

# Canada-Wide Early Learning and Child Care Agreement

## A Plan for Ontario Families

### Stakeholder Technical Briefing

# Canada-Wide Early Learning and Child Care (CWELCC) System

- Ontario has reached a \$13.2 billion commitment over six years with the federal government on a national child care plan that works for Ontario families, and will support Ontario to achieve average fees of \$10 per day by September 2025.
- Ontario has secured a strong deal that is **sustainable**, preserves **parent choice** and provides **optimal flexibility** for Ontario and will be implemented with the following goals:
  - ✓ Provide financial relief for Ontario families through lower licensed child care fees;
  - ✓ Enable space creation so more families can access licensed child care to support their children and participate in the workforce;
  - ✓ Support front-line workers and ensuring there are enough qualified workers to support quality programming in current and expanded spaces, and;
  - ✓ Ensure licensed child care serves everyone, including those who need it most.

# Canada-Wide Early Learning and Child Care (CWELCC) System – cont'd

- To support the child care sector implement these new measures, Ontario is committing \$395M from 2022/23 to 2026/27 to help achieve the average of \$10 /day commitment and to ensure child care workers for the 6-12 age group benefit from the wage increases committed to for child care workers for the 0-5 age group.
- This agreement complements Ontario's Full Day Kindergarten program that is available to all Ontario families and children. Over the same six year period Ontario will be investing \$21.6 billion into full day kindergarten.
- The agreement also ensures that the costs of implementing the agreement will continue to be monitored by Canada and Ontario, to ensure a sustainable future that protects Ontario taxpayers and puts parents first.
- Ontario's child care tax credit program will remain in effect. This program will continue to provide an estimated 300,000 families each year with up to 75 per cent of their eligible expenses, including for licensed child care in centres, licensed and unlicensed home-based care, camps, and other settings.
- In addition, Ontario will maintain its existing subsidy program for low income families, which provides partial and full subsidies for licensed child care for approximately 150,500 eligible children.

# Ontario's Action Plan

By September 2025, Ontario will have average licensed child care fees of \$10/day and families will have access to high quality, and inclusive licensed child care

Phase 1: Early Action

Phase 2: Next Steps



## Improving Affordability

Achieve \$10 per day average parent fees for 0-5 year olds by September 2025 through phased reductions



## Enhancing Quality

Ensure quality through strong, qualified workforce  
By 2026, ensure 60% of workforce is made up of Registered Early Child Educators  
Protect wages through new wage minimums



## Increasing Access

Create 86,000 new child care spaces above 2019 levels for 0-5 year olds by the end of 2026



## Supporting Inclusion

Support low income, vulnerable children, and children from Francophone, Indigenous, and other diverse communities to access child care



## Data and Reporting

Support successful implementation through data and reporting

# Lowering Fees, Improving Affordability



*Families will see financial relief through reduced average parent fees every year, with \$10 per-day average licensed child care fees for children under the age of six, as well as children who turn six years before June 30, by September 2025.*

## What this means for Ontario families:

- As a first step, Ontario will work with municipalities to enroll participating licensed child care operators in the new program beginning in April. Rebates to parents, retroactive to April 1, will begin in May, and will follow the enrolment of child care centres and home child care agencies into the new program. All fees for children under the age of six, as well as children who turn six years before June 30, will be frozen until licensees notify their service system managers about their decision on enrolment in the program (fee freeze will not apply to parents of school age children).
- All Ontario families with children under the age of six, as well as children who turn six years before June 30, including those receiving fee subsidies, in **participating licensed child care** will see a fee reduction of up to 25% (to a minimum of \$12 per day), retroactive to April 1 2022. These reductions will relieve parents of \$600M in child care costs.
- Parents can expect a further reduction by the end of December 2022. By December, these reductions will reduce child care fees in Ontario, on average, by 50%, and will relieve parents of an additional \$540M in child care costs. This brings the total financial relief for parents to \$1.1B in 2022-23.
- Ontario will implement another reduction in licensed child care fees in September 2024, and a final reduction to \$10 per day child care, on average, in September 2025. The average of \$10 per day <sup>5</sup> includes Ontario's current investment in child care fee subsidies.

# Lowering Fees, Improving Affordability: Examples

## Yasmin in Toronto

Yasmin lives in Toronto and has two children. She currently pays **\$72/day** in child care fees for her 18 month-old son Jacob (toddler age group), and **\$31/day** for her 5 year-old daughter Isobel.

If her child care centre enrolls in the program by December 31, her fees for Jacob and Isobel will be reduced by 25% to **\$54.00** and **\$23.25**.

For 2022, she will receive savings of **\$3,528** in fees for Jacob and **\$1,519** for Isobel, covering the reduction of fees that she paid retroactive to April 1, 2022.

## Andrew in Sudbury

Andrew lives in Sudbury and currently pays **\$31/day** in child care fees for his 18 month-old daughter Renee (toddler age group), and **\$11/day** for his 5 year-old son Germain.

If his child care centre enrolls in the program by December 31, his fees for Renee will be reduced by 25% to **\$23.25**. Fees for Germain will remain the same.

For 2022, he will receive savings of **\$1,519** in fees for Renee, covering the reduction of fees that he paid retroactive to April 1, 2022.

## Charmaine in Durham Region

Charmaine lives in Durham and has two children. She currently pays **\$52/day** in child care fees for her 18 month-old son Franklin (toddler age group), and **\$25/day** for her 5 year-old daughter Simone.

If her child care centres enrolls in the program by December 31, her fees for Franklin and Simone will be reduced by 25% to **\$39.00** and **\$18.75**.

For 2022, she will receive savings of **\$2,548** in fees for Franklin and **\$1,225** for Simone, covering the reduction of fees that she paid retroactive to April 1, 2022.

## Sameer in Halton Region

Sameer lives in Halton and currently pays **\$63/day** in child care fees for his 18 month-old daughter Tina (toddler age group), and **\$27/day** for his 5 year-old son Amar.

If his child care centres enrolls in the program by December 31, his fees will be reduced by 25% to **\$47.25** and **\$20.25**.

For 2022, he will receive saving of **\$3,087** in fees for Tina and **\$1,323** for Amar, covering the reduction of fees that he paid retroactive to April 1, 2022.

# Increasing Access



*By the end of 2026, Ontario will have 86,000 new licensed child care spaces (above 2019 levels) for children aged 0-5 years old, and will prioritize spaces in areas and for populations that need them most.*

## **What this means for Ontario families:**

- Families will have more access to licensed child care spaces, especially in those areas that need them most.
- Families in areas with historically lower supply of licensed child care spaces will be prioritized, and new licensed child care spaces will be supported through start-up grants to help establish a child care operation.
- Families can expect that space expansion plans developed by the province and municipal partners will capture a broad range of needs for child care, including those of Francophone and Indigenous families, following an engagement process.
- Children with special needs, including children with disabilities, will also be a key area of focus for engagement and space expansion.

# Enhancing Quality

 Ontario will work towards a strong, stable child care workforce to meet the demand for spaces and ensure quality in child care programming.

## What this means for Ontario families:

- A highly trained, qualified and regulated Registered Early Childhood Educator (RECE) workforce that is expected to grow as demand for child care rises.
- Measures to support and recognize the dedicated child care workforce, including professional development, training and modernized quality frameworks to support quality child care programming.
- Improved and stable compensation for staff working in licensed child care, including staff providing child care to children aged 6-12.
- Measures to increase the supply of workers, including increasing the proportion of RECEs in the child care workforce to 60%.



# Approach to Compensation Changes

## Wage Floor

- Licensees are required to bring the wage of all eligible staff up to the wage floor identified in the table below, plus benefits.
- The wage floor for 2022 will come into effect April 1, 2022. For all following years, the wage floor will come into effect on January 1 of each year.

**Hourly Wage Floor 2022 to 2026\***


	2022	2023	2024	2025	2026
RECE	\$18	\$19	\$20	\$21	\$22
RECE Child Care Supervisors or RECE Home Child Care Visitors	\$20	\$21	\$22	\$23	\$24

*\*In addition to the hourly wage, staff are required to receive benefits.*

## Annual Wage Increase

- Licensees are required to increase the hourly wage of eligible staff by \$1 per hour plus up to 17.5 per cent in benefits, on January 1st of each year from 2023 to 2026, inclusive, up to the \$25 per hour wage cap.
- To be eligible for the \$1 per hour annual increase, the staff's wage must be equal to or greater than the wage floor and less than \$25 per hour. Staff earning at or above \$25 are not eligible for the annual \$1 per hour increase.

# Supporting Inclusion

 Ontario's child care system will support the needs of low income families, Francophone communities, Indigenous communities (on and off reserve), vulnerable children and children with special needs and populations from diverse communities.

## What this means for Ontario families:

- Families can expect a broad range of needs to be included in Ontario's comprehensive plan to implement the Canada-wide Agreement, informed by engagement of key partners and stakeholders, including:
  - Francophones
  - Indigenous families and organizations (on and off reserve)
  - Racialized families
  - Families of children with special needs and organizations that support them
  - Others with barriers to access
- Ontario will review its existing licensed child care inclusion policies, including its Special Needs Resourcing Policy, to improve on existing practice.

# Data and Reporting



*Ontario is a national leader in its existing data collection and reporting, and will enhance its capabilities to monitor and evaluate implementation.*

## What this means for Ontario families:

- Families can expect more transparency to help them better understand how Ontario's licensed child care system is responding to the needs of Ontarians.
- Ontario will use data and reporting to be accountable for the progress we are making to implement the agreement: accountable to parents, to families and to the federal government.
- Families can expect that the government will use the best evidence available to monitor progress, and to use data to improve how the licensed child care system is supporting children and families across the province.

# Participation

- All licensed child care providers in Ontario are eligible to apply to participate in the CWELCC System in Ontario. Participation is optional, however encouraged so that families can benefit from reduced fees.
- Child care licensees will be able to choose to participate in the CWELCC System, or not to participate and operate outside the System.
- Licensees that choose not to participate may continue to run their operations under the existing provincial licensing and regulatory framework and purchase of service agreements with their local CMSM/DSSAB but will not receive CWELCC System funding and may continue to set out their own parent fees.



Licensees who choose to participate in the CWELCC System must indicate their intent to do so to their service system manager by **September 1, 2022.**

# Role of Licensed Child Care Programs

- Child care licensees who wish to participate in the CWELCC System will be required to notify their service system manager by September 1, 2022.
- Those licensees who do not wish to participate in the System will have the opportunity to opt out.
- The draft funding guideline addendum sets out the detailed requirements regarding CWELCC participation criteria and will be shared soon.

*Licensees will be required to meet the following conditions to participate:*

- Have or enter into a new **purchase of service agreement** with their service system manager
- Demonstrate **financial viability**
- Maintain **current parent costs** unless a fee increase was communicated to families/parents prior to the announcement of the CWELCC System.
- Maintain **existing licensed spaces** for ages 0-5. Licensees may not convert existing 0-5 spaces to other age groups

# Fee Freeze

Ontario is working to support a sustainable and smooth transition as the CWELCC System is rolled out across Ontario.

As a result, effective immediately **all licensees** (except those offering programs on reserve) are prohibited from increasing their fees charged to parents of eligible children. Fees cannot be higher than the amount charged on March 27 unless a communication has already been provided to parents advising of the planned fee increase.

Licensees that do not wish to participate in the CWELCC System and wish to have the restriction on fee increases lifted must complete an opt out form and send it to their service system manager. Licensees will also have the ability to advise the Ministry of their decision to opt out of the CWELCC System by uploading this document into CCLS. Further details on how to do this will be provided in the near future.

# CWELCC Regulatory Amendments

- Fee Freeze: fees cannot be higher than the amount charged on March 27, 2022 (see previous slide).
- Licensees are required to advise parents whether they intend to enrol in the CWELCC System by September 1, 2022.
- Enrolled licensees will be required to set their base fees in accordance with the regulation.
- Enrolled licensees will be required to provide a refund to all eligible, full fee-paying parents so that they receive up to 25% reduction to a minimum of \$12 per day for any fees paid since April 1, 2022.
- Service system managers will be required to reduce the fee subsidy parent contribution for eligible children who are enrolled in a participating program by 25% and refund retroactive to April 1, 2022.
- Parent handbooks will need to be updated to set out information about fees and whether a licensee is enrolled in the CWELCC System.



Protections are also in place that allow parents of children eligible for fee reductions under the CWELCC System to withdraw their children without penalty.

# Partnerships - A Path Forward

- Ontario will engage with key partners to ensure successful implementation of the CWELCC System by developing key actions and strategies to address unique needs of its communities.
- In April 2022, engagement will focus on the overall implementation plan and requirements to support achieving an initial fee reduction and wage floor.
- This summer, continued targeted engagement will focus on next steps for fee reduction, continuation of workforce approach, space expansion, directed growth and inclusion and quality frameworks.