



BOARD REPORT

REPORT No.: 2022-32

MEETING DATE: MAY 19, 2022

SUBJECT: CANADA WIDE EARLY LEARNING CHILD CARE

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with an overview of the Canada Wide Early Learning Child Care (CWELCC) system and the requirements under the revised Ministry of Education, Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines (2022).

BACKGROUND

On April 20, 2022 Holly Moran, Assistant Deputy Ministry, Ministry of Education, announced the implementation and details of the CWELCC as a follow up to the initial announcement on March 28, 2022.

Under the agreement with the federal government, Ontario will receive \$13.2B over six years, which Ontario will use to reduce fees for families and deliver an average cost of \$10 a day child care for eligible children by 2025.

Funding allocations were determined using data that represents the current licensed child care system and projections for the 2022 calendar year. This includes data for the *Licensed Child Care Operators Survey and the Child Care Licensing System (CCLS)*.

COMMENTS

All Child Care Licensees with programs serving children under the age of 6 (or turning 6 before June 30) are eligible to apply to participate in the CWELCC system. Existing Licensees must notify TBDSSAB as the Service System Manager by September 1, 2022 of their intent to participate in the CWELCC system. Licensees that choose not to participate may continue to operate under the existing provincial licensing and

regulatory framework and purchase of service agreement with TBDSSAB. Licensees that are not a part of the CWELCC system will not receive CWELCC system funding and may set their own parent fees.

Licensees that apply to participate in the CWELCC system are required to meet the following conditions:

- Be in receipt of an existing or new purchase of service agreement with TBDSSAB.
- Demonstrate financial viability.
- Maintain the child care fees for Licensees who were in operation as of March 27, 2022 unless a fee increase was communicated to families prior to the announcement of the CWELCC system on March 27, 2022.
- Maintain existing licensed spaces for birth – age 5 (pre -CWELCC announcement March 28, 2022). Licensees cannot convert existing birth – age 5 spaces to other age groups).

To support the CWELCC system, amendments have been made to O. Reg 137/15 and O. Reg 138/15 under the *Child Care and Early Years Act, 2014 (CCEYA)* that establish a clear cost framework to support long term sustainability of the CWELCC system. The amended regulation established include:

- an immediate fee freeze (effective March 27, 2022) on all parent fees for eligible children that remains in effect until a Licensee or Applicant notifies TBDSSAB that they are enrolling in the CWELCC system
- a requirement that Licensees enrolled in the CWELCC system reduce the daily cost of the licensed space by 25% and further reduce over time to a floor of \$12
- a requirement that TBDSSAB reduce by 25%, the parent contribution that is paid by a family receiving child care fee subsidy for eligible children
- requirements related to retroactive payments, refunds, and non-based fees
- requirement to notify parents and staff/providers regarding whether the Licensee intends to enroll in the CWELCC system
- requirements to support parental choice when a Licensee does not enroll in the CWELCC system, and
- related enforcement mechanisms.

Overview of Implementation Timelines

For Licensees participating in the CWELCC system, the 2022 fee reduction will be implemented in two phases.

In the first phase, Ontario will begin with an immediate first step of reducing child care fees for eligible children by 25% (to a minimum of \$12 per day), retroactive to April 1, 2022.

In the second phase, the parent fees for the same age group will be reduced again to reach an average reduction of 50% as of December 31, 2022. Further fee reductions

occur by September 2024, culminating in a final reduction to an average of \$10-a-day child care by September 2025.

As announced, Ontario will improve compensation for the child care workforce effective April 2022. Service Managers will receive funding to raise the wage floor to \$18 per hour for Registered Early Childhood Educators (RECEs) and \$20 per hour for RECE Supervisors, to improve recruitment and retention in the child care workforce. Going forward, RECE program staff and supervisors will receive a \$1 per hour wage increase each year from 2023 to 2026, up to a maximum of \$25 per hour.

In addition, workforce compensation funding will be provided to Licensees to offset wage increases for non-RECE staff associated with the increased minimum wage that came into effect January 1, 2022. Non-RECE staff have a wage floor of \$17 per hour including both the minimum wage and the Wage Enhancement Grant of \$2 per hour. TBDSSAB is to ensure funding provided to Licensees supports inflationary costs associated with base fees for a Licensee's child care operations for eligible children, including inflationary compensation increases for staff. Funding for 2.6% inflationary increases has been provided through the allocation in 2022.

Ontario is also working to develop a workforce strategy aimed at continuing to support improved recruitment and retention in the sector through engagement with sector partners. This will include space expansion priorities and the development of an inclusion framework to support the needs of vulnerable and diverse populations including Indigenous, Francophone, Black and other racialized, newcomer, low-income and children with special needs. In late 2022, TBDSSAB will be expected to develop a space expansion plan and build on existing community service plans.

Throughout the year, the province will also update provincial quality tools, continue to work with service system partners to review updates to the Special Needs Resourcing guideline, develop and implement a child care start-up grant program, and consult on possible additional regulatory changes such as flexible staffing requirements for child care programs serving school age children and changes to the CWELCC system application process for Licensees not yet participating.

Role of Service System Managers

TBDSSAB will continue the critical role as the designated Child Care and Early Years' Service System Manager responsible for planning and managing licensed child care services and EarlyON Child and Family Centres.

To support the CWELCC system, Service System Managers will be expected to extend funding to all eligible Licensees that choose to participate and agree to the terms and conditions under the system and the Ministry will work with Service System Managers to support children and families with accessing more affordable licensed child care. Administrative funding will be restored to the previous 10% level, reversing the reduction to 5% announced for 2022. It was recognized by the province that this is not

the time to implement the previously announced administration funding cuts. There is no indication at this time on the administrative funding rate for 2023 or beyond.

All Licensees who wish to participate in the CWELCC system will be required to work with their Service System Manager to ensure that they meet provincial requirements and agree to the terms and conditions associated with the CWELCC system. Changes to the licensing process will be introduced to ensure that Service System Managers have the opportunity to advise potential applicants of funding availability in advance of licensing.

Within the Addendum provided in an effort to support immediate and consistent implementation, the Ministry shared a sample CWELCC application form and purchase of service agreement checklist tool that can be used by TBDSSAB to begin enrollment of Licensees in the CWELCC system as early as possible.

TBDSSAB will be expected to establish policies and procedures to facilitate ongoing communication, distribution of information, and the inclusion of accessible information on our website.

Administration has been working to establish the policies, procedures, and processes to implement the CWELCC system, and anticipate meeting all required timeframes and deliverables.

Any child care licensees that wishes to participate in the CWELCC system must indicate their intent to do so to TBDSSAB by September 1, 2022, to be included in the system in this funding year. There have been no applications received at the time of this report, though many licensed operators have sought greater detail, as well as questions from unlicensed operators. Administration continues to work to provide information and clarity on this new system.

STRATEGIC PLAN IMPACT

This report supports the Strategic Plan vision of establishing flexible, inclusive services through enhanced early year and child care programs. Decisions made as a result of the new CWELCC system will continue to support the Strategic Plan.

FINANCIAL IMPLICATIONS

The new funding for the CWELCC system is 100% funded through the federal and provincial governments. TBDSSAB's allocation is as follows:



Fee Reduction	Workforce Compensation	Administration	2022 Total CWELCC Funding
\$ 3,462,782	\$ 178,312	\$ 140,135	\$ 3,781,229

CONCLUSION

It is concluded that this report provides the Board with information relative to the CWELCC system and the requirements under the revised Ministry of Education, Addendum to Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guidelines (2022). Further, all policies and plans developed for CWELCC plan will be presented to the Board at future meetings for review and approval.

REFERENCE MATERIALS

None

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