

Ministry of Education
Early Years and Child Care Division

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Ministère de l'Éducation
Division de la petite enfance et de
la garde d'enfants

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TO: Chief Administrative Officers, CMSMs and DSSABs
Directors and/or General Managers, CMSMs and DSSABs

FROM: Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division

DATE: March 28, 2022

SUBJECT: Canada-Wide Early Learning and Child Care Agreement between the Province of Ontario and the Government of Canada

I am pleased to share that Ontario and Canada today signed the Canada-Wide Early Learning and Child Care (CWELCC) agreement that will lower fees for parents and provide more accessible and high-quality child care for Ontario families. Ontario's plan will deliver \$10 per day child care, on average, by September 2025.

We know child care helps provide a strong foundation for early childhood development and well-being while parents work. Service system managers have played a pivotal role during the COVID-19 outbreak in keeping child care settings open and safe, and you will continue to be critical partners as we work together to implement the new plan for child care.

Affordability:

As a first step, all Ontario families with children age 0-5 in participating licensed child care programs will see a fee reduction of up to 25% (to a minimum of \$12 per day), retroactive to April 1, 2022. These initial reductions will relieve parents of \$600M in child care costs.

Parents can expect a further reduction by the end of December 2022 to reduce child care fees in Ontario, on average, by 50%. These reductions will relieve parents of \$1.1B in child care costs by the end of 2022-23.

Ontario's plan provides for another reduction in child care fees in September 2024, and a final reduction to \$10-a-day child care, on average, by September 2025.

Ontario's fee subsidy program will continue, as we recognize that for some families these reduced fees are unaffordable.

Access:

The agreement includes the creation of 86,000 new licensed child care spaces, including more than 15,000 licensed child care spaces created since 2019.

We will work with you to ensure that investments in new spaces are targeted to communities with populations who need them most and support this growth with start up grants that offset the costs of meeting licensing requirements.

Quality:

The agreement will support new early childhood educators and support improved, stable compensation for Registered Early Childhood Educators in licensed child care, including those providing child care for children six to 12 years old.

Over the coming months, we will begin consultations on measures to support and recognize our dedicated child care workforce, including professional development, training and initiatives designed to support improved workforce supply and retention.

Inclusion:

Inclusion is a key aspect of the agreement, and we look forward to working with you to ensure space expansion plans and programming support the need for child care access for low income children, vulnerable children, children from diverse communities, Francophones and Indigenous children.

Enhanced Data and Reporting:

Ontario will enhance existing data collection activities to support public reporting and progress updates to the federal government on key indicators associated with the plan.

Role of Service System Managers

CMSMs/DSSABs and First Nation communities will continue their critical role as the designated child care and early years service system managers responsible for planning and managing licensed child care services and EarlyON Child and Family Centers in their communities. Administrative funding will be restored, as we recognize this is not the time to implement the previously announced funding cuts.

We will work with you to enroll participating licensed child care operators in the new program beginning in April. Rebates to parents, retroactive to April 1, 2022, will begin in May, and will follow the enrolment of licensed centres and agencies into the new program.

In the coming weeks, the Ministry will provide you with preliminary 2022 allocations to support local planning and engagement in this transformative work. Transfer payment agreements and funding guidance to support you in this important work will follow in the spring.

For 2023 and beyond the ministry aims to allocate funding using a revised child care funding formula. Development and consultations with service system managers will take place in 2022.

To support the goals of the plan, service system managers will be required to follow provincial funding policy, which includes providing all licensed operators with an opportunity to enroll in and be approved to receive funding under the plan. We recognize this will be a fundamental shift for some service system managers and we look forward to working with you in supporting children and families with accessing more affordable licensed child care.

Service system managers will be required to participate in the development of growth plans for their communities, and changes to the licensing process will be introduced to ensure that service managers have the opportunity to advise potential applicants of funding availability in advance of licensing.

Fee Freeze

A critical component in our path forward is to ensure a sustainable approach over time and put into place consumer protections for parents.

As a result, effective immediately all licensees are prohibited from increasing their fees charged to parents for children in care who are under the age of six or six years old and enrolled in kindergarten. Fees cannot be higher than the amount charged on March 27, 2022 unless a communication has already been provided to parents advising of the planned fee increase. Licensees that do not wish to participate in the CWELCC and wish to have the restriction on fee increases lifted, are required to complete a template form and send it to their service system manager. For your awareness, the template form is included here as an appendix.

Next Steps

A phased approach to implementation will be necessary to ensure stability and sustainability of the child care system while working toward goals of affordability, accessibility, quality, and inclusion.

Over the coming months, the ministry will work closely with service system managers, licensees and other sector partners, as we chart our path forward.

I want to extend my sincere gratitude to you and your staff for your unwavering commitment to supporting your communities and we look forward to working with you on the transformational work ahead.

If you have any questions, please contact your Early Years Advisor (EYA). A listing of EYAs can be found on the [ministry website](#).

Sincerely,

Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division
Ministry of Education

c: Early Years Advisors, Programs and Service Integration Branch
Financial Analysts, Financial Accountability and Data Analysis Branch

Attachment: Opt-out Form

SECTOR WIDE FEE CAP FOR LICENSED CHILD CARE
Licensee Opt Out Form
2022

Ontario reached an agreement with the federal government under the Canada-wide Early Learning and Child Care (CWELCC) System. Licensees have the choice to participate or opt out of participating in this System. Should a licensee choose not to participate in the CWELCC System, according to O.Reg 137/15, they are required to notify parents, their employees, and their service system manager. This form must be used to notify their service system manager.

Licensee name (as appears in the Child Care Licensing System (CCLS) or posted licence):	
Licence number (as appears in CCLS or posted licence):	
Program name (as appears in CCLS or posted licence):	
Program type (child care centre or Home Child Care Agency (HCCA)):	

Pursuant to section 77.1 of O.Reg 137/15 (General) made under the *Child Care and Early Years Act, 2014* (CCEYA), all licensees, regardless of participation in the CWELCC System, must maintain current parent fees for children under the age of the six as well as six year olds who are enrolled in kindergarten, unless a fee increase was communicated to families/parents on or before March 27. This includes all fees (e.g., late fees, transportation).

New licensees are prohibited from charging parents a fee higher than the amount set out in the applicable tables under section 77.1 of the regulation unless the fee was already communicated to parents on or before March 27.

Licensees may charge a higher fee if a licensee notifies the local service system manager in writing that it will not be applying to enrol in the CWELCC System.

If you DO NOT wish to participate in the CWELCC System, please confirm the following statements:

- I do not wish to participate in the CWELCC System.
- I understand that by opting out, I will NOT be eligible to receive any CWELCC System funding, including funding to reduce parent fees or increase compensation for staff.
- I understand that I will not be able to opt into the CWELCC System for the remainder of 2022.
- I understand that should I wish to participate in the CWELCC System in future years, my acceptance will be determined based on a number of factors, including provincial and local priorities and the availability of funds, and is not guaranteed.
- I have advised parents and staff that we do not intend to enrol in the CWELCC System.

- My service system manager(s) is/are aware that I will not be participating in the CWELCC System.

I hereby attest that I understand the implications of opting out and confirm that I do not wish to participate in the CWELCC System.

Signature (electronic signature accepted):	
First and Last Name:	
Title (persons signing must have authority to bind the licensee):	
Date:	
Email Address:	

Once completed, please submit this form to your CMSM/DSSAB. If they wish, licensees will also have the opportunity to advise the Ministry of Education of the decision to opt out of the CWELCC System by uploading this document in CCLS. Further communication on how to upload will be provided shortly.