



To: Chair and Members of the Social Services Committee
From: Mandy Koroniak, Director of Children’s Early Years Division
Date: Wednesday, June 14, 2023
Subject: **2023 Canada-Wide Early Learning and Child Care System Update**

Background:

Under the Canada-wide Early Learning and Child Care (CWELCC) System, Ontario is supporting the creation of approximately 86,000 new licensed child care spaces across the province (relative to 2019) by December 2026. Since 2019, 33,000 new spaces have become operational in Ontario, with another 53,000 spaces to be created.

In December 2022, the Ministry of Education identified that it would provide \$213 million in funding for Start-up Grants to support the creation of new, affordable child care spaces for children under age six in targeted locations and for populations most in need through a Directed Growth Plan and in alignment with its Access and Inclusion Framework.

Update:

On May 24, 2023, the ministry shared its 2023 CWELCC System Update memo with service system managers. This update confirmed space creation targets under the Directed Growth Plan, provided clarification on auspice and enrolment, and additional information on the funding for Start-up Grants, including updated 2023 funding allocations.

2023 Directed Growth Plan

In December 2022, the ministry provided notional space targets to service system managers. The current multi-year space allocations have been confirmed in the memo, and the ministry indicates that it will work with service system managers to re-calibrate annual targets for 2024 through 2026 to ensure that targets are achievable.

Under the Directed Growth Plan, the Wellington service delivery area has been provided with a total allocation of 1,721 spaces to be created from 2022 through 2026. Some of these spaces, including all the school-based spaces, have already been approved and some have been opened.

Wellington Service Delivery Area Five Year CWELCC Space Allocation – May 2023

Type of Space	2022	2023	2024	2025	2026	Total
School-based spaces	49	64	-	-	-	113
Community-based spaces	60	413	496	390	249	1,608
Total	109	477	496	390	249	1,721

Auspice and Enrolment

The ministry has identified that as per the CWELCC agreement with the Government of Canada, the proportion of not-for-profit licensed CWELCC child care spaces must be maintained at 70% or higher at the provincial level. To support compliance with the CWELCC agreement, the ministry indicates that in service delivery areas where less than 90% of their spaces are currently not-for-profit, service system managers must maintain their current proportion of not-for-profit and for-profit in new spaces that are created.

The ministry has further confirmed that licensed child care operators that opted out of the CWELCC System in 2022 may apply to opt into CWELCC in 2023, and that these spaces will count towards the service system manager's Directed Growth Plan.

Start-up Grants

The ministry is providing additional funding in Start-up Grants to support the expansion of licensed child care spaces under the CWELCC System. This start-up funding will enable space creation by offsetting the cost of expanding or creating spaces, such as purchasing equipment or renovating facilities. Service system managers will be responsible for administering an equitable and transparent application process and the ministry has indicated that guidance will be provided in an updated 2023 guideline document, which is to be released soon.

Updated 2023 Funding Allocations

The ministry has provided updated 2023 CWELCC funding allocations. These updated allocations include increases to:

- Support new spaces created under the Directed Growth Plan with fee reduction and workforce compensation funding
- Support service system managers with administration
- Support space creation through Start-up Grants

The original 2023 CWELCC allocations for fee reduction and workforce compensation as provided to service system managers in December 2022 have also been adjusted to better reflect space enrolment as of December 31, 2022. Adjustments have been made when the number of licensed spaces enrolled in CWELCC was less than 98% or more than 100% of the number that were assumed in the original 2023 CWELCC allocation. The ministry has also provided up to 2% flexibility to support growth in the number of active homes in licensed home child care.

Financial Implications:

As a result of lower 2022 CWELCC enrollment than was provincially anticipated, Wellington's 2023 base funding allocation for fee reduction and workforce compensation has been reduced by approximately \$1.9 million. In support of an increase in 2023 CWELCC spaces, an offsetting increase in funding has been confirmed at approximately \$1.5 million. Overall, this represents a net decrease in funding of \$444,000 for 2023. This funding allocation is 100% federal, and the overall reduction will not create any additional levy impact for the City or the County.

Wellington's Start-up Grant allocation is to be provided at \$1,538,404. This funding will be provided to successful applicants on a flow through basis and any unspent funds will be returned at the end of the year. There is no municipal cost share requirement for this federal funding.

Recommendation:

That the report, 2023 Canada-Wide Early Learning and Child Care System Update, be received for information.

Respectfully submitted,

A handwritten signature in black ink that reads "M. Koroniak". The signature is written in a cursive style with a large, looped initial "M".

Mandy Koroniak
Director of Children's Early Years Division