

**SUBJECT: Phase One Implementation of the Canada-Wide Early Learning and Child Care System**

**File Number ACS-2022-GEN-0013**

**Report to Community and Protective Services Committee on 16 June 2022  
and Council 22 June 2022**

**Submitted on June 6, 2022 by Donna Gray, General Manager, Community and Social Services**

**Contact Person: Jason Sabourin, Director, Children's Services**

**613-580-2424, Ext 16121, [Jason.Sabourin@ottawa.ca](mailto:Jason.Sabourin@ottawa.ca)**

**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE**

**OBJET : Phase 1 – Mise en œuvre du système pancanadien d'apprentissage et de garde des jeunes enfants**

**Dossier : ACS-2022-GEN-0013**

**Rapport au Comité des services communautaires et de protection**

**le 16 juin 2022**

**et au Conseil le 22 juin 2022**

**Soumis le 6 juin, 2022 par Donna Gray, Directrice générale, Services sociaux et communautaires**

**Personne ressource : Jason Sabourin, Directeur, Services à l'enfance**

**613-580-2424, poste 16121, [Jason.Sabourin@ottawa.ca](mailto:Jason.Sabourin@ottawa.ca)**

**Quartier : CITY WIDE / À L'ÉCHELLE DE LA VILLE**

**REPORT RECOMMENDATION(S)**

**That the Community and Protective Services Committee recommend Council to:**

- 1. Receive this report for information on the Province's phased approach for program changes and implementation of the Canada-Wide Early Learning and Child Care System as well as the significant positive impacts for**

**Ottawa families.**

- 2. Approve the Funding Policy Statement (Document 1) and delegate authority to the Director, Children's Services, to manage and administer the Canada-Wide Early Learning and Child Care System and associated budget as detailed in this report and allocate all funding according to the Funding Policy Statement provided such allocations are in accordance with Provincial guidelines, within approved budgets and where applicable in accordance with the strategic priorities in the Child Care and Early Years Service System Plan.**
- 3. Approve the creation of up to 15 full-time equivalent (FTE) positions for which \$1.2 million in funding is available from the Canada-Wide Early Learning and Child Care System (Provincial funding).**
- 4. Direct the City of Ottawa's Municipal Child Care Centres to opt-in and adjust user fees accordingly under the Canada-Wide Early Learning and Child Care System.**

#### **RECOMMANDATION(S) DU RAPPORT**

**Les membres du Comité des services communautaires et de protection ont formulé les recommandations suivantes au Conseil :**

- 1. Recevoir le présent rapport pour s'informer sur l'approche progressive de la province concernant les changements apportés aux programmes et à la mise en œuvre du système pancanadien d'apprentissage et de garde des jeunes enfants, ainsi que sur les importantes retombées positives pour les familles d'Ottawa;**
- 2. Approuver l'Énoncé de la politique de financement (document 1) et déléguer au directeur, Services à l'enfance, le pouvoir de gérer et d'administrer le système pancanadien d'apprentissage et de garde des jeunes enfants et le budget connexe, comme le décrit le présent rapport, et d'allouer tous les fonds conformément à l'Énoncé de la politique de financement, à condition que ces allocations respectent les lignes directrices provinciales, les budgets approuvés et, le cas échéant, les priorités stratégiques énoncées dans le Plan de système de services de garde d'enfants et de la petite enfance;**
- 3. Approuver la création de jusqu'à 15 postes équivalents temps plein (ETP),**

**pour lesquels un financement de 1,2 million de dollars est offert par le système pancanadien d'apprentissage et de garde des jeunes enfants (financement provincial);**

- 4. Demander aux centres de services de garde municipaux de la Ville d'Ottawa de participer et d'ajuster les frais en conséquence, conformément au système pancanadien d'apprentissage et de garde des jeunes enfants.**

## **EXECUTIVE SUMMARY**

The purpose of this report is to provide Council with information on the Province's phased approach for program changes and implementation of the Canada-Wide Early Learning and Child Care System as well as the significant positive impacts for Ottawa families. The report further outlines the program requirements and staff recommendations related to implementation, which requires Council approval.

### **Assumption and Analysis**

As a Consolidated Municipal Service Manager, Children's Services is responsible for the planning and management of licensed child care and early learning programs and services for the City of Ottawa, which includes coordinating and planning at the system-level to ensure services are responsive to the needs of families and align with the Province's vision. In consultation and with guidance from the Child Care and Early Years System Planning Advisory Group and sector partners, our role as Consolidated Municipal Service Manager is evolving and we will continue to play a critical role in the transformational work ahead on the Canada-Wide Early Learning and Child Care System.

In August 2019, Council approved the [Child Care and Early Years Service System Plan \(2019-2023\)](#), which established the foundation and road map for building a system of early learning and child care services that focuses on increased access, affordability, quality and responsiveness. The plan established ten strategic priorities for the planning and management of licensed child care and early years programs and services for children 0 to 12 years old and acts as the guide for system improvements benefiting children and families.

In June 2021, Council reaffirmed the City of Ottawa's support for building a National Child Care System and approved the updated [Children's Services Work Plan \(2021-2022\)](#), to reflect COVID-19 pandemic response and recovery actions. This work plan is still in progress and continues to be supported through the Child Care and Early Years

System Planning Advisory Group and is the foundation to implementing the service system plan priorities, by completing the work through a consultative and transparent process in collaboration with sector partners.

Additionally, Children's Services has continued to proactively adapt our service delivery approach to meet the evolving needs and changing landscape of child care and early years services. Staff are implementing an enhanced and innovative approach to delivering services that positions the service area to adjust and meet the needs of our changing landscape, including the requirements under the new Canada-Wide Early Learning and Child Care System. This approach will better serve our clients with increased service access, affordability, quality, and responsiveness.

As a result of this foundational work, Children's Services is well positioned to welcome a new system of change, within a phased approach, which will advance our own strategic priorities while supporting social and economic prosperity, as well as residents who face various systemic barriers, especially women and families who have been disproportionately affected throughout the COVID-19 pandemic. While Children's Services is well positioned, prescribed Provincial timelines for municipalities to implement the new Canada-Wide system are short with competing demands associated with our normal duties as Consolidated Municipal Service Manager and the 2021-2022 workplan which greatly focused on the COVID-19 pandemic response.

On March 28, the Province and federal government reached an agreement on a National Child Care Plan for Ontario called the Canada-Wide Early Learning and Child Care System. Funding under the Canada-Wide Early Learning and Child Care System will be used to build and leverage the success of Ontario's 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:

- Providing a 25 per cent fee reduction retroactive to Friday, April 1, 2022 building to a 50 per cent 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
- Creating 86,000 new high-quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care
- Addressing barriers to provide inclusive child care

- Valuing the early childhood workforce and providing them with training and development opportunities

The Province is taking a phased approach to implementing the new system, with a focus on the immediate objectives of affordability for families and system stability in phase one (2022), before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term.

In the initial rollout, \$60 million has been allocated to the City of Ottawa in 2022 to address three main allocation categories: fee reductions for families, workforce compensation, and program delivery costs for the municipality to implement and administer these new programs. It is also important to note, that the previously announced Provincial change on the spending threshold for program delivery / administration funding will now be restored.

Staff continue to assess the implications of this new system and are seeking clarity from the Province where required. It is important to note, not all information / implications are known at this time related to phase one or future Provincial phases. Outside of the significant positive impacts for Ottawa families, staff want to note some concerns for Council awareness regarding the municipal contribution, a fee subsidy expenditure cap, the workforce compensation and the overall provincial allocation.

Children's Services has worked expeditiously to review and interpret the Provincial guidelines and have prioritized the development of this new program to ensure families and registered child care educators are supported in 2022.

Under the new Canada-Wide Early Learning and Child Care System, Consolidated Municipal Service Managers are required to have a policy and plan in place in accordance with Provincial guidelines for the intake and administration of funding to licensed child care service providers that express interest in participating in the new system. Staff recommend Council approve the Funding Policy Statement (Document 1) and delegate authority to the Director, Children's Services, to manage and administer the Canada-Wide Early Learning and Child Care System and associated budget as detailed in this report and allocate all funding according to the Funding Policy Statement (Document 1) provided such allocations are in accordance with Provincial guidelines, within approved budgets and where applicable in accordance with the strategic priorities in the Child Care and Early Years Service System Plan. To meet the additional requirements of this new program and to support the sector through this transformation, Children's Services will require additional resources. Staff recommend Council approve

the creation of up to 15 full-time equivalent positions, at a net zero cost to the City.

City Council directed the Mayor and the Chair of the Community and Protective Services Committee to write to the Province in support of the National Plan and its importance in June 2021. Ontario was the last province to sign onto the Canada-Wide Early Learning and Child Care agreement on Tuesday, March 28. This has provided municipalities and service providers with limited time to plan, create new policies / programs and to implement a new transformational system that will greatly benefit families. It has also come at a time when the early years and child care sector are still dealing with lingering impacts and stress of the prolonged COVID-19 pandemic, with workloads and staffing pressures that continue to be strained. As a result of the short timelines for municipalities and service providers to implement the new Canada-Wide System, largely over the summer months when service providers are also busy transitioning families, Children's Services will be streamlining the process and processing the objectives in stages to help facilitate quicker fee reductions for families while also providing time for service providers to transition to the new funding parameters. This is vital given the economic impacts and rising costs due to inflation making it more difficult on families.

Depending on when a service provider applies and agrees to the contribution agreement, Children's Services is estimating fee reductions and refunds to families will begin near the end of September and run through to December.

Municipal Child Care Centres are eligible for the Canada-Wide Early Learning and Child Care System and opting into the program would ensure current families will see a fee reduction of up to 25 per cent, retroactive to Friday, April 1, 2022. This includes an equivalent fee reduction for families receiving child care fee subsidy who pay a parental contribution. Staff are estimating that this can be completed for Municipal Child Care Centre families by the end of September. Staff recommend Council direct the City of Ottawa's Municipal Child Care Centres to opt-in and adjust user fees accordingly.

Children's Services continues to work with the Province on gaining clarity surrounding the guidelines and building all aspects of the program in order to launch the application process shortly after Council approval. No additional details on future phases or Provincial plans are currently available from the Province. The City will prioritize phase one implementation and will focus on revisiting our Service System Plan priorities and aligning those to the Provincial plans and creating a five-year implementation plan for other important aspects like enhanced workforce strategies, system growth and further building towards an average of \$10 a day child care by 2025. This implementation plan

will go forward for Council awareness and approval within the next Term of Council.

### **Financial Implications**

The new Canada-Wide Early Learning and Child Care System is fully funded by the federal and Provincial governments, requiring no additional cost-share or municipal investments. Municipalities are required to maintain their existing municipal investments in child care. The addition of up to 15 full-time equivalent staff positions is required to assist with the implementation of the Canada-Wide Early Learning and Child Care System and is also at a net zero cost to the City.

### **Public Consultation/Input**

Consultation with the sector is an important ongoing component of the process informing the integration and transformation of the local child care and early years system in Ottawa. In September 2017, Children's Services created an integrated Child Care and Early Years System Planning Advisory Group that provides advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa. The Advisory Group has been an active participant, informing important decisions such as the development of the Service System Plan, by providing feedback and input throughout the process. Children's Services provides regular updates at Advisory Group monthly meetings and ensures all feedback is documented and considered. The Advisory group received an update on Children's Services staged approach and supported the direction.

Additionally, in fall 2018, Children's Services engaged and consulted with over 2,000 parents, child care service providers, community stakeholders and City of Ottawa staff. The consultations ensured that diverse voices were heard, including Francophone, Indigenous, immigrants, 2SLGBTQQIA+ families, and families living with low income or who have children with special needs. The consultation showed the unique experiences and perspectives of what is working well, where improvements are needed, and what families and our city want to see in a strong and responsive child care system. The consultation findings were used to inform the Service System Plan, particularly the identification of the ten strategic priorities which established the foundation and road map for building a system of early learning and child care services that focuses on increased access, affordability, quality and responsiveness and is aligned with our ongoing system transformation plan.

## BACKGROUND

As a Consolidated Municipal Service Manager, Children's Services is responsible for the planning and management of licensed child care and early learning programs and services for the City of Ottawa, which includes coordinating and planning at the system-level to ensure services are responsive to the needs of families and align with the Province's vision. In consultation and with guidance from the Child Care and Early Years System Planning Advisory Group and sector partners, our role as Consolidated Municipal Service Manager is evolving and we will continue to play a critical role in the transformational work ahead on the Canada-Wide Early Learning and Child Care System.

In August 2019, Council approved the [Child Care and Early Years Service System Plan \(2019-2023\)](#), which established the foundation and road map for building a system of early learning and child care services that focuses on increased access, affordability, quality and responsiveness. The plan established ten strategic priorities for the planning and management of licensed child care and early years programs and services for children 0 to 12 years old and acts as the guide for system improvements benefiting children and families.

In June 2021, Council reaffirmed the City of Ottawa's support for building a National Child Care System and approved the updated [Children's Services Work Plan \(2021-2022\)](#), to reflect COVID-19 pandemic response and recovery actions. This work plan is still in progress and continues to be supported through the Child Care and Early Years System Planning Advisory Group and is the foundation to implementing the service system plan priorities, by completing the work through a consultative and transparent process in collaboration with sector partners.

Additionally, Children's Services has continued to proactively adapt our service delivery approach to meet the evolving needs and changing landscape of child care and early years services. Staff are implementing an enhanced and innovative approach to delivering services that positions the service area to adjust and meet the needs of our changing landscape, including the requirements under the new Canada-Wide Early Learning and Child Care System. This approach will better serve our clients with increased service access, affordability, quality, and responsiveness.

As a result of this foundational work, Children's Services is well positioned to welcome a new system of change, within a phased approach, which will advance our own strategic priorities while supporting social and economic prosperity, as well as residents who face



various systemic barriers, especially women and families who have been disproportionately affected throughout the COVID-19 pandemic. While Children's Services is well positioned, prescribed Provincial timelines for municipalities to implement the new Canada-Wide system are short with competing demands associated with our normal duties as Consolidated Municipal Service Manager and the 2021-2022 workplan which is greatly focused on the COVID-19 pandemic response.

## **DISCUSSION**

### **Canada-Wide Early Learning and Child Care Agreement**

On Monday March 28, the Province and federal government reached an agreement on a National Child Care System for Ontario called the Canada-Wide Early Learning and Child Care System. This six-year, \$13.2 billion dollar funding agreement between the Provincial and federal governments will bring about significant positive impacts for Ottawa families. It includes a reduction of child care fees through four steps of reduction to an average of \$10 a day per child, five years old and younger by September 2025.

Funding under the Canada-Wide Early Learning and Child Care System will be used to build and leverage the success of Ontario's 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:

- Providing a 25 per cent fee reduction retroactive to April 1, 2022 building to a 50 per cent 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
- Creating 86,000 new high-quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care
- Addressing barriers to provide inclusive child care
- Valuing the early childhood workforce and providing them with training and development opportunities

### **Phase One Implementation**

On Friday, April 29, the Province released the official guideline document which outlines information on the implementation and funding requirements under the Canada-Wide Early Learning and Child Care System. Ontario is taking a phased approach to

implementing the new system, with a focus on the immediate objectives of affordability for families and system stability in phase one (2022), before moving on to addressing the objectives of increasing accessibility and inclusion over the longer term. This phased approach will allow time for meaningful stakeholder engagement and sector partners to align with the terms and conditions of the new Canada-Wide Early Learning and Child Care System and enable any necessary adjustments as the early years and child care landscape evolves.

**Funding Overview**

In 2022, municipalities will receive funding under Ontario’s Canada-Wide Early Learning and Child Care System, as part of a transitional allocation approach.

In the initial rollout, \$60 million has been allocated to the City of Ottawa in 2022 to address three main allocation categories: fee reductions for families, workforce compensation, and program delivery costs for the municipality to implement and administer these new programs. It is also important to note, that the previously announced Provincial change on the spending threshold for program delivery / administration funding will now be restored, given the significant work ahead. The City used one-time provincial funding in 2022 to delay the impacts of this change. Provincial funding would have reduced by approximately \$3 million resulting in extensive implications on the Service System Plan implementation, fee subsidies, sector supports and families.

The following table breaks down Ottawa's Provincial funding allocation for 2022. The total allocation for Ottawa is \$60 million, where \$57 million will go to fee reductions for eligible families, \$1.8 million for workforce compensation, and \$1.2 million to support program delivery costs.

**Table 1 - Canada-Wide Early Learning and Child Care System funding for the City of Ottawa in 2022 (\$ Millions)**

<b>Funding Category</b>	<b>2022 Canada-Wide Early Learning and Child Care Funding for Ottawa (\$ Millions)</b>
Fee Reduction	\$57
Workforce Compensation	\$1.8
Canada-Wide Early Learning and Child Care Program Delivery	\$1.2
<b>Total to the Consolidated Municipal Service Manager in 2022</b>	<b>\$60</b>

## **Fee Reduction Rebates for Families**

The 2022 fee reduction allocation is intended to support the first step of fee reduction. All Ontario families with eligible children enrolled in a licensed child care centre, that have opted to participate and have been approved by the municipality, will see a fee reduction of up to 25 per cent (to a minimum of \$12 per day), retroactive to Friday, April 1, 2022. For the initial phase one 2022 transition year of the Canada-Wide Early Learning and Child Care System, all licensed child care service providers are required to notify families and staff by Thursday, September 1 as to whether they intend to participate in the new system.

To ensure an equivalent fee reduction for families receiving child care fee subsidy who pay a parental contribution, the Province has made amendments to the regulations. The amendments will reduce the parental contribution by 25 per cent for eligible children who hold a space with a licensed program that has enrolled and receives approval within the new system.

## **Workforce Compensation for Registered Early Childhood Educators**

The commitment, knowledge, and experience of Ontario's diverse range of child care and early years professionals is foundational for the implementation of the Canada-Wide Early Learning and Child Care System. To support Registered Early Childhood Educator staff that are traditionally low wage earners and eligible staff, workforce compensation allocations beginning in phase one (2022), will allow for hourly wages to be increased for eligible staff, to align with a new wage floor of \$18 per hour and \$20 per hour for supervisors. These staff will be eligible for an annual increase including staff in licensed before and after school programs for children aged six to 12 years. To be eligible for the wage floor, child care staff must be receiving wage enhancement funding, and their hourly wage including wage enhancement funding must be below the wage floor.

## **Program Implications**

Staff continue to assess the implications of this new system and are seeking clarity from the Province where required. It is important to note, not all information / implications are known at this time related to phase one or future Provincial phases. Outside of the significant positive impacts for Ottawa families, staff want to note these items for Council awareness.

The Provincial guidelines require the City to maintain their existing municipal

investments in child care. The budget document highlights these municipal contributions and these will need to be maintained.

The new Canada-Wide Early Learning and Child Care funding will reduce the cost of municipal fee subsidy expenses by 25 per cent from April to December in 2022. This excess Provincial funding, may not be used to further expand and support additional fee subsidy families but may be reinvested in other child care expenses such as general operating costs. The City of Ottawa must adhere to these Provincial rules and fee subsidies must be limited to the total 2019 fee subsidy expenditures, less 25 per cent. Capping the fee subsidy expenditures to pre-COVID numbers and limiting access to families who face various barriers, such as new immigrants, sole support parents, families living with low income and children with special needs when demand will be higher is a concern. As noted in the June 2021 Council report, many families experienced pandemic impacts on employment and certain groups experienced disproportionate impacts especially women including mothers, racialized people, young people, lower income earners and new immigrants. Additionally, women frequently carried the added family responsibilities for schooling and child care brought on by the pandemic. During the pandemic, 12 times more mothers left their jobs to care for toddlers or school-aged children than fathers. In Canada, nearly 100,000 women over 20 years of age had to exit the labour market entirely, compared to 10,000 for men. Access to affordable child care is vital to the COVID-19 pandemic response and will benefit families, children, community social well-being and economic recovery in Ottawa. Capping the fee subsidy expenditures may be a concern in the short-term if additional families require assistance with the cost of care above the expenditure cap. Children's Services will continue to monitor this through implementation and will identify any impacts for the Province and / or Council.

As also noted in the June 2021 Council report, an experienced and stable workforce, supported through ongoing training, fair wages and working conditions is critical to ensuring quality child care and early years services. Pre-pandemic, challenges to the workforce such as retention and recruitment, salaries and benefits and professional development were identified in the Service System Plan. Recruitment of qualified child care workers and early childhood educators was also identified as an issue, even more acute for the Francophone and Indigenous communities given additional requirements related to language and cultural background. Professional burnout in providing care to young children was also identified as an issue.

With the COVID-19 pandemic, child care and early years workforce pressures have been exacerbated. This workforce challenge in turn, affects families as lack of child care

workers and early childhood educators contributes to increased program closures or limited operations reducing reliable access to these essential supports. The majority of people employed within the child care and early years workforce are women, many of whom are racialized people and new immigrants, and are paid low wages. Child care advocates note that the introduction of workforce compensation funding and increasing compensation for low wage earners and establishing a wage floor will not be sufficient to address the current workforce challenges or to help with the Provincial strategy to achieve system growth and increased access to high quality licensed child care in Ontario. Additional investments are needed to assist with several workforce challenges facing the sector especially around retention, recruitment as well as salary and benefits with over 90 per cent of staff making \$27 an hour or less and almost 50 per cent making between \$15 and \$20 per hour. Additional investments would support both the workforce, families and communities by having strong child care programs positively contribute to the social well-being of Ottawa by reducing inequalities and fostering a sense of belonging.

Finally, the Provincial allocation is based on 2021 data and does not account for current growth and inflation. The Province has stated that more information is forthcoming in the coming months. Children's Services will continue to monitor this through implementation and will identify any impacts for the Province and / or Council.

### **Program Delivery**

Children's Services has worked expeditiously to review and interpret the Provincial guidelines and have prioritized the development of this new program to ensure families and registered child care educators are supported in 2022.

Under the new Canada-Wide Early Learning and Child Care System, Consolidated Municipal Service Managers are required to have a policy and plan in place in accordance with Provincial guidelines for the intake and administration of funding to licensed child care service providers that express interest in participating in the new system. These responsibilities include, but are not limited to, providing funding to ensure objectives are achieved, developing reconciliation/reporting processes to ensure funding has been used for the intended purpose, reviewing line items for reasonability and eligibility, collecting and reporting data, determining base fees to serve as a new starting point etc. Full details of Consolidated Municipal Service Manager responsibilities can be found in the Provincial guideline document.

The Funding Policy Statement (Document 1) incorporates these responsibilities and

approval of this City policy is required to meet the Provincial responsibilities and to execute new contribution agreements under the Delegated Authority By-law. Staff recommend Council approve the Funding Policy Statement (Document 1) and delegate authority to the Director, Children's Services, to manage and administer the Canada-Wide Early Learning and Child Care System and associated budget as detailed in this report and allocate all funding according to the Funding Policy Statement (Document 1) provided such allocations are in accordance with Provincial guidelines, within approved budgets and where applicable in accordance with the strategic priorities in the Child Care and Early Years Service System Plan.

For Children's Services to meet the additional requirements of this new program and support the sector through this transformation, additional resources will be required. As mentioned previously, Children's Services is receiving \$1.2 million of Provincial funding for program delivery. Staff recommend Council approve the creation of up to 15 full-time equivalent positions, at a net zero cost to the City.

City Council directed the Mayor and the Chair of the Community and Protective Services Committee to write to the Province in support of the National Plan and its importance in June 2021. Ontario was the last province to sign onto the Canada-Wide Early Learning and Child Care agreement, on Tuesday, March 28. This has provided municipalities and service providers with limited time to plan, create new policies / programs and to implement a new transformational system that will greatly benefit families. It has also come at a time when the early years and child care sector are still dealing with lingering impacts and stress of the prolonged COVID-19 pandemic, with workloads and staffing pressures that continue to be strained. As a result of the short timelines for municipalities and service providers to implement the new Canada-Wide system, largely over the summer months when service providers are also busy transitioning families, Children's Services is streamlining the process where possible to ensure the program objectives can be met and ultimately to ensure families see increased affordability as soon as possible. This is vital given the economic impacts and rising costs due to inflation making it more difficult on families. This streamlined approach will also assist service providers with their decision to opt-in and assist with their planning and implementation. The Child Care and Early Years System Planning Advisory Group that provides advice and guidance on the planning, transformation, and management of a child care and early years system in Ottawa has received an update on the staged approach and supported the direction.

The high-level estimated timeline of this new program includes:

- Council Approval: Wednesday, June 22
- Launching Program / Application: End of June / Early July
- Information and Supports: July through August
- Deadline to submit application: Thursday, September 1

At the time of writing this report, there are many steps and processes for Children's Services to develop in addition to seeking additional information and clarity from the Province. To simplify, there are two main objectives in phase one (2022) for service providers who decide to opt-in to the new system - providing a 25 per cent fee reduction for families retroactive to Friday, April 1, 2022 and determining base fees to serve as a new starting point within the Provincial guidelines. As the Province has stated, 2022 is a transitional period, Consolidated Municipal Service Managers have discretion to allow service providers until the end of 2022 to align with the funding parameters.

It is anticipated that determining new base fees will be complex and time consuming only further delaying a 25 per cent fee reduction for families. As such, Children's Services will be streamlining the process and processing the objectives in stages to help facilitate quicker fee reductions for families while also providing time for service providers to transition to the new funding parameters.

In order to facilitate this, Children's Services will be developing an initial funding formula for the first stage that service providers can expect to receive upon opting in and signing a contribution agreement. This formula will be based on the Provincial funding allocation, adapted to reflect the local landscape and based on each individual service provider's licensed / operating capacity and their March 2022 fees. This approach, combined with other strategies will provide the associated funding to reduce the March 2022 fees by 25 per cent in order to prioritize and begin this stage. Once an agreement has been completed, service providers have 30 days to adjust the user fees and provide the retroactive fee reductions to families. Depending on when a service provider applies and agrees to the contribution agreement, Children's Services is estimating fee reductions and refunds to families will begin near the end of September and run through to December.

In the second stage of determining new base fees and any potential funding gaps / pressures that service providers identify, Children's Services will need to review and work within the Provincial allocation. There may be a need for local decisions based on service system plan priorities, sector consistency, reasonableness etc., before

additional funding is provided and new base fees are established. Once all applications are received after Thursday, September 1, Children's Services will begin this work and make any necessary funding and / or fee adjustments within an amended contribution agreement. It is anticipated this stage will be completed near the end of the year. To note, all funding is still subject to Provincial / City guidelines and subject to reconciliations and actual costs.

Children's Services is committed to supporting the sector through ongoing direct communications and support. Families and stakeholders are encouraged to visit the [Children's Services page on ottawa.ca](#) for regular updates as new information becomes available. Child care programs / operators and prospective child care service providers that would like more information on how to set up a licensed child care program in Ontario, can visit the [Ministry of Education website](#).

### **Municipal Child Care Centres**

The City of Ottawa operates 10 licensed Municipal Child Care Centres, offering toddler and preschool spaces located across the city. The Municipal Child Care Centres offer access to high quality, affordable and responsive programming, prioritizing families who require a fee subsidy. By providing priority access to these families, it reduces poverty and gender inequalities and fosters a sense of belonging for families facing various barriers, such as new immigrants, sole support parents, families living on with low income and children with special needs. For additional information on Municipal Child Care Services please refer to the June 17, 2021 [Municipal Child Care Centre Review report \(ACS2021-CSS-GEN-0008\)](#).

Municipal Child Care centres are eligible for the Canada-Wide Early Learning and Child Care System and opting into the program would ensure current families will see a fee reduction of up to 25 per cent, retroactive to Friday, April 1, 2022. This includes an equivalent fee reduction for families receiving child care fee subsidy who pay a parental contribution.

Municipal Child Care Centres would need to apply and opt-in through the same process as all other licensed service providers. Once the program receives approval, staff would have 30 days to adjust the user fees and provide the retroactive fee reductions to families. Staff are estimating that fee reductions and refunds to Municipal Child Care Centre families can begin near the end of September.

By opting in, the Municipal Child Care Centres would be subject to any further Provincial or City directions. This includes aligning to the City's Service System Plan and any



future phases of the Provincial program. Staff do not anticipate any service or significant financial implications associated with the implementation of phase one. As a result, and given the immediate increased affordability for families, staff recommend Council direct the City of Ottawa's Municipal Child Care Centres to opt-in and adjust user fees accordingly. Any future service adjustments or financial implications would be raised through either a subsequent report or through the City's budget process.

### **Next Steps**

The City continues to work with the Province on gaining clarity surrounding the guidelines and building all aspects of the program in order to launch the application process shortly after Council approval. No additional details on future phases or Provincial plans are currently available from the Province. Children's Services will prioritize phase one implementation and will focus on revisiting our service system plan priorities and aligning those to the Provincial plans and creating a five-year implementation plan for other important aspects like enhanced workforce strategies, system growth and further building towards an average of \$10 a day child care by 2025. This implementation plan will go forward for Council awareness and approval within the next Term of Council.

### **FINANCIAL IMPLICATIONS**

The new Canada-Wide Early Learning and Child Care System is fully funded by the federal and Provincial governments, requiring no additional cost-share or municipal investments. The Province is taking a phased approach to implementing the new system. In the initial rollout, \$60 million has been allocated to the City of Ottawa in 2022 to address three main allocation categories: fee reductions for families, workforce compensation, and program delivery costs for the municipality to implement and administer these new programs. To meet the additional requirements of this new program and to support the sector through this transformation, an additional of up to 15 full-time equivalent positions, at a net zero cost to the City, is required.

### **LEGAL IMPLICATIONS**

There are no legal impediments to receiving this report for information and no legal impediments to the implementation of the report recommendations.

### **COMMENTS BY THE WARD COUNCILLOR(S)**

This is a City-wide report.

## **CONSULTATION**

The Child Care and Early Years System Planning Advisory Group provides ongoing advice and guidance on the planning of high quality, affordable, accessible and inclusive child care and early years system in Ottawa. There will be communications and sector information sessions following Council approval of the Canada-wide Early Learning and Child Care program.

## **ACCESSIBILITY IMPACTS**

The City is committed to meeting its obligations under the Accessibility for Ontarians with Disabilities Act, 2005. In the area of Children's Services, this includes but not limited to, training, customer service and accessible facilities.

## **ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications in the recommendations of this report.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications in the recommendations of this report.

## **INDIGENOUS GENDER AND EQUITY IMPLICATIONS**

Children's Services is the lead on actions within Phase one of the Women and Gender Equity Strategy for the City of Ottawa and through which a gender equity lens is being applied to the Service System Plan and other implementation activities. Children's Services and its partners who provide advice through bodies such as the Child Care and Early Years System Planning Advisory Group, the Indigenous Early Years Circle and the Table Francophone are committed to gender and race equity and recognize that applying a gender, race-based and cultural lens is aligned with sector values and goals in the Service System Plan. Children's Services is proposing four actions for Council approval within the Anti-Racism Strategy.

## **RISK MANAGEMENT IMPLICATIONS**

As a result of the short timelines and complexities for municipalities and service providers to implement the first phase of the new Canada-Wide System there may be delays that impact how quickly Ottawa families receive fee reductions and refunds. In addition, given the nature of this major sector transformation there may be risks that impact provider's participation in the new Canada-Wide System.

As noted in the report, to mitigate these risks, Children’s Services has prioritized phase one implementation including a streamlined process and processing the objectives in stages to help facilitate quicker fee reductions for families while also providing time for service providers to transition to the new funding parameters. Children’s Services is committed to supporting the sector through ongoing direct communications and support as well as our continued approach to work collaboratively with the Child Care and Early Years System Planning Advisory Group and our community partners to implement phase one actions.

### **RURAL IMPLICATIONS**

There are no rural specific implications within the recommendations of this report. This is a citywide report.

### **TECHNOLOGY IMPLICATIONS**

There are no technology implications in the recommendations of this report.

### **TERM OF COUNCIL PRIORITIES**

This report aligns with the Thriving Communities priority of the City of Ottawa Strategic Plan 2019-2022.

### **SUPPORTING DOCUMENTATION**

Document 1: Children’s Services Canada-Wide Early Learning and Child Care Funding Policy Statement

### **DISPOSITION**

Children’s Services will continue to work collaboratively with the Child Care and Early Years System Planning Advisory Group and our community partners to implement the phase one actions required by the Province under Canada-Wide Early Learning and Child Care System. Staff will provide a workplan and phase two update to Council in 2023.