

Child care and early learning updates e-newsletter

January 30, 2025

Welcome to The Regional Municipality of Durham's child care and early learning updates e-newsletter. These e-newsletters provide licensed child care operators in Durham Region with updated information related to child care.

This edition includes the following topics:

- Funding updates for 2025
- SharePoint Child Care Operator Portal feedback survey
- Funding policies and procedures for Fee Subsidy and the Canada-wide Early Learning and Child Care (CWELCC) system manual
 - Fee Subsidy attendance payment reconciliation
 - School-age rate increase requests (non-CWELCC rates)
- Attendance reporting

Funding updates for 2025

The Ministry of Education requires Consolidated Municipal Service Managers (CMSMs) to guide the financial accountability and service system management of provincial child care and early years funded services. On November 27, 2024, the Ministry of Education provided CMSMs with the new Ontario Child Care and Early Years Funding Guidelines for 2025. These guidelines provide a new funding approach for child care and early years service providers and operators.

For 2025, funding will be provided to:

- Programs serving CWELCC eligible children (ages 0 through 5 years of age)
- Programs exclusively serving non-CWELCC eligible children (ages 6 through 12 years of age)
- EarlyON service providers
- Authorized recreation programs with an existing service agreement

Beginning in January, programs serving CWELCC eligible children who are not enrolled in CWELCC are no longer eligible for direct funding from service system managers. The one exception is that existing Fee Subsidy agreements may continue to be funded until the benefitting child ages out of the program or leaves the licensee.

Parent fee reduction: Along with implementation of the new funding formula and to support the transition to an average of \$10-a-day child care fees by the end of 2025-26, families with children in programs enrolled in the CWELCC system saw child care base fees capped at \$22 per day effective January 1, 2025. Please refer to [O. Reg. 137/15](#)

under the Child Care and Early Years Act, 2014 (CCEYA) for additional information on this change.

Contractual service agreements: Existing 2022-2025 child care service agreements remain in full force and effect. The Children's Services Division (CSD) is currently updating the agreements and policies to better align with the new funding guidelines. The updated agreements will be sent to head offices via the SharePoint Child Care Operator Portal, and a reminder notification will be sent by email. Please watch for the updated service agreements in the coming weeks.

CWELCC cost-based funding implementation: Beginning January 1, 2025, licensees enrolled in CWELCC will be funded through the new cost-based funding model. Funds are provided to operators monthly, in advance. This funding model replaces the various funding types previously used to support centres enrolled in CWELCC such as revenue-replacement, general operating (GOP), wage enhancement, workforce compensation, and minimum wage offset funds. This reduces the multiple data collection sets and reconciliations needed, reducing administrative burden while supporting licensees to continue to offer quality programs.

- **Estimated allocation vs. actual cost-based funding allocation:** Eligible operators have received their estimated allocations for 2025. This funding is provided monthly, in advance. Note that these allocations are estimates based on metrics provided by the Ministry and data gathered from licensees. These estimations will be reconciled against eligible actual cost-based funding.
- **Funding recovery:** The Ministry of Education has directed CMSMs to recover all overpayments. This will be completed without exception. Reconciliation of CWELCC cost-based funding allocations will be performed periodically throughout the calendar year. The purpose of these in-year reconciliations is to identify overpayments for financial management purposes and to avoid the recovery of significant overpayments on determination of actual cost-based funding at the year-end. The first in-year reconciliation of CWELCC cost-based funding will occur for the period of January to April. More information will be provided to operators once we receive additional details from the Ministry of Education.

Local priorities funding: New for 2025, local priorities funding replaces a portion of the funding previously provided through core funding. Aspects of the previous core funding have been integrated into cost-based funding for programs serving CWELCC eligible children. Expansion and ELCC funding lines have also been merged into cost-based funding. Local priorities funding supports programs serving CWELCC eligible children (ages 0 through 5 years of age) and programs exclusively serving non-CWELCC eligible children (ages 6 through 12 years of age). Local priorities funding includes wage enhancement/home child care enhancement grants, workforce compensation and general operating funding only for programs serving non-CWELCC eligible children

(ages 6 through 12 years of age). For programs serving all age groups, local priorities funding supports fee subsidy, professional learning, special needs resourcing (SNR), capacity building, small waterworks and pay equity for eligible programs only.

- **Funding pressures:** Local priorities funding allocations provided to CMSMs is limited and has reduced the level of funding available in some areas compared to previous years. Claims-based funding such as special purpose, enhanced staffing, and capacity building have been impacted by these funding limitations. CSD is closely monitoring these funding pressures to ensure equitable support to all operators throughout 2025. Currently, applications remain closed for special purpose and capacity building funding. Ongoing funding for enhanced staffing will be limited throughout the year and adjusted as actual spending permits.

CWELCC expansion: For 2025, the Region of Durham received no CWELCC expansion spaces in community-based locations. Spaces have been allocated for previously approved school-based child care expansion projects for children 0 to 4 years of age. The Ministry of Education has advised CMSMs that a space recalibration of existing space targets for 2025 and 2026 is currently in progress, with more information to follow. Once information has been received from the Ministry, CSD will directly inform licensees who have requested CWELCC spaces. CSD will notify all operators as part of the early learning update.

Contact: Should you have questions about CWELCC, local priorities or any of the new funding guidelines, please contact Stacey.Stevenson@durham.ca or Lisa.Bruce@durham.ca.

SharePoint Child Care Operator Portal feedback survey

In October 2024, the Children's Services Division (CSD) launched a survey to collect input on how we communicate with operators and requested feedback on the SharePoint Operator Portal. Thank you to those who participated.

The results have been reviewed and CSD is working on an implementation plan to rollout key improvements. These improvements include updating current reference guides, adding a reference video, and enhancing the overall user experience. To maximize efficiencies, CSD will focus on streamlining operator folders, renaming sections and folders for greater clarity, and exploring ways to minimize administrative tasks within the SharePoint Operator Portal. CSD will also continue to explore additional options for multi-factor authentication to improve usability while still maintaining security.

Additional communications will be provided, when necessary, as changes are implemented.

Funding policies and procedures for Fee Subsidy and the Canada-wide Early Learning and Child Care (CWELCC) system manual

It is crucial that all service providers read, understand, and follow all the policies outlined in the Funding Policies and Procedures for Fee Subsidy and Canada-Wide Early Learning [manual](#). These policies are essential for ensuring compliance, accountability and maintaining consistency within our program.

Fee Subsidy attendance payment reconciliation: As per the manual's Section Four 4-020 Payment Reconciliation, reporting attendance and payment discrepancies is the service provider's responsibility. Service providers must review all approvals and communications sent from CSD to ensure compliance with the terms. The Region of Durham reserves the right to make recoveries to recoup any overpayments made by CSD to the service provider.

Any error or omission with respect to service provider payments must be reported for reconciliation **within 60 days** of the monthly attendance schedule payment in question. Subsidy payments not reconciled cannot be charged to the client.

This policy remains unchanged, but we remind service providers that it will be enforced in 2025. Please ensure all reconciliations are completed within the specified timelines.

School-age rate increase requests (non-CWELCC rates): As per the manual's Section Three 3-030 Per Diem Payments, decisions regarding approvals for non-CWELCC rate increases are based on CSD's budget for the year.

Service providers can apply to CSD for rate increase approvals. To request an increase, a copy of the "fee notice to the public" confirming the effective date must be submitted **at least 30 days in advance** to CSD.

Requests for rate increases are not automatically approved and are reviewed annually by CSD. Approved increases will not be backdated when 30 days notice has not been provided, or in the event of late submissions of the "fee notice to the public". When the "fee notice to the public" has not been received 30 days prior to the fee increase, the rate increase will be effective the first day of the month following the 30-day notice period.

Attendance reporting

CWELCC cost-based funding has begun and with it there are changes regarding attendance reporting. Effective January 2025:

- The CWELCC attendance chart will continue to be visible, but no action is required. Data in the CWELCC attendance chart will no longer initiate a CWELCC payment.
- All sites must continue to complete their operating capacity, vacancy and waitlist data for each program type monthly.

Providing accurate reporting is crucial for enhancing our understanding of your site's operations. The information provided will be used to ensure we have the latest updates and may be subject to review.