



Office of the Commissioner
Community and Health Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Katherine Chislett
Commissioner of Community and Health Services

Date: March 22, 2023

Re: Update on Implementation of the Canada-Wide Early Learning and Child Care System

The early learning and child care system in York Region is the third largest in Ontario (behind Toronto and Peel Region) with more than 300 licensed child care operators. A combination of private and not-for-profit child care operators provide care in over 550 child care centres and in licensed home child care settings, with approximately 57,000 licensed spaces for children aged 0-12 years.

In March 2022, the Ontario and federal governments signed the Canada-Wide Early Learning and Child Care (CWELCC) agreement. Ontario will receive \$13.2 billion over six years. In [May 2022](#) and [June 2022](#) updates on CWELCC were provided to Committee of the Whole and Council that outlined the components of the new program.

This memorandum provides further updates on CWLECC related initiatives and priorities.

90% of licensed child care sites in York Region opted to participate in Canada-Wide Early Learning and Child Care, and parents at these sites have had fees reduced by 50%

Funding under the CWELCC agreement is to be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity. This will be done by:

- Fee reductions to reduce the cost of licensed child care for children under six to make licensed child care more affordable

- Creating new licensed child care spaces across Ontario
- Improving accessibility by addressing barriers to provide inclusive child care, making sure every child has what they need to succeed
- Valuing the early childhood workforce by providing increased compensation and training.

Operators were required to opt-in to CWELCC by November 1, 2022. Currently 90% of licensed child care sites in the Region have opted-in to participate in CWELCC, representing over 37,000 licensed child care spaces. This percentage is comparable to our Greater Toronto and Hamilton Area peer municipalities: City of Toronto at 86%, Peel Region at 95%, Region of Durham at 88%, Simcoe County at 85%, Halton Region at 87% and City of Hamilton at 96%.

Beginning in November 2022, families who had children under six years old in a participating CWELCC child care received a 25% reduction in their child care fees retroactive to April 1, 2022.

In January 2023, families received a second fee reduction, resulting in a total average fee reduction of 50%. This means, a family in York Region with an infant child, under 18 months, in licensed child care is saving an annual average cost of \$9,274 in child care fees. By September 2025, child care fees in participating CWELCC sites will be lowered to an average of \$10 per day.

Families with low incomes who receive child care fee subsidy are also eligible for reductions to the fees that they pay for licensed child care under CWELCC. As such, these families have received the same 50% fee reduction in parent fees ensuring families with low income also benefit from more affordable child care.

In 2023, York Region is receiving approximately \$257 million in CWELCC funding to cover the cost of implementing the CWELCC program.

New licensed child care spaces under CWELCC are to focus on increasing access and inclusion for populations who need them most

The Province's vision for CWELCC is that more families have access to high-quality, affordable, flexible and inclusive early learning and child care, no matter where they live.

The province has committed to creating approximately 86,000 new child care spaces for children under six years old across Ontario by December 2026. Some spaces have already been added leaving an additional 53,000 new child care spaces to be funded under CWELCC.

To create more consistent access to licensed child care across Ontario, the Province implemented an Access and Inclusion Framework. The Framework prioritizes locating new child care spaces to support the needs of diverse populations, low-income, Francophone, Indigenous, Black, and other racialized and newcomer communities, and children with special needs in underserved neighbourhoods.

Child care operators looking to open or expand into underserved neighbourhoods will be considered for CWELCC funding for these new child care spaces. However, if a child care operator chooses to open or expand in an area of the Region that is not underserved, the operator may be ineligible to receive CWELCC funding.

Information about the neighbourhoods will be available after the Ministry has finalized its space allocations, anticipated spring 2023.

York Region is advocating for additional child care spaces to better meet the needs of local communities

As part of the Access and Inclusion Framework, the province developed a model to allocate CWELCC funding for new spaces for children under six by working toward a common provincial child care access ratio of 37%. This is equivalent to one affordable child care space for every 2.7 children under six in a service system area.

To achieve this access rate target, the province calculated the number of new spaces it will allocate to each service system manager from 2022 to 2026. The allocation model was based on existing child care capacity, demographics and socio-economic data. Service system managers were given a notional space allocation that included spaces to be included in schools as well as spaces that would be in child cares in the community.

York Region's overall access rate is 55% (this means there is one licensed child care space for every 1.8 children under six) which is better than the provincial target of 37%. Despite exceeding the provincial target, the province has allocated York Region an additional 1,049 new child care spaces to receive CWELCC funding for between 2022 and 2026 (see Table 1). For a service system as large as York Region, this is a modest allocation, and it is anticipated that demand from licensed child care operators will exceed this amount. This means that any new child care spaces added in York Region above this number may be ineligible to receive this allocation of CWELCC funding, and families would not receive the associated fee reductions under CWELCC.

Staff estimate needing 7,372 spaces; well above the 1,049 allocated

The 55% access rate to child care is not uniform across the Region. Census population and children's data at the census tract level was used to analyze demographic and socio-economic statistics to identify diverse and underserved populations in all municipalities across the Region. When comparing the identified populations to the Region's access rate to child care at the census tract level, the analysis showed that additional spaces are needed to create consistent access to affordable child care across the Region.

As a result, the Region requested an increase in the child care space allocation to add 7,372 spaces in community-based child care which includes an additional 2,968 home-based licensed child care spaces (home based refers to an individual provider delivering child care from their home that is overseen by a licensed agency) (see Table 1). Requests for additional child care

spaces from service system managers are currently being reviewed by the Ministry of Education. A response is expected in Spring 2023.

Table 1
York Region Space Allocation

Child Care Type	Provincial Notional Space Allocation	Additional Spaces Requested
School-Based	391	0
Community-Based (including Home Based)	658	7,372
Total	1049	7,372

CWELCC Implementation includes challenges and opportunities for the Children’s Services System and continued investments are necessary

As CWELCC implementation continues, the 2023 priorities include both challenges and opportunities as shown in Table 2.

Table 2
Upcoming 2023 CWELCC Priorities

Priorities	Key Details
Child care workforce retention	<p>Staffing challenges and the retention of qualified Early Childhood Educators in child care centres continue to burden the sector and will impact CWELCC implementation</p> <p>Low wages in the sector remain a barrier. Improved compensation is a key factor needed to sustain and enhance the existing workforce. The province has committed to a wage floor of \$19/hour for Registered Early Childhood Educators and \$21/hour for Supervisors and Home Visitors.</p> <p>Starting in 2023, there will be a \$1/hour wage increase per year until 2026, to a maximum of \$25/hour.</p>
Implementation of the Access and Inclusion Framework will	<p>The development of a data-driven and evidence-informed child care space allocation approach for the Region is underway. This approach will ensure the distribution of new child care spaces across the Region’s local municipalities meets the provincial Framework, is focused on the communities with a lower access</p>

Priorities	Key Details
determine where new spaces will be added and support broader inclusion	<p>rate to affordable child care, and supports the populations identified by the province</p> <p>The Region will work with child care operators once the CWELCC new space allocations are confirmed by the province to identify where CWELCC spaces will be added</p> <p>The Framework aims to ensure children have access to inclusive environments where they can participate in meaningful ways and have equal opportunity to succeed</p> <p>The Region's Early Learning and Child Care Service System Plan will be updated to support broader access and inclusion across the system. Staff target submitting the updated Plan for Regional Council approval by Q2 2024</p>
New Child Care Funding Formula expected in 2024	The province has committed to implementing a new child care funding formula to bring existing funding and CWELCC funding under one formula to reduce administrative burden. A consultation process and discussion paper on a new funding formula is expected to be released early 2023.

CWELCC implementation is changing the way the child care sector is organized and structured. The Region will continue to work closely with child care operators, families and the province through this implementation to ensure that the strong foundations in the Region's system are maintained and expanded to support all children's learning and development and families' overall well-being.



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