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| To: | Warden Matrosovs and Members of Grey County Council |
| Committee Date: | February 27, 2025 |
| Subject / Report No: | CSR-CW-02-25 |
| Title: | Licensed Childcare Directed Growth Plan Progress |
| Prepared by: | Tara Cockerill – Manager of Early Learning & Child Care |
| Reviewed by: | Anne Marie Shaw – Director of Community Services |
| Lower Tier(s) Affected: | All |

Recommendation

1. That County Council receive report **CSR-CW-02-25** for information.

Executive Summary

The Canada-Wide Early Learning and Child Care system supports families in accessing affordable licensed child care. To support increasing access to affordable care for children under six years of age, the province implemented a directed growth plan (previously referred to as the targeted expansion plan). Each Consolidated Municipal Service Manager (CMSM) has received an allocation of spaces to support the directed growth plan. CMSMs must work to achieve the number of spaces allocated by the province by 2026.

The purpose of this report is to provide county council an update on the progress of the local directed growth plan and acknowledge challenges and successes.

Background and Discussion

There are currently three types of child care defined within Ontario:

- Licensed Child Care Centres
- Licensed Home Child Care Agencies
- Unlicensed Child Care

The province signed a 5-year agreement with the federal government to participate in CWELCC program in March 2022. This provided access to federal funds in exchange for creating a system to increase access to more affordable licensed childcare.

Licensed child care centres and licensed home child care agencies are able to apply to participate in the CWELCC system. Licensed child care programs are inspected by the Ministry of Education to ensure compliance with the *Child Care and Early Years Act, 2014* (CCEYA). Unlicensed home child care providers are not permitted to apply to participate in the CWELCC system. Parents with children in unlicensed care may be eligible to claim the Ontario Childcare Tax Credit.

The province provides direction with regard to participation in the CWELCC program. Any new or existing licensed child care operator that did not opt into the local CWELCC system before January 1, 2024, and now wishes to enroll must align with the pre-determined directed growth plan.

Effective January 1, 2025, only licensed child care programs that are opted in to the CWELCC system are eligible to receive any type of funding from the province through the CMSM, including child care fee subsidy, workforce compensation grants, or other operating grants.

Progress to Date

In 2023, the County of Grey was allocated a total of 504 spaces as part of the directed growth plan. Staff undertook a scan of local operators to determine opportunities to meet these growth plans with existing partners. As outlined in Community Services Committee Report CSR-CS-05-23, staff created a plan that aligned with the provincial direction, including consideration for existing concentration of licensed spaces, planned residential growth, and pre-existing school-based capital projects.

In 2024 the County of Grey received a revised allocation for a total of 644 spaces for the local directed growth project. These spaces included spaces for school-based capital projects that will continue into 2026.

Three Year CWELCC Growth

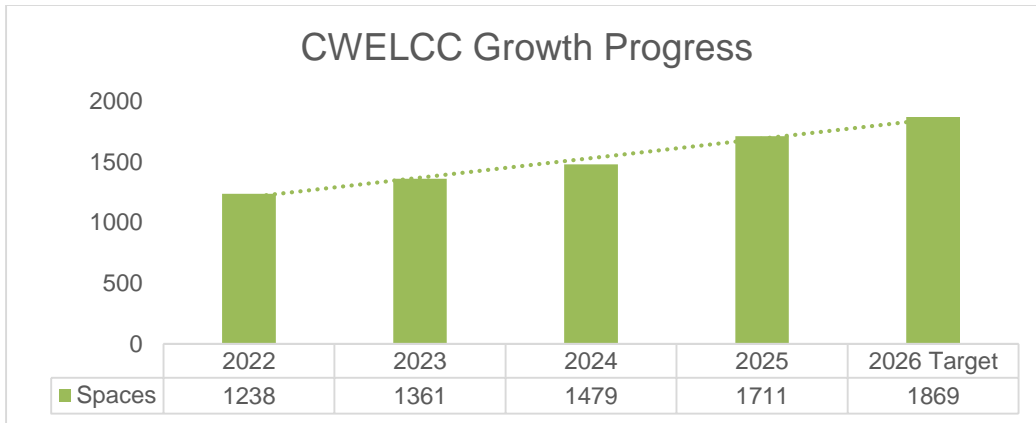
Since the implementation of the local CWELCC system, Grey County has seen an increase of 516 licensed CWELCC spaces from 2022-2026



source: local data

Target Achievement

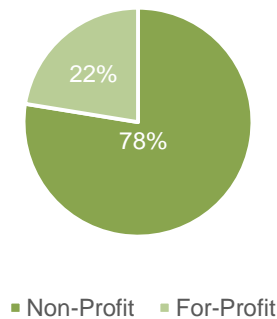
With the revised allocation of 644 spaces for Grey County to be created by 2026, the local plan is at 90% completion.



source: local data

The Ministry of Education requires CMSMs to maintain a non-profit/for-profit auspice ratio of 70/30. Grey County's current auspice ratio is 78/22.

Auspice Percentage of Licensed Spaces



source: local data

Waitlist Pressures

The CWELCC system currently ensures that families of children aged 0-5 years pay \$22.00/day or less for licensed child care. This has greatly increased the affordability of licensed care, and conversely increases the demand for licensed child care spaces.

At the end of 2024, local operators reported there was a total 2,039 children under the age of 6 on their individual waitlists. It should be noted that there may be duplicated children on these lists as families may choose to be on more than one waitlist.

Funding to Support New CWELCC Applications

With the announcement of the new benchmark funding formula, three existing operators (with a combined total of 6 sites) that did not choose to enroll in the CWELCC system in prior year, requested to enroll. Staff were able to enroll two of those six sites as a previously approved project had advised the Early Learning & Child Care (ELCC) division that they would not be proceeding, and they could be accommodated taking into consideration the funding allocation and the provincial auspice threshold.

Our current space allocation to the end of 2026 has been fully allocated with pre-existing school-based capital builds, which prevents additional spaces being approved.

Currently there are four licensed sites that have requested to enroll in the CWELCC system. Enrollment of these three sites would increase the CWELCC spaces by 177 spaces. Other enrolled operators have indicated that they have the capacity to open additional rooms within their space.

Additionally, the ELCC division has received inquiries from operators in other municipalities requesting to open licensed child care centres in Grey County. Staff are maintaining a list of those interested parties if additional spaces are approved.

Actions

Staff have notified the Ministry of Education of the interest in enrollment of spaces over and above the local allocation. Without additional funding to support those spaces, the potential expansion to meet demand is blocked.

Staff will continue to participate in discussions at the regional and provincial level to advocate for space allocation to support access to licensed child care for families in Grey County.

Financial and Resource Implications

Space allocation takes into consideration the annual funding allocation provided by the Ministry of Education. Expansion outside of the provincial allocation would require levy contribution.

Relevant Consultation

- External
 - Local Child Care Operators

Appendices and Attachments

Licensed CWELCC Spaces by Lower Tier

| Georgian Bluffs | Infant | Toddler | Preschool | Kinder | HCC | Total |
|----------------------------|--------|---------|-----------|--------|-----|-------|
| 2022 | 0 | 0 | 0 | 20 | 0 | 20 |
| 2025 | 0 | 0 | 0 | 20 | 0 | 20 |
| Grey Highlands | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 0 | 35 | 59 | 26 | 0 | 120 |
| 2025 | 0 | 56 | 98 | 65 | 0 | 219 |
| Hanover | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 0 | 15 | 24 | 13 | 24 | 76 |
| 2025 | 10 | 45 | 70 | 65 | 30 | 220 |
| Meaford | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 10 | 32 | 54 | 26 | 6 | 128 |
| 2025 | 10 | 32 | 54 | 52 | 6 | 154 |
| Owen Sound | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 30 | 128 | 214 | 249 | 90 | 711 |
| 2025 | 30 | 158 | 286 | 267 | 108 | 849 |
| Southgate | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 0 | 29 | 32 | 0 | 6 | 67 |
| 2025 | 0 | 29 | 32 | 26 | 12 | 99 |
| Town of the Blue Mountains | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 6 | 25 | 48 | 0 | 0 | 79 |
| 2025 | 6 | 25 | 48 | 0 | 0 | 79 |
| West Grey | Infant | Toddler | Preschool | Kinder | HCC | Total |
| 2022 | 0 | 15 | 16 | 0 | 6 | 37 |
| 2025 | 0 | 15 | 24 | 26 | 6 | 71 |