

Region of Waterloo
Community Services
Children's Services

To: Community and Health Services Committee

Meeting Date: December 3, 2024

Report Title: Canada-Wide Early Learning and Child Care (CWELCC) Directed Growth Update

1. Recommendation

For information.

2. Purpose / Issue:

This report provides Council with an update on the growth of child care spaces as part of the CWELCC Plan (previously approved in CSD-CHS-23-001 and CSD-CHS-23-002) and highlights the need for additional CWELCC child care spaces in Waterloo Region.

3. Strategic Plan:

This report addresses Strategic Priority 3: Equitable Services & Opportunities and Strategic Priority 4: Resilient and Future Ready Organizations in the Region's Corporate Strategic Plan.

4. Report Highlights:

- The Region is on track to meet the CWELCC growth target of 3,725 new child care spaces by 2026. To date, over 2,284 new CWELCC child care spaces have been created in Waterloo Region.
 - A further 1,441 spaces are in progress and will be created before the end of 2026.
- While the spaces added through CWELCC will help address demand for child care, additional spaces are needed to fully meet Waterloo Region's child care needs as the Region continues to grow.
 - Children's Services has requested an additional 507 spaces from the Ministry of Education to continue to grow and create affordable infant, toddler and preschool spaces.

5. Background:

In 2023, Regional Council approved the Provincially allocated 3,725 new CWELCC

licensed child care spaces (CSD-CHS-23-001, CSD-CHS-23-002) to give more families access to affordable and high-quality child care options. New CWELCC spaces are located in one of thirteen Priority Areas and/or prioritize access for families who need affordable child care the most, including families that experience low income or who are underserved in the licensed child care system.

Through the CWELCC Agreement, the Ministry of Education has committed to maintaining or increasing the proportion of not-for-profit and for-profit licensed child care spaces at 70% and 30% respectively. The Ministry has directed the Region to maintain a ratio of 85% not-for-profit spaces to 15% for-profit spaces for children ages 0 to 5 years.

The majority of new CWELCC spaces created in Waterloo Region are not-for-profit spaces. Locally, there is strong interest and organizational capacity from not-for-profit operators to support the creation of new CWELCC child care spaces. However, not-for-profit operators have identified barriers to increasing child care spaces including insufficient capital funding, access to affordable loans, and lack of affordable land and/or space that is suitable for high quality child care.

The Region of Waterloo Children's Services, in its role as the Consolidated Municipal Service Manager (CMSM) is responsible for managing and directing licensed child care growth at a local level. This includes working with internal and external partners to identify land and space that can be used for community based not-for-profit child care.

As directed by Council (CSD-CHS-24-001) Children's Services is working with Housing Services, Economic Development, and Facilities to identify Region-owned buildings and lands located in priority neighbourhoods that can be repurposed for community based non-profit child care. This includes co-locating child care with new housing developments and identifying lands that can be leased to child care operators to install prefabricated modular buildings. The mixed-income housing project on Regionally-owned property at 1388 Highland R. West, Kitchener will include an 88 space not-for-profit child care centre in a Priority Area and Regionally-owned buildings located at 30 Christopher Drive in Cambridge and 104 Stirling Avenue South in Kitchener will be used to create approximately 92 culturally responsive not-for-profit child care spaces (CSD-CHS-24-002).

Children's Services is also working with other community partners, including the Waterloo Region District School Board and the Waterloo Catholic District School Board to identify potential school sites that would accommodate prefabricated modular buildings which may accommodate not-for-profit child care operators. This may allow child care to be created efficiently and cost-effectively in the neighbourhoods where

children live and aligns with parental preference to access child care that is located close to their home.

As outlined in the Access and Inclusion Plan, Children's Services is committed to working with Indigenous community partners and ethno-cultural organizations to create culturally safe and relevant child care. Approximately 171 culturally responsive child care spaces are planned to open by 2026, including an Indigenous-led licensed child care centre (CSD-CHS-24-002). High quality, safe, and culturally specific licensed child care programs provide connection to culture and Indigenous ways of knowing to support healing and education of Indigenous children and families.

Demand for licensed child care continues to far exceed available spaces in Waterloo Region. Before CWELCC, the waitlist for licensed child care was around 5,580 children - now it is over 10,000 children, of which 6,000 are looking for care immediately. Even with the new CWELCC spaces, only 32% of children ages 0-4 years have access to an affordable child care space in Waterloo Region.

6. Communication and Engagement with Area Municipalities and the Public

Children's Services has been conducting on-going engagement with parents that have traditionally been underserved in the licensed child care system, as part of the implementation of the Access and Inclusion Plan. Consultation regarding child care growth also continues with both internal (i.e., Housing Services, Economic Development, and Facilities) and external stakeholders (i.e., child care operators, school boards, and ethno-cultural organizations).

7. Financial Implications:

The 2024 Children's Services Operating Budget includes \$99M of CWELCC 100% Ministry funding. Of this amount, \$8M is for CWELCC start-up funding to support child care growth. The 2025 Children's Services Draft Operating Budget includes \$183M for CWELCC 100% funding. Of this, \$6M is to support operator's start-up costs. Despite the significant annual growth of CWELCC Ministry funding, there is insufficient funding to cover required operator renovations and new operator start-up expenses. This requires significant investment by operators to help cover these costs.

8. Conclusion / Next Steps:

Access to high quality, affordable, flexible, and inclusive early learning and child care is necessary for the well-being of all children, women's workforce participation, addressing the impacts of poverty, and supporting a robust economy. Further growth of the child care sector will ensure Waterloo Region has child care spaces for families who need

affordable, high-quality child care the most. Children's Services, through its role as System Manager, will continue to work with internal and external partners to support the growth of community based not-for-profit child care to ensure that all families are able to access high quality child care in Waterloo Region.

9. Attachments:

Appendix A: Canada-Wide Early Learning and Child Care Directed Growth Update Presentation

Prepared By: Tyla Fullerton, Manager, Integrated Policy, Planning and Funding

Reviewed By: Barbara Cardow, Director, Children's Services

Approved By: Peter Sweeney, Commissioner, Community Services