



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: May 3, 2022

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

Through its 2021 Budget, the Federal government committed to investing in a national child care system with all provinces and territories, as well as Indigenous organizations. Agreements have been reached with all provinces and territories. Ontario will receive \$13.2 billion over six years beginning in 2022.

This memorandum provides information about the Canada-Wide Early Learning and Child Care agreement signed between the Federal government and the Province of Ontario on March 28, 2022. It also provides an overview of how the new program will be implemented in York Region in accordance with the program guidelines provided by the Ministry of Education.

York Region is the Service System Manager for the Region's Early Learning and Child Care System

The early learning and child care system in York Region is the third largest in the Province with more than 300 child care operators. A combination of private and not-for-profit operators provide care in over 500 licensed centres and in licensed home child care settings, with approximately 57,000 licensed spaces for children aged zero to 12.

Upper and single tier municipalities and District Social Service Administration Boards, including York Region, are designated child care and early years service system managers responsible for planning and managing licensed child care services and EarlyON Child and Family centres in their communities. The Region currently receives \$156 million from the Province to manage the early learning and child care system, including the child care fee subsidy program. Currently, 5,400 children are attending licensed child care and receiving child care fee subsidy. The overall average parent contribution is \$11.11 per day, and approximately 70% of these parents pay \$10.00 per day or less.

York Region will expand its role as service system manager with additional responsibility for implementing the Canada-Wide Early Learning and Child Care system

The Canada-Wide Early Learning and Child Care system will build on the success of Ontario's and York Region's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity. The initial focus of the agreement is on lowering licensed child care fees for parents of children under five years of age and addressing the low wages in the sector.

So far, the Province has set the following goals for the new Canada-Wide Early Learning and Child Care system:

- Provide a 25% fee reduction for parents to a minimum of \$12 per day retroactive to April 1, 2022. This will be followed by a second 25% reduction before the end of 2022 for a total fee reduction of 50% this year. Attachment 1 provides the projected average savings parents can expect by age grouping in each local municipality
- Achieve \$10 average daily child care fees for children five years old and younger by September 2025
- Create approximately 86,000 new child care spaces for children five years old and younger in Ontario (including 15,000 of which have already been created)
- Introduce Province-wide reforms that support the needs of diverse and underserved populations, including low-income, Francophone, Indigenous, Black, other racialized and newcomer communities, as well as vulnerable and special needs children
- Hire new early childhood educators and provide improved compensation for all Registered Early Childhood Educators working in licensed child care. The program will establish a wage floor of \$18 for Registered Early Childhood Educators and \$20 for Supervisors. It will also provide a \$1 increase per year until 2026 to a maximum of \$25 per hour
- Existing for-profit and non-profit child care operators will have the option to opt in to the Canada-Wide Early Learning and Child Care system

In 2022, York Region will receive approximately \$103 million in new funding to implement the program

This year, more than 96% of the Canada-Wide Early Learning and Child Care funding will support reducing child care fees, with the remainder used to fund wage compensation and other costs. The funding to the Region will begin to flow in monthly installments beginning in May 2022. The Canada-Wide Early Learning and Child Care agreement runs until 2026 and is considered base funding. We anticipate further funding increases as average child care fees are reduced over the next three years.

Ministry of Education guidelines set out requirements for service system managers and child care operators including:

York Region

- Participation by child care operators in the new program is optional. The Region will facilitate a process for operators to opt into or out. Operators who choose to opt in must do so by September 1, 2022
- Confirm eligibility of those operators who choose to participate based on Provincial guidelines regarding financial viability and appropriate use of funding
- Increased accountability to work with child care operators to determine eligible expenses to receive Canada-Wide Early Learning and Child Care funding
- Enter into new purchase of service agreements with all operators who choose to opt into the program and provide funding for operators to issue parent fee reductions
- Provide funding to child care operators to increase wages of their Registered Early Childhood Educators and Supervisors to the 2022 wage floor of \$18 and \$20 per hour respectively. This may impact approximately 5% of licensed child care workers in York Region this year

Child Care Operators

- Operators are responsible for communicating and issuing reimbursements to parents for 25% of fees paid retroactive to April 1, 2022, and an additional 25% reduction by the end of December, for a total fee reduction of 50% in 2022. The Region will calculate and issue funding to each operator to cover these payments
- Operators must pass on wage compensation to their staff to ensure they meet the wage floor outlined by the Province
- Operators are not expected to reduce fees or provide reimbursements until they have received Canada-Wide Early Learning and Child Care funding from the Region

This is a significant multi-year investment and ongoing work is required to assess service system and organizational implications

Research demonstrates that investing in child care not only supports children's life long learning outcomes but also creates jobs and enables parents to reach their full economic potential.

The goals of the Canada-Wide Early Learning and Child Care system and the objectives committed to in Ontario's agreement will improve the affordability of the early learning and child care sector in York Region. Reducing parent fees and increasing the number of licensed spaces is expected to increase access to high quality early learning that will benefit children and families. Attachment 2 provides information on the current child care and early years service system in York Region and additions expected with the new program.

The Canada-Wide Early Learning and Child Care System includes administrative funding to support implementation and does not require cost-sharing from the municipality. The allocation for Regional program delivery costs (administration costs) for 2022 is \$1,950,028 with no tax levy implications. Staff are working to develop the processes needed to begin program implementation as soon as possible. As the Province provides more information, the Region will work with child care operators and other partners to assess the on-going impact for services and operations.



Katherine Chislett
Commissioner of Community and Health Services



Bruce Macgregor
Chief Administrative Officer

Attachments (2)
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