

2024: EYCC09

**TO:** Child Care Licensees

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

**DATE:** October 22, 2024

**SUBJECT:** **Updates to CWELCC Cost-Based Funding Legacy Cost Estimators**

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Further to the memo communication of September 11, 2024, the **Canada-wide Early Learning and Child Care (CWELCC) Cost-Based Funding Legacy Cost Estimator** (Excel documents initially provided as an attachment to that memo) **has been updated** to better help legacy operators to estimate their cost-based funding allocations for 2025. The updates include:

- clarifying the inclusion of controlling owners' compensation for labour to ensure that 2023 compensation provided in forms that are ineligible for cost-based funding (such as dividends) are accounted for, up to the maximum of \$465 per day in total compensation; and
- clarifying mixed age groups to a) ensure clarity that benchmark funding is based on the age group of spaces, not the age of enrolled children, and b) ensure that legacy top-ups are available to cover legacy cost structures based on eligible children (even if served in ineligible age-group spaces).

As detailed in the recent memos from the Ministry of Education to Child Care Licensees, the Ministry has shared a series of tools to support implementation of the new cost-based approach to CWELCC funding, starting 2025, including:

- The **CWELCC Cost-Based Funding Guideline**, effective January 1, 2025 (note: the clarifications listed above will also be reflected in an updated version of the 2025 CWELCC Cost-Based Funding Guideline, which will be available in the coming weeks ([link to current version for reference](#))).

- **Online webinars** that provide a high-level walk-through of the new approach through representative case examples (available at <https://vimeo.com/user224327029/folder/21786437>); and
- A **Cost-Based Child Care Funding Estimator** (an online tool available at <https://ontario.ca/cost-based-child-care-funding-estimator/>) and **Legacy Cost Estimator** (updated excel documents attached) for all licensees to estimate their cost-based funding allocations for 2025.

As a reminder, these tools are for informational purposes and are only able to provide an estimate of the cost-based funding that a CWELCC-enrolled licensee may receive in 2025. Every licensee's situation is different and only a Consolidated Municipal Service Manager (CMSM) or District Social Services Administration Board (DSSAB) can determine the amount of funding that a licensee may receive.

We urge operators to review the supporting materials, to utilize the tools provided, and consult with their CMSM/DSSAB in order to make informed decisions based on the best information possible. We recognize that the implementation of the CWELCC system is a significant undertaking and appreciate your commitment as we transition to a new funding approach – one that is sustainable and responsive to child care cost structures to support an affordable child care system and its growth.

We want to reiterate our sincerest appreciation for your continued partnership as we work towards improving and strengthening child care and early years programs and services in Ontario.

Sincerely,

*Original signed by:*

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Holly Moran  
Assistant Deputy Minister  
Early Years and Child Care Division

cc: Consolidated Municipal Service Managers and District Social Services Administration Boards  
Matthew DesRosiers, Director, Funding Branch  
Katie Williams, Director, Early Years Branch  
Karen Puhlmann, Director, Child Care Branch