



WELLINGTON-GUELPH CANADA-WIDE EARLY LEARNING CHILD CARE (CWELCC) START-UP GRANTS

START-UP GRANT APPLICATION INFORMATION AND GUIDELINES

PURPOSE

Ontario's Action Plan for implementing the Canada-Wide Early Learning and Child Care (CWELCC) system includes developing a framework for targeted space creation and providing funding for start-up grants to support the creation of new, affordable child care spaces for children under age six in targeted locations and for populations most in need.

Start-up grants will support directed growth by enabling space creation in neighbourhoods that have had historically lower rates of space availability that may not be accommodated through natural growth.

APPLICATION PROCESS

Funding for start-up grants is available to support the creation of new licensed spaces approved for enrolment in CWELCC in alignment with the Directed Growth Plan for the Wellington Service Delivery Area. Child care operators, including child care centres and home child care agencies, must apply for start-up grants from the service system manager where the proposed new spaces are located.

As the service system manager for the County of Wellington and City of Guelph (Wellington-Guelph), the County of Wellington is responsible for administering the application process in this service area. The application process must capture details on how the projects will improve access to licensed child care in communities with vulnerable children and children from diverse populations including:

- children living in low-income families
- children with special needs
- Indigenous children
- Black and other racialized children
- children of newcomers to Canada
- Francophone children

The application must include an estimated date for the creation of the new licensed full day spaces, and this date should be within the date of the application to December 31, 2026.

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ELIGIBILITY CRITERIA

In keeping with the ministry's commitment to support all child care operators regardless of auspice, for-profit and not-for-profit child care operators (licensees) who are enrolled in the CWELCC system will be eligible to apply for start-up grants.

Note:

The County of Wellington may provide start-up grants to eligible projects that align with the Directed Growth Plan for the Wellington Service Delivery Area. Expenditures from years prior to the Ministry's implementation of the Start-Up Grants (e.g. 2022 or earlier) are ineligible.

To access funding for start-up grants, the County of Wellington will require a commitment from the applicant to:

- Participate in the CWELCC system for at least 7 years after opening the new child care spaces (that is, from the first day of operation).
- Spend the start-up grant from the date the service agreement between the applicant and the CMSM/DSSAB is executed to December 31, 2026.
- Prioritize the creation of and access to new licensed full day spaces for children birth to 4 years in communities with vulnerable children and children from diverse populations, including, but not limited to, children living in low-income families, children with disabilities and children needing enhanced or individual supports, Indigenous children, Black and other racialized children, children of newcomers to Canada, and official language minorities.

INELIGIBLE PROJECTS

Start-up grants exclude capital projects for licensed child care programmes for kindergarten and school-aged children and before and after school programmes.

ELIGIBLE EXPENSES

Start-up grants must fund projects required for child care facilities to be created, retrofitted, renovated, and/or expanded to accommodate a maximum group size for each age grouping for children under the age of six.

The County of Wellington may enter into service agreements with child care operators to flow start-up grant funding, regardless of head office location.

Eligible centre-based applicants will be able to receive a grant of up to \$350,000 for every 20 child care spaces created. Home child care agency applicants will be able to receive grants of up to \$1,200 per CWELCC space created, to a maximum of \$7,200 per home child care provider.

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Eligible expenses for licensed child care centres:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 19 of O. Reg. 137/15 under the *Child Care and Early Years Act, 2014*.
- Non-consumable supplies/equipment to support the ongoing regular operation of the child care programme (for example, appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- Renovations, additions, or repairs to licensed child care facilities or potential child care facilities as approved by the County of Wellington.
- Changes to outdoor play space that are required as a result of the expansion of child care spaces in the centre so that the child care operator (licensee) continues to comply with Section 24 of O. Reg. 137/15 under the *Child Care and Early Years Act, 2014*. Funding to cover the costs incurred to make outdoor play space changes are subject to the overall project cap of \$90 per square foot to a maximum of \$350,000 per 20 child care spaces created.
- Leasehold improvements.

Eligible expenses for home child care licensees:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 27 of O. Reg. 137/15 under the *Child Care and Early Years Act, 2014* that can be transferred between home child care licensees as required.

Ineligible expenses

- Purchase of land or buildings.
- Debt costs including principal and interest payments related to capital loans, mortgage financing, and operating loans.
- Property taxes.
- Expenditures related to 6-12 age groups.
- School-based child care spaces.
- Indoor and outdoor renovations, additions or repairs to home child care provider premises or potential home child care provider premises.

Start-Up expenditures before project approval

Eligible expenditures that fall within the scope of eligible start-up project expenses incurred prior to receiving approval and entering into a funding agreement for CWELCC start-up funding will be reviewed by the County and may or may not be approved.

The County takes no responsibility for any financial investment the provider makes prior to entering into a start-up grant funding agreement, for instance debt costs including principal and interest relating to loans and mortgages.

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IMPLEMENTATION

As part of the regular annual financial reporting process, the County of Wellington will return to the ministry any funding that was:

- Not committed to applicants by December 31.
- Committed but not paid to applicants by December 31 of the year when the project was supposed to complete.
- Recovered from applicants who withdrew from CWELCC, ceased operations prior to March 31, 2026, or used funds on ineligible expenses.

Where projects have unspent funding by the end of the project term (on or before December 31 of the year that the project was started for completion, or funding was not used for its intended purpose, it must be recovered by the County of Wellington.

Wherever possible, the County of Wellington will provide funding to applicants on demonstrated cash needs and minimize large advance lumpsum payments. For example, the County of Wellington could provide funding on milestones such as 20% of the approved funding upon execution of the service agreement, 50% upon confirmation of receipt of construction permits, 20% upon confirmation of structural framing for renovations or additions, and 10% upon confirmation of a child care centre opening for business.

The County of Wellington will ensure applicants complete work and use the start-up grant funding before December 31 of the year when the project was to create the new licensed spaces. For example, an applicant with a service agreement referring to a project set for completion by November 30, would have until December 31, to complete the work and use the funds provided.

ACCOUNTABILITY REQUIREMENTS

Child care operators must track and report start-up grant expenditures separately from other CWELCC and child care administration.

The County of Wellington has policies and procedures in place with child care operators to fulfill all reporting requirements to the ministry. The County of Wellington will take reasonable and progressive corrective actions where an applicant does not comply with reporting requirements related to Start-up Grants.

All child care operators in receipt of CWELCC funding will submit audited financial statements to the County of Wellington, which must include verification that the funding was used for the purposes intended.

Any unspent funding provided to applicants during the funding year, or funding not used for its intended purpose, will be recovered by the County of Wellington, and returned to the ministry. This may also include the right to withhold payment or to reduce funding to an applicant when the applicant does not meet the obligations related to the use of start-up grants.

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OTHER REQUIREMENTS

Successful applicants will develop a plan to increase access for children in receipt of fee subsidy and children with special needs to their child care programmes, which will be submitted to the County of Wellington.

APPLICATION PROCESS

The County of Wellington is responsible for administering an equitable and transparent application process for child care operators to apply for start-up grants. This is achieved by submission of an application and evaluation by a panel. All child care operators that have had their request to enroll in the CWELCC System approved by the County, and whose projects involve the creation of new spaces (e.g. are not existing spaces currently not enrolled in CWELCC), are strongly encouraged to apply for a start-up grant.

EVALUATION PROCESS

Applications will be evaluated by a panel based on the following criteria:

- Cost effectiveness
- Available operating funding
- Capacity of programme to access funds through other means
- Programme budget and financial history
- Child care licensing history
- Current licensed and operational capacity
- Age groups
- Long-term viability
- Investment in quality programming
- Demonstrated alignment with the Directed Growth Plan for the Wellington Service Delivery Area

FUNDING DECISIONS

The County of Wellington will review all applications and applicants will be provided written notification of the County's decision. Applicants should be aware of the following:

- The application assessment process will be competitive.
- An application does not guarantee any level of funding.
- It is up to the applicant to ensure they have complied with all requirements and provided all necessary documentation; and
- The County reserves the right to deny start-up funding to an applicant if they are deemed to be a substantial risk, such as those with a history of misuse of funding and/or lack of financial viability.

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APPEALS

Once an application has been received with all the required documentation, the applicant will receive a decision of whether the application has been approved or declined. If the start-up grant application is declined, the applicant may appeal the decision by completing the following steps:

- Indicate in writing by December 31 of the calendar year from which the application was declined that they are appealing the decision.
- The applicant must provide reasons as to why the start-up funding is required.
- The applicant must include all original information provided and any additional information that the applicant believes will be relevant to their case.

The decision of appeal will be made by the Director of the Children's Early Years Division, who will review the information provided and notify the applicant of the decision in writing.