

Ministry of Education  
Early Years and Child Care Division

315 Front Street West, 11th floor  
Toronto ON M7A 0B8

Ministère de l'Éducation  
Division de la petite enfance et de la garde d'enfants

315, rue Front Ouest, 11e étage  
Toronto ON M7A 0B8

**2025: EYCC04**

**Memorandum To:** Chiefs of First Nations with Child Care and Child and Family Program Agreements  
First Nations Administrators  
Transfer Payment Agency Administrators

**From:** Matthew DesRosiers  
Director, Funding Branch  
Early Years and Child Care Division  
Ministry of Education

**Date:** September 16, 2025

**Subject** **2025-26 First Nations/Transfer Payment Agencies Child Care and Child and Family Program Service Agreement Package**

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I am pleased to provide you with the 2025-26 First Nations/Transfer Payment Agencies Child Care and Child and Family Programs service agreement package. This package includes:

- 2025-26 Ontario Child Care and Child and Family Programs Business Practice, Service and Funding Guideline
- 2025-26 updated schedules to the service agreement for your First Nation or Transfer Payment Agency (Schedules B-F)
- Other supporting documents (as applicable):
  - 2025-26 Health and Safety Funding Request Form
  - Child and Family Program Serious Occurrence Report Form
  - Ontario Works Overview

The *2025-26 Ontario Child Care and Child and Family Programs Business Practice, Service and Funding Guideline* will be available online at the [Ministry of Education's website](#) and a copy is also attached. Please refer to the applicable sections of the guideline for details on each of the specific funding lines noted in your 2025-26 Budget Schedule.

## **Ministry Updates**

In 2025-26, the ministry is investing approximately \$52 million to support 96 First Nations and three Transfer Payment Agencies. This includes approximately \$38 million for child care programs, \$12 million for child and family programs and \$2 million for health and safety applications.

### **A. Funding Guideline**

Any changes to the funding guideline can be found in the Highlight of Changes section of the *2025-26 Ontario Child Care and Child and Family Programs Business Practice, Service and Funding Guideline*.

### **B. Five-Year Transfer Payment Agreement**

First Nations/Transfer Payment Agencies will be entering Year 5 of the five-year transfer payment agreement (TPA) with the ministry which is set to expire March 31, 2026. As a reminder, following signature in Year 1 (2021-22) of the agreement, **signed agreements are not required** for subsequent years (for example, Years 2 to 5). The attached schedules (B-F) supersede the existing schedules. Please retain a copy of these updated schedules with your signed 2021-22 agreement.

- The ministry continues to work towards the renewal of five-year TPAs, set to start in 2026-27, which may include a review of funding policy to improve clarity and reduce administrative burden on First Nations/Transfer Payment Agencies for this program, while exploring opportunities to enhance governance, accountability, and financial transparency. The ministry will consult with First Nations/Transfer Payment Agencies on potential changes.
- For 2025-26, in line with the existing TPAs, and to minimize the risk of year-end recoveries of public funds, the ministry will be suspending or reducing payments where the ministry has confirmed that First Nations/Transfer Payment Agencies do not have active child care services or child and family programming in compliance with the TPA, until such time as First Nations/Transfer Payment Agencies provide an update to the ministry to demonstrate the provision of child care or child and family programming has resumed. The ministry will be implementing the suspension/reduction of payments starting in January 2026, if it has confirmed no services or programming are being provided by **November 24, 2025**. The ministry will soon contact affected First Nations/Transfer Payment Agencies directly.
- In accordance with the terms of the TPA, which are in place to ensure accountability of public funds, where late submissions of financial statements persist, the ministry will resume the enforcement of non-submission by reducing future payment amounts, and may consider further action, such as termination of the TPA, in cases of prolonged non-compliance, as agreed to in the TPAs (see Schedule A, section A.12) and described in the guideline (see policy for late filing - section 2.E). Where the ministry does not receive your financial submissions by **November 24, 2025**, including audited financial statements, starting with 2023-24 submissions that remain outstanding, the ministry will begin reducing future payments.

The ministry will be providing all First Nations/Transfer Payment Agencies the opportunity to engage on these issues and support compliance, including providing support where appropriate, through communication detailing the changes to the process prior to the changes being implemented.

### ***C. Funding for Mental Health Initiatives***

Please note that funding allocated to support mental health initiatives for First Nations has concluded at the end of 2024-25. As such, no funding has been allocated for mental health initiatives in 2025-26 allocations.

### ***D. Funding for Health and Safety***

The ministry is inviting First Nation communities with licensed child care centres and home child care agencies to apply for Health and Safety funding for 2025-26. First Nation communities requiring additional funding to meet licensing requirements may apply through the Health and Safety funding process. Please refer to the funding guideline for more details. While applications will continue to be accepted throughout the fiscal year, First Nation/Transfer Payment Agency partners are encouraged to submit their applications to the ministry as soon as possible.

### ***E. Wage Enhancement Grant and Home Child Care Enhancement Grant Increase***

Effective January 1, 2025, the ministry increased the hourly wage maximum for Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG) to help close the gap between RECEs in the education sector and eligible RECEs in licensed child care settings. The new hourly wage maximum for WEG is \$32.81 per hour, for full HCCEG is \$328.10 per day and for partial HCCEG is \$196.86 per day. This increase also applies to child care staff working in First Nation communities.

### **2025-26 Payments**

Payments in 2025-26 have initially been based on the 2024-25 budget schedules. Once the 2025-26 budget schedules are released to the First Nation/Transfer Payment Agency and are processed by the ministry, monthly payments will be updated to reflect your 2025-26 allocations and will include any catch-up payment.

## **2025-26 Key Dates**

The chart below lists all documents that are required to be submitted to the ministry for the 2025-26 fiscal year. Documents are to be submitted via email.

<b>Document</b>	<b>Due Date</b>
Outstanding Financial Statements (Education Finance Information System or Attestation) (where applicable)	November 24, 2025
Wage Enhancement Application Form (where applicable)	September 26, 2025
Financial Statements (Education Finance Information System or Attestation) for 2025-26	July 31, 2026
Health and Safety Request Form (where applicable)	Accepted throughout the year

Please contact your Financial Analyst with any questions regarding your 2025-26 payments or financial reporting. A contact list and other information on funding is available on the [Ministry of Education's website](#). If you have questions or concerns regarding this memorandum or the enclosed materials, please contact [childcarefunding@ontario.ca](mailto:childcarefunding@ontario.ca).

Thank you for your ongoing partnership and continued efforts in serving children and families in your communities.

Sincerely,

*Original signed by*

Matthew DesRosiers  
Director, Funding Branch

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

Whitney Wilson, Director, Early Years Branch, Early Years and Child Care Division, Ministry of Education

Karen Puhlmann, Director, Child Care Branch, Early Years and Child Care Division, Ministry of Education

Financial Analysts, Funding Branch, Early Years and Child Care Division, Ministry of Education