirements, please reach out to your program advisor or contact the Licensed Child Care Helpdesk at childcare_ontario@ontario.ca.

Sincerely,

Holly Moran

c. Consolidated Municipal Service Managers / District Social Services
Administration Boards