

A woman with her hair in a bun is sitting on the floor, reading a book to two young children. One child is holding a red toy apple. The room is filled with colorful toys like stacking blocks and a ball.

CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

2025 GUIDELINES FOR LICENSED CHILD
CARE SERVICE PROVIDERS ENROLLED IN
THE CWELCC SYSTEM

PRESENTED BY

DNSSAB CHILDREN'S SERVICES - 2025

District of Nipissing
Social Services
Administration Board



Conseil d'administration
des services sociaux
du district de Nipissing

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GENERAL OVERVIEW

These guidelines outline the standards and procedures of the District of Nipissing Social Services Administration Board's (DNSSAB) Canada-Wide Early Learning and Child Care (CWELCC) System. They are intended to help the licensed child care Service Providers understand and implement the CWELCC System.

The standards and procedures apply to all Service Providers with an Agreement with DNSSAB. Service Providers should make these guidelines available to all Agency staff responsible for the implementation and ongoing management of the CWELCC System.

These guidelines contain the following sections:

[SECTION 1: PARTICIPATION](#)

[SECTION 2: FEE REDUCTION](#)

[SECTION 3: FUNDING](#)

[SECTION 4: WAGE ENHANCEMENT GRANT/HOME CHILD CARE ENHANCEMENT GRANT](#)

[SECTION 5: WORKFORCE COMPENSATION](#)

[SECTION 6: ONE-TIME NON-DISCRETIONARY FUNDING](#)

[SECTION 7: ADDITIONAL FUNDING CONSIDERATIONS](#)

[SECTION 8: ACCOUNTABILITY](#)

[SECTION 9: ADDITIONAL INFORMATION](#)

[SECTION 10: DEFINITIONS](#)

It is important to note that these guidelines do not override the Service Provider's obligations under the Act or any other legislation or regulation. In the event of a conflict, the legislative requirements will prevail.

Additionally, if there is a conflict between these guidelines and the Agreement that the Service Provider has in place with DNSSAB, the Agreement will take precedence.



DOCUMENT UPDATES

As new information becomes available, these guidelines and related policies will be reviewed and amended to align with updated legislation, provincial guidelines, and municipal/provincial/local best practices as required.

CANADA-WIDE EARLY LEARNING AND CHILD CARE SYSTEM

BACKGROUND

The Government of Canada has prioritized child care as a national priority to enhance early learning, improve childhood development, support workforce participation and contribute to economic recovery.

Through its 2021 Budget, the federal government committed to investing in a national child care system with all provinces and territories, as well as Indigenous organizations. On March 28, 2022, the Governments of Ontario and Canada signed the Canada-Wide Early Learning and Child Care (CWELCC) Agreement, with Ontario securing \$13.2 billion commitment over six years for a national child care plan.

GUIDING PRINCIPLES

Quality Focused: A primary focus in implementing the CWELCC Guidelines is to ensure the delivery of high-quality child care, as defined in the Child Care and Early Years Act, 2014 (CCEYA).

Child and Family Focused: Affordability for parents/guardians with a goal of processing applications on an ongoing basis and getting rebates and cost reductions to parents as quickly as possible.

Protection of Spaces Regardless the Auspice: The child care spaces provided by both for-profit and not-for-profit agencies in the province should be protected, helping to



support predominantly female entrepreneurs across the province to meet the varying child care needs of Ontarians.

Efficient Administrative System: Administrative processes and systems should collect the minimum information necessary from agencies and support timely enrolment and implementation of CWELCC.

OBJECTIVES

Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will enhance Ontario's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity. Initial objectives include:

- Reaching an average base fee of \$10 a day by March 31, 2026 for licensed child care spaces by introducing a 25% average base fee reduction in 2022, increased to a 50% reduction (based on 2020 levels) for licensed child care starting on December 31, 2022, and a base fee cap of \$22 a day as of January 1, 2025.
- Creating 86,000 new high-quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care.
- Addressing barriers to provide inclusive child care.
- Valuing the early childhood workforce and providing them with training and development opportunities.

PHASED APPROACH TO IMPLEMENTATION

Ontario has taken a phased approach to implementing the CWELCC System, with an initial focus on the affordability for families and system stability, followed by efforts to increase accessibility and inclusion over the longer term.

This approach allows the Ministry to engage with Service System Managers and the broader early years and child care sector, provide the time for sector partners to align the CWELCC System's terms and conditions. It also enables the Ministry to make the necessary implementation adjustments as the early years and child care landscape evolves.



In 2025, DNSSAB will continue to provide Funds to eligible Service Providers to support the CWELCC System's objectives. These Funds are separate and distinct from any other funding issued by DNSSAB under the guidance and directives of the Ministry.



SECTION 1: PARTICIPATION

PURPOSE

For 2025, licensed child care Service Providers operating in the district of Nipissing, offering home child care or centre-based programs for children under 6 (or turning 6 before June 30) in Ontario, may apply to participate in CWELCC through DNSSAB.

Participation in the CWELCC System is optional; but Service Providers are encouraged to join so that Eligible Families can benefit from fee reductions and eligible staff can benefit from additional wage compensation.

The Service Providers have two options:

- (1) Participate in the CWELCC System, or
- (2) Operate outside of the CWELCC System.

If a Service Provider decides to withdraw their application at any time, they may do so.

Once enrolled in CWELCC, if a Service Provider no longer wishes to participate, they may withdraw from the CWELCC System and, subject to the terms and conditions of their CWELCC service agreement, terminate their CWELCC agreement with DNSSAB.

ELIGIBILITY CRITERIA

To be eligible to participate in the CWELCC System, the Service Provider must:

- Ensure that the services align with DNSSAB's Early Years and Child Care Service Plan, the district's approved Directed Growth allocation and the provincial Access and Inclusion Framework Under O. Reg.137/15 (s.77.3(2)). DNSSAB has the discretion to deny enrolment if the program is not consistent with the DNSSAB's Directed Growth Plan.
- Complete and submit the CWELCC Application Form to DNSSAB, demonstrating that the Agency meets the stipulated criteria.



- Enter into an Agreement with DNSSAB to receive Funding related to the CWELCC initiatives (i.e. cost-based funding) in the areas where they provide care (for licensed child care centres) and/or where their office is located (for licensed home child care agencies).
- Demonstrate financial viability to DNSSAB, including the provision of up-to-date financial statements/information and once enrolled, remain financially viable.
- Maintain current parent fees for Eligible Children unless a fee increase was communicated to families/parents on or before March 27, 2022 (the 2022 fee freeze) and implement the subsequent fee reductions. All licensed child care programs serving Eligible Children are subject to the fee freeze until one of two conditions is met:
 - The Service Provider notifies DNSSAB, staff and Eligible Families in writing that they are NOT participating in the CWELCC System this year and will not be subject to terms and conditions of the system; or
 - The Service Provider participates in the CWELCC System and is subject to the regulatory rules for parent fees in participating programs (pursuant to O. Reg. 137/15 (s.77.4) made under the CCEYA).
- If deemed eligible to enrol in 2025, align their base fees in accordance with O. Reg. 137/15.
- If deemed eligible to enrol in 2025 after having opted out of the CWELCC System in 2022 and have increased fees after March 27, 2022, the base fees will be set to the base fee in effect during the 2022 fee freeze (effective March 27, 2022, unless previously communicated to families).
- Maintain existing (pre-CWELCC System announcement on March 27, 2022) licensed spaces for children from infancy up to 6 years of age (i.e., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to DNSSAB, which will determine whether this may result in a Funding adjustment or recovery from the Service Provider.
- Maintain a license to operate in good standing with, and not in contravention of, the CCEYA.

- Complete the annual Licensed Child Care Operations Survey, as required under section 77 of O. Reg. 137/15 to continue to receive funding under the CWELCC System.

CWELCC APPLICATION

For 2025, Service Providers interested in participating in the CWELCC System must complete the Expression of Interest – Intent to Expand Licensed Centre-Based Child Care in Nipissing District available on the DNSSAB Website. Once approved, Licensed Child Care Service Providers without a standing CWELCC Agreement with DNSSAB will receive the CWELCC Application Form for completion.

By submitting the CWELCC Application Form, Service Providers demonstrate their wish to participate in the CWELCC System. Completed forms can be submitted to csfundingrequest@dnssab.ca.

Service Providers who choose not to enroll acknowledge that they will not be eligible for CWELCC Funding (e.g. cost-based funding) for children from infancy up to 5 years of age or for Local Priorities Funding (e.g. fee subsidy, general operating, etc.) for services for children 6 to 12 years of age.

PROCESSING CWELCC APPLICATIONS FORMS

DNSSAB will review and process the CWELCC Application Form and confirm the Service Provider's eligibility within 10 Calendar Days. During this period, a meeting will be scheduled with the Agency to review the information and address any outstanding questions.

If no additional information is needed, DNSSAB will prepare the Agency's Agreement and forward it to the Service Provider for review and signature within 10 Business Days of the meeting. This ensures the Agreement is fully executed within 30 Calendar Days allowing the Service Provider to provide refunds to Eligible Families promptly.





DECLINING PARTICIPATION IN THE CWELCC SYSTEM

DNSSAB may deny a Service Provider's enrollment in the CWELCC system if the program cannot demonstrate financial viability, or if there are concerns about the misuse of Funding. Financial viability concerns may arise where a Service Provider has accumulated arrears, failed to service their debt, or is approaching bankruptcy.

Applications may also be denied if the CWELCC application is submitted on or after January 1, 2025, and the proposed program(s)/space(s) are inconsistent with DNSSAB's Early Years and Child Care Service System Plan regarding the demand for child care, and locations of existing child care centres and home child care premises.

Furthermore, if the proposed new spaces do not align with the local Directed Growth Plan or auspice targets established by the Ministry, DNSSAB may decline the application.

When declining a Service Provider's CWELCC application, DNSSAB will provide the circumstances and rationale in writing to the Service Provider and Ministry within five (5) Business Days.

NOTICE OF PARTICIPATION

Service Providers must notify Program Staff and Eligible Families in writing within fourteen (14) days of being notified by DNSSAB of the approval or denial of their application to enrol in the CWELCC System.

Licensed child care Service Providers entering into a new Agreement with DNSSAB for the CWELCC System will not automatically be eligible to access 2025 Local Priorities Funding if the Agency is not already in receipt of this funding.

Please note: Stipulations apply to licensed child care Service Providers who obtain a license after March 27, 2022. If applicable, Service Providers are asked to complete the "[Canada-Wide Early Learning and Child Care System Inquiry Form](#)", available on DNSSAB's Website.



PARTICIPATION REQUIREMENTS

Service Providers must:

- Maintain a license to operate in good standing in accordance with the Act, and ensure they are not in contravention of the Act. DNSSAB is required to stop funding a child care program that has its license revoked or suspended by the Ministry or Director, if applicable in accordance with the terms and conditions of the Service Agreement.
- Reduce and set parent fees in accordance with O. Reg. 137/15.
- Maintain financial viability.
- Keep a copy of their current Agreement with DNSSAB, in electronic or hard copy format, on the child care premises, and available for Ministry inspection per O. Reg.137/15 (s.82.1).
- Maintain the licensed child care spaces for children up to six years of age for which they are receiving fee reduction Funding (e.g., a licensed infant space must remain an infant space) and advise DNSSAB of any revisions or use of alternate capacity.
- Meet their workforce compensation obligations with respect to providing wage increases to eligible Program Staff in accordance with policies and guidelines.
- Complete the annual Licensed Child Care Operations Survey, which may be amended from time to time as required, under O. Reg. 137/15 (77).
- Ensure that centre closures do not exceed two consecutive weeks or four weeks within a calendar year when charging parent fees. Statutory holiday closures, if charged to families, will count towards these limits.

It is important to note that Funding may be withheld, or the Agreement may be terminated, if the Service Provider:

- Fails to meet the participation requirement as noted above.
- Consistently neglects to provide required reports or information in accordance with the Agreement, Policies and Guidelines.
- Does not maintain a license to operate a licensed child care centre in accordance with the Act.



NON-PARTICIPATION

Service Providers who notify DNSSAB of their decision not to participate in the CWELCC System may continue to operate under the existing provincial licensing and regulatory framework and Agreement with DNSSAB, if applicable.

Non-participating Service Providers serving children from 0 to 5 year are not eligible to receive Funding under the CWELCC System or through the Local Priorities (e.g. fee subsidy, general operating, wage enhancement, etc.). However, they may continue to set their own Base Fees. They must indicate in their parent handbook that they are not participating in the CWELCC system and must include their Base Fees.

Note:

- Unlicensed child care programs, including unlicensed home child care, authorized recreational programs and school board-operated extended day programs, are not eligible to participate in the CWELCC System.



SECTION 2: FEE REDUCTION

PURPOSE

Making child care more affordable for families is a key part of the implementation of the CWELCC System. Fee Reduction Funding is focused on reducing Base Fees for Eligible Families with Eligible Children in licensed child care.

To ensure stability and sustainability of the child care system, fee reductions will be implemented using a phased approach:

- Achieved: A base fee reduction of up to 25% (to a minimum of \$12 per day) for eligible children retroactive to April 1, 2022.
- Achieved: A further base fee reduction to support a provincial average for eligible children of \$23 per day, effective December 31, 2022.
- Achieved: An additional base fee reduction to support a provincial average of \$22 per day for Eligible Children, effective January 1, 2025.
- In Progress: \$10 per day average child care base fees for eligible children by March 31, 2026.

Effective January 1, 2025, CWELCC funding will continue be used to offset revenue reductions for licensed child care Service Providers. With the removal of the “revenue replacement” approach that was in place until December 31, 2024, Service Providers will no longer need to submit monthly CWELCC fee reduction claims, as this component has now been incorporated into the Benchmarks of the cost-based funding model.

ELIGIBILITY

Cost-Based Funding supports children under the age of 6, with exceptions for children who turn 6 early in the calendar year but are still enrolled in kindergarten.

An Eligible Child means:

- Any child, until the last day of the month in which the child turns 6 years old regardless of the type of licensed childcare program they are enrolled in.



- Any child who turns 6 years old between January 1 and June 30 in a calendar year and is enrolled in a licensed infant, toddler, preschool, or kindergarten group, a licensed family age group, or home child care until June 30 of that year.

All families with Eligible Children enrolled in a licensed program approved to participate in the CWELCC System are automatically eligible for reduced child care fees and do not need to apply.

Furthermore, all Eligible Children receiving home child care at a premises overseen by a CWELCC enrolled Agency are eligible for the fee reduction, whether Agency-placed and privately placed.

It is important to note that eligibility for fee reduction is not based on “reason for care”.

CAP ON FEES

Service Providers must maintain a cap on all Base Fees and Non-Base Fees in licensed child care for Eligible Children at all licensed child care centres and home child care premises that the Agency oversees.

This means:

- If a Service Provider was licensed on or before March 27, 2022, the cap on the Base Fee and on Non-Base Fees for child care for Eligible Children is the amount charged on March 27, 2022. Service Providers that obtain their licence after March 27, 2022, will be required to set their base fees at or below a regional maximum, as set out by age group pursuant to O.Reg.137/15 of the CCEYA, unless a specific fee amount was communicated to parents before the requirement under the regulation became effective.
- The Service Provider must not charge Eligible Families a higher Base Fee or Non-Base Fee after that day unless a specific fee increase had already been communicated to parents/families on or before March 27, 2022.



For Service Providers participating in the CWELCC System, O. Reg. 137/15 outlines rules regarding the expenses and fees that can be charged to Eligible Families as part of their Base Fee.

Service Providers are subject to the capped fee until one of two conditions is met:

- The Service Provider notifies DNSSAB, Eligible Families and staff in writing that they are NOT participating in the CWELCC System in 2025; or
- The Service Provider receives notice from DNSSAB of the results of its application to enroll in the CWELCC System.

Note: The cap on fees does not apply to fees charged to parents for children who are not eligible (e.g., school age children over 6 years), as these children will not be captured under the CWELCC System.

A 52.75% reduction in parent fees relative to March 2022 levels was effective as of December 31, 2022, to a maximum base rate of \$22.00 in 2025. Note that if this base fee is less than \$12 per day, the existing base fee should be maintained.

- *Example 1: For a participating Service Provider whose fee was \$50 per day in March 2022, implementing the 25% reduction in 2022 would have reduced their fee to \$37.50 per day from April to December. Starting December 31, 2022, the fee would have been further reduced to \$23.63 per day. In 2025 this rate would be further reduced to the maximum base rate of \$22.00 per day.*

[\$37.50 x (1-0.37)] = \$23.63 reduced to the maximum daily rate of \$22.00 per day.

- *Example 2: For a participating Service Provider whose fee was \$25 per day in March 2022, implementing the 25% reduction in 2022 would have reduced their fee to \$18.75 per day from April to December. Starting December 31, 2022, the fee would be \$12 per day, the minimum daily rate. This daily rate would remain the same in 2025.*

For an illustrative example of how this funding should be provided to Service Providers, see the table below.



	Prior to CWELCC Enrolment	After Enrolment in 2022 (once base fees were reduced by 25%)	Effective January 1, 2025 (fees are further reduced by 37% to a maximum of \$22.00 per day)
Base fee charged to parents	\$100	\$75	\$22
CWELCC Funding* to offset the revenue	\$0	\$25	\$78
Total revenue received by Agency	\$100	\$100	\$100

* In 2025, CWELCC funding is used to offset the revenue reduction for licensed child care Service Providers. This portion is incorporated in the Benchmarks of the cost-based funding.

The fee reduction on base fees to a maximum of \$22.00 per day will apply regardless of program type or duration and should be based on the total amount paid per day. For before and after school programs, if parents pay for only before school care, or only after school care, each individual fee must be reduced by an additional 37% on top of their already reduced fees from 2022, provided that the fee does not go below \$12 per day. If parents pay for both before and after school care, the overall combined fee must be reduced by the additional 37% based on their already reduced fees in 2022 to a maximum of \$22.00 per day.

For example:

	Before CWELCC (per day)	After Enrolment in 2022 (once base fees were reduced by 25%)	Effective December 31, 2022 (fees are further reduced by 37%)
Before School Care Only	\$12	Stays at \$12	Stays at \$12
After School Care Only	\$14	Reduced to \$12	Stays at \$12
Before and After School Care (as a single fee)	\$26	Reduced to \$19.50	Reduced to \$12.29

If a home child care Agency is enrolled in the CWELCC System, home child care Service Providers must also charge Eligible Parents the Base Fee determined as per above. The Base Fee applies to both Agency placed and privately placed Eligible Children in the Provider's care.



DNSSAB will collaborate with Licensed Home Child Care Agencies to ensure that Eligible Parents of privately placed children also receive a fee reduction. Licensed Home Child Care Agencies are responsible for collecting Base Fee information for privately placed Eligible Children (e.g. receipt for child care costs, letter of declaration) and retaining this information for auditing purposes in accordance with the Agreement, Policies and Guidelines.

Service Providers may continue charging current parent fees for 20 Calendar Days after DNSSAB notifies them of their Participation Date in CWELCC System. On and after the 21st day, the Service Provider cannot charge a Base Fee that is higher than the reduced Base Fee to Eligible Families.

Once a Service Provider is enrolled in CWELCC and reduces its fees to the new Base Fee, the Service Provider is required to maintain its new Base Fee until they are either required to reduce them again, or they are no longer participating in CWELCC. Any mandatory fees that parents are required to pay must be included in the base fee.

FAMILIES RECEIVING FEE SUBSIDY

Fee Subsidy is an essential support for many parents that helps to balance career and family demands and, enables parents and caregivers to participate in the workforce or pursue education or training. The Ministry has made amendments under the CCEYA to ensure that parents accessing subsidized child care also see financial relief under the CWELCC System, through a reduction in their parental contributions.

As the CWELCC System is implemented in Ontario, the Fee Subsidy model will remain an option for families who require financial assistance. Service Providers must reduce the cost of a Full Fee space that is occupied by an Eligible Child receiving Fee Subsidy.



The availability of fee subsidies for Eligible Families depends on the funds allocated within the Children’s Services budget and the availability of spaces in eligible child care programs.

To ensure an equivalent fee reduction is applied to families receiving child care Fee Subsidy (who do not pay the full cost of a licensed space), DNSSAB reduced the parental contribution for Eligible Children by 50%, effective December 31, 2022. The current reduction will be maintained in 2025. It is important to note that the floor of \$12 per day does not apply to families receiving a fee subsidy.

As described in the table below, the new fee cap (effective January 1, 2025) reduces the base fee to \$22, which is still higher than the parental contribution of \$7.50, so the family remains eligible for fee subsidy (which now covers \$14.50). The CWELCC cost-based formula covers \$78 (the remainder of the cost).

If a parent has at least one Eligible Child who is enrolled in a child care centre or home child care that is part of the CWELCC System, DNSSAB will reduce the parental contribution amount calculated through the income test, by using the following formula: $(A \div B) \times C \times 0.50$

Formula Details:

A: is the total parental contribution calculated via the income test,

B: is the total number of children that the calculated parental contribution pertains to,

C: is the number of Eligible Children, who hold a space with a provider that has enrolled in the CWELCC System, that the parent is required to pay a parental contribution for.

Example, if a fee subsidy family has two children aged 7 and 4, the 50 % parental contribution reduction would only apply to the 4-year-old. The 50% reduction would then be reduced by half, as it only applies to one of the two children.



For additional details, please refer to the following table:

	Prior to CWELCC Enrolment	After Enrolment in 2022 (parental contribution is reduced by 25% relative to value prior to enrolment)	Effective December 31, 2022 (parental contribution is reduced by 50% relative to value prior to enrolment)	Effective January 1, 2025 (parental contribution is reduced by 50% relative to value prior to enrolment)
Parental Contribution	\$10	$\$8.75 = 10 - (\$10/2) \times (1-75\%)$	$\$7.50 = 10 - (\$10/2) \times (1-50\%)$	$\$7.50 = 10 - (\$10/2) \times (1-50\%)$
Fee Subsidy – Provincial Funding	\$90	$\$66.25 = \$100 - \$25 - \8.75	$\$39.75 = \$100 - \$52.75 - \7.50	$\$14.50 = \$100 - \$78.00 - \7.50
CWELCC funding* to offset the revenue	\$0	\$25	\$52.75	\$78.00
Total revenue received by Agency	\$100	\$100	\$100	\$100

* In 2025, CWELCC funding is used to offset the revenue reduction for licensed child care Service Providers. This portion is incorporated in the Benchmarks of the cost-based funding.

It is important to note that subsidized parents will not see a reduction in parental contributions if the child occupies a space with a Service Provider that is not enrolled in the CWELCC System.

PARTICIPATION & REIMBURSEMENTS LATER IN THE YEAR

DNSSAB will work with Service Providers enrolling in 2025 to ensure that reimbursements are provided to Eligible Families in a timely manner ideally before December 31, 2025. However, if a Service Provider is notified of their Participation Date later in the year, in some cases, DNSSAB may provide funds after December 31, 2025. DNSSAB must follow the modified accrual basis of accounting which includes short-term accruals of normal operating expenditures in the determination of operating results for a given period. Service Providers must accrue Funds for parent reimbursements allocated for the 2025 year but paid out after December 31, 2025, and work with their auditors to ensure these payments are captured in the 2025 audited financial statements.



SECTION 3: FUNDING

COST-BASED FUNDING

Until December 31, 2024, the “revenue replacement” approach provided funding based on the revenue lost due to mandatory caps and reductions of parent fees. Starting January 1, 2025, Service Providers are funded based on Eligible Costs incurred in the calendar year for eligible centres or Agencies, up to a maximum amount determined by the cost-based formula.

The cost-based funding approach ensures that funding is provided based on the typical cost of delivering high-quality child care to Eligible Children in Ontario. This funding is calculated per Licensed Child Care Site or Home Child Care Agency and is determined by the same formula for all providers.

While some Benchmarks may differ for community-based and school-based programs, the approach is structured around the following concepts:

- 1) Program Cost: Funding supports Eligible Costs.
- 2) Amount in lieu of profit/surplus: In addition to covering Eligible Costs, this approach includes an amount to recognize opportunity costs associated with CWELCC enrollment and the risk of running a business, or for licensees to reinvest in child care. This amount is subject to re-calculation and potential reconciliation after year-end if the actual program costs differ.
- 3) Base fee revenue: Fees continue to be collected from families as reflected in base fees, with restrictions on the amounts that can be charged as set out in [O. Reg. 137/15](#) under the [Child Care and Early Years Act, 2014](#).
- 4) Cost-based funding: The sum of funding for program costs and the associated amount in lieu of profit/surplus, offset by the base fee revenue.
- 5) Notional Funding allocation vs actual funding: The amount of funding a Service Provider can receive for an eligible centre or Agency is finalized upon reconciliation of Eligible Costs incurred during the calendar year.



Additionally, top-up funding allocations may be available to Service Providers who are deemed eligible, such as Growth Top-Up and Legacy Top-Up.

To ensure accountability over public funds, the cost-based funding allocation sets out the maximum amount that could be claimed in Eligible Costs upon reconciliation. It is important to note that this approach is not a pure “cost reimbursement” model.

For additional information relating to the cost-based model and Benchmarks, please refer to the following resources:

- [Ontario Child Care and Early Years Funding Guidelines for Consolidated Municipal Managers and District Social Services Administrations Boards – Chapter 2, Division 2: CWELCC Cost-Based Funding Guidelines](#)

TOP-UP ALLOCATIONS

LEGACY TOP-UP

A legacy top-up for Legacy Centres or Agencies is designed to support legacy cost structures during the transition to the cost-based funding formula. This top-up is provided if such structures result in Eligible Costs exceeding individual Benchmark allocations for the calendar year. The aim is to prevent Legacy Centres or Agencies from having to significantly alter their operating models due to the implementation of the cost-based funding model.

Note: This provision only applies to 2025 and becomes part of the rolling top-up after 2025.

GROWTH TOP-UP

A growth top-up for new centres or Agencies that expand with new licensed spaces or active homes in the calendar year. This top-up acknowledges that typical costs may vary with economic regions and aims to encourage growth.



ROLLING TOP-UP

A rolling top-up is for existing centres or Agencies who received a top-up in the previous calendar year (whether legacy top-up, growth-top, rolling top-up, or a combination). This top-up ensures that cost structures are covered from one calendar year to the next.

Note: This provision only applies to calendar years after 2025.

For additional information relating to the Top-Up Allocations or the calculation of these provisions, please refer to the [Ontario Child Care and Early Years Funding Guidelines for Consolidated Municipal Managers and District Social Services Administrations Boards – Chapter 2, Division 2: CWELCC Cost-Based Funding Guidelines](#).

DETERMINING THE NOTIONAL ALLOCATION

Before the start of the new funding year, DNSSAB will meet with individual Service Providers to review the operational plans and ensure that the data accurately reflects the anticipated services for the upcoming years. If applicable, legacy costs will be reviewed in accordance with Policies and Guidelines.

The notional allocation will be based on estimated Eligible Costs incurred in the calendar year, up to a maximum amount determined by the cost-based formula.

For additional information relating to the cost-based funding and calculations, please refer to the following resources:

- [Ontario Child Care and Early Years Funding Guidelines for Consolidated Municipal Managers and District Social Services Administrations Boards – Chapter 2, Division 2: CWELCC Cost-Based Funding Guidelines](#)
- [CWELCC Cost-Based Funding – Child Care Centre Webinar](#)
- [CWELCC Cost-Based Funding – Home Child Care Agency Webinar](#)
- [CWELCC Cost-Based Child Care Funding Estimator](#)



Note: DNSSAB will issue advance payments on a quarterly basis each year.

ELIGIBLE COSTS

Eligible costs include costs incurred by an eligible centre/site or Agency in the calendar year for the purpose of providing Licensed Child Care for Eligible Children that are:

- Attributable to the provision of Licensed Child Care included in the base fee for Eligible Children.
- Appropriate for the provision of Licensed Child Care for Eligible Children.
- Reasonable in quality and amount incurred, having regard to all the relevant circumstances.

NON-ELIGIBLE COSTS

Non-eligible costs include:

- Costs not meeting above eligibility criteria.
- Costs deemed to be in lieu of profits (such as in-kind benefits or perks directly or indirectly for the benefit of a controlling owner).
- Costs for capital renewal for major repairs of sites of existing spaces.
- Cost for ineligible children.
- Financing costs exceeding Canada Small Business Financing Program Rates.
- Costs funded by another public source or reimbursed by another source (i.e. insurance claims).
- Any penalties, fines, forfeitures, or liquidated damages.
- Gains or losses resulting from the sale of tangible capital assets purchased with cost-based funding.

MID-YEAR REVIEW

A mid-year review will be conducted following the second quarter reporting period to determine if any funding adjustments are necessary. This will require each Service Provider to complete a mid-year budget report for each site, providing a breakdown of year-to-date costs (e.g., program staffing, accommodations, operational costs, etc.).



The review presents an opportunity for DNSSAB and the Service Provider to discuss issues faced in the first portion of the year and to bring forward any anticipated concerns moving forward. It also provides an opportunity to review the operational plan used to determine the notional allocations to ensure it continues to align with the Agency's actual operations.

Funding adjustments may be made to avoid over or underpayments during the year-end reconciliation, which will take place after the fourth quarter reporting period.

YEAR-END RECONCILIATIONS and COST REVIEWS

In accordance with Policies and Guidelines, a year-end reconciliation and cost review must be completed annually. DNSSAB must assess whether a centre or agency's costs are eligible for cost-based funding.

To support this process, Service Providers are required to submit financial information in the prescribed format, including a budget report for each site detailing actual costs for the year (e.g., program staffing, accommodations, operational costs) and supporting documentation (e.g., lease agreements, invoices/statements).

To support Ontario's cost control framework and ensure the sound use of public funding under the CWELCC agreement, the Ministry directs DNSSAB to review the legacy costs (for 2025) or existing (for calendar years after 2025) eligible centres/agencies with disproportionately high top-up allocations, as per the Ministry's selection criteria. The goal of these reviews is to gradually shift the overall cost of providing child care towards more standardized costs, as represented by Benchmark allocations, without reducing quality.

Following the end of the calendar year, all Service Providers will also be required to submit an annual attestation, signed by an authorized signing officer, confirming that CWELCC Funding has been used in accordance with its intended purposes as outlined in Policies and Guidelines.



DIRECT ENGAGEMENT REPORTS

To meet the established compliance assurance requirements set forth in Policies and Guidelines, DNSSAB must select a subset of Eligible Centres or Agencies for further scrutiny of Eligible Costs as identified on their standardized financial reports for the previous calendar year through a Direct Engagement Report on Compliance.

This review is intended to support DNSSAB's verification that the offsetting base fee revenue and costs reported were eligible and in compliance with Policies and Guidelines. A third-party auditor, contracted by DNSSAB, will conduct this review to provide assurance that all reported costs are eligible. This means the report will confirm that the amounts claimed are attributable to the listed goods and services and that a reasonable methodology has been employed to pro-rate costs, where necessary.

DNSSAB will notify selected agencies in advance of the review.

WEG/HCCEG AND WORKFORCE COMPENSATION

Funding to meet WEG/HCCEG and Workforce Compensation requirements by eligible centres and Agencies will be allocated through two different funding streams:

- Benchmark allocations under cost-based funding for positions serving children aged 0 to 5 years.
- Local Priorities Funding for positions serving children aged 6 to 12 years.

Agencies serving children from 0 to 5 years can find additional information related to the eligibility criteria, reporting requirements and more, in [Section 4](#) and [Section 5](#) of these guidelines.

CWELCC ONE-TIME NON-DISCRETIONARY FUNDING

CWELCC One-Time Non-Discretionary Funding will be made available to all participating Service Providers serving children from 0 to 5 years through an application process in accordance with the eligibility criteria set out in [Section 6](#) of these guidelines.

The availability of this Funding will depend on Ministry funding and DNSSAB's Children's Services budget flexibility.





SECTION 4: WAGE ENHANCEMENT GRANT/HOME CHILD CARE ENHANCEMENT GRANT REQUIREMENTS

PURPOSE

The Wage Enhancement Grant (WEG) will benefit program staff in the licensed child care sector, help retain registered early childhood educators (RECEs), and support access to stable, high-quality child care programs for children in Ontario. It will also help close the wage gap between RECEs working in full-day kindergarten (FDK) programs and RECEs and program staff working in licensed child care settings.

In 2025, the WEG will support an increase of up to \$2 per hour, plus 17.5% benefits. In addition, the Home Child Care Enhancement Grant (HCCEG) will support an increase of up to \$20 per day for home child care providers.

For clarity, the wage eligibility ceiling is not a wage cap. Service Providers can choose to increase eligible RECE staff wages above the wage eligibility ceiling once other regulatory and guideline requirements are met, using other sources of funding.

GOALS

The goals of the wage enhancement are to:

- Help close or narrow the wage gap between RECE wages in the education sector and licensed child care sector.
- Stabilize licensed child care operators by helping them retain RECEs/child care staff.
- Support greater employment and income security.

These goals support the ministry's priorities to:

- Stabilize and transform the existing child care system to increase program choice and reliability for parents and support consistent, higher quality child care services to support children's learning and development.



- Support licensed home child care agencies and strengthen the licensed home child care system.

ELIGIBILITY

WEG/HCCEG requirements must be met by the following eligible agencies:

- Centres and agencies participating in the CWELCC System serving children aged 0 to 12 years.
- Centres and agencies exclusively serving children aged 6 to 12 years.

WAGE ELIGIBILITY CEILING

As the intent of WEG/HCCEG is to help close the wage gap between RECEs working in the publicly funded education sector and eligible positions/home child care providers in licensed child care settings, the ministry has established an hourly wage maximum of \$32.81 per hour for WEG and \$328.10 per day for full HCCEG (\$196.86 for partial HCCEG).

For clarity, the wage eligibility ceiling is not a wage cap. Service Providers can choose to increase eligible RECE staff wages above the wage eligibility ceiling once other regulatory and guideline requirements are met, using other sources of funding.

FUNDING

Funding to meet WEG/HCCEG requirements by eligible centres and agencies will be allocated through two different funding streams:

- Benchmark allocations under cost-based funding for positions serving children aged 0 to 5 years.
- Local Priorities Funding for positions serving children aged 6 to 12 years.

FULL WAGE ENHANCEMENT GRANT (WEG)

To be eligible to receive the full WEG of \$2 an hour plus 17.5% in benefits, staff must:



- Be employed in a licensed child care centre or Agency that is enrolled in CWELCC or exclusively serving children aged 6 to 12.
- Have an associated base wage excluding prior year's WEG of \$30.81 or less per hour (i.e. \$2 or more below the wage cap of \$32.81).
- Be in a position categorized as a child care supervisor, RECE, home child care visitor, or otherwise counted toward adult to child ratios for children from 0 to 5 years of age under the Child Care and Early Years Act, 2014.

Child care program positions that are in place to maintain lower adult-child ratios than required under the CCEYA, and meet the eligibility outlined above, are also eligible for WEG.

PARTIAL WAGE ENHANCEMENT GRANT (WEG)

Where an eligible centre-based or home visitor position has an associated base wage rate excluding the prior year's WEG between \$30.82 and \$32.80 per hour, the position is eligible for a partial WEG. The partial WEG will increase the wage of the qualifying position to \$32.81 per hour without exceeding the cap.

INELIGIBLE POSITIONS (NON-PROGRAM STAFF):

- Cook, custodial and other non-program staff positions are not eligible for WEG.
- SNR/ISP - funded resource consultant and enhanced staff are not eligible for WEG.
- The only exception to the above is if the position spends at least 25% of their time to support ratio requirements for children 0 to 5 years of age; in which case the staff would be eligible for WEG for the hours worked in the eligible position supporting ratio.
- Staff hired through a third party (i.e., temp agency) are not eligible for WEG.
- Support staff and students who are under 18 years of age (as they are not permitted to be alone with children and, therefore, do not count towards the adult-to-child ratio).



FULL HOME CHILD CARE ENHANCEMENT GRANT (HCCEG)

To be eligible to receive the full HCCEG of \$20 per day, home child care providers must:

- Hold a contract with a licensed home child care Agency.
- Provide services to one or more children 0 to 5 years of age (excluding the provider's own children).
- Provide full time services, on average (6 hours or more a day).
- Receive base daily fees excluding the prior year's HCCEG of less than \$308.10 (i.e. \$20 below the cap of \$328.10).

PARTIAL HOME CHILD CARE ENHANCEMENT GRANT (HCCEG)

To be eligible to receive the partial HCCEG of \$10 per day, home child care providers must:

- Hold a contract with a licensed home child care Agency.
- Provide services to one or more children 0 to 5 years of age (excluding provider's own children).
- Provide part time services, on average (less than 6 hours a day).
- Receive base daily fees excluding the prior year's HCCEG of less than \$186.86 (i.e. \$10 below the cap of \$196.86).

ELIGIBLE EXPENSES

Funding must be directed solely to licensed child care staff and home visitors to increase wages and benefits, and to home child care providers to increase daily income.

PAYMENT TO ELIGIBLE STAFF

Service Providers must clearly indicate on staff pay cheques and home child care provider fee transfers the portion of funding that is being provided through the WEG/HCCEG labeled as follows:

- Provincial child care wage enhancement grant; or
- Provincial home child care enhancement grant



Service Providers are responsible for distributing the WEG/HCCEG to eligible program staff and/or eligible non-program staff and/or eligible home child care providers according to the Agency's regular pay schedule.

PAYMENT TO SERVICE PROVIDERS

The Service Provider will receive quarterly payments to support meeting these requirements. These payments have been incorporated into Benchmark allocations under cost-based funding for positions serving children aged 0 to 5 years.

REPORTING & COMPLIANCE REQUIREMENTS

Service Providers are responsible for ensuring the funds are distributed to eligible staff in accordance with the Policies and Guidelines.

For all staff and home child care visitors who meet the WEG eligibility requirements detailed above, DNSSAB will continue to request a complete listing of staff by position, RECE status (RECE/Non-RECE), and hourly wage. This information will be completed within the Nipissing Financial Reporting Database.

DNSSAB may also request that the Service Provider submit additional staffing information to ensure compliance with Policies and Guidelines.



SECTION 5: WORKFORCE COMPENSATION REQUIREMENTS

PURPOSE

Workforce compensation Funding is focused on supporting child care staff who are lower wage earners. Increased compensation for lower wage earners is intended to help support the recruitment and retention of RECEs working in the licensed child care sector as part of a provincial strategy to achieve system growth and ensure increased access to high quality licensed child care. It includes compensation enhancements for RECEs which includes an annual wage increase and wage floor increases.

ELIGIBILITY

Licensed child care centres and home child care agencies enrolled in the Canada-Wide Early Learning and Child Care (CWELCC) program, serving children aged 0 to 5, will receive Workforce Compensation funding through Cost-Based Funding. For these centres and agencies, the Funding for Eligible Positions serving children aged 0 to 5 is incorporated into the Benchmarks of cost-based funding.

Licensed centres or home child care agencies enrolled in CWELCC and serving children aged from 6 to 12 are eligible to receive Workforce Compensation Funding through Local Priorities Funding. For additional information, please refer to the Workforce Compensation Guidelines for School Age Programs.

FUNDING

Funding to meet Workforce Compensation requirements by eligible centres and agencies will be allocated through two different funding streams:

- Benchmark allocations under cost-based funding for positions serving children aged 0 to 5 years.
- Local Priorities Funding for positions serving children aged 6 to 12 years, please refer to the Wage Enhancement Guidelines for School Age Programs..



Funding to support workforce compensation requirements should not interfere with a service provider's salary and compensation decisions or practices.

ALIGNMENT WITH WEG/HCCEG

The child care WEG/HCCEG will continue to be provided to support with the retention of qualified professionals to deliver affordable, high-quality services to Eligible Agencies.

WORKFORCE COMPENSATION ORDER OF OPERATIONS

To determine annual wage floor increase eligibility, Service Providers must follow this order of operations:

- 1) Base wage by employer (includes any employer-based wage improvements such as obligations from collective agreements and minimum wage increases).
- 2) WEG (\$2 per hour, up to a maximum of \$32.81 per hour as per the Early Years and Child Care guideline).
- 3) CWELCC annual wage increases of \$1 per hour, compounded year over year, up to \$27 per hour for RECE Program Staff and \$30 per hour for RECE child care supervisors or RECE home child care visitors.
- 4) CWELCC incremental wage floor increase, if applicable.

Order of Operations Examples related to the RECE Program



Year	Base Wage per Hour	WEG	CWELCC Annual Wage Increase	CWELCC Wage Floor Increase	New Wage*
2022	\$18.50	\$2	\$0	\$0	\$20.50 ¹
2023	\$19.00	\$2	\$1	\$0	\$22.00
2024	\$19.50	\$2	\$1+1	\$0.36	\$23.86
2025	\$20.00	\$2	\$1+1+1	\$0	\$25.00

¹In 2022 the CWELCC Wage Floor was limited to \$18 per hour.

*In addition to the hourly wage, staff are required to receive benefits.

ANNUAL WAGE INCREASE

Service Providers are required to increase the hourly wage of Eligible Staff by \$1 per hour plus benefits, on January 1st of each year from 2024 to 2026, inclusive, up to the annual wage ceiling as described in the Wage Ceiling for Annual Wage Increase table below.

In 2025, the wage ceiling is set to a maximum of \$27.00 for RECE Program Staff and \$30.00 for RECE Child Care Supervisor or RECE Home Child Care Visitor.

To be eligible for an annual wage increase, staff must:

- be receiving Wage Enhancement (WEG).
- be employed by a child care Service Provider that is participating in the CWELCC System and be in a position categorized as:
 - RECE Program Staff
 - RECE Child Care Supervisor
 - Home Child Care Visitor
- have an hourly wage (base wage plus WEG) below the annual wage ceiling for that year.

Staff whose hourly wage (base wage plus WEG) are above the wage ceiling in that year are not eligible for the annual \$1 per hour increase.

Benefits should not be included when determining the base wage.



WAGE CEILING FOR ANNUAL WAGE INCREASE (PER HOUR)

Year	RECE Program Staff	RECE Child Care Supervisor or RECE Home Child Care Visitor
2024	\$26.00	\$29.00
2025	\$27.00	\$30.00
2026	\$28.00	\$31.00

Annual Wage Increase Examples (2025)

Assumptions: WEG funding of \$2 per hour and wage eligibility ceiling of \$27 per hour.

Example 1a - full increase

RECE Program Staff hired in 2024 with a base wage before WEG funding of \$19 per hour would qualify for a wage increase of \$1 per hour.

Base + WEG + **Annual Increase** + Wage Floor (if applicable) = total wage

$$\underbrace{\$19.00 + \$2.00 + \$1.00}_{\$22.00} + \$2.86 = \$24.86 \text{ per hour}$$

\$22.00

Eligible for full \$1 increase as hourly wage of \$22.00 (Base + WEG + Annual Increase) is less than \$27.00 wage

In this example, workforce compensation Funding of \$3.86 per hour would be provided (\$1 annual increase + \$2.86 wage floor) to bring the staff's total wage to the \$24.86 wage floor.

Example 1b - partial increase

RECE Program Staff hired in 2019 with a base wage before WEG funding of \$22.50 per hour would qualify for a compounded wage increase of \$2.50 per hour.

Base + WEG + **Annual Increase** + Wage Floor (if applicable) = total wage

$$\$22.50 + \$2.00 + \$1.00 + \$1.00 + \$0.50 + \text{Nil} = \$27.00 \text{ per hour}$$

Eligible for a compounded annual increase of \$2.50 as staff reaches the \$27.00 per hour



In this example, workforce compensation Funding of \$2.50 per hour would be provided to bring the staff's total wage to the \$27.00 wage ceiling. No wage floor funding provided as staff's total wage exceeds the \$24.86 wage floor.

Example 2a - no increase (new hire)

RECE Program Staff hired this year would be eligible for an annual wage increase of up to \$1 per hour in the following year.

$$\begin{aligned} \text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor} &= \text{total wage} \\ \$19.00 + \$2.00 + \text{Nil} + \$3.86 &= \$24.86 \text{ per hour} \end{aligned}$$

In this example, workforce compensation Funding of \$3.86 per hour would be provided to bring the new hire's total wage up to the annual wage floor.

Example 2b - no increase - wage ceiling met

RECE Program Staff with a base wage before WEG funding of \$25 per hour or higher would not qualify for an annual wage increase.

$$\text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor (if applicable)} = \text{total wage}$$

$$\$25.00 + \$2.00 + \text{Nil} + \text{Nil} = \$27.00 \text{ per hour}$$

\$27.00

Not eligible for Annual Increase as hourly wage (Base + WEG) reaches wage ceiling of \$27.00

Workforce compensation Funding is not required.

WAGE FLOOR

Service Providers enrolling in the CWELCC System in 2025 or CWELCC enrolled agencies hiring new staff in 2025 must ensure all eligible staff earn at least the wage floor specified in the [Hourly Wage Floor Table](#), plus benefits. Annual wage increases for staff hired in 2025 will take effect in 2026.



The wage floor for 2025 came into effect on January 1, 2025. Service Providers enrolled in the CWELCC System in 2025 can pay eligible staff below the wage floor for thirty-one (31) Calendar Days after DNSSAB notifies them of their Participation Date. From the 32nd day onwards, they must compensate eligible staff at least the wage floor.

Service Providers have an additional month (for a total of 61 Calendar Days from the Participation Date notification) to provide retroactive payments for any wages that were below the wage floor, retroactive to their Participation Date in CWELCC.

In 2025, Service Providers must bring the wage of all eligible RECE program staff up to the wage floor of \$ 24.86/hour, and RECE child care supervisors or RECE home child care visitors up to the wage floor of \$25.86/hour.

ELIGIBILITY

To be eligible for a wage increase to the wage floor, staff must :

- be receiving WEG funding.
- be employed by a child care Service Provider participating in the CWELCC System and hold a position categorized as:
 - RECE Program Staff
 - RECE Child Care Supervisor
 - RECE Home Child Care Visitor
- have an hourly wage (base wage plus WEG plus annual increase) below the annual wage floor for that year.

Benefits are not to be included when determining the hourly wage; they are in addition to the hourly wages specified in this section.

Hourly Wage Floor from 2022 to 2026

Eligible Positions	2022	2023	2024	2025	2026
RECE Program Staff	\$18	\$19	\$23.86	\$24.86	\$25.86



RECE Child Care Supervisor or RECE Home Child Care Visitor	\$20	\$21	\$24.86	\$25.86	\$26.86
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*In addition to the hourly wage, eligible staff are required to receive benefits.

Funding must be used to fund the incremental amount required to bring staff wages to the wage floor.

Wage Floor Examples

Wage floor of \$24.86 per hour and WEG funding of \$2 per hour.

Example 1a - new hire

A RECE Program Staff hired in the current year with a base wage of \$19 per hour would qualify for workforce compensation of \$3.86 per hour to bring their wage to the \$24.86 per hour wage floor.

$$\text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor} = \text{total wage}$$
$$\$19.00 + \$2.00 + \text{Nil} + \$3.86 = \$24.86 \text{ per hour}$$

Workforce compensation Funding of \$3.86 per hour would be provided.

Note: The RECE would be eligible for an annual wage increase as of January 1, 2026.

Example 1b - ongoing staff

RECE Program Staff hired in 2024 with a base wage before WEG funding of \$19 per hour would qualify for wage floor compensation of \$2.86 per hour.

$$\text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor} = \text{total wage}$$
$$\$19.00 + \$2.00 + \$1.00 + \$2.86 = \$24.86 \text{ per hour}$$

Eligible for \$2.86 wage floor compensation to bring total wage to wage floor



In this example, workforce compensation Funding of \$3.86 per hour would be provided (\$1 annual increase + \$2.86 wage floor) to bring the staff's total wage to the \$24.86 wage floor.

Example 2a - no increase - new hire

A RECE Program Staff hired in the current year with a base wage of \$22.87 per hour or higher would not qualify for workforce compensation as their base wage plus Wage Enhancement (WEG) would be higher than the \$24.86 per hour wage floor.

$$\begin{aligned} \text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor} &= \text{total wage} \\ \$22.87 + \$2.00 + \text{Nil} + \text{Nil} &= \$24.87 \text{ per hour} \end{aligned}$$

Workforce compensation Funding to bring wage to wage floor would not be provided.

Example 2b - no increase - ongoing staff

RECE Program Staff hired in 2019 with a base wage before WEG funding of \$22.50 per hour would not qualify for wage floor compensation.

$$\begin{aligned} \text{Base} + \text{WEG} + \text{Annual Increase} + \text{Wage Floor} &= \text{total wage} \\ \$22.50 + \$2.00 + \$1.00 + \$1.00 + \$0.50 + \text{Nil} &= \$27.00 \text{ per hour} \end{aligned}$$

Not eligible for wage floor compensation as hourly wage (Base + WEG + Annual Increase) exceeds the

In this example, workforce compensation Funding of \$2.50 per hour would be provided (\$2.50 annual increase) to bring the staff's total wage to the \$27.00 per hour wage ceiling.

INELIGIBLE POSITIONS

In accordance with Policies and Guidelines, the following positions are deemed ineligible:

- Non-RECE Program Staff/Supervisor.



- Non-Program Staff.
- Staff hired through a third party (i.e., temp agency).

Also, the wage floor and annual increase will not apply to non-Program Staff such as:

- Cook, custodial and other non-Program Staff positions.
- SNR-funded resource teachers/consultants and supplemental staff.

The only exception is if the staff is a RECE and the position spends at least 25% of their time supporting ratio requirements for children 0 to 5 years of age as outlined in the CCEYA. In this case, the staff would be eligible for the wage floor and annual wage increase for the hours they are supporting the ratio requirements.

DIRECTOR APPROVED STAFF

Qualified staff, child care supervisors, or home child care visitors who are Director Approved to be employed for these positions but do not have a RECE designation, are not eligible for the wage floor or annual wage increase supported by workforce compensation Funding. For more information on the director approval process, please refer to the CCEYA.

IMPLEMENTATION

In 2025, DNSSAB will recognize the newly enrolled Service Provider's Participation Date as the official enrolment date in the CWELCC system.

Upon being notified by DNSSAB, and as new staff are hired, the Service Provider is required to:

- Share, in writing, information about the wage floor and annual wage increases with eligible staff.
- Provide eligible staff with an understanding of upcoming annual changes to their wages because of workforce compensation Funding.



- Ensure that the information about wages must include the wage floor and required annual wage increase for each year in accordance with Policies and Guidelines.

If staff were paid lower wages than specified by the wage floor, the Service Provider who participates in the CWELCC System will issue a retroactive payment to the eligible staff of the difference, retroactive to the Participation Date. If there was an increase to wages during this period, workforce compensation should be decreased to reflect the change. Retroactive payments must be paid to eligible staff for the hours worked, regardless of whether they are employed by the Service Provider at the time that their participation in the CWELCC System is confirmed.

DNSSAB may request that the Service Provider submit additional staffing information to determine wage floor and annual wage increase entitlements. Further information may be requested to monitor compliance.

Service Providers must include workforce compensation payments in each pay cheque or payment made, not as a lump sum at the end of the year.

Service Providers participating in the CWELCC System after December 31, 2024, will not be eligible for a retroactive payment for wage compensation and will only be expected to implement the wage floor and annual wage increase on a go forward basis.

PAYMENT TO SERVICE PROVIDERS

The Service Provider will receive quarterly payments to support meeting these requirements. These payments have been incorporated into Benchmark allocations under cost-based funding for positions serving children aged 0 to 5 years.

REPORTING & COMPLIANCE REQUIREMENTS

Service Providers must ensure the funds are distributed only to eligible staff in accordance with the policies and guidelines.



For all staff and home child care visitors who meet the workforce compensation (wage floor and annual increase) eligibility requirements detailed above, DNSSAB will request a complete listing of staff by position, RECE status (RECE/Non-RECE), and hourly wage for workforce compensation entitlement. This information will be completed within the Nipissing Financial Reporting Database.

DNSSAB may also request that the Service Provider submit additional staffing information to ensure compliance with the guidelines.



SECTION 6: ONE-TIME NON-DISCRETIONARY FUNDING

Through the CWELCC System’s funding flexibility, Service Providers can receive support for one-time non-discretionary and unexpected Eligible Costs that exceed their program cost allocations (e.g. emergency capital repairs to minor assets).

To ensure a fair, consistent and transparent approach, Service Providers must complete the One-Time Non-Discretionary Funding application as needed at the site (centre-based) and Agency (home child care) level. The application must be fully complete, in the prescribed format, and include supporting documentation for consideration.

DNSSAB will consider applications throughout the year.

FUNDING

Service Providers enrolled in the CWELCC System, serving children from 0 to 5 years, can apply for CWELCC Non-Discretionary One-Time Funding to address non-discretionary cost pressures beyond their control, where other funding is not available within the agency’s cost-based allocation or reserves. For programs serving children aged 6 to 12 years, these costs will be covered by Local Priorities Funding.

Note: One-time Non-Discretionary Funding application approvals are subject to DNSSAB’s Children’s Services budget availability.

ELIGIBILITY

Costs are eligible if they are:

- Legitimately incurred for child care delivery (that is, required by a Service Provider to provide care under the CCEYA and its regulations or, if above the regulated requirements, not an optional service).
- Necessary, economical, and with due regard for health and safety.



- Non-recurring costs such as those incurred to repair or replace physical assets (e.g. emergency capital repairs to minor assets).
- Incurred in relation to the provision of child care for Eligible Children.

QUOTATIONS

It is important to note that when completing the application process, the Service Provider will be required to solicit and submit the minimum number of quotes as described in the chart below:

Quotation Requirements for Purchase of Goods and Services	
\$0 - \$24,999	1 written quote detailing purchase and/or scope of work to be completed
\$25,000 - \$49,999	2 written quotes detailing purchase and/or scope of work to be completed
\$50,000 +	3 written quotes detailing purchase and/or scope of work to be completed

In addition to meeting DNSSAB’s requirement for quotes as listed above, the Service Provider must also follow the agency’s procurement policy and process.

IMPLEMENTATION

To facilitate the application process, school age child care services (for children over 6 years of age) have been included, although these programs are not eligible for CWELCC funding. The results of this age group (school age) will help DNSSAB determine the pro-rated percentage of funding to be allocated towards the two age groups.

DNSSAB will require supporting documentation confirming eligible Non-Discretionary costs in order to verify the request.

The One-Time Non-Discretionary Funding application may be requested by emailing DNSSAB at csfundingrequest@dnssab.ca.



PROCESSING APPLICATIONS

Where all required information and/or supporting documentation is received, DNSSAB will review and process the Service Provider's application within 30 business days of the application date in accordance with established budget, priorities, Policies and Guidelines.

When reviewing and approving applications for Funding, DNSSAB will consider:

- Other revenue sources (i.e. agency reserves and non-base revenue).
- Cost effectiveness.
- Value-for money, risk management and evidence-based assessment.
- Compliance with CWELCC principles and requirements of the CWELCC Policies and Guidelines.
- Ability to stand up to scrutiny by auditors and the Ministry.
- Transparency (that is properly explained and documented).

REPORTING AND RECONCILIATIONS

Service Providers must use the Funding solely for the intended purpose. They are responsible for completing the reconciliation within the prescribed format and providing supporting documentation (e.g. confirmation of payment).

Any unused or misused funds shall be recovered DNSSAB. Additionally, non-compliant Service Providers may be deemed ineligible to receive future Funding.



SECTION 7: ADDITIONAL FUNDING CONSIDERATIONS

In addition to the Funding considerations already provided throughout these guidelines, the Ministry of Education has also identified the following measures, which DNSSAB must adhere to as part of the implementation of the CWELCC System.

DNSSAB must ensure that Service Providers follow requirements set out in applicable legislation, regulation, Policies and Guidelines, including the following parameters:

- Communicate their CWELCC System participation status to all parents and staff within 14 days of being notified by DNSSAB of their Participation Date.
- Maintain the 0-5 yrs spaces for which the Agency is receiving Funding to reduce Base Fees for Eligible Children (e.g., a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to DNSSAB and DNSSAB will determine whether this may require recovering Funding from the Service Provider.
- Licensed child care programs may not exceed two consecutive weeks of closure and no more than four weeks of closure within a calendar year while still receiving full Funding from the CWELCC System. Full parent fees cannot be charged for any closure beyond these timelines. Any closures exceeding these limits must be reported to DNSSAB, which will determine if Funding adjustments are necessary. This also applies to statutory holiday closures, as these would count towards the closure limits outlined in the Policies and Guidelines.
- For closures due to events outside a Service Provider's control (i.e., natural disaster/weather event, pandemic, school board strike) the days of closure are not counted toward the two consecutive weeks or four total weeks of closure condition.
- Complete the annual Licensed Child Care Operations Survey, as required by a Ministry director, under O. Reg. 137/15 (77). DNSSAB is required to withhold Funding to a Service Provider until DNSSAB has confirmed that the survey has been submitted. DNSSAB will receive confirmation from the Ministry upon the Service Provider's submission of the survey.



- Keep an electronic or hard copy of their Agreement with DNSSAB at the child care centre or home child Agency and make it available to the Ministry upon request.
- Maintain their licence in good standing for all licensed child care sites in accordance with the Act.
- Provide sufficient and detailed financial information related to the operations of child care for Eligible Children, fee reduction, as well as staff supported with workforce compensation.

Furthermore, the Service Provider acknowledges that:

- DNSSAB must consider whether a Service Provider’s operation is sustainable and financially viable.
- Excess Funding provided to Service Providers during the funding year, or Funding not used for its intended purpose, will be recovered.
- DNSSAB must verify that increases to parent fees in child care for Eligible Children were permitted in accordance with the requirements set out in O. Reg. 137/15, (i.e., a fee increase must be communicated to families/parents prior to March 27, 2022).
- DNSSAB may review the Service Provider’s waitlists and child care operations for eligible children for long term vacancies that continue to remain unfilled and may adjust funding where long term vacancies are identified and not mitigated.



SECTION 8: ACCOUNTABILITY

PURPOSE

Effective January 1, 2025, CWELCC funding has transitioned from a revenue replacement to a cost-based funding approach. Licensed child care centres and home child care agencies enrolled in CWELCC, serving children aged 0 to 5, will receive a notional allocation based on established provincial Benchmarks of the cost-based formula. This allocation includes funds for agencies to continue providing the Wage Enhancement Grant (WEG), workforce compensation, and other related expenses previously covered through other various funding sources.

The cost-based funding approach ensures that funding is provided based on the typical cost of delivering high-quality child care to Eligible Children.

Notional allocations are calculated per Licensed Child Care Site or Home Child Care Agency using a uniform formula for all providers. All funding parameters and controls outlined in the Policies and Guidelines apply to all Service Providers, whether they are not-for-profit or for-profit.

AGREEMENT

DNSSAB will be working with Service Providers where they wish to enroll in the CWELCC System, and they meet eligibility requirements. This will entail entering into an Agreement with DNSSAB.

A [Sample CWELCC Agreement](#) is available and posted on the DNSSAB Website.

RESERVES AND RETAINED EARNINGS

In accordance with the Agreement, Policies, and Guidelines, the not-for-profit Service Providers will be permitted to accumulate financial reserves and for-profit Service Providers will be permitted to earn retained earnings, to support with working capital requirements.



For Agencies enrolled in the CWELCC System serving children from 0 to 5 years, the reserves and retained earnings cannot exceed the reconciled amount in lieu of surplus provided through the cost-based funding.

FINANCIAL REPORTING REQUIREMENTS

Service Providers will be required to report on service data and expenditures supported by this Funding. Reporting requirements have been incorporated into Nipissing's Financial Reporting Database to reduce administrative burden, as much as possible.

On an annual basis, Service Providers will be required to reconcile all CWELCC Funding entitlements with actual expenditures by providing appropriate and detailed financial and program information related to the operations of child care for Eligible Children.

Any unspent Funding issued to the Service Provider during the funding year over and above the profit in lieu of surplus allocation, or Funding not used for its intended purpose, will be recovered by DNSSAB.

In accordance with Policies and Guidelines, DNSSAB reserves the right to review all financial components including cost and expense line items for reasonability and eligibility, while ensuring CWELCC System objectives are being achieved.

LATE SUBMISSIONS

DNSSAB acknowledges that most Service Providers submit required information on time. The late submission process ensures DNSSAB has the information required to demonstrate accountability for public funds.

DNSSAB will continue to support Service Providers with timely data and financial documentation filing through outreach, training and resources. The process for late submission of financial reports is as follows:



If a financial submission is not received by DNSSAB within the established timeline, DNSSAB will:

- Inform the service provider that the submission is overdue and allow time to remedy the situation.
- Withhold payments of any funds payable if DNSSAB determines that the service provider is in breach of any of its obligations or the warranties.

Upon submission of the requirements, DNSSAB will revert to the normal payment process and include the total amount withheld up to that point.

DNSSAB reserves the right to suspend Funding (in year or in the subsequent year(s)). If a service provider has any outstanding submissions, DNSSAB may exercise its discretion by not providing funding in the subsequent calendar year.

FINANCIAL COMPLIANCE AUDITS

As previously mentioned, DNSSAB will conduct random financial compliance audits with a sample of Service Providers each year to ensure accountability and confirm that Funds were used in accordance with the requirements of the CWELCC System, the Agreement, Policies, and Guidelines.

DNSSAB will also:

- Review and confirm that the Service Provider did not charge Rates or Non-Base Fees for Eligible Children higher than the Rates or Non-Base Fees at which it was capped after March 27, 2022 (unless the Rates were communicated to parents prior to March 27, 2022).
- Review fees to ensure that the Service Provider maintained/reduced the base fees in accordance with Policies and Guidelines.
- Verify that the Service Provider is maintaining the spaces for Eligible Children for which they are receiving Funding to reduce Base Fees (e.g., a licensed infant space must remain an infant space).



- Confirm the timeliness and accuracy of refunds/credits and Rate reductions made by the Service Provider.
- Verify that Service Provider has not charged to Eligible Families full Base Fees for any closures, including Statutory Holidays beyond the time limits as described within Policies and Guidelines.
- Verify that the Service Provider is diligently monitoring the Agency's waitlist, reviewing the operating capacity of each program, and considering the impact of short-term and long-term vacancies. In cases where long-term vacancies occur, the Service Provider is responsible to create a plan to address these. While short-term vacancies will be created from time to time, spaces should be occupied where staff are available and there is a demand for spaces.
- Review expenditures to ensure that Funds are not used towards ineligible expenditures.
- Verify that the Service Provider is providing mandated wage increases for eligible staff and continues to meet their WEG/HCCCEG and workforce compensation obligations with respect to providing wage increases to eligible Program Staff in accordance with Policies and Guidelines. Review the agencies pay schedule to ensure that WEG and workforce compensation funding has been paid in accordance with Policies and Guidelines.

The Service Provider may be required to prepare and submit additional information to DNSSAB and must ensure that its staff and board members will be available for consultation with DNSSAB upon request.

Any unspent Funds issued to a Service Provider during the funding year or Funds not used for the intended purpose will be recovered by DNSSAB.

AUDITED FINANCIAL STATEMENTS

In accordance with the Agreement, Policies, and Guidelines, the Service Provider must submit audited financial statements, prepared by a licensed public accountant, and a



Management Letter issued by the external auditor to DNSSAB within four months of the Service Provider's year-end.

The audited financial statements must separately disclose, either on the face of the statement of operations or in the notes, the categories of funding received from DNSSAB during the period. Additionally, the annual audited financial statements must clearly provide separate reconciled schedules for each category of funding received from DNSSAB and detail how this funding has been expended throughout the year. All funds received from DNSSAB must be included in this schedule.

Furthermore, the audited financial statements must include a note disclosing information related to reserves, accumulated surplus, and retained earnings for each service provided by the Service Provider.

NON-COMPLIANCE

Service Providers who are deemed non-compliant with the terms and conditions of the Agreement, Policies and Guidelines may be ineligible to receive future CWELCC Funding.



SECTION 9: ADDITIONAL INFORMATION

ADDITIONAL CWELCC RESOURCES

For additional information related to participating in the CWELCC System and the Cost-Based Funding, Service Providers are encouraged to consult the following resources:

- [Ontario Child Care and Early Years Funding Guidelines for Consolidated Municipal Managers and District Social Services Administrations Boards – Chapter 2, Division 1: CWELCC Participation Guidelines](#)
- [Ontario Child Care and Early Years Funding Guidelines for Consolidated Municipal Managers and District Social Services Administrations Boards – Chapter 2, Division 2: CWELCC Cost-Based Funding Guidelines](#)
- [CWELCC Cost-Based Funding – Child Care Centre Webinar](#)
- [CWELCC Cost-Based Funding – Home Child Care Agency Webinar](#)
- [CWELCC Cost-Based Child Care Funding Estimator](#)

QUESTIONS & INQUIRIES

Questions about the CWELCC System should be addressed to:

District of Nipissing Social Services Administration Board
Attention: Children’s Services Department, Finance and Data Coordination Team
Email: csfundingrequest@dnssab.ca

Individuals inquiring about the CWELCC System are asked to complete the “[Canada-Wide Early Learning and Child Care System Inquiry Form](#)”.

DNSSAB will review and respond to questions and inquiries within two (2) Business Days.



APPEALS

Service Providers may bring any issues regarding CWELCC System eligibility, application and Funding decisions forward in writing by completing and submitting a [Service Provider Appeal Form](#) and supporting documentation.

DNSSAB will review and respond to the Service Provider's appeal within ten (10) Business Days of receipt of the appeal.

DNSSAB WEBSITE

Please visit [DNSSAB's Children's Services website](#) for additional information, guidelines, and resources.



SECTION 10: DEFINITIONS

In this document, all capitalized terms noted below shall have the following respective meanings:

- “Act” means the [Child Care and Early Years Act, 2014, S.O. 2014, C.11](#) as amended, and the regulations thereunder.
- “Agency” means the Service Provider’s business.
- “Agreement” means the Agreement entered into between DNSSAB and the Service Provider.
- “Base Fee” means the daily rate or any fee or part of a fee that is charged to Eligible Families for child care services, including anything a Service Provider is required to provide under the Act or anything a Service Provider requires the parent to purchase from the Service Provider, but does not include a Non-Base Fee.
- “Benchmarks” means the standardized cost metric(s) published by the Ontario Ministry of Education in Schedule A of the CWELCC Cost Based Funding Guidelines.
- “Business Day” means any working day, Monday to Friday inclusive, excluding Statutory or other holidays, namely: New Year’s Day; Family Day; Good Friday; Easter Monday; Victoria Day; Canada Day; Civic Holiday; Labour Day; Thanksgiving Day; Remembrance Day; Christmas Day, Boxing Day and any other day which DNSSAB has elected to be closed for business.
- “Calendar Day” means consecutive days, inclusive of Saturdays, Sundays, Statutory or other holidays.
- “Calendar Year” means the period from January 1 to December 31 of the respective calendar year.
- “Costs” means recurring costs, incurred for an eligible centre or Agency’s daily operations (e.g. wages, food, accommodates, etc.) and non-recurring cost incurred on minor repairs to capital infrastructure or to replace, enhance or purchase minor capital assets used for regular operations (e.g. kitchen or HVAC equipment).



- “CWELCC System” means the Canada-Wide Early Learning and Child Care System for early years and child care funding provided for in an agreement entered into by the Province of Ontario and the Government of Canada.
- “Directed Growth” means DNSSAB’s local plan to target child care space growth to communities of high need. In alignment with the Province’s CWELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, DNSSAB has an approved target number of new spaces to create, supported by CWELCC funds.
- “Director Approved” means qualified staff that are otherwise approved in accordance with the Act and employed as an educator or child care supervisor or home child care visitor but do not have and RECE designation.
- “DNSSAB” means the District of Nipissing Social Services Administration Board.
- “Eligible Child” or “Eligible Children” means any child, until the last day of the month in which the child turns 6 years old; and up until June 30 in a calendar year, any child who (a) turns six years old between January 1 and June 30 in that calendar year, and (b) is enrolled in a licensed infant, toddler, preschool or kindergarten group, a licensed family age group, or home child care, as defined in the Act.
- “Eligible Costs” refers to expenses incurred in a calendar year for an eligible centre or Agency, specifically for providing licensed child care to Eligible Children. These costs must be directly related to child care provision, appropriate for the service, and reasonable in both quality and amount.
- “Eligible Families” means Full Fee parents or parents in receipt of Fee Subsidy financially responsible for the child care costs of Eligible Children.
- “Eligible Spaces” means Licensed Child Care spaces for children aged from infancy up to 6 years of age operated by a Service Provider enrolled in the CWELCC System.
- “Fee Subsidy” means financial assistance provided toward the cost of licensed child care services, licensed home child care and children’s recreation programs.
- “Full Fee” means a Parent or Guardian that is not considered to be a person in need of Fee Subsidy.
- “Funds” or “Funding” means CWELCC System funding.



- “Legacy Centres or Agencies” means
 - Eligible centres or Agencies that is enrolled in CWELCC on or before August 8, 2024, and that has maintained a CWELCC service agreement with DNSSAB since that date.
 - Centres or Agencies that submitted an application that was not withdrawn at any time following August 8, 2024, and as a result of the application was enrolled in CWELCC and maintained a CWELCC service agreement with DNSSAB since the enrolment date.
- “Licensed Capacity” means
 - For a child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care in the child care centre at one time as set out in the licence of the child care centre.
 - For home child care, the maximum number of children permitted to be receiving child care in the home at one time as set out in the agreement between the licensed home child care Agency and home child care provider.
- “Market Rates” or “Rates” means the Base Fee.
- “Minimum Wage” means the lowest permitted hourly wage by provincial law.
- “Ministry” means Ministry of Education for the Province of Ontario.
- “Non-Base Fee” means any fees charged for optional items or optional services, such as transportation or field trips, or any fees charged pursuant to an agreement between the parent and the Service Provider in respect of circumstances where the parent fails to meet the terms of the agreement (e.g. fees for picking up a child late, fees to obtain items that the parent agreed to provide for their child but failed to provide), as defined in the Act.
- “Non-Discretionary Costs” means operating costs that are essential, non-negotiable and required for the delivery of licensed child care services in accordance with the Act and its regulations.
- “Operating Capacity” means the number of children the centre/home child care is planning to serve as per the Service Provider’s staffing complement and budget, to a maximum ceiling of the licensed capacity.



- “Participation Date” means the date that the Agreement was fully executed by the Service Provider and DNSSAB, confirming the Agency’s enrolment and participation in the CWELCC System.
- “Policies and Guidelines” means the policies and guidelines of DNSSAB or Ministry, as amended or replaced or added to from time to time.
- “Program Staff” means Agency’s staff members that work in licensed child care programs to meet legislative requirement in accordance with the Act.
- “RECE” means Registered Early Childhood Educator.
- “Service Provider(s)” means a licensed child care operator or licensee, no matter the auspice (i.e. not-for-profit, for-profit, municipal).
- “Statutory Benefits” means mandatory employee benefits, which must be paid by employers as required by law.
- “WEG” means Wage Enhancement Grant.



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