



BOARD REPORT

REPORT No.: 2022-69

MEETING DATE: NOVEMBER 17, 2022

SUBJECT: CANADA WIDE EARLY LEARNING CHILD CARE UPDATE

RECOMMENDATION

For information only.

REPORT SUMMARY

To provide The District of Thunder Bay Social Services Administration Board (TBDSSAB or the Board) with an update on the implementation of the Canada Wide Early Learning Child Care (CWELCC) system.

BACKGROUND

On March 28, 2022, the Ontario government announced participation in the CWELCC program, a national child care program aimed at lowering child care fees for parents of children under the age of 6, increasing child care spaces and supporting and growing the child care workforce. On April 20, 2022, the Ministry of Education announced the implementation and details of the CWELCC and how Ontario's child care service managers would participate in the delivery of CWELCC.

Under the agreement with the federal government, Ontario will receive \$13.2B over six years, which the province 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 represented the current licensed child care system and projections for the 2022 calendar year. This included data from the *Licensed Child Care Operators Survey and the Child Care Licensing System (CCLS)*.

All Child Care Licensees with programs serving children under the age of 6 (and up to the last day of the month they turn 6) are eligible to apply to participate in the CWELCC system. Existing Licensees must notify TBDSSAB as the Service System Manager by November 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 do not opt in to 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 to age 5 (pre -CWELCC announcement March 28, 2022). Licensees cannot convert existing birth to age 5 spaces to other age groups).

Overview of Fee Reduction Timelines

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

In the first phase, fees were frozen in March 2022 to establish a rate to facilitate a 25% rebate to families once a child care provider has opted in to CWELCC and signed the service agreement.

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 will be implemented by September 2024, resulting in a final reduction of fees to an average of \$10-a-day by September 2025.

An initial report was presented to the Board at the May 19, 2022 meeting (Report No.: 2022-32).

COMMENTS

As of November 1, 2022, 100% of TBDSSAB supported licensed child care providers have opted in to CWELCC. These service providers have been provided with new purchase of service agreements that address the CWELCC program and responsibilities, and 21 of 22 agreements have been signed and returned to date. Parent refund verification for the period of April 2022 to August 2022 has been completed by 12 service providers representing 21 of 49 centre locations, and CWELCC parent refunds in the amount of \$320,107 has been released as of October 31, 2022. Others are currently completing the refund verification. Once funds are received by the service provider, they have 20 days in which to refund and/or credit families. One program has reported issuing their refunds to families as of the writing of this report.

There is potential for growth in the licensed home child care area, with 10 new contacts being made over the past month. The licensed home child care coordinating agency, Our Kids Count, is hosting an open house for interested unlicensed providers to learn more about the benefits of entering the licensed system and being a part of CWELCC.

On August 12, 2022, the Ministry of Education updated the 2022 CWELCC Guidelines and O. Reg 137/15 to address key concerns raised by Operators and Service System Managers. Some key changes that have been made to better support participation in the CWELCC System include:

- Extending enrolment dates for Licensees to sign on to the CWELCC system to November 1, 2022
- Directing Service System Managers to process applications and confirm eligibility within 10 calendar days of date of application
- Directing Service System Managers and Licensees to execute an agreement within 30 calendar days of date of application
- Requiring Licensees to provide rebates to families within 20 calendar days of receiving funding
- Confirming that Licensees applying to the CWELCC System may withdraw their application at any time, or terminate their participation in the System, subject to the terms of their CWELCC System service agreement. CMSMs/DSSABs may not impose any penalties related to a Licensee's termination
- Clarifying that Licensees operating as for-profit corporations or individuals can continue to earn profit and Licensees operating as not-for-profit corporations will be permitted a surplus amount to build reserves or re-invest in the organization.

In addition, the ministry has added principles for CMSM/DSSABs in the updated CWELCC Guidelines to help support implementation and clarify focus for the year ahead including a focus on quality, a commitment to ongoing processing of applications and timely rebates and cost reductions for parents, protection for for-profit and non-profit spaces and a commitment to an efficient administrative system focused on collection of minimally necessary information from Licensees. TBDSSAB has complied with all the new guidelines and continues to work with the Child Care Operators to ensure a smooth implementation of the CWELCC program.

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

There are no direct financial implications as a result of this information report. The total CWELCC funding allocation for TBDSSAB in 2022 is \$3.8 million and is 100% funded



through the agreement between the Federal and Provincial governments. Administration will continue to work with child care operators to determine the amount of CWELCC funding required, in accordance with the program parameters, and ensure the funds flow through to families as required.

CONCLUSION

It is concluded that this report provides the Board with updated information relative to the CWELCC system and the status of Child Care Operators take-up under this program.

REFERENCE MATERIALS

None

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