

## ■ HOW EARLY LEARNING AND CHILD CARE IS ORGANIZED IN CANADA: ROLES AND RESPONSIBILITIES

As the previous section describes, Canada has recently begun to develop Canada-wide policy to address provision of child care to support women's equality, mothers' employment and to provide children with the "best start in life". Although the process of implementing this has now begun, the institutional context and governance arrangements have not fundamentally changed. Although some elements of how ELCC is organized and funded in Canada have begun to undergo changes, with additional changes anticipated to come, it is a given that changes to early learning and child care will need to be designed to fit into Canadian institutional governance arrangements. This section examines key contextual issues related to government roles and responsibilities and goes on to describe the main common elements of provincial/territorial early learning and child care Canada-wide, including recent changes that have occurred up to the end of 2022.

### THE CONTEXT OF CANADIAN FEDERALISM

The [complexities](#) of establishing a Canadian child care policy have often been attributed, at least in part, to Canada's governance structure as a federation<sup>5</sup>, not a unitary state. In the Canadian federation, 13 provinces and territories have the main responsibility for social programs such as early learning and child care. The division of powers between federal and provincial governments was established in the *Constitution Act* of 1867, which identified certain powers as federal powers, such as public debt, the criminal code, regulation of trade and commerce, taxation and defense, and some provincial powers, such as hospitals, justice, marriage, and corporate affairs. Social programs such as child care not yet identified in 1867 are considered to be provincial matters. Education is an entirely provincial responsibility in Canada with no federal funding and no national department of education<sup>6</sup>.

Canada's main national social programs were primarily developed in the post-World War II period with the federal government often playing a lead or collaborative role. Despite the barriers presented by Canadian federalism to the kind of social safety net developed more easily in unitary states, a number of Canada-wide social programs have been developed under provincial jurisdiction. Most notable is Canada's public health insurance program shaped by the overarching *Canada Health Act* (1987) and its five principles but designed and delivered by provinces/territories as 13 relatively similar

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5 A federation is a system of government in which power and responsibility are shared between a national government and a number of sub-national state or regional governments.

6 Most other countries that are, as Canada is, federations (for example, the United States, Australia, Austria, Spain and Germany) do have national education departments.

but separate public health insurance programs. In another example, for 30 years (1966 to 1995)<sup>7</sup>, the cost-shared (50-50 federal/provincial) Canada Assistance Plan (CAP) set broad conditions and requirements for provincially designed and delivered social welfare programs, including specification of conditions under which cost-shared funds would be transferred to provinces to support some aspects of child care. CAP funding was one of the main factors shaping provincial child care provision. Indeed, a key CAP funding and policy element continues to persist today—provincial/territorial fee subsidy programs aimed at low-income parents. A final example is the Canada-wide parental leave benefit program, which funds eligible parents taking maternity and parental leave as defined by all provinces/territories outside Quebec, which has its own paid parental leave program. A number of major social programs based on income transfers to individual Canadians such as unemployment insurance (EI), public pensions and the Canada Child Tax Credit are defined and delivered by the federal government.

Although federal and provincial roles in social policy are often contested in Canada, with many shifts over the years, [Barbara Cameron](#), a political scientist, has described roles and responsibilities in social programs primarily under provincial/territorial jurisdiction this way:

Under the constitution, the federal government cannot set standards that amount to regulating a social service under provincial jurisdiction. It can, however, attach conditions to money transferred to the provinces for social welfare services ... these conditions relate to the Canada-wide social citizenship responsibilities of the federal government.

## FEDERAL GOVERNMENT CHILD CARE FUNDING

Between the 1995 termination of the Canada Assistance Plan (which provided funds for some aspects of child care as a service for low-income families) and 2017, when new earmarked federal funding became available to provinces/territories for the first time<sup>8</sup>, most federal government funds to provinces/territories used for child care provision came from broader transfers via the Canada Social Transfer (CST) or its predecessor, the Canada Health and Social Transfer (CHST). These funds were not earmarked or reported upon with respect to specific purposes such as child care but included in a “block” of funds apportioned by population that the province/territory could choose to allocate among many social purposes including child care.

With the introduction of the Canada-Wide Early Learning and Child Care plan (CWELCC) the federal government now plays not only a much larger funding role but a larger policy role in child care by setting high-level conditions for how this funding

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<sup>7</sup> The Canada Assistance Plan was eliminated by the federal government in 1995, replaced by the Canada Health and Social Transfer (CHST), a block fund that was in turn then replaced by the CHT (Canada Health Transfer) and the CST (Canada Social Transfer). There is no Canada-wide social welfare program.

<sup>8</sup> With the exception of the first year funding transferred in 2005 before that federal child care initiative was ended by the Conservatives.

is used. For example, it has required provinces/territories to begin making child care more affordable to parents by reducing fees 50% by the end of 2022 and specified that expansion of spaces would “primarily” be in the public and non-profit sectors. This kind of policy role falls under the “[federal spending power](#)”, defined by the Centre for Constitutional Studies as “Parliamentary authority to spend as it chooses monies collected pursuant to its taxing and regulatory powers ... Parliament may make gifts to provinces or individuals ... and if it chooses, may attach conditions to its gifts.”

As the previous section in this report described, the introduction of substantial new federal funds ramping up to at least \$9.2 billion in the 2025 – 2026 fiscal year will significantly change the funding role of the federal government. It will become a primary funder of child care Canada-wide, although the respective balance of federal and provincial/territorial funding varies by jurisdiction. Nevertheless, early learning and child care provision will remain under provincial/territorial jurisdiction as it has been historically.

An ELCC issue that has been growing in importance Canada-wide is Indigenous early learning and child care’s formation, conceptualization and governance. A variety of ELCC services for First Nations, Métis and Inuit children and families with different purposes and targets have been federally funded for some years, as part of the federal government’s historical responsibilities to Indigenous peoples. Since 2018, federally funded First Nations, Métis and Inuit ELCC programs have been consolidated under the Indigenous Early Learning and Child Care (IELCC) [framework](#) with the Indigenous ELCC Secretariat in Employment and Social Development Canada (ESDC), collaborating with Indigenous governance groups to play a major role. A section of this report entitled FIRST NATIONS, METIS AND INUIT EARLY LEARNING AND CHILD CARE outlines ELCC goals, concerns and aspirations and the status of First Nations, Métis and Inuit ELCC and progress made toward it at the end of 2022.

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In addition to funding regulated child care through transfer payments to provinces/territories and Indigenous governance organizations, the federal government reimburses individual parents (the lower income earner in a couple) for eligible child care expenses as an employment-related tax deduction, the Child Care Expense Deduction (CCED) under *The Income Tax Act*. These funds may be used by the parents for any variety of regulated or unregulated child care or related programs (such as a summer camp), and parental employment is required. The federal government also funds some child care services (not ordinarily regulated) for newcomer parents engaged in federal language training programs (Language Instruction for Newcomers to Canada, or LINC). These federal child care-related programs are described in this report.

The federal government also pays benefits to individual eligible parents for paid maternity and parental leave under Employment Insurance (EI), while provinces/territories specify the provisions for parents' leave from work. This applies across Canada outside Quebec, which has its own program covering both leave provisions and benefits, the Quebec Parental Insurance Plan (QPIP). These arrangements are described in a section of this report titled PARENTAL LEAVE.

In addition, Canada has other child- or family-related programs, the most prominent of which is the [Canada Child Benefit](#), an indexed, geared-to-income, tax-free monthly child benefit payment for families to help with the general cost of raising children under 18 years of age. This child benefit is intended to be income support, not an early learning and child care program.

## HOW PROVINCES/TERRITORIES ORGANIZE EARLY LEARNING AND CHILD CARE

The main elements of Canada's ELCC provision are defined and administered by each provincial/territorial government. Although there are many variations from jurisdiction to jurisdiction, in many ways ELCC provision is more similar than different Canada-wide. Each of Canada's 13 jurisdictions—ten provinces and three territories—has two main programs for early childhood education and child care: regulated or licensed child care, and kindergarten. Provinces/territories have the primary responsibility for both of these.

### REGULATED CHILD CARE

Each province and territory has developed a program of regulated child care, which usually includes:

- centre-based full-day child care;
- regulated/licensed or approved family (home) child care;
- child care outside regular school hours for children from kindergarten-age to 12 years; and
- part-day centre-based services called nursery schools or preschools.

Unregulated child care is legal in all jurisdictions if the number of children cared for does not exceed a specified number of children.

In most jurisdictions, regulated child care is now under the aegis of a ministry that includes public education. Historically, neither the federal government nor the provinces/territories have treated early learning and child care as an entitlement or a right.

Each of the provincial/territorial child care programs includes:

- legislated requirements under a provincial/territorial *Act* or law;
- regulations for service delivery including monitoring; and
- funding arrangements.

### **The child care workforce**

The main level of education required by provinces/territories for centre-based child care services is a one- to three-year college-level early childhood education program (ECE), although none of the provinces/territories require all staff to have ECE training and several allow non-ECE equivalencies. In several jurisdictions, centre directors are not required to have early childhood education qualifications, and post-secondary in ECE is not required in regulated family child care. A minority of child care staff across Canada are unionized with a sizable unionized sector only in Quebec.

### **Child care ownership**

Canada-wide, a majority of child care services are operated by not-for-profit voluntary boards of directors including parent, voluntary and charitable groups, multi-service and multi-site operations. While they are a minority Canada-wide, for-profit child care operations are the majority in several jurisdictions. The not-for-profit child care sector represented the majority of the total supply of child care centre spaces in 2021, with for-profits (ranging from one centre operations to corporate-type chains that may have more than 50 or even more locations) making up almost all the rest. There are very few publicly operated services delivered by municipal governments, school boards or other public local government entities, although this form of ownership is growing in some provinces/territories. (See Appendix A for [profiles](#) of each province/territory vis-a-vis auspice.)

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### ***Parent fees and public funding***

In the last decade, a growing number of provinces/territories had begun to fund child care services operationally together with setting province-wide parent fees in some or most of their regulated child care programs. As a result, the fees in these services were lower than market-based fees. Quebec was the first province to provide substantial operational funding and to set low parent fees but was followed by Manitoba and Prince Edward Island and in the last few years by several other jurisdictions as well.

Until the Canada-wide policy changes of 2021, all types of child care services in Canada except in Quebec were primarily funded by parent-user fees. This has shifted with the first funding changes under CWELCC, with provincial/territorial governments taking [different approaches to fee reduction](#). By the end of 2022, federal funds had been transferred to provincial/territorial governments and regulated child care providers had reduced parents’ out-of-pocket costs substantially. As parent fees were until 2022 the

main source of revenue for child care services in most provinces/territories, affordability will continue to be out of reach for some parents until federal funding is fully rolled out to further reduce parent fees to an average of \$10/day per child.

Historically, all provinces/territories<sup>9</sup> except Quebec have subsidized individual eligible low-income families to use regulated child care by covering some or all of the fee on the parent's behalf; the fee subsidy is paid directly to the service provider in all provinces/territories. In the initial stage of the new Canada-wide initiative, this approach has been maintained by almost all jurisdictions. Parent fee subsidies are administered by provincial/territorial governments except in Ontario where local (municipal or regional) governments are mandated to manage administration of provincial child care funding including fee subsidies.

### *Local government roles*

In many countries, local governments play significant roles in child care provision. Canadian municipalities, which do not have their own powers and are subordinate to the provinces, do not play a large role in child care Canada-wide. In Ontario, they play several key roles in child care but outside Ontario, local governments have no mandated role in child care. Nevertheless, some municipalities or local-level governments in a number of provinces/territories have chosen to deliver child care services or support them in other ways.

School authorities, which are usually local, have primary responsibility for operation of elementary schools including kindergarten. In several provinces such as Quebec and Ontario, school authorities are required by the provincial government to ensure provision of child care outside regular school hours if there is community demand. Provincial capital funds to provide facilities for child care in schools have played a major role in expansion in several provinces, especially Ontario. As well, many schools Canada-wide host third-party child care programs in a “landlord” role. School boards also hold licenses for regulated child care centres in some provinces.

## KINDERGARTEN

In addition to regulated child care, all provincial/territorial governments also all provide separate kindergarten programs, covering all five-year-olds in all jurisdictions and an increasing number of four-year-olds in some provinces/territories. In other jurisdictions, there is some kindergarten offered to some four-year-olds and even younger children, usually prioritizing children deemed to be “vulnerable”. These early learning programs are usually provided at no fee to parents, and are almost always delivered by public education authorities. Participation in kindergarten is for the most part voluntary, although several provinces require that five-year-olds attend.

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<sup>9</sup> Quebec used parent fee subsidies until it began to fund child care services operationally and ended its fee subsidy system.

Over the past decade, full school-day programs for four- and five-year-olds have become the norm in Canadian kindergarten provision, although kindergarten is still part-time in Manitoba, Saskatchewan, Nunavut and Alberta. All provinces/territories also offer child care outside regular school hours for kindergarten-age children, sometimes as part of a before- and after-school child care program for older school-age children up to age 12.

All jurisdictions treat kindergarten as an entitlement similar to elementary school although participation is not compulsory in most provinces/territories.

