

REPORT TO COUNTY COUNCIL

Canada-Wide Early Learning and Child Care (CWELCC) Update and Expansion Plan

To: Warden and Members of County Council

From: Acting Director of Human Services

RECOMMENDATION

1. That County Council receive Report HS 2025-03, entitled “Canada-Wide Early Learning and Child Care (CWELCC) Update and Expansion Plan” as information.

REPORT HIGHLIGHTS

- The purpose of this report is to provide further updates on the implementation of the Canada-Wide Early Learning and Child Care (CWELCC) system, including the new cost-based funding model and community prioritization for child care expansion.
- Pending provincial adjustments through the recalibration of CWELCC space targets for 2025 and 2026, the County has been allocated 827 spaces (651 community-based spaces and 176 school-based spaces) to be realized by the end of 2026, in priority communities.
- Staff continue to work with current and potential new child care operators to expand the CWELCC system, in light of the challenges that are currently being faced.

IMPLEMENTATION POINTS

Staff will continue to work with existing and potential new child care operators to maintain and expand licensed child care spaces across the County in alignment with the Ministry of Education’s funding expectations.

Financial Impact

There is no financial impact beyond what was approved in the 2025 budget.

Communications




To ensure continued support for child care operators, staff will ensure transparent communication of the priority communities for expansion, as well as the application process to ensure operators have the necessary information to inform their business decisions related to future growth.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the [2023-2026 Strategic Plan](#) on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council’s vision of “Working together for a healthy, vibrant, and sustainable future.” These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goal.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
Goal 1.3 – Community health, safety and well-being		

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

In March 2022, the federal and provincial governments signed the Canada-Wide Early Learning and Child Care (CWELCC) agreement. As the Service System Manager, the County delivers this program which aims to provide greater access to affordable and high-quality child care for children under six years old.

CWELCC-funded child care spaces have been allocated to Service System Managers with a focus on achieving a child care access rate of 37% for children aged 0-5. Pending provincial adjustments through the recalibration of CWELCC space targets for 2025 and 2026, the County has been allocated 827 spaces (651 community-based spaces and 176 school-based spaces) to be realized by the end of 2026, in priority communities identified by region.

These allocated 827 spaces, and associated funding allocations under the Ministry's directed growth targets, would bring the County's access rate to 22.6%, which still falls short of the 37% provincial target. For Council's information, the provincial expansion targets have been allocated to regions based on five socio-economic factors including:

- Children aged 0-5 in lone parent families;
- Low-income measure;
- Households spending greater than 30% of income on shelter costs;
- Recent immigrants; and
- Women aged 25 to 44 not participating in the labour force.

Prior to the implementation of the CWELCC system, the County's access rate was 9.3% across full-day, centre-based (infant, toddler and preschool) programs. As of January 2025, full-day, centre-based programs, had a licensed capacity of 803 spaces for a total of 60 infant spaces, 185 toddler spaces and 558 preschool spaces. According to Statistics Canada, 2021, this places the County's current access rate for children aged 0 to 4 at 11.2% for licensed centre-based spaces.

It should be noted that licensed home child care spaces have increased over the past number of years, growing from 14 licensed home child care providers in 2018, to 44 providers in January 2025, providing opportunities for an additional 241 spaces for children aged 0 to 12, with 93% of them currently occupied by children aged 0 to 5 years. While the spaces for children aged 0 to 5 also contribute to the provincial expansion target, the County's current access rate still falls below the provincial target of 37%.

The Province's Access and Inclusion Framework, 2023, is meant to support Service System Managers with developing and implementing local service plans with an increased focus on access as it relates to inclusion. The purpose of this report is to provide further updates on the implementation of the CWELCC system, including the new cost-based funding formula and space expansion under CWELCC.

Comments

Child care is foundational to supporting early childhood development, learning, well-being and future success. The provinces vision for the CWELCC system is to ensure more families have access to high-quality, affordable, flexible and inclusive early learning and child care, no matter where they live. With a focus on creating affordable child care spaces in communities with populations that need them most, a directed growth plan that supports child care access for low-income families, vulnerable children, children with special needs and children from diverse communities, is required to achieve these goals.

Directed Growth Strategy

The County's Directed Growth Strategy, which will complement the forthcoming 5 Year Child Care and Early Years Plan, is meant to support decisions related to the expansion of the CWELCC system, including increasing access to full day child care spaces in priority communities, informed by Ontario's Access and Inclusion Framework. The identification of priority communities is intended to guide decisions about where new child care spaces will be allocated

Staff are currently in the process of updating the Directed Growth Strategy, with consideration for the following data/criteria in the identification of the recommended priority neighbourhoods:

- The number of children under the age of six, where they live, and the availability of licensed child care spaces close to home. This information will be used to identify communities with low access rates where there are not enough licensed child care spaces based on the number of children under the age of six living there.
- Child care space vacancy rates in existing child care centres. Low vacancy rates indicate a barrier to accessing care as all spaces are full.
- Population and demographic data related to the provincially targeted groups (children living in low-income families, children from diverse communities, children with special needs, Francophone children and Indigenous children) to identify communities with a high presence of these groups.
- Waitlist demands for existing child care spaces.

While the County recognizes that each of our communities have unique needs and demands related to child care, the expansion program is meant to prioritize spaces to communities that have been traditionally underserved and/or have high populations of Ministry identified groups. That said, all opportunities will be reviewed to ensure the most appropriate expansions are considered to best serve our communities. The creation of centre-based spaces is challenging due to the limited availability of building space that meets the requirements for licensed child care programs under the *Child Care and Early Years Act, 2014*, as well as municipal by-laws, public health requirements, building and fire codes.

The goal of the County's CWELCC Directed Growth Plan is to open 651 new community-based spaces by the end of 2026 (pending Ministry space recalibration). While the identified priority communities will have first consideration, any suitable spaces across the County will continue to be explored.

For Council's information, the County's Directed Growth Plan will be attached to the forthcoming 5 Year Child Care and Early Years Plan, which is expected to be considered by Council in April 2025.

Cost-Based Funding Guidelines

In August 2024, the Ministry of Education released the 2025 Cost-Based Funding Guidelines to reflect the integration of routine child care funding in respect of children aged 0 to 5. Child care licensees enrolled in CWELCC are funded based on eligible costs incurred in the calendar year in respect of eligible centres/agencies, up to a maximum determined by the formula described in the Ontario Early Years and Child Care Funding Guidelines, which was published by the

province in November 2024. As a result of changes within these guidelines, effective January 1, 2025:

- Daily parent fees for child care are capped at \$22/day for eligible children (if fees had already been reduced to reflect this change, fees will remain the same).
- Child care licensees that do not participate in the CWELCC system must not receive any funding from the County and may continue to set their own parent fees and wages.

In Oxford County, all current child care licensees are enrolled in the CWELCC system.

All new child care projects must apply to be part of CWELCC to ensure availability of spaces and funding, while also maintaining a prescribed auspice ratio of 90% for not-for-profit versus for-profit spaces. Upon receipt of approval to participate in the CWELCC system, child care licensees must apply to the Ministry of Education's Child Care Licensing System to secure a license for the spaces and enter into a Purchase of Service Agreement with the County.

Challenges

While staff continue to support providers in expanding the number of spaces under CWELCC, there are challenges associated with realizing a fully inclusive, accessible and affordable child care system, including:

- Registered Early Childhood Educator (RECE) shortages. CWELCC expansion in the County will continue to be limited if the RECE workforce pressures are not addressed. Further information and updates on the Province's Innovation Fund (workforce strategy funding) are eagerly anticipated.
- Provincial expansion targets do not reflect anticipated child care demand. Staff anticipate that as CWELCC continues to improve affordability for families, the demand for child care will increase. Staff will monitor system trends and update local demand models as new updated census data becomes available.
- Access for low income families and children with special needs. To realize the provincial goal of building an affordable child care system that is inclusive and accessible, all new child care sites that wish to participate in the CWELCC System will be required to accept children in receipt of child care fee subsidy and children with special needs through the centralized waitlist.

While all families can benefit from more accessible and affordable child care spaces, there is currently a lack of new CWELCC funded spaces to address the growing demand, resulting in long waitlists for care. In addition, funding and child care expansion beyond 2026 has not been determined by the Province.

Next Steps

To support a transparent application process, Expressions of Interest for enrollment in the County's CWELCC system are being accepted and reviewed on an ongoing basis and will be considered against the updated Directed Growth Strategy, availability of funding and maintaining the auspice ratio of 90%. Staff continue to work with current and future operators to expand the system, in light of the challenges that are currently being faced.

CONCLUSIONS

CWELCC implementation has significantly changed the way the child care sector is organized and structured with additional program requirements being placed on Service System Managers. As the child care system continues to evolve, staff will work closely with child care operators, families and the province to ensure we can meet CWELCC growth targets and increase the number of licensed child care spaces available to families in the county.

SIGNATURES

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