

Canada-wide Early Learning & Child Care System and Child Care & Early Years Service Plan: Update

Economic and Community Development Committee

Toronto Children's Services

November 26, 2024



Purpose

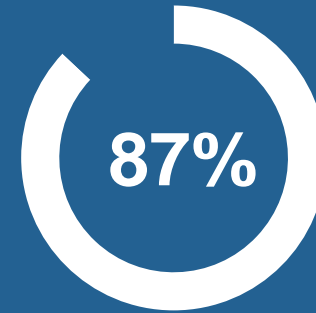
- Provide an overview and update on the implementation of the Canada-wide Early Learning and Child Care system in Toronto (CWELCC)
- Review the provincial guidance and funding formula and potential impacts
- Share progress on the development of the 2025-2029 Child Care and Early Years Service Plan



Policy Context

- Ontario-CWELCC agreement was signed in March 2022 and funded by the Government of Canada.
- The agreement is a five-year plan to reduce the cost of child care for children 0-5 to an average of \$10 per day by 2026 in licensed child care.
- Toronto Children's Services has developed and is implementing a Directed Growth Plan to support CWELCC expansion goals.

CWELCC opt-in stats City of Toronto as of October 2024



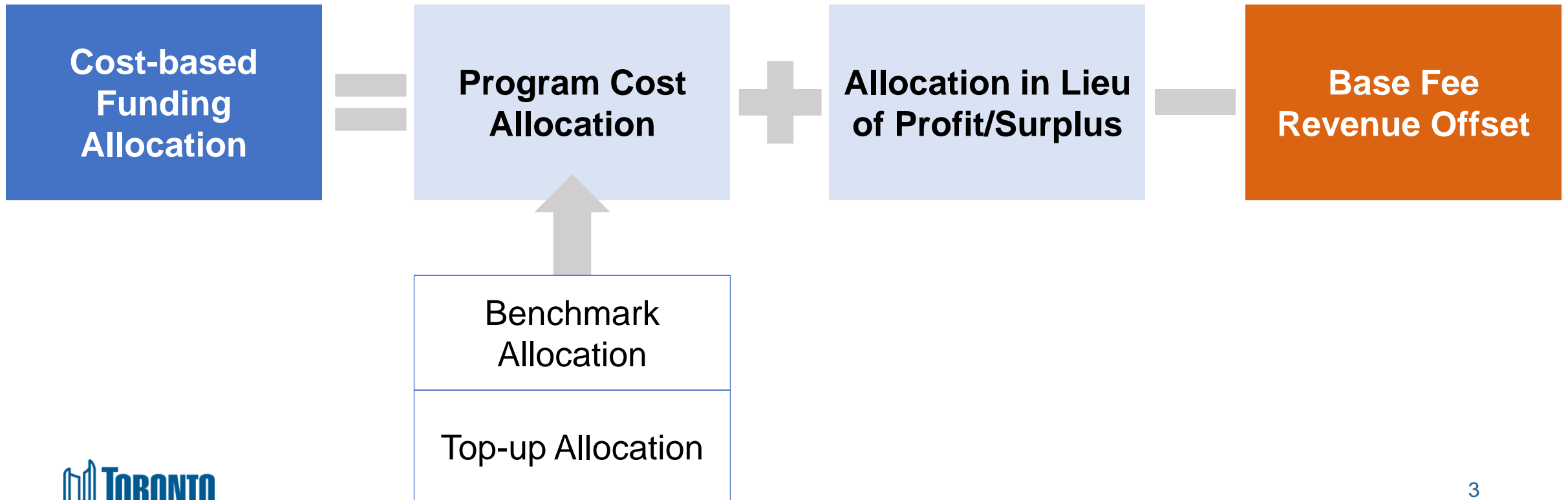
of licensed child care
centres



of home child care
agencies

New Provincial Funding Formula Beginning in 2025

- Transitioning from a “revenue-replacement” to “cost-based” approach for CWELCC funding



New Provincial Guidance Beginning in 2025

1



Fees capped at \$22/day for eligible families attending a CWELCC-enrolled centre

2



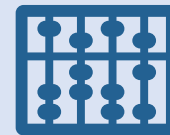
Federal and provincial funding will only be available to CWELCC-enrolled centres

3



Local priorities funding will continue to address fee subsidies, programming serving children aged 6-12, and resources for families with extra support needs

4



Additional means to support cost control of public funding

New Funding Model: Clarifying Common Misconceptions

What we've heard

1. Funding has been frozen since 2022, and the new formula doesn't account for increased costs.
2. The new model restricts the ability to continue to pay staff what they've been earning. The cost-based approach caps wages.
3. This approach means more government oversight, and limits independence for business owners.
4. Moving from a revenue-replacement to cost-based approach will result in less funding and operators will close rooms or reduce service.

What we know

1. The formula allows for "scaling factors" that provide additional funding to account for year-over-year cost increases.
2. The formula includes a wage floor and does not limit wages within benchmark allocations.
3. New accountability measures have been introduced to support a primarily publicly funded system, licensees will have the flexibility to use their allocation on eligible costs.
4. By design, approximately 50 per cent of licensees will be sufficiently funded through the provincial benchmarks.

Impacts and Implications to the Child Care Sector

01

Cost-based funding designed to increase standardization while allowing for more flexibility for operators

02

Need for increased capital investment to support growth remains, especially for not-for-profit sector

03

Cost-based approach does not include a formalized wage grid or standardized benefit plan

04

Growing concern that families in receipt of fee subsidy will experience reduced access to affordable child care

Service Plan Development: Family, Operator, and Workforce Engagement

To date, **over 4,000 people** have provided input at **over 28 different engagement opportunities**. This includes (but is not limited to):

2,878 parents and caregivers with children under 12

- **Survey** on their experiences with child care and EarlyON

93 parents and caregivers

- **9 focus groups** on the needs, barriers, and opportunities experienced by families with diverse backgrounds when accessing and using child care and early years services

594 child care operators

- **Survey** on waitlists and workforce challenges

220 early years and child care program staff

- **Survey** on priorities for the sector

200 child care supervisors

- **Workshops** on child care access

Service Plan Update

Based on the research and consultation conducted thus far, the emerging areas of focus are as follows:

1. Support a thriving early years and child care workforce
2. Expand and sustain high quality child care and early years services to accommodate the needs of families
3. Prioritize strategies that improve equitable access to child care and early years services
4. Centre inclusion in the child care and early years sector for children, families, and staff
5. Connect families with essential family support services
6. Advance self-determination for Indigenous organizations and families in the early years and child care sector

Thank you





Appendix

Additional Resources

Additional Resources

Canada-Wide Early learning & Child Care (CWELCC) System Operator Information:

- [CWELCC Cost-Based Funding Guideline- August 15, 2024](#)
- [CWELCC Child Care Webinars](#)
- [CWELCC Cost-Based Child Care Funding Estimator](#)
- Attachments from October 22 Email from the Ministry of Education:
 - CWELCC Legacy Costs Estimators for Legacy Centres
 - CWELCC Legacy Costs Estimator for Legacy Agencies
- [Toronto Children's Services 2025 CWELCC Funding Requirements](#)
- [Ontario-CWELCC agreement](#)
- Ministry of Education [Memos](#) and [Guidelines](#)

