

2026: EYCC04

TO: Consolidated Municipal Service Managers (CMSMs) and
District Social Services Administration Boards (DSSABs)

FROM: Matthew DesRosiers, Director, Funding Branch
Whitney Wilson, Director, Early Years Branch
Early Years and Child Care Division

DATE: July 21, 2026

SUBJECT: July Updates to 2026 Ontario Child Care and Early Years Funding

Thank you for your ongoing leadership and commitment as we continue to invest and make strides in our work together to deliver affordable, accessible, inclusive and high-quality child care to Ontario's families.

The ministry recognizes that CMSMs/DSSABs continue to play a critical role in the implementation of Canada-wide Early Learning and Child Care (CWELCC) and in support of the ministry's engagement with the federal government, and appreciates the time and effort required to provide additional information and respond to ministry requests.

As you may be aware, on June 19, 2026, the federal government announced an additional \$5.4 billion nationally over the current and next fiscal year for the CWELCC system. We will continue to engage with the federal government to advance a sustainable path forward for the CWELCC system in Ontario and remain committed to keeping CMSMs/DSSABs informed as such discussions unfold. In the meantime, this memo provides supplemental technical updates and information to support municipal planning for 2026 and beyond, including:

- Details on the Information Technology (IT) Modernization Transformation Fund;
- 2026 incremental allocations for EarlyON programs;
- Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG) sustainability;
- Updates on CWELCC space target monitoring and a "mini" recalibration;
- 2025 Early Learning Child Care (ELCC) Infrastructure Fund and Start-up Grants Reporting;
- Innovation Fund Outcomes Reporting Framework; and

- Guideline updates to continue to improve clarity and transparency of the ministry's guidance on child care and early years funding, as well as providing details on the IT modernization initiative.

Child Care and Early Years IT Modernization Transformation Fund

As you know, the ministry is developing a new child care and early years digital tool ("new digital tool") as part of the child care and early years IT modernization initiative.

The ministry is providing time-limited funding to support CMSMs/DSSABs and EarlyON service providers (including Indigenous-led EarlyON Child and Family programs) with the implementation of the first release of the new digital tool.

The new digital tool will have four unique releases, released over multiple years, focusing on:

1. EarlyON Child and Family Centres, including Indigenous-led EarlyON Child and Family programs;
2. Child care search and application;
3. Fee subsidy, including a fee subsidy estimator, application, and case management;
4. Funding, contract management and financial reporting between CMSMs/DSSABs and licensed child care centres, home child care agencies and EarlyON Child and Family Centres.

Each release will be rolled out across CMSMs/DSSABs in waves, and 2026 transition funding will be provided only to CMSMs/DSSABs transitioning to the new digital tool in this calendar year; allocations are outlined in Appendix A.

The eligibility requirements for the use of this funding are outlined in a new section of the [Ontario Child Care and Early Years Funding Guidelines](#) (Chapter 3, Division 4: Child Care and Early Years IT Modernization Transformation Fund). Note: the eligibility requirements in Chapter 3, Division 4 currently reflect the first release, and eligibility will be expanded and clarified for each subsequent release, as appropriate.

Broadly speaking, this funding is to be used for administrative and implementation-related expenditures associated with CMSM/DSSAB and EarlyON service provider transition activities, including staff time for coordination and training, development of internal business processes, translation, data migration and validation, and required hardware. For some CMSMs/DSSABs, a portion of the funding has been earmarked specifically for service providers to support their transition.

The ministry will continue to provide further information and guidance as implementation progresses across CMSMs/DSSABs and through each distinct release.

Please contact ITModernization@ontario.ca if you have any questions about this new fund.

2026 Incremental Allocations for EarlyON Programs

We are pleased to provide information on new, incremental allocations for 2026 for the EarlyON program. This builds on funding announced on August 25, 2025, and provides a total of \$17.95 million in new one-time funding to CMSMs/DSSABs for 2026 to help stabilize EarlyON programs and ensure continued access to high-quality early learning support for children and families.

EarlyON programs are vital to the communities they serve and provide high-quality early learning experiences for families. Through this funding, the ministry is taking additional steps to help address concerns from CMSMs/DSSABs about pressures EarlyON programs may be facing.

Please refer to Appendix B for details on incremental allocations.

Wage Enhancement Grant (WEG) and Home Child Care Enhancement Grant (HCCEG) Sustainability

In recent years, the number of instances where reported spending on WEG/HCCEG above allocations has increased significantly. Where necessary, the ministry has provided temporary funding to cover these financial pressures. However, this practice is creating a structural pressure that is likely unsustainable over the longer term, potentially requiring changes.

As stated in [Chapter 3, Division 1: Local Priorities Guideline](#), Local Priorities – Flexibility Funding should be used to cover any additional WEG/HCCEG requirements first to avoid the need for adjustments to budget schedules.

The ministry acknowledges that CMSMs/DSSABs are key partners in the success of Ontario's licensed child care system and recognizes the vital role that Registered Early Childhood Educators play during the critical years of a child's development. The ministry remains committed to supporting child care professionals working in eligible centres/agencies.

Ontario will continue to engage the federal government on the future of the CWELCC system in Ontario, with workforce supports remaining a key priority. Pending the outcome of these discussions, Ontario will be considering next steps to support the sustainability of WEG/HCCEG funding.

CWELCC Space Targets

Ontario remains committed to meeting its province-wide target of 86,000 net new CWELCC spaces. To support ongoing engagement, the ministry continues to closely monitor progress towards this goal and take action in support of meeting that target. To that end, the ministry has conducted a “mini” recalibration to address issues previously identified and, as a result, three CMSMs/DSSABs will see a change in their total space targets.

CMSM/DSSAB	July 2026 Recalibration	Total CWELCC Space Target
City of Greater Sudbury	+71	4,444
County of Simcoe	+64	12,993
Regional Municipality of York	-135	39,348

Corresponding funding allocations have also been updated accordingly, as shown in Appendix B. All CMSMs'/DSSABs' space targets are shown in Appendix C. For clarity, these targets represent the total licensed CWELCC spaces that should exist in your regions once growth is complete.

2025 Early Learning Child Care (ELCC) Infrastructure Fund and Start-up Grants Reporting

In March 2025, the ministry provided ELCC Infrastructure Fund funding to support not-for-profit infrastructure projects with a goal of increasing inclusion in child care for underserved communities through the creation of new CWELCC spaces. As set out in [Chapter 5: Infrastructure Guideline](#), CMSMs/DSSABs are required to submit a report back to the ministry for this funding.

Attached you will find the 2025 ELCC Infrastructure Fund and Start-Up Grant Report Back templates, which include a report back for both the ELCC Infrastructure Fund and Start-Up Grant. These reports will be used to support future policy development and meet federal reporting requirements.

Please complete the reporting templates and submit them to the ministry as follows:

- Complete all tabs for the reporting period January 1, 2025, to December 31, 2025, only.
- Submit completed reports to the ministry no later than **August 21, 2026**.
- Ensure your EFIS identification number is included in the file name.
- Submit reports via email to: earlyyears.branch@ontario.ca

Note that this data request from the ministry is in addition to the reporting requirements set out in the Infrastructure Guideline (refer to sections 1.E and 2.F).

Innovation Fund Outcomes Reporting Framework

As outlined in section 1.C of [Chapter 3, Division 2: Innovation Fund Guideline](#) and in addition to the EFIS reporting requirements outlined in [Chapter 7: EFIS Reporting Requirements](#), CMSMs/DSSABs will be required to submit an outcomes report related to their Innovation Fund projects/initiatives. A formal request for the outcomes report and standardized reporting template will follow in fall 2026.

The ministry may ask for information **per project/initiative** related to the following:

- Overview of activities and engagement: Describe the initiatives funded through the Innovation Fund and the types of partners or stakeholders consulted or engaged in developing and delivering these efforts (e.g., quotes, examples, participant feedback/surveys, number of participants).
- Reach and outcomes: Summarize who was supported (participant groups and scale) and highlight key outcomes observed, such as impacts on recruitment, retention, and the advancement of equity-informed workplace practices (e.g., concise qualitative/quantitative evidence, relevant metrics).

Information related to this request is being provided now to help CMSMs/DSSABs plan their data collection.

Updates to Guidelines

Updates to the [Ontario Child Care and Early Years Funding Guidelines](#) have been made to improve clarity and address outstanding issues:

- Chapter 1 provides clarification that cost-based funding allocations may include operating capacity or contingency holdbacks. To confirm, there are no cost-based funding holdbacks for 2026.
- Chapter 2, Division 2 provides additional clarification on the roles of overseeing and secondary CMSMs/DSSABs as they relate to funding active homes, including:
 - definitions for “new active home”, “overseeing” and “secondary” CMSMs/DSSABs;
 - clarification that active homes within secondary CMSMs/DSSABs should continue to receive growth top-up until funding responsibility is transferred to the overseeing CMSM/DSSAB after an updated specified date; and,
 - clarification for secondary CMSMs/DSSABs to inform overseeing CMSMs/DSSABs on both benchmark and growth top-up amounts paid to affected agencies.
- Chapter 2, Division 2 provides clarifications related to in-year adjustments to Cost-Based Funding Allocations, highlighting that all such adjustments must be done on a go-forward basis, including those stemming from corrections in respect of past years.

Updates to the guidelines have also been made to outline the program parameters and requirements related to the IT modernization transformation initiative:

- Chapter 1 updates to reflect the implications of release of the new digital tool on administration funding.

- ***New*** Chapter 3, Division 4 outlines the details of the IT Modernization Transformation Fund (See above).
- Chapter 6 updates to reflect the use of the new digital tool for EarlyON programs and services.
- Chapter 7 updates to outline the reporting requirements of the IT Modernization Transformation Fund.

All updated guidelines will be available on the [Funding Guidelines](#) webpage.

Next Steps

To ensure alignment with this update, Transfer Payment Agreements for 2026 will be amended and shared with affected CMSMs/DSSABs. These amendments will reflect the latest changes outlined in this memo. Amended agreements and corresponding payments based on these updates are expected to follow in the coming months.

We want to reiterate our sincerest appreciation for your continued partnership as we work towards strengthening child care and early years programs and services in Ontario.

Sincerely,

Original signed by:



Matthew DesRosiers
Director, Funding Branch



Whitney Wilson
Director, Early Years Branch

cc: Holly Moran, Assistant Deputy Minister, Early Years and Child Care Division
Karen Puhlmann, Director, Child Care Branch

Appendix A: 2026 Early Years IT Modernization Transformation Fund Allocations

EFIS ID	CMSM/DSSAB	For SSM	For Operators	Total
200	Corporation of the City of Brantford	17,773	-	17,773
202	City of Greater Sudbury	35,546	22,050	57,596
203	The City of Hamilton	17,773	-	17,773
205	Corporation of the City of Kingston	17,773	-	17,773
206	Corporation of the City of London	17,773	-	17,773
208	Corporation of the City of Peterborough	17,773	-	17,773
209	Corporation of the City of St. Thomas	17,773	-	17,773
210	Corporation of the City of Stratford	17,773	-	17,773
213	Corporation of the County of Bruce	35,546	18,900	54,446
215	Corporation of the County of Grey	35,546	10,500	46,046
217	Corporation of the County of Huron	17,773	-	17,773
220	County of Lennox & Addington	35,546	30,450	65,996
221	County of Northumberland	35,546	14,700	50,246
222	County of Oxford	17,773	-	17,773
223	County of Renfrew	17,773	-	17,773
224	County of Simcoe	35,546	38,850	74,396
225	County of Wellington	35,546	22,050	57,596
227	Corporation of the Municipality of Chatham-Kent	35,546	10,500	46,046
229	Regional Municipality of Durham	17,773	-	17,773
231	Regional Municipality of Niagara	62,205	32,200	94,405
232	Regional Municipality of Peel	35,546	61,950	97,496
233	Regional Municipality of Waterloo	17,773	-	17,773
234	Regional Municipality of York	35,546	66,150	101,696
236	United Counties of Prescott & Russell	17,773	-	17,773
300	Algoma District Services Administration Board	17,773	-	17,773
304	District of Sault Ste Marie Social Services Administration Board	17,773	-	17,773
305	District of Timiskaming Social Services Administration Board	17,773	-	17,773
306	Kenora District Services Board	17,773	-	17,773
307	Manitoulin-Sudbury District Social Services Administration Board	17,773	-	17,773
308	Rainy River District Social Services Administration Board	17,773	-	17,773
309	District of Thunder Bay Social Services Administration Board	17,773	-	17,773
	Total	773,125	328,300	1,101,425

Appendix B: 2026 Total Allocations (Revised July 2026)

EFIS ID	CMSM/DSSAB	Revised	Unchanged	Unchanged	Unchanged	Unchanged	Revised	Unchanged	New	Revised	Revised
		Total Cost-Based Allocation	ELCC Infrastructure Fund	Local Priorities Allocation	Innovation Fund	ECE Promotional Campaign	EarlyON	Indigenous-Led	Early Years IT Modernization Transformation Fund	Administration Allocation	Total 2026 Allocations
200	Corporation of the City of Brantford	37,310,616	0	6,072,987	142,010	24,978	2,546,050	815,000	17,773	749,129	47,678,543
201	City of Cornwall	20,046,332	0	5,321,815	126,304	12,073	2,068,134	0	0	584,563	28,159,221
202	City of Greater Sudbury	55,336,009	0	10,271,613	163,373	15,423	4,148,980	117,260	57,596	1,090,849	71,201,103
203	The City of Hamilton	163,388,857	841,435	32,707,815	288,336	94,342	7,400,026	1,627,615	17,773	3,270,129	209,636,328
204	Corporation of the City of Kawartha Lakes	17,235,659	4,006,832	3,389,621	117,724	9,064	1,385,798	0	0	418,772	26,563,470
205	Corporation of the City of Kingston	36,267,523	1,717,929	6,261,258	145,671	25,443	3,557,777	0	17,773	733,987	48,727,361
206	Corporation of the City of London	147,185,726	2,580,399	23,672,527	245,245	57,737	4,863,197	644,851	17,773	2,488,919	181,756,374
207	City of Ottawa	365,996,766	0	55,826,291	600,311	211,106	12,411,575	2,806,780	0	6,230,564	444,083,393
208	Corporation of the City of Peterborough	39,966,370	0	6,186,393	148,875	29,414	1,604,928	0	17,773	722,514	48,676,267
209	Corporation of the City of St. Thomas	23,064,918	950,621	4,307,931	119,156	15,268	1,408,995	0	17,773	501,579	30,386,241
210	Corporation of the City of Stratford	19,670,369	44,075	2,861,277	115,154	10,584	1,147,354	0	17,773	400,690	24,267,276
211	City of Toronto	1,171,100,716	9,246,318	202,444,795	1,157,516	215,697	34,137,632	4,783,607	0	19,163,228	1,442,249,509
212	Corporation of the City of Windsor	129,814,553	3,203,896	21,536,438	221,494	76,691	4,479,046	398,000	0	2,189,931	161,920,049
213	Corporation of the County of Bruce	21,894,391	906,996	2,825,644	120,275	7,792	1,170,094	57,755	54,446	395,115	27,432,508
214	Corporation of the County of Dufferin	21,589,464	0	2,495,065	122,220	10,057	988,105	0	0	374,457	25,579,368
215	Corporation of the County of Grey	22,703,599	0	3,876,240	128,806	13,531	1,330,712	72,221	46,046	481,565	28,652,720
216	Corporation of the County of Hastings	34,243,738	0	5,982,549	136,774	19,177	1,818,750	324,625	0	699,233	43,224,846
217	Corporation of the County of Huron	16,558,941	1,903,245	2,450,819	112,621	13,562	1,055,623	0	17,773	334,611	22,447,195
218	Corporation of the County of Lambton	36,684,976	0	8,015,575	134,114	18,091	2,862,563	340,880	0	806,281	48,862,480
219	County of Lanark	21,698,180	3,850,493	2,926,548	122,138	15,858	1,168,519	0	0	406,872	30,188,608
220	County of Lennox & Addington	11,223,819	0	2,573,601	112,557	11,763	1,060,122	307,509	65,996	338,318	15,693,685
221	County of Northumberland	17,392,338	0	3,065,169	118,634	8,754	1,078,126	167,818	50,246	388,237	22,269,322
222	County of Oxford	19,418,534	0	4,063,090	118,830	20,542	1,360,700	63,000	17,773	494,457	25,556,926
223	County of Renfrew	25,394,311	1,101,879	4,081,313	125,839	11,515	1,702,058	212,095	17,773	482,811	33,129,594
224	County of Simcoe	149,248,454	650,810	18,471,337	234,601	84,260	4,846,657	643,574	74,396	2,243,433	176,497,522
225	County of Wellington	82,222,670	2,408,073	9,253,164	164,617	23,644	2,539,498	0	57,596	1,018,794	97,688,056
226	District Municipality of Muskoka	13,732,962	324,977	2,388,339	111,437	9,095	1,054,717	0	0	326,288	17,947,815
227	Corporation of the Municipality of Chatham-Kent	31,891,474	3,918,875	7,886,377	131,510	19,084	1,654,983	151,786	46,046	723,188	46,423,323

EFIS ID	CMSM/DSSAB	Revised	Unchanged	Unchanged	Unchanged	Unchanged	Revised	Unchanged	New	Revised	Revised
		Total Cost-Based Allocation	ELCC Infrastructure Fund	Local Priorities Allocation	Innovation Fund	ECE Promotional Campaign	EarlyON	Indigenous-Led	Early Years IT Modernization Transformation Fund	Administration Allocation	Total 2026 Allocations
228	The Corporation of Norfolk County	17,814,209	0	4,180,330	123,698	12,662	1,349,528	833,000	0	470,795	24,784,222
229	Regional Municipality of Durham	227,829,460	215,367	29,319,742	386,236	75,636	5,713,018	259,485	17,773	3,337,751	267,154,468
230	Regional Municipality of Halton	234,781,911	0	24,691,407	356,666	93,008	5,306,597	0	0	2,996,849	268,226,438
231	Regional Municipality of Niagara	142,686,013	2,258,930	20,228,225	205,830	83,267	5,104,206	267,091	94,405	2,230,174	173,158,141
232	Regional Municipality of Peel	582,772,647	5,359,251	79,435,974	496,171	231,704	15,177,126	239,356	97,496	8,146,641	691,956,366
233	Regional Municipality of Waterloo	204,597,130	6,210,589	24,969,978	310,291	141,990	5,274,413	300,000	17,773	3,198,233	245,020,397
234	Regional Municipality of York	505,144,141	2,601,606	61,851,295	618,650	145,930	11,836,238	0	101,696	6,903,142	589,202,698
235	United Counties of Leeds & Grenville	26,544,546	1,121,762	3,896,817	128,763	10,181	1,277,396	0	0	492,646	33,472,111
236	United Counties of Prescott & Russell	25,550,899	0	4,273,240	127,187	23,365	2,335,524	0	17,773	585,044	32,913,032
300	Algoma District Services Administration Board	12,451,991	2,260,511	2,588,852	110,009	10,150	1,430,502	0	17,773	317,484	19,187,272
301	District of Cochrane Social Service Administration Board	24,214,680	0	5,526,002	120,423	20,573	2,602,993	137,060	0	564,014	33,185,745
302	District of Nipissing Social Services Administration Board	27,286,839	0	5,507,116	127,230	5,000	2,630,726	1,078,561	0	606,754	37,242,226
303	District of Parry Sound Social Services Administration Board	9,007,478	525,897	2,778,744	107,524	9,374	1,420,240	295,364	0	323,459	14,468,080
304	District of Sault Ste Marie Social Services Administration Board	24,595,351	0	3,972,435	121,444	12,290	1,991,446	1,905,646	17,773	453,343	33,069,728
305	District of Timiskaming Social Services Administration Board	10,150,462	0	3,606,351	114,377	5,496	1,339,018	422,118	17,773	357,386	16,012,981
306	Kenora District Services Board	36,539,139	7,062,130	3,995,691	113,168	7,358	2,007,990	3,235,809	17,773	474,231	53,453,289
307	Manitoulin-Sudbury District Social Services Administration Board	13,055,211	1,502,562	3,607,147	111,174	6,396	1,880,872	320,650	17,773	353,693	20,855,478
308	Rainy River District Social Services Administration Board	11,447,567	0	1,981,431	107,079	7,172	1,383,441	989,784	17,773	242,799	16,177,046
309	District of Thunder Bay Social Services Administration Board	38,686,245	0	7,262,820	127,938	13,903	2,958,791	1,177,410	17,773	720,143	50,965,023
PROVINCIAL TOTAL		4,927,438,184	66,775,458	754,889,188	9,500,000	2,000,000	179,870,784	24,995,710	1,101,425	80,833,095	6,047,403,844

Appendix C: Revised CWELCC Space Targets – July 2026

EFIS ID	CMSM/DSSAB	Total CWELCC Space Target
	ONTARIO	375,111
200	City of Brantford	3,888
201	City of Cornwall	2,001
202	City of Greater Sudbury	4,444
203	City of Hamilton	14,159
204	City of Kawartha Lakes	1,563
205	City of Kingston	3,238
206	City of London	12,709
207	City of Ottawa	32,833
208	City of Peterborough	3,438
209	City of St. Thomas	1,890
210	City of Stratford	1,732
211	City of Toronto	68,949
212	City of Windsor	10,302
213	County of Bruce	1,736
214	County of Dufferin	1,927
215	County of Grey	1,931
216	County of Hastings	3,096
217	County of Huron	1,269
218	County of Lambton	3,309
219	County of Lanark	1,730
220	County of Lennox & Addington	1,224
221	County of Northumberland	1,480
222	County of Oxford	1,932
223	County of Renfrew	1,904
224	County of Simcoe	12,993
225	County of Wellington	4,769
226	District Municipality of Muskoka	1,068
227	Municipality of Chatham-Kent	2,653
228	Norfolk County	1,706
229	Regional Municipality of Durham	19,327
230	Regional Municipality of Halton	19,377
231	Regional Municipality of Niagara	11,868
232	Regional Municipality of Peel	40,428
233	Regional Municipality of Waterloo	20,689
234	Regional Municipality of York	39,348
235	United Counties of Leeds & Grenville	2,251
236	United Counties of Prescott and Russell	2,965
300	Algoma District Services Administration Board	846
301	District of Cochrane Social Services Administration Board	1,834
302	District of Nipissing Social Services Administration Board	2,340
303	District of Parry Sound Social Services Administration Board	681
304	District of Sault Ste Marie Social Services Administration Board	1,596
305	District of Timiskaming Social Services Administrations Board	584
306	Kenora District Services Board	2,039
307	Manitoulin-Sudbury District Services Board	663
308	Rainy River District Social Services Administration Board	470
309	District of Thunder Bay Social Services Administration Board	1,932