

Region of Waterloo
Community Services
Children's Services

To: Community and Health Services Committee
Meeting Date: April 4, 2023
Report Title: Priorities for Canada-Wide Early Learning and Child Care Growth

1. Recommendation

That the Regional Municipality of Waterloo approve the recommended allocation of new licensed Child Care spaces related to the Canada-wide Early Learning and Child Care (CWELCC) growth mandate and the request for additional 997 Child Care spaces from the Ministry of Education to meet legislated population-based targets, as outlined in CSD-CHS-23-001, dated April 4, 2023.

2. Purpose / Issue:

This report seeks Council approval on the recommended approach to licensed child care growth, including the identified priority areas for new CWELCC community-based licensed child care spaces, and the need for additional CWELCC community-based child care spaces in Waterloo Region.

3. Strategic Plan:

This report addresses the Region's Corporate Strategic Plan 2019-2023:

- Focus Area 3: Thriving Economy, Strategic Objective 1.1 Create a competitive business-supportive community to help attract, retain and grow employers, talent and investments in Waterloo Region, and
- Focus Area 4: Healthy, Safe and Inclusive Communities, Strategic Objective 4.1 Improve child and youth wellbeing in Waterloo Region.

4. Report Highlights:

- The Ontario Ministry of Education (Ministry) released its plan for distributing new licensed child care spaces that will be part of the Canada-Wide Early Learning and Child Care (CWELCC) system across Ontario. The CWELCC system supports families to access high quality, inclusive, licensed child care, in part, through reducing licensed child care fees in participating programs to an average of \$10 per day by 2026.
- The Ministry provided a notional target of **1,871** new licensed child care spaces (including licensed home and centre-based child care) for ages 0 to 5 years in Waterloo Region from 2022 to 2026.
 - **789** of these spaces are allocated for school-based spaces (i.e., at a centre co-located at a publicly funded school). Planning for these school-based spaces is managed by Waterloo Region school boards through a separate planning process called Schools First Capital.
 - **1,082** of these spaces are allocated for community-based spaces (i.e., at a location other than a publicly funded school, including stand-alone centre, place of worship, educational institution, caregiver home, etc.). Children's Services has been directed by the Ministry to determine priority areas for these new community-based spaces.
- Of the 1,082 community-based spaces, Children's Services has estimated that approximately 900 spaces will be accounted for through already approved licensed home child care growth. Another 105 spaces have been committed to previously approved licensed centre-based site expansions. This leaves a very limited number of community-based spaces for additional licensed centre-based growth.
 - Licensed home child care growth meets critical parent needs, particularly for more vulnerable families, through providing flexible schedules (e.g., evenings, weekends) and culturally-responsive care. As a result of CWELCC, there is increased interest among unlicensed home child care providers to become part of the licensed child care system.
- Children's Services has requested Ministry approval for an additional 997 community-based spaces to bring Waterloo Region in line with the provincial access target of 37%.
- Per Ministry direction, Children's Services has identified thirteen priority areas across Waterloo Region for new CWELCC community-based spaces. These spaces must support families who need affordable child care the most, including low-income families, children with disabilities, Indigenous children, Black and other racialized children, and new immigrant children.

5. Background:

The Region of Waterloo Children's Services, in its role as the Consolidated Municipal Service Manager (CMSM), is responsible for planning, overseeing, and managing licensed child care and early years programs and services, including managing and directing growth at a local level.

On March 28, 2022, the Province of Ontario signed the Canada-Wide Early Learning and Child Care (CWELCC) agreement with the federal government. CWELCC represents transformational change in the child care system and will support more families in Ontario to access high quality, affordable, flexible, and inclusive early learning and child care. Under the CWELCC agreement, Ontario has been funded to support the creation of 86,000 new licensed child care spaces (relative to 2019), with funding being used to predominantly support the creation of not-for-profit child care spaces by December 2026. Of the new spaces, 53,000 will be created between 2022 and 2026.

On December 19, 2022, the Ministry released its plan for distributing the remaining 53,000 CWELCC spaces across Ontario alongside a draft Access and Inclusion Framework. The addition of these spaces will help each region progress towards a provincial access target of 37%. Currently, there is a shortage of licensed child care in Waterloo Region, with approximately 26% of children ages 0 to 4 years having access to a licensed centre or home-based space. Since the announcement of CWELCC ("10 per day child care") in March 2022, demand and waiting lists for licensed child care have increased significantly. As of February 2023, a total of 7,214 children ages 0 to 4 years are on the waitlist for a licensed child care space in Waterloo Region.

Through the CWELCC Agreement, the Ministry has committed to maintaining or increasing the proportion of not-for-profit and for-profit licensed child care spaces at 70% and 30% respectively. With Waterloo Region licensed child care spaces currently at a 59% not-for-profit and 41% for-profit ratio, the local growth strategy will focus primarily on not-for-profit growth to match the provincial space proportions of 70% not-for-profit and 30% for-profit.

Regardless of the number of community-based spaces approved in Waterloo region, interest in operating new community-based spaces will exceed available spaces. Selection processes will be determined based on the number of community-based spaces available. Prospective operators will be evaluated based on alignment with priority geographic locations, viable plans and targets for ensuring inclusion of priority families, financial viability, program quality, and auspice.

Children's Services will inform child care operators of CWELCC growth priorities, selection processes, and CWELCC enrolment status. New/expanded licensed child care programs that are not selected to participate in CWELCC will still be permitted to

operate, but will not receive CWELCC funding to support fee reductions

The Ministry has identified that CWELCC funding allocations to CMSMs will be revised as new licensed child care spaces are created, to ensure that approved spaces receive ongoing CWELCC funding to reduce fees. The Ministry also identified some capital start-up funding will be provided to support the creation of new spaces. Children's Services is waiting for detailed funding allocations and guidelines regarding this funding.

To ensure that vulnerable and diverse families access new and existing spaces and to increase inclusion within the early years and child care system, Children's Services is developing an in-depth equity and inclusion plan. This plan will build on the Service System Plan and will be based on engagement with families and other key stakeholders.

It is important to note that the child care system across Ontario, including Waterloo Region, is currently facing a critical workforce crisis. All child care operators in Waterloo Region report significant challenges with recruitment and retention of qualified Registered Early Childhood Educators. Without new workforce strategies and investments, targets for child care growth will not be achieved.

6. Area Municipality Communication and Public/Stakeholder Engagement:

In January and February 2023, Children's Services shared information with licensed child care operators regarding the Ministry of Education's directed growth strategy as well as transitional CWELCC approval processes. Current child care licensees were also surveyed to gather information about their plans for community-based expansion both at existing sites and new locations. This report also draws on engagement with parents, conducted as part of the [Early Years and Child Care Service System Plan 2022-2026](#), which demonstrates that parents prefer to access child care that is closer to their home or work or co-located in a school.

Once the Ministry has confirmed space allocation targets and finalized the Access and Inclusion Framework, Children's Services will be conducting broad stakeholder engagement with parents, child care operators, and community partners to inform the development of an equity and inclusion plan for the local child care system, in alignment with the Early Years and Child Care Service System Plan 2022-2026.

7. Financial Implications:

The Canada-wide Early Learning and Child Care plan is fully funded by the Ministry and has no impact to the Regional Levy. The Ministry has communicated that additional revenue will be provided starting in 2023 to support incremental CWELCC expenses associated with child care growth. A request to amend the 2023 operating budget will be submitted after the Ministry provides confirmation. The following is included in the 2023 approved Operating Budget.

Current 2023 CWELCC Provincial Allocations include:

Operating Budget (\$000s)	2023 Budget
CWELCC Fee Reductions	\$84,619
CWELCC Wage Compensation	\$2,910
CWELCC Administration	\$1,167
Subtotal Expenditures	\$88,696
Ministry of Education Revenues	\$88,696
Net Regional Levy	\$0

8. Conclusion

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. Council's approval of the recommended approach to the CWELCC licensed child care space growth 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 work with the community to create an equity and inclusion plan that will include concrete actions to ensure that all families are able to access high quality child care in Waterloo Region.

9. Attachments:

Appendix A: Region of Waterloo's Canada-wide Early Learning and Child Care (CWELCC) Priority Areas for Growth 2023-2026

Appendix B: Canada-wide Early Learning and Child Care (CWELCC) Growth Priority Areas Presentation

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