Ministry of Education

A

Part [XX]: CWELCC Cost-BasQq69 m524.52 3625Td[(B)-

DEFINITIONS

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,

A   /   A .

"active home"   ,   ,

.

"active home seat"   ,

(,

)   ,

.

"benchmark(s)"   ( )

A   .

"calendar year"   1   31.   ,

(2025"),   .

"costs",   ,   :

( )   ,   /

"eligible costs" / , :

( ) ;

( ) ; ,

( ) ,

.

, — :

( ) (-
);

( ) ;

( ) ;

( ) (
); ,

( ) , , , .

"existing centre/agency" / / .

"legacy centre/agency" / :

( ) A 14, 2024
/ A ; ,

( ) A 14,
2024, A 14, 2024
, ,
/ A
.

"licensed space" , ,
, (
) . A

.

"new centre/agency"   /
          (/   ).

"operating space"   ,
                              (

INTRODUCTION

("CWELCC Cost-Based Funding Guideline")
cost-based funding / -
( ) A 2025
/ A .

Improve access -

Principles:

Transparent: ,   /   A .
                                    /   A .

Representative:
                                                              .

Simple: .

Accountable:
                                                  .

    -   .   ,

                                                      /

    ,   .

                                        -
                                                  .

Key Concepts

                                        2022   31, 2024,

        .   137/15.

            ,   .

    2025   ,   -

                                        (   )   -
                                .

    -   /   .

        -   ,

                        1,   :
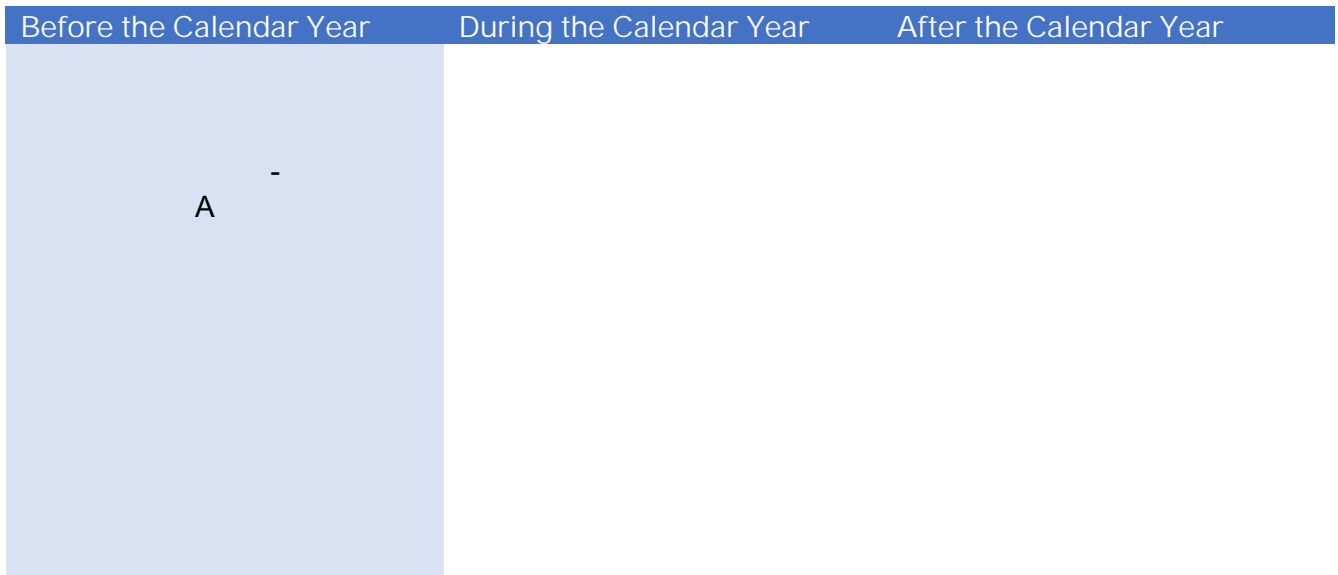
(1)   Program costs: .

(2)   Amount in lieu of profit/surplus: ,   -

                                                    ,

.

/

CONCEPT	THROUGHOUT CALENDAR YEAR (Notional "Allocations")	AT END OF CALENDAR YEAR ("Actuals", after reconciliation)
PROGRAM COSTS	PROGRAM COST ALLOCATION	

Process Cycle for CMSMs/DSSABs

Before the Calendar Year	During the Calendar Year	After the Calendar Year
A		

PART 1: COST-BASED FUNDING ALLOCATION

Overview

A   /   Cost-Based Funding Allocation
                                                                    .   -
                    A   (1.1)   Program Cost Allocation;   (1.2)
Allocation In Lieu of Profit/Surplus;   (1.3)   /   Expected Base Fee
Revenue Offset.

A   ,

1.1   Program Cost Allocation   :

        ( )   Benc I616.64 68791791.888613 IW*nBT/F0 12 Tf56.64 635.408613 Td[(f)-2(u)-4(n)-4(d)2(i)4

(-),

<< ( )>>.

. Rolling top-up / 2025

- previous (- ,

- , - ,).

(_____

_____ 2025.)

/

A .

1.2   The Allocation In Lieu of Profit/Surplus   :

( )   Base rate amount   4.25%   -

.

( )   Plus a premium rate amount   3.5%   .

( )   Plus a flat amount $6,000   /   .

1.3   Expected Base Fee Revenue Offset: ,

1.1   1.2,

/

/   A   -   A   ,

A   -   A   .

-        ,

A   /   ,

/   A .

Information Required to Calculate Program Cost Allocations

- o   ;
- o   ;
- o   /
                ;
- o   A   /
                              .

                /   (2025   ),   - :
- o   (,
          );
- o   2025;
- o   2023   (
          ),   .

                    A   6 456.848613   ( )8( )-4( )1( )25( )-2( )288613

F   ,   -

         (

      .   137/15),   -

(   )   (

        .   137/15).

         ,

           ,   .   137/15

G   (A)

H   A   (A)

I

J   (   )   (A)

K   -   ,

L   (   )   (A)

M   ,   .   137/15

(3/10   ),   ,

(1/5)

N

       :

O   (A)

P   -   ,

"B" - ,
, ;
,

"C" (A),
(
).

, ——————— ,
100 -

,

"D"   ;

"E"   (A);

"F"   ,   -
                              (
            .   137/15),   -   (
)   (
                                                      .   137/15).
              ,
                    ,   .   137/15;

"G"   (A),
            (
).

              ,   _____   ,   15
                        (;   1/5)   30   /
(;   1/15)   ,   15   (1/5) / (15   (1/5))
+ (30   (1/15)) = 3/5,   60%   100   ,
                                                    :

Illustrative Supervisor
Component Calculation:

A.3 *: A*

"B"   -   ,
                                    ,   .

     ,

"U"   (   )

  /   ,   12.

             ,   ‾‾‾‾‾‾   ,
                    5   ,   261   ,
                    :

Illustrative Agency Operations Calculation:	S		P	+	T	U	=	Total

,

/   A   ,   A   (,   A   ),

A   .

1.1(b): Add Top-Up Allocation (if applicable)

A

,   ,

/   .

,   -   ,

:

A legacy top-up   /

-                    ,

.

/

-                         . (_____ 2025

-            2025.)

A growth top-up   /   ,   /

/   .

.

A rolling top-up   /   -

(-   ,   -   ,   -   ,   ).

.

(_____ 2025.)

1.1(b)(i) Legacy Top-Up (applies only to 2025 and only to legacy centres/agencies)

<u>STEP 1</u>: Calculate the legacy centre's/agency's legacy costs for existing licensed spaces or active homes (if applicable)

2025   /   .

/   2023   ,

,   ,   .

<u>STEP 1a</u>: Calculate 2023 Adjusted Costs

2023

(,   ),   2023 (

).   ,   2023

.

/   2023

(,

,   ,   ),

,   2023   ,

12.   ,   /

/

A   .

/   2023   (

,   /   2024)

STEP 1c: Add 2025 "workforce funding

1.2 Allocation in Lieu of Profit/Surplus

-   A   ,

1.3 Expected Base Fee Revenue Offset

A   /   A   A   /
                                                                                                    ,
                                (,   ).

1.3 (a) Estimated Base Fee Revenue: Child Care Centres

                    ,   .   ,   ,
                                ,   ,
            ,   ,
        .   ,   .

1.3 (b) Estimated Base Fee Revenue: Home Child Care Agencies

                    ,   ,
                                .   ,   ,
                                                                        ,
                                                            ,   ,
                                                                                    .   ,
                                                                                                                        .

1.3 (c) Expected Base Fee Revenue Offset (Adjusted for Maximum Vacancy Rate)

            /   A   ,   ,
                            A   (,   ,
            ,   )
                        1.3( )   1.3( ).   /   A
                                    ,   -   ,   .
                        (,   ),
                            0.90   2025,   0.95

A

/ A

/ A

/ A

(2,

/ A

A -

,

(,

/ A .

,

/ A

,

CMSM/DSSAB	Funding Responsibilities
	8 359.150 0 0 / 0 11.0

/ A (
), A .

A .

PART 3: ACCOUNTABILITY FRAMEWORK

3.1 Applying the Principle-Based Definition of Eligible Costs

/   A/   /   -
                                          -        2025   ,   2025   ,
        A   -

( )

(

).

Specific Rules for Assessing Eligible Costs

-

,   ,
,   ,   -   -   :

(1)

(4) Capital Renewal for Major Repairs of Sites of Existing Spaces

.

,   ,

.   137/15,   ,

,   ,   .

(,   )

.

(5) Costs for ineligible children

(

,   6   12)   (,   1( )

,   ).

(6) Financing Costs exceeding Canada Small Business Financing Program Rates

(,   3%

5%   ).

.

(7) Penalties, fines, forfeitures, or liquidated damages

A

Examples: Assessing Eligible Costs

,   .   ,
( )   (   ),   .

Description	Analysis
Accrued interest on shareholder equity	, .
Audit services	

3rd party mortgages - principal and interest	, . , (,), . / A. , - (, -).

Loans where the lender is a shareholder (including mortgages)

(,   ,
).

                                                    ,

                              -            ,   '   .

(5)   ,

    /   A

31, 2024, / A

2025

, / A 5% /

- / A

A

(,)

A

<< ( )>>

, / A

/ A

/

A . A

/ A

A - ,

/ .

A -

3.3 Cost Reviews

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/   A   (2025)   (

2025)   /   -   ,

.

,

(,   )   ,

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Cost Review Selection

/   -   ,

-   (2025   )   -   (2025)   /

,   /   A -

(   )   .   /

(,   /   ).

31   ,   /

A   ,   /   A

:

(1)   10   /   -   ,

(2)   /   ,

.

31   .

Cost Review Process

/   ,2 791   659   (()3(2)-4())

'

;

, ( );

, .

Schedule C: 2025 Growth Multipliers

Geographic Adjustment Factor Region	Service System Manager	Growth Top-Up
1. -		0.15
		0.15
2.		

Schedule D: 2025 Case Examples

Representative example #1 (small centre)

A   "Ottawa – City"   in a community setting
24 preschool spaces for 261 days (,   ), running at 100%
capacity. $22.

(1) Program Cost Allocation

Calculate cost-based benchmark allocation, adjusted for geographic differences.

Step 1: Calculate unadjusted benchmark allocations.

Program Staffing Component Calculation:	A		B		C	=	Total
	$39.23		24 261 = 6,264		1.134	=	$278,665.44

(3) Expected Base Fee Revenue Offset

Daily base fee		Number of operating spaces expected to be charged this fee		Number of service days these spaces would be charged this fee	=	Total
$22		24		261	=	$137,808
Estimated base fee revenue						$137,808
A						0.90	x
Expected Base Fee Revenue Offset						$124,027.20	=

Total Cost-Based Funding Allocation:

A		$558,356.23
A	/	$46,723.59	+
⬇		$124,027.20
Total Cost-Based Funding Allocation		$481,052.62	=

Representative example #2 (small-medium centre)

<table>
<tr><td>A</td><td>"London"</td><td>(</td><td>/ A</td><td>,</td><td>,</td></tr>
<tr><td>.</td><td>) in a school setting</td><td colspan="2">26 kindergarten spaces</td><td></td><td></td></tr>
<tr><td>1/2</td><td colspan="3">15 primary/ junior school spaces for 202 days (</td><td></td><td>,</td></tr>
<tr><td></td><td>).</td><td>15 /</td><td>(1/2)</td><td></td><td>, running</td></tr>
<tr><td colspan="5">at 73% capacity.</td><td>$13.</td></tr>
</table>

(1) <u>Program Cost Allocation</u>

Calculate cost-based benchmark allocation, adjusted for geographic differences.

Step 1: Calculate unadjusted benchmark allocations.

Program Staffing Component Calculation:	A		B		C	=	Total
	$15.03		26 202 = 5,252		1.134	=	$89,515.19

(3) Expected Base Fee

Representative example #3 (medium-large centre)

A   "Toronto – surrounding areas"   (/   A
                ,   ,   ,   ) in a community setting   88 age 0-
5 spaces (10   , 30   ,   48   ) for 261 days (

Operations
Component (fixed) Calculation:

J		K	=	

Add to benchmark allocation: legacy top-up.

	$1,265,217.53	
⬇	$1,751,356.09	
Legacy top-up ($0)	$0	=
⬇	$1,751,356.09	+
Program Cost Allocation	$1,751,356.09	=

(2) Allocation in Lieu of Profit/Surplus

A / , $1,751,356.09

- $0, :

1. 4.25% ($1,751,356.09 + $0) = $74,432.63
2. 3.5% $1,751,356.09 = $61,297.46
3. $6,000

$141,730.09 (8.09% A).

(3) Expected Base Fee Revenue Offset

Daily
base
 fee

Accommodations

0-5　　　　　　　　　1.1( )( ),　　　　　　　　:

:
- o 0-5: 6 (3/10) 10 + 15 (1/5) 10 + 16 (1/8) 10 + 26 (1/13) 5 = 78
- o 6-12: 30 (1/15) 5 = 10
- o : 78 / (78+10) = 88.64%

:
- o 0-5: 6 (3/10) + 15 (1/5) + 16 (1/8) + 26 (1/13) = 8.8
- o 6-12: 30 (1/15) = 2
- o : 8.8 / (8.8+2) = 81.48%

A :
- o 0-5: 10 (1/10) + 15 (1/15) + 24 (1/24) + 78 (1/26) = 6
- o 6-12: 60 (1/30) = 2
- o : 6 / (6+2) = 75%

, 　　　　　　　　　2023 $1,472,620.40,

:

Eligible costs related to program staffing:	
(1,080,000 88.64%)	957,312
凵 (60,000 88.64%)	53,184
(80,000 88.64%)	70,912
(12,000 88.64%)	10,636.80
Eligible costs related to supervisor:	
(125,000 81.48%)	101,850
凵 (30,000 81.48%)	24,444
(8,000 81.48%)	6,518.40
(5,000 81.48%)	4,074
Eligible costs related to accommodation:	
(70,000 75%)	52,500
(10,000 75%)	7,500
(5,000 75%)	3,750
Eligible costs related to operations:	
A (10,000 88.64%)	8,864
A (3,000 88.64%)	2,659.20
(110,000 88.64%)	97,504
(20,000 88.64%)	17,728
(50,000 88.64%)	44,320
(10,000 88.64%)	8,864
TOTAL ELIGIBLE COSTS	$1,472,620.40

(2) Allocation in Lieu of Profit/Surplus

A   /   , $1,349,001.79
                           -            $441,971.92,   :

1. 4.25%   ($1,349,001.79 + $441,971.92) = $76,116.38
2. 3.5% $1,349,001.79 = $47,215.06
3. $6,000

$129,331.44 (7.22%   A   ).

(3) Expected Bc1

Representative example #5 (home child care agency)

A	10 active homes (	35	)

0.9004 file2.5 (2)2 l 0 36o23whcn301 (o)1s3 115.32 725.289 Td [(t)-13.102 (a)3.704 (t)-3.904 (i)-4.799 (v)2

Step 2: Sum components and apply GAF.

(3) <u>Expected Base Fee Revenue Offset</u>

Daily base fee	Number of active home seats expected to be charged this fee	Number of service days these active home seats would be charged this fee	=	Total