

Ministry of Education

Early Years and Child Care
Division

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2023: EYCC01

TO: Consolidated Municipal Service Managers (CMSMs)
District Social Services Administration Boards (DSSABs)

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

DATE: May 24, 2023

SUBJECT: 2023 Canada-Wide Early Learning and Child Care (CWELCC) System Update

Thank you for your ongoing leadership and commitment to ensuring that more families across Ontario have access to safe, affordable and high-quality child care.

As we implement the next stages of the Canada-Wide Early Learning and Child Care (CWELCC) system for 2023, I am pleased to provide the following updates:

2023 Directed Growth Plan

On December 19, 2022, the ministry requested that service system managers review their notional space creation targets and identify the priority neighbourhoods where they propose to locate child care spaces, both school and community-based, under the CWELCC system. Service system managers submitted report backs to the ministry in Winter 2023, and space creation targets have been adjusted to reflect these report backs (*please see Appendix B*).

Adjusted targets for 2023 include new spaces requested as part of each service system manager's Directed Growth Plan, and to provide flexibility to service managers. Multi-year space creation targets are attached as Appendix B, and the ministry will work with service system managers to re-calibrate annual targets for 2024 through 2026 in order to ensure targets are achievable.

Adjustments to Funding Allocation

In Spring 2023, the ministry is providing the sector with updated 2023 funding allocations. The updated allocations will support fee reduction, workforce compensation and administration in alignment with each individual service system manager's 2023 Directed Growth Plan. Funding for these spaces is based on the 2023 average cost per space and space targets by service system manager and will be provided at 50% of the full year allocation as spaces will become operational at different points of the year. Additional funding will also be provided to service system managers for administration.

The ministry continues to work to ensure that allocations to service system managers align with enrolled

spaces. As a result, the original 2023 CWELCC allocations for fee reduction and workforce compensation as provided to service system managers on December 5, 2022, have been adjusted to better reflect space enrolment as of December 31, 2022. This adjustment was made when the number of licensed spaces divided by the number of licensed spaces assumed in the original 2023 CWELCC allocations was less than 98% or more than 100%. As part of the adjustment, the ministry is providing up to 2% flexibility to support the opening of additional licensed homes up to the capacity identified on the agency licence, and associated spaces. This flexibility can be used to support growth in the number of active homes in licensed home child care since March 31, 2022. No adjustments were made to the CWELCC administration allocations.

As part of the release, Ministry Financial Analysts will also be providing each service system manager with a reconciliation of the changes to CWELCC funding and spaces.

Enrolment

As we transition to a more targeted approach to growth, service system managers have inquired about how to address existing licensees who may have regrets about their decision to opt out in 2022. The new regulations and changes to the licensing process that took effect December 31, 2022 apply to applicants seeking new licences or licensees seeking to revise their licence to add additional capacity.

The regulations and funding guidelines do not prevent municipalities from providing existing licensees who opted out in 2022 with an opportunity to opt in in 2023.

Licensees that did not enrol in the CWELCC system in 2022 and wish to participate are permitted to enrol in 2023. These programs/spaces will count towards the service system manager's Directed Growth Plan regardless of whether they align with the Access and Inclusion Framework.

Service system managers are also required to ensure enrolled licensees who have already received floor plan approval, prior to January 1, 2023, from the ministry related to increases in capacity are supported with sufficient CWELCC funding to enable the licensing revision to proceed. Service system managers can request that licensees provide a copy of their floor plan approval letter to confirm the date approval was granted and contact the program advisor assigned to the licence if there are any significant concerns.

Auspice

Ontario remains committed to supporting all licensees regardless of auspice. As per the CWELCC agreement, the proportion of not-for-profit licensed child care spaces for children age 0 to 5 must be maintained at 70% or increased by the end of the CWELCC agreement.

To mitigate risks of non-compliance with the CWELCC agreement, targets have been set for each CMSM/DSSAB regarding the proportion of not-for-profit new spaces created as part of the CWELCC space allocation:

- CMSM/DSSABs where less than 90% of their spaces are currently not-for-profit must maintain their rates in new spaces.
- CMSM/DSSABs where 90% or more of their current spaces are not-for-profit are permitted to reduce their current rate of not-for-profit new spaces to 90%.

The ministry will monitor space allocations over the term of the CWELCC agreement and remains available to discuss local circumstances with CMSM/DSSAB partners.

Start-up Grants

As announced on December 19, 2022, the ministry is providing \$213 million in funding for Start-up Grants to support the creation of new, affordable child care spaces for children under age six in targeted locations and for populations most in need.

Start-up Grants will 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.

Funding for Start-up Grants has been allocated to service system managers proportionally based on directed growth spaces. The ministry will provide the Start-up Grant funding to each service system manager through their 2023-2027 transfer payment agreements. Funding for Start-up Grants will be paid to service system managers in installments.

To be able to meet the 8,000 spaces commitment by the end of 2023 per the CWELCC action plan – a portion of the total 86,000 CWELCC spaces to be opened by the end of 2026 – the ministry will be providing the sector with a notional 2023 allocation of \$54.8 million. This funding will be provided to service system managers upon amending 2023 transfer payment agreements. This will enable space creation by offsetting the costs of expanding or creating spaces, such as purchasing equipment or renovating facilities to support space-creation in 2023. Service system managers must submit a multi-year forecast to the ministry **by September 8, 2023**, to access the remaining Start-up Grant allocations for their regions.

Service system managers are responsible for administering the application process for Start-up Grants to support space creation in alignment with their Directed Growth Plans. CMSMs and DSSABs must establish an equitable and transparent process for licensees to apply.

Guidance for the administration of Start-up Grant funding will be included in the updated 2023 funding guideline document, which will be released in the coming days. It will also include a sample Application Form that is intended to assist service system managers in their administration of the Start-up Grant application process. Service system managers are not required to use this sample application and may wish to consult with their legal counsel to obtain legal advice on the application or the administration process.

Access and Inclusion Framework

The ministry will also be releasing the finalized Access and Inclusion Framework to support CMSMs and DSSABs with developing and implementing local service plans with an increased focus on access as it relates to inclusion. The new Framework was informed by the consultations conducted in early 2023 with service system managers, Indigenous partners, Francophone stakeholders, other provincial government ministries and a range of external partners. It is also now more closely linked with the Directed Growth strategy, and the ministry's CWELCC commitments under the Ontario Action Plan.

The ministry will continue to consider the sector's feedback on longer term policy, workforce and data collection initiatives as part of ongoing CWELCC policy and program development.

Reporting

Service system managers are required to report to the ministry, on a semi-annual basis, on licensee participation in CWELCC. This information is intended to track progress in meeting Directed Growth space allocations and progress towards meeting the overall commitment to create 86,000 spaces under CWELCC.

In 2023, the mid-year report must be submitted to the ministry **by September 30** (in respect of data for January 1- June 30, 2023) and final report for the calendar year by January 30, 2024 (in respect of data for 2023 calendar year), which must include the following information:

- Total number of spaces created in priority neighbourhoods and/or for priority populations as identified by CMSM/DSSABs in their Directed Growth plans broken down by age groups of child, auspice and type of setting.
- Total number of net new spaces created for licensees who enrolled in CWELCC in 2023 broken down by age groups of child, auspice and type of setting.
- Total number of net new spaces supported with start-up grants during the fiscal year, broken down

by age groups of child, auspice and type of setting.

- Percentage of for-profit and not-for-profit spaces enrolled in CWELCC (please note that for the purposes of CWELCC reporting, all licensed home child care spaces are considered not-for-profit).

The ministry will be providing CMSMs/DSSABs with a template for service system managers to submit these reports.

Next Steps

The ministry is working on the development of a new child care funding formula that aims to integrate the current approach for allocating child care funds with the new CWELCC system. The new funding formula will also enhance transparency and ensure sustainability of funding. The ministry released a consultation paper on April 5, 2023, outlining the proposed conceptual framework on the 2024 CWELCC funding formula for feedback from service system managers, licensees and school boards.

Additional technical details will be shared with the service system managers and the sector once the feedback from this initial consultation phase is analyzed and incorporated into the necessary developmental work for the 2024 funding formula.

Thank you for your ongoing support and valuable feedback. We will follow up in the coming days to provide you with the updated 2023 funding guideline document, Start-up Grant sample application form, and the final Access and Inclusion Framework.

We look forward to further opportunities to work together to support the sector, and children and families. If you have any questions, please contact your Early Years Advisor (EYA) or Financial Analyst (FA). A listing of EYAs and FAs can be found on the [ministry website](#).

Sincerely,

Original signed by

Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division
Ministry of Education

c: Early Years Advisors, Programs and Service Integration Branch
Financial Analysts, Financial Accountability and Data Analysis Branch

APPENDIX A – CHART OF ALLOCATIONS

2023 Revised CWELCC Allocations

CMSM/DSSAB	Fee Reduction and Workforce Compensation - Base Funding	Administration	Fee Reduction and Workforce Compensation - 2023 Directed Growth	Administration - 2023 Directed Growth	Start-up Grants Allocation	Total 2023 CWELCC Allocation
Corporation of the City of Brantford	12,402,455	275,589	504,448	15,752	834,388	14,032,632
City of Cornwall	6,368,163	196,129	55,125	2,110	111,748	6,733,275
City of Greater Sudbury	16,591,424	367,284	262,350	7,735	227,222	17,456,015
The City of Hamilton	76,122,891	1,003,596	1,449,848	34,316	1,419,205	80,029,856
Corporation of the City of Kawartha Lakes	5,442,601	155,485	107,382	3,094	96,849	5,805,411
Corporation of the City of Kingston	14,976,855	284,871	409,553	10,196	85,674	15,767,149
Corporation of the City of London	58,015,785	790,250	1,897,568	42,755	1,553,303	62,299,661
City of Ottawa	172,015,620	2,225,310	2,303,223	56,889	1,974,223	178,575,265
Corporation of the City of Peterborough	14,550,932	276,433	285,215	7,806	413,469	15,533,855
Corporation of the City of St. Thomas	7,095,303	177,987	598,224	17,017	484,243	8,372,774
Corporation of the City of Stratford	6,315,962	169,549	580,810	16,947	569,917	7,653,185
City of Toronto	414,542,844	4,716,975	17,583,623	327,762	16,251,950	453,423,154
Corporation of the City of Windsor	37,770,224	661,356	768,274	23,768	186,247	39,409,869
Corporation of the County of Bruce	7,037,050	167,088	581,800	14,064	309,171	8,109,173
Corporation of the County of Dufferin	7,871,839	176,299	253,170	6,329	335,245	8,642,882
Corporation of the County of Grey	6,725,339	189,660	568,960	15,752	763,614	8,263,325
Corporation of the County of Hastings	12,058,605	237,266	1,543,311	39,450	1,724,651	15,603,283
Corporation of the County of Huron	4,498,683	149,930	65,160	2,110	111,748	4,827,631
Corporation of the County of Lambton	13,033,204	247,251	307,002	8,016	424,644	14,020,117
County of Lanark	8,449,679	200,208	109,536	2,953	156,448	8,918,824
County of Lennox & Addington	4,161,320	138,116	125,118	3,797	201,147	4,629,498
County of Northumberland	5,481,328	158,931	473,255	14,134	748,715	6,876,363
County of Oxford	6,378,185	177,495	280,071	8,649	458,169	7,302,569
County of Renfrew	6,637,008	164,627	453,135	11,954	178,798	7,445,522
County of Simcoe	47,946,242	744,051	2,249,143	56,678	1,728,376	52,724,490
County of Wellington	20,134,466	336,204	1,426,230	33,543	1,538,404	23,468,847
District Municipality of Muskoka	3,191,596	130,733	435,486	12,728	122,923	3,893,466
Corporation of the Municipality of Chatham-Kent	11,622,125	234,242	146,430	4,219	223,497	12,230,513
The Corporation of Norfolk County	6,305,884	172,854	167,187	4,852	257,021	6,907,798
Regional Municipality of Durham	99,148,370	1,382,824	1,481,084	35,371	1,232,958	103,280,607
Regional Municipality of Halton	121,461,616	1,437,813	1,370,925	28,480	707,740	125,006,574
Regional Municipality of Niagara	38,748,316	639,136	1,433,175	41,559	2,201,445	43,063,631
Regional Municipality of Peel	187,155,954	2,118,637	11,237,573	235,924	11,133,871	211,881,959
Regional Municipality of Waterloo	89,624,628	1,166,806	2,821,176	70,250	3,393,428	97,076,288
Regional Municipality of York	231,604,343	2,700,874	1,778,694	36,637	1,519,779	237,640,327
United Counties of Leeds & Grenville	7,719,981	187,832	36,765	1,055	-	7,945,633
United Counties of Prescott & Russell	9,802,034	247,462	182,198	5,977	55,874	10,293,545
Algoma District Services Administration Board	2,773,436	119,482	163,265	4,993	264,471	3,325,647
District of Cochrane Social Service Administration Board	7,475,767	191,137	94,485	2,883	152,723	7,916,995
District of Nipissing Social Services Administration Board	10,315,907	222,499	205,716	5,837	111,748	10,861,707
District of Parry Sound Social Services Administration Board	2,837,985	112,169	45,496	1,125	59,599	3,056,374
District of Sault Ste Marie Social Services Administration Board	6,981,932	177,635	12,745	352	18,628	7,191,292
District of Timiskaming Social Services Administration Board	2,831,165	121,943	36,375	1,055	55,874	3,046,412
Kenora District Services Board	5,005,649	143,039	162,779	4,290	115,473	5,431,230
Manitoulin-Sudbury District Social Services Administration Board	1,779,545	113,997	61,020	2,532	134,098	2,091,192
Rainy River District Social Services Administration Board	1,746,927	101,481	21,308	563	29,800	1,900,079
District of Thunder Bay Social Services Administration Board	9,624,241	189,379	92,432	2,250	119,198	10,027,500
PROVINCIAL TOTAL	1,850,381,408	26,299,914	57,227,848	1,286,508	54,797,716	1,989,993,394

APPENDIX B – CHART OF SPACE ALLOCATIONS

Five Year CWELCC Space Allocations - May 2023

EFIS ID	CMSM/DSSAB	Total Spaces						School-based Spaces						Community-based Spaces					
		Total	2022	2023	2024	2025	2026	Total	2022	2023	2024	2025	2026	Total	2022	2023	2024	2025	2026
NA	ONTARIO	72,583	4,950	18,295	19,995	14,912	14,431	15,342	2,259	3,524	6,015	1,872	1,672	57,241	2,691	14,771	13,980	13,040	12,759
200	City of Brantford	985	39	224	201	212	309	329	-	-	137	64	128	656	39	224	64	148	181
201	City of Cornwall	298	72	30	-	98	98	72	72	-	-	-	-	226	-	30	-	98	98
202	City of Greater Sudbury	257	25	110	52	55	15	91	-	49	42	-	-	166	25	61	10	55	15
203	City of Hamilton	1,687	195	488	314	388	302	254	49	107	49	49	-	1,433	146	381	265	339	302
204	City of Kawartha Lakes	443	48	44	101	89	161	18	-	18	-	-	-	425	48	26	101	89	161
205	City of Kingston	337	34	145	67	-	91	122	-	122	-	-	-	215	34	23	67	-	91
206	City of London	2,889	178	608	787	735	581	582	88	191	215	88	-	2,307	90	417	572	647	581
207	City of Ottawa	2,903	199	809	740	352	803	713	151	279	205	-	78	2,190	48	530	535	352	725
208	City of Peterborough	485	87	111	124	93	70	39	39	-	-	-	-	446	48	111	124	93	70
209	City of St. Thomas	701	30	242	109	86	234	112	-	112	-	-	-	589	30	130	109	86	234
210	City of Stratford	819	-	241	143	75	360	88	-	88	-	-	-	731	-	153	143	75	360
211	City of Toronto	18,177	182	4,661	6,349	4,492	2,493	4,550	49	298	2,754	1,037	412	13,627	133	4,363	3,595	3,455	2,081
212	City of Windsor	1,587	280	338	362	110	497	678	146	288	146	98	-	909	134	50	216	12	497
213	County of Bruce	645	-	200	180	172	93	117	-	117	-	-	-	528	-	83	180	172	93
214	County of Dufferin	478	-	90	120	108	160	-	-	-	-	-	-	478	-	90	120	108	160
215	County of Grey	663	19	224	104	42	274	197	19	19	-	3	156	466	-	205	104	39	118
216	County of Hastings	828	107	561	64	72	24	98	-	98	-	-	-	730	107	463	64	72	24
217	County of Huron	175	50	30	30	30	35	-	-	-	-	-	-	175	50	30	30	30	35
218	County of Lambton	573	16	114	182	80	181	210	-	-	137	-	73	363	16	114	45	80	108
219	County of Lanark	170	22	42	43	38	25	-	-	-	-	-	-	170	22	42	43	38	25
220	County of Lennox & Addington	433	26	54	143	147	63	98	-	-	49	49	-	335	26	54	94	98	63
221	County of Northumberland	404	10	201	59	15	119	59	10	-	-	-	49	345	-	201	59	15	70
222	County of Oxford	1,894	-	123	528	414	829	176	-	-	88	-	88	1,718	-	123	440	414	741
223	County of Renfrew	427	153	170	104	-	-	291	127	122	42	-	-	136	26	48	62	-	-
224	County of Simcoe	3,081	355	806	776	698	446	590	150	342	-	-	98	2,491	205	464	776	698	348
225	County of Wellington	1,721	109	477	496	390	249	113	49	64	-	-	-	1,608	60	413	496	390	249
226	District Municipality of Muskoka	373	-	181	71	81	40	148	-	148	-	-	-	225	-	33	71	81	40
227	Municipality of Chatham-Kent	341	162	60	100	7	12	49	-	-	49	-	-	292	162	60	51	7	12
228	Norfolk County	441	98	69	85	171	18	196	98	-	-	98	-	245	-	69	85	73	18
229	Regional Municipality of Durham	2,029	404	503	511	49	562	1,103	404	172	405	49	73	926	-	331	106	-	489
230	Regional Municipality of Halton	1,386	88	405	194	88	611	849	88	215	194	88	264	537	-	190	-	-	347
231	Regional Municipality of Niagara	4,067	357	591	1,502	549	1,068	382	98	-	235	-	49	3,685	259	591	1,267	549	1,019
232	Regional Municipality of Peel	11,980	811	3,355	3,115	2,897	1,802	1,145	107	366	560	112	-	10,835	704	2,989	2,555	2,785	1,802
233	Regional Municipality of Waterloo	3,725	288	999	951	905	582	789	210	88	315	88	88	2,936	78	911	636	817	494
234	Regional Municipality of York	1,882	135	521	480	454	292	367	-	113	166	49	39	1,515	135	408	314	405	253
235	United Counties of Leeds & Grenville	397	51	15	95	142	94	120	49	15	43	-	13	277	2	-	52	142	81
236	United Counties of Prescott & Russell	316	197	85	13	-	21	207	197	10	-	-	-	109	-	75	13	-	21
300	Algoma District Services Administration Board	248	5	71	75	48	49	64	-	-	64	-	-	184	5	71	11	48	49
301	Cochrane District Social Services Administration Board	189	-	41	70	43	35	49	-	-	49	-	-	140	-	41	21	43	35
302	Nipissing District Social Services Administration Board	182	26	83	19	19	35	53	-	53	-	-	-	129	26	30	19	19	35
303	Parry Sound District Social Services Administration Board	131	1	16	55	28	31	25	-	-	25	-	-	106	1	16	30	28	31
304	Sault Ste Marie District Social Services Administration Board	233	-	5	79	30	119	87	-	-	23	-	64	146	-	5	56	30	55
305	Timiskaming District Social Services Administration Board	45	-	15	15	-	15	-	-	-	-	-	-	45	-	15	15	-	15
306	Kenora District Services Board	1,004	32	61	258	252	401	45	-	30	15	-	-	959	32	31	243	252	401
307	Manitoulin-Sudbury District Services Board	183	10	36	35	42	60	10	10	-	-	-	-	173	-	36	35	42	60
308	Rainy River District Social Services Administration Board	148	-	8	38	60	42	8	-	-	8	-	-	140	-	8	30	60	42
309	Thunder Bay District Social Services Administration Board	223	49	32	56	56	30	49	49	-	-	-	-	174	-	32	56	56	30