

CANADA-WIDE EARLY LEARNING AND CHILD CARE (CWELCC) SYSTEM PARTICIPATION GUIDELINES

JANUARY 2026

PRESENTED BY

DNSSAB CHILDREN'S SERVICES – JANUARY 2026

District of Nipissing
Social Services
Administration Board



Conseil d'administration
des services sociaux
du district de Nipissing

Note: This is a summary/extract for informational purposes only.

For complete and authoritative guidelines, refer to the official ministry publication.

Source: Ministry of Education, published November 2025, Ministry of Education, published November 2025, [Ontario Child Care and Early Years Funding Guidelines. Chapter 2, Division 1: CWELCC Participation Guideline](#)

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DEFINITIONS

Unless otherwise specified, the terms used in this document have the same meaning as set out under the Child Care and Early Years Act, 2014 (CCEYA), its regulations and the Transfer Payment Agreement between the ministry and the Consolidated Municipal Service Manager (CMSM) and District Social Services Administration Boards (DSSAB).

“Assumed Operating Capacity” means the number of child care spaces that the ministry has estimated will be operating during the calendar year by CMSM/DSSAB. It was calculated by Canada-wide Early Learning and Child Care (CWEELCC)-enrolled licensee and rolled up by CMSM/DSSAB as follows:

- For child care centres, their operating capacity as at December 31, 2024, plus 2/3 of the difference between their licensed and their operating capacity as at December 31, 2024, to a maximum ceiling of their licensed capacity. If their operating capacity as of December 31, 2024, was higher than their licensed capacity, then it is assumed that the operating capacity in 2026 is the same as in December 31, 2024;
- For home child care agencies, the number of eligible children enrolled in home child care as at December 31, 2024;
- For new spaces, as per space targets for 2025 and 2026 in the Directed Growth Plans communicated on March 31, 2025.

“Directed Growth” means the Province’s plan to target child care space growth to areas of high need. In alignment with the Province’s CWEELCC Access and Inclusion Framework to support better access to child care for communities that have traditionally faced barriers, CMSMs/DSSABs have an approved target number of new spaces to create, supported by CWEELCC funds.

“Enrolment date” means the date when a CWEELCC service agreement between the CMSM/DSSAB and a licensee becomes effective.

“Funds” means the money the ministry provides to the CMSM/DSSAB to allocate pursuant to the CWEELCC System.

“Licensed Capacity” means:



- For a licensed child care centre, the maximum number of children, including the number in each age category, permitted to be receiving child care at one time as set out in the license of the child care centre; or
- For licensed 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.

“Operating Capacity” means the number of spaces a licensed child care centre/home child care is planning to serve as per the centre/agency’s staffing complement and budget, to a maximum ceiling of the licensed capacity.

PART 1: PARTICIPATION

A PURPOSE

Licensees that provide home child care or centre-based programs serving eligible children in Ontario may apply to participate in CWELCC through their CMSM/DSSAB, provided their application complies with the requirements of O. Reg. 137/15.

CWELCC provides the ministry with an opportunity to leverage a set federal investment envelope to address the priorities important to Ontario’s children, families, workers, and businesses.

B ELIGIBILITY

Licensees must complete and submit an application to their CMSM/DSSAB in accordance with the requirements set out in O. Reg. 137/15, as well as any local application processes and requirements established by the CMSM/DSSAB.

CMSMs/DSSABs are required to ensure that opportunities for community-based delivery participation are exhausted before direct child care delivery by the CMSM/DSSAB.

- All licensees enrolling into CWELCC need to demonstrate their financial viability to their CMSMs/DSSABs, and licensees enrolled in CWELCC need to maintain that financial viability to continue to receive CWELCC funding from CMSMs/DSSABs. For example, CMSMs/DSSABs may look for where a licensee has accumulated arrears, has not serviced their debt, or is approaching bankruptcy.



- New licensees who enroll into CWEELCC must align their base fees in accordance with O. Reg. 137/15.
- All licensees participating in CWEELCC must maintain existing (pre-CWEELCC announcement on March 28, 2022) licensed child care spaces for children aged 0 to 5 (for example, a licensed infant space must remain an infant space). Any revisions or use of alternate capacity must be reported to the CMSM/DSSAB, and the CMSM/DSSAB should determine whether this may result in a funding adjustment or recovery from the licensee.
- Licensed child care centres participating in CWEELCC must have a CWEELCC service agreement with the CMSM/DSSAB in the areas they provide care, whereas licensed home child care agencies may have multiple CWEELCC service agreements: with the CMSM/DSSAB overseeing that eligible agency (that is, the CMSM/DSSAB service area associated with secondary CMSMs/DSSABs that fund eligible agencies for homes created within the secondary service area after the specified date (refer to Chapter 2, Division 2: CWEELCC Cost-Based Funding Guideline).

C IMPLEMENTATION

Licensees must apply to participate in CWEELCC in accordance with the process set out by their CMSM/DSSAB. If a program chooses not to participate and will be operating outside of the CWEELCC system, they must notify their CMSM/DSSAB through the licence application process and inform parents/guardians that they are not participating through their parent handbook.

The parent handbook must clearly indicate whether the program is enrolled in CWEELCC or not enrolled in CWEELCC.

Funding provided through CWEELCC is specific to meeting CWEELCC objectives. Licensees enrolled in CWEELCC are not, by default, eligible to access other child care funding.

Licensees enrolled in CWEELCC will, however, now automatically receive the Wage Enhancement Grant (WEG)/Home Child Care Enhancement Grant (HCCEG) and workforce compensation in respect of children aged 0 to 5 as part of their overall program cost allocation under Cost-Based Funding, as it is included in the benchmarks. Licensees enrolled in CWEELCC must comply with the requirements surrounding WEG/HCCEG for eligible staff (for



further information on WEG/HCCEG for other licensees, please see Chapter 3, Division 1: Local Priorities Guideline, Part 2).

Other child care funding:

- CMSMs/DSSABs are able to provide Special Needs Resourcing (SNR) funding to support children and families in the CWECC program through their regular purchase of service process.
- Licensees enrolled in CWECC are encouraged to work with their CMSM/DSSAB to develop plans to increase access for children in receipt of fee subsidies and children with special needs to the licensees' child care programs.

For further details on WEG/HCCEG, SNR, and fee subsidy funding, please see Chapter 3, Division 1: Local Priorities Guidelines.

CMSMs/DSSABs must ensure that for the duration of the CWECC service agreement:

- Licensees maintain their licences to operate in good standing in accordance with the CCEYA. Both regular and provisional licences are considered licences in good standing. CMSMs/DSSABs are required to stop funding a child care program that has its licence revoked or suspended and in accordance with the terms and conditions of the CWECC service agreement.
- Licensees reduce and set base fees in accordance with O. Reg. 137/15.
- Licensees meet their workforce compensation obligations with respect to providing wage floors and increases to eligible staff.
- Licensees complete the annual data collection exercise, currently referred to as the Licensed Child Care Operations Survey, which may be amended from time to time, as required by the ministry, under O. Reg. 137/15.
 - If licensees fail to submit the required data by the compliance deadline, CMSMs/DSSABs are required to withhold funding from non-compliant licensees.



- The ministry will provide CMSMs/DSSABs with a list of non-compliant licensees, and the CMSM/DSSAB must notify these licensees that their funding will be withheld.
- CMSMs/DSSABs are responsible for reinstating funding once notified by the licensee that the data collection exercise has been fully completed.
- Licensees must submit their overdue survey information to both the CMSM/DSSAB and the ministry before funding can be reinstated by the CMSM/DSSAB
- If a licensee that is a corporation transfers shares of the corporation in sufficient numbers that would allow the person acquiring the shares to make a change to the corporation's board of directors, the licensee would remain enrolled in CWEELCC and must maintain the applicable base fee.
- If a licensee sells substantially all its assets and the purchaser obtains a new licence to operate a child care centre or a home child care agency, they will no longer be enrolled in CWEELCC and will be treated as a new licensee entirely.

1.C (1) New licensees

Child care licensees are required to set their base fees in accordance with O. Reg. 137/15 of the CCEYA.

1.C (2) New (active) home child care premises

Home child care agency licensees may have differentiated capacities by service area. If a Licensed Home Child Care (LHCC) agency oversees licensed home child care premises in multiple service areas, its licence specifies the maximum number of approved home child care premises the agency may oversee in each specific CMSM/DSSAB service area.

If CWEELCC-enrolled LHCC agencies wish to expand (for example, oversee more home child care premises than is currently set out on their licence for a given service area), they are required to demonstrate that the CMSM/DSSAB where the new premises would be located has advised that an increase in the approved capacity for their service area is eligible for CWEELCC funding before the ministry approves the revision request. For clarity, LHCC



agencies that are not enrolled in CWEELCC are not required to obtain CMSM/DSSAB approval before making a revision request.

Increases in capacity for LHCC agencies count towards the region's Directed Growth Plan targets.

1.C (3) CWEELCC Auspice Targets

Ontario is working toward maintaining the proportion of not-for-profit licensed child care spaces for children aged 0 to 5 at 70% or above by the end of the CWEELCC Agreement (March 31, 2026).

The ministry will continue to work with CMSMs/DSSABs to provide ongoing support in achieving local space creation targets as they relate to achieving auspice targets.

For the purposes of the CWEELCC Agreement, all home child care agency licensees are deemed to be not-for-profit licensed child care, regardless of auspice.

Where a CMSM/DSSAB is unable to create a for-profit space or when one becomes vacant, the CMSM/DSSAB must prioritize a not-for-profit space to fill the gap in order to meet or exceed the set auspice targets.

CMSMs/DSSABs may be required to provide information on progress made in meeting auspice targets to the ministry upon request.

1.C (4) Non-participation

Licensees that serve children aged 0 to 5 and do not participate in CWEELCC must continue to run their operations under the existing provincial licensing and regulatory framework. As of January 1, 2025, licensees that do not participate in CWEELCC must not directly receive any funding from their CMSMs/DSSABs that they may have previously had access to (for example, wage enhancements, general operating) and may continue to set their own parent fees and wages.

Licensees are required to indicate in their parent handbook that they are not participating in CWEELCC and must include their fee amounts.

If a licensee decides not to proceed with their application to participate in CWEELCC at any time, they may withdraw the application. Once enrolled in CWEELCC, if a licensee no longer



wishes to continue to participate, they may withdraw from CWEELCC and, subject to the terms and conditions of their CWEELCC service agreement with their CMSM/DSSAB and any applicable provisions in O. Reg. 137/15, terminate that agreement. CMSMs/DSSABs must not impose any additional penalties on licensees for terminating their contracts.

1.C (5) Declining an application

O. Reg.137/15, provides the reasons that CMSMs/DSSABs may decline a licensee's application for CWEELCC enrolment if:

- The CMSM/DSSAB believes the licensee is not financially viable or will not be operated in a manner that will be financially viable; or
- The CMSM/DSSAB believes the licensee will use the funding for improper purposes; or
- The program/space to be created is inconsistent with the CMSM's/DSSAB's directed growth plan. For greater clarity for parents/guardians and licensees, CMSMs/DSSABs are required to post their Directed Growth Plans, including priority neighbourhoods for CWEELCC funding, prominently on their websites.

1.C (6) Appeals

CMSMs/DSSABs are required to have a local dispute resolution process in place that is publicly posted to allow for licensees to bring forward issues regarding CWEELCC eligibility and funding decisions. Licensees must go through the CMSM/DSSAB local dispute resolution process before bringing forward issues regarding CWEELCC eligibility and funding decisions to the ministry.

1.C (7) Fees During a Closure Period

CMSMs/DSSABs should follow this guidance as part of their funding framework with enrolled licensees in respect of fees during a closure period:

- If a licensee charges fees to parents/guardians during a closure period, the licensed child care program may not exceed two consecutive weeks (10 business days) of closure, and not more than four weeks (20 business days total) of closure within a calendar year. This guidance also applies to statutory holidays. If a licensee charges



fees to parents/guardians for a statutory holiday closure, the statutory holiday would count towards the closure limits set out above.

- This guidance applies to all CWEELCC-enrolled licensed centre-based and home child care agencies during periods of closure. For greater clarity, when considering home-based child care, it applies to closures at the provider level where families are unable to access child care but are required to pay for the day.
- CMSMs/DSSABs have the discretion to further restrict the period of closure (that is, may not exceed 10 consecutive days) or to allow the calculation of closure days to be based on the school year as opposed to a calendar year, if the total number of days does not exceed the allowable amount as determined by the ministry and the CMSM/DSSAB.
- For closures due to events outside a licensee's control (for example, a natural disaster/major weather event, pandemic, school board strike) the days of closure are not counted toward the closure limits set out above.
- If a program does not charge fees for the closure period, the days of closure do not need to be counted in the closure limits set out above. In accordance with O. Reg. 137/15, licensees must disclose in their parent handbook the times when the services are offered and the holidays observed, the base fee and any non-base fees that may be charged, and whether the licensee is enrolled in CWEELCC.

D REPORTING REQUIREMENTS

CMSMs/DSSABs are required to report to the ministry the CWEELCC enrolment status of licensed child care programs with an active licence, as per the Child Care Licensing System, on a quarterly basis.

Where needed, the ministry will work with CMSMs/DSSABs for updates and data relating to, for example, applications to participate in CWEELCC, applications that have been denied, and information pertaining to priority populations or priority neighbourhoods.

Where requested, CMSMs/DSSABs are required to submit reports to the ministry at tpa.edu.EarlyLearning@ontario.ca.



Records of Enrolment

For each CWEELCC-enrolled licensee, CMSMs/DSSABs are required to maintain records of enrolment in electronic format (data and supporting documentation) and provide the following to the ministry upon request:

- Opt-in date for licensees who opted into CWEELCC on or before December 31, 2022, or application date for licensees who applied to enroll in CWEELCC on or after January 1, 2023
- Service agreement execution date (date of enrolment)
- De-enrolment notice date (date the licensee expresses in writing desire to de-enroll), if applicable
- Rationale for de-enrolment, if applicable
- Service agreement termination effective date (date of de-enrolment), if applicable.

PART 2: ACCOUNTABILITY

A REQUIREMENTS FOR CMSMs/DSSABs

To ensure the effective administration of CWEELCC, CMSMs/DSSABs must adhere to key accountability measures. The following outlines specific responsibilities and procedures:

CMSMs/DSSABs must:

- Provide CWEELCC funding to licensees with due consideration to operating capacity and enrolment changes during the year, and work with new licensees to ensure adequate funding is provided.
- Fund new active child care premises from funding provided for projected spaces to enroll in the calendar year.
- Review licensees' operating capacities and consider the impact of short-term and long-term vacancies. While short-term vacancies could be created from time to time



when children transition out of care or between rooms, spaces should be occupied most of the time where staff are available and there is demand for spaces. CMSMs/DSSABs should monitor waiting lists and long-term vacancies that remain unmitigated.

- Review licensees' child care operations for eligible children for long-term vacancies that continue unfilled.
- For newly enrolled licensees, provide funding only for the portion of the year between the enrolment date and December 31 of the calendar year.
- Have policies and plans in place for the intake of CWELCC applications and administration of funding to licensees participating in CWELCC.
- Have policies and procedures in place as part of their financial review and reconciliation process with licensees.
- Ensure funding provided to licensees as operating grants supports CWELCC objectives.
- Review and validate that the inputs for licensees' Cost-Based Funding allocation are both reasonable and consistent with licensees' operational plans (for example, assumptions about operation capacity should not be based on licensed capacity where sufficient staffing is not in place).
- Ensure that once inputs have been reviewed and confirmed, Cost-Based Funding allocations follow the established formulas and requirements as outlined in Chapter 2, Division 2: Cost-Based Funding Guideline.
- Require sufficient and appropriate information from licensees in receipt of CWELCC funding to enable CMSMs/DSSABs' verification that the funding provided was used for the purposes intended, while ensuring transparency, accuracy and accountability. CMSMs/DSSABs may request additional documentation as necessary to meet these requirements.
- Regularly review O. Reg. 137/15 to ensure they are aware of any updates made to the regulation so that they can continue to ensure compliance in support of the implementation of the fee reduction for licensees participating in CWELCC.



- Keep information collected from licensees to support implementation to the minimum amount necessary to meet the reporting requirements outlined in this Guideline while ensuring financial accountability for public funds is maintained.
- Have policies and procedures in place, as part of the year-end financial review and reconciliation process with licensees, to ensure that CWECC funding was used to support the actual and eligible costs incurred by a licensee as per the requirements of this guideline; and collect licensees annual attestations confirming CWECC funds were used for the purposes intended and according to the requirements of this guideline.
- Have policies and procedures in place with licensees to fulfill all reporting requirements to the ministry and take reasonable and progressively corrective actions where licensees do not comply with reporting requirements.

Funding parameters and controls described above apply to all licensees (not-for-profit, for-profit, and directly operated by the CMSM/DSSAB).

B REQUIREMENTS FOR LICENSEES

To provide further clarity on funding to licensees, the purpose of CWECC is not to limit or standardize a licensee's current operations, nor is it intended to come at a cost to licensees themselves, as enrolment in CWECC should not require fundamental changes to program delivery.

The ministry understands that licensees' cost structures may vary depending on the service and unique care being provided. As a result, CMSMs/DSSABs will provide funding to licensees that participate in CWECC so they can continue to operate the portion of the child care program serving eligible children based on existing cost structures while reducing their base fees charged to parents/guardians.

CMSMs/DSSABs should follow this guidance as part of their funding framework with CWECC-enrolled licensees:

- As a requirement by their respective CMSMs/DSSABs, licensees should submit an annual attestation, signed by an officer with appropriate signing authority (that is, director or equivalent), confirming that CWECC funding has been used in accordance with its intended purpose, as outlined within the parameters provided by



CMSMs/DSSABs. For clarity, this annual attestation does not replace the requirement for licensees to provide financial information and financial statements.

- Licensees must charge base fees in accordance with O. Reg. 137/15.
- Financial information, as required by CMSMs/DSSABs must be submitted to verify: a) that the funding provided was used for the purpose intended; and b) that financial viability has been maintained (which may include audited financial statements).
- Licensees must submit comprehensive and accurate operational plans to ensure that their Cost-Based Funding allocation is appropriately calculated. These plans should provide the necessary details to support the calculation and reflect the operational realities of the program.
- Vacancy rates should be managed proactively by licensees to minimize unfilled spaces. Licensees should work together with CMSMs/DSSABs on addressing vacancies effectively across eligible centres or agencies to make the best use of available resources.
- Licensees should consult with CMSMs/DSSABs if they are unsure about the eligibility of certain costs and should avoid incurring ineligible costs that may be subject to recovery as part of the financial reconciliation.
- Licensees are expected to cooperate with CMSMs/DSSABs and external auditors regarding compliance and cost reviews. This includes providing all necessary documentation related to cost-based funding, cost calculations, and service delivery.

PART 3: CHILD CARE WAGE ENHANCEMENT (WEG), HOME CHILD CARE ENHANCEMENT GRANTS (HCCEG) AND WORKFORCE COMPENSATION

Under CWELCC Cost-Based Funding, WEG/HCCEG and Workforce Compensation funding in respect of staff serving children aged 0 to 5 has been reinvested into Cost-Based Funding allocations and the enhancements are included in the program staffing and supervisor benchmarks for centres, and home child care visitor benchmark for home agencies.



For clarity, there is no longer a notional allocation for WEG/HCCEG and Workforce Compensation for these particular staff, as it is included in total amount allocated through Cost-Based Funding (see Appendix 1: Schedule A for more details on benchmarks). As of 2025, there is no longer an application requirement in respect of staff serving children aged 0 to 5.

As WEG/HCCEG funding and Workforce Compensation funding for staff is provided through Cost-Based Funding allocations, enrolled licensees must adhere to the eligibility and accountability requirements for Cost-Based Funding, Workforce Compensation, and WEG/HCCEG, as applicable.



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