

Children Services Budget Amendment – Canada Wide Early Learning and Child Care Plan

Presented To:	Community Services Committee
Meeting Date:	June 20, 2022
Type:	Correspondence for Information Only
Prepared by:	Miranda Mackie Children and Social Services
Recommended by:	General Manager of Community Development

Report Summary

This report provides information about the Canada Wide Early Learning and Child Care Plan (CWELCC) and an overview of the funding guidelines for Consolidated Municipal Service Managers, Children Services Team.

Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report supports the Strategic Plan adopted by the City of Greater Sudbury, as it aligns with the Quality of Life and Place pillar, within the priority: Create programs and services designed to improve the health and well-being of our youth, families and seniors.

Financial Implications

The budget for 2022 will see an increase for the Canada Wide Early Learning and Child Care Plan (CWELCC) as follows:

Fee Reduction Allocation: **\$8,104,135**
Workforce Compensation: **\$273,626**
Administration: **\$272,615**

2022 Total CWELCC Funding: \$8,650,376

Background

The Government of Canada has identified child care as a national priority to enhance early learning and childhood development, support workforce participation and contribute to economic recovery. Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will be used to build and leverage the success of existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity in early learning and child care, towards achieving the objectives of:

- a) Providing a 25% fee reduction retroactive to April 1, 2022 building to a 50% reduction in average parent costs (based on 2020 levels) for licensed early learning and child care by the end of calendar year 2022 and reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces;
- b) Creating 86,000 new high-quality, affordable licensed child care spaces predominantly through not-for-profit licensed child care;
- c) Addressing barriers to provide inclusive child care; and
- d) Valuing the early childhood workforce and providing them with training and development opportunities.

Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will provide Ontario \$1.099 billion in 2022, the initial transition year of the five-year \$10.2 billion CWELCC agreement. The vision of affordable, quality childcare for all preschoolers (children between the ages of 0 to 6 years) is to be achieved over the course of the next five years with the goal of low parent fees flowing to non-profit and for-profit childcare operators who qualify.

On May 6, 2022 the City of Greater Sudbury Children Services team launched the initial application to child care operators with a deadline to opt in or out by September 1st, 2022. Those opting in will receive funding to lower parents fees by 25% by the end of 2022, 50% by the end of 2023 and to an average of \$10 a day by 2026.

The City's role as a Service Manager will be to determine whether the fees charged to parents are reasonable at the time of application (this refers to full fee parent costs). Costs that are not directly related to the care of children will be excluded such as; assess whether rents, goods and services are provided at fair market value and deny inflated charges. This new funding allocation and plan also recommends that at least 80% of operators' budgets must be directed to salaries and no more than 10% of the wage bill be used for administrative positions.

The final addition in this funding allocation is geared to workforce compensation and the wage rates for registered early childhood educators (RECEs). More than half (55%) of RECEs working in licensed child care in Ontario earn under \$18 an hour, while 12% of supervisors and home visitors earn under \$20. The goal for the workforce funding is to add a dollar an hour to those earning under \$18 this year, with a subsequent dollar added each year until 2026 when the wage floor for a RECE will cap out at \$22/hour and \$24/hour for a supervisor. Within the City of Greater Sudbury this funding will have minimal impact as there is currently an average RECE wage allocation of \$21/per hour and an average Supervisor rate of \$28/per hour.

The Ministry of Education does recognize its responsibility to the child care workforce in both its guidelines with children services managers and in its action plan with the federal government. The CWELCC updated guidelines confirm that the Provincial Child Care Administrative funding will be restored. This means in 2022, the Transitional Grant use will continue to assist with the 5% administration threshold and 50/50 cost share. The Ministry has also committed to consulting with the service managers, operators and educators about how to best address recruitment and retention challenges.

Next Steps

Working groups with City staff and child care providers will be formed commencing in June across CMSM/DSSAB partners to collaborate and plan future around steps of this transformation shift in the childcare sector around key topics such as wage compensation, quality and equitable access.

Reports will be brought forward with future details as work progresses.

Resources Cited

Addendum To Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline (2022)

https://efis.fma.csc.gov.on.ca/faab/Child%20Care/Guidelines/CWELCC_Addendum_April_2022.pdf

Canada-Ontario early years and child care agreement

<https://www.ontario.ca/page/canada-ontario-early-years-and-child-care-agreement>