

# Ontario joins the rest of Canada with new child care agreement <sup>[1]</sup>

**Author:**

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## AVAILABILITY

Access online <sup>[2]</sup>

## EXCERPTS

On March 28th, Ontario signed on to an agreement with the federal government to support lowered costs and greater access to early learning and child care programs (ELCC).

Ultimately, Canada's new child care plan will have two long-term benefits: more children will have access to high quality early childhood programs that support them to develop the foundational skills and competencies that are vital to thrive in school and into adulthood, and parents (women in particular) will have greater capacity to participate in the economy.

The agreement will provide Ontario with \$10.2 billion in federal funding through 2025-26. The funding was the amount on offer from the beginning of negotiations and represents Ontario's share of the funding that has been allocated proportionately to each province and territory based on their projected population of children 0 to 12.

### How will Ontario families and children benefit?

In Ontario, the agreement provides funding for 71,000 new licensed child care spaces (and funds 15,000 existing spaces created since 2019).

In May 2022, parents with eligible children in programs that have signed on to the new ELCC agreement, will receive a 25% rebate that is retroactive to April 1st. They will receive a second 25% reduction at the end of December. Further reductions will be implemented in the fall of 2024 and 2025. As a result, by 2025, parents will pay, on average, \$10 per day for children under six. Because the average will include subsidized child care spaces, most parents will pay approximately \$12 per day – still representing a massive drop in fees.

During the implementation period, licensed child cares are not permitted to raise their fees. All fees are frozen at their rate as of March 27, 2022. Licensees that choose not to participate in the program and want to have the fee restriction lifted, must apply to opt out before they can increase their fees.

### Does the fee reduction apply to all early learning and child care programs?

Only licensed child care operators are eligible for the program, including both child care centres and licensed home child care agencies.

However, each centre or agency must apply to participate in the new system. Participating providers will receive funding to allow them to reduce fees, but they must operate under specific guidelines. Licensees that choose not to participate will not receive any of the ELCC funding, but they may continue to operate under existing provincial licensing guidelines and have no restrictions on the fees they charge.

### Salaries for early childhood educators

The new agreement also provides a minimum wage for registered early childhood educators, starting at \$18 per hour and increasing to \$22 per hour by 2026. The minimum wage for supervisors will start at \$20 per hour and increase to \$24 per hour by 2026.

While most experts and advocates have lauded the new agreement, they have all raised concerns about the difficulty of staffing new spaces. Early childhood educators are experts on early childhood development, but, according to economist Gordon Cleveland, experts at the Atkinson Centre, and organizations like the Ontario Coalition for Better Child Care, it will be difficult to attract new people to the profession when the wages remain so low.

### Will the agreement provide equitable access for Ontario families?

In an article outlining what would be needed to ensure that all families have access to quality child care, Gordon Cleveland said that Ontario's target should be at least 150,000 new spaces over the next four years. However, the agreement will only fund 71,000 new spaces. In a recent study, Cleveland and economist Michael Krashinsky, also pointed out that even at \$10 per day, affording child care can be a strain for some families.

### Was it worth the wait?

Ontario's agreement means that the province receives the \$10.2 billion that was on offer from the beginning. However, Ontario did push

the federal government to articulate more clearly what its plans were beyond 2026, and to commit to infrastructure funding which will be essential to build the new spaces.

**Region:** Ontario <sup>[3]</sup>

**Tags:** universal system <sup>[4]</sup>

Canada-wide agreements <sup>[5]</sup>

accessibility <sup>[6]</sup>

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