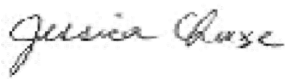




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	April 15, 2025
SUBJECT:	Canada-Wide Early Learning and Child Care – 2025 and 2026 Child Care Space Allocation update and 2025 Funding Changes (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Jessica Chase, Director, Children's and Community Services Division Healthy and Safe Communities Department
SIGNATURE:	

The purpose of this communication update is to advise Council of recent changes announced by the Ministry of Education regarding the new community-based child care space allocations initially announced in 2023 and operating funding under the Canada-Wide Early Learning and Child Care plan as a result of a recent recalibration exercise undertaken by the Province.

On March 31, 2025, the Ministry released an updated memorandum outlining the outcome of their child care space recalibration exercise. As a result of this Ministry exercise, Hamilton is one of 27 out of 47 Service System Managers that have received notice of a decreased allocation in Canada-Wide Early Learning and Child Care spaces. The City of Hamilton's new child spaces for 2025 and 2026 have been decreased by 289 spaces.

The Province and the City of Hamilton are entering the fourth year of implementing the Canada-Wide Early Learning and Child Care plan. The goal of the plan is to ensure more families across Ontario have access to safe, affordable, and high-quality child care with the average cost of child care for eligible children 0 to 6 years old, reduced to approximately \$12 per day by March 2026. Ontario's Ministry of Education has also set a target access rate (the ratio of available child care spaces to children) of 37% by 2026 for this age group. This is equivalent to one affordable child care space available for every 2.7 children. Hamilton's current access rate is 34%, with a projection to reach a 37% access rate by end of 2026.

Service System Managers have been aware that the Ministry was conducting a recalibration exercise in order to ensure that the province could deliver on their

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commitment of having 86,000 new childcare spaces in Ontario open and operating by December 2026, a requirement of the Canadian bi-lateral agreement with the Province of Ontario.

The reallocation announced on March 31st used data submitted in October 2024, through a ministry request where all 47 Service System Managers were asked to submit progress reports for new CWELCC spaces and report on the number of spaces that were committed, planned and undetermined. The Ministry defined these statuses as follows:

1. **Committed Spaces** - net new spaces that are approved and have a fully executed service system agreement.
2. **Planned Spaces** - net new spaces for which operators (including prospective operators) have already communicated space expansion/creation plans to the Service System Manager.
3. **Undetermined** - net new spaces that do not meet the definition of committed or planned.

In the October report submission, Hamilton reported all 2024 spaces as committed. Using the Ministry's provided status definitions, and with the understanding that spaces needed to be operational by December 2025 and December 2026 respectively, Hamilton reported 558 of the remaining 641 spaces as undetermined, as our 2025 directed growth application process had not yet opened up. It was noted at that time to the Province that Hamilton would achieve their allotted spaces by provincial deadlines and that the division was in the process of finalizing the details of its 2025 and 2026 directed growth application. Municipalities across the province took individualized approaches to their application process and there were no specific ministry-directed deadlines associated with the application process. The Ministry indicated at the outset that the recalibration process was "unlikely to result in a widespread redistribution of spaces."

As of the March 31st communication, the City of Hamilton has been advised that new child care spaces for the City have been recalibrated as follows:

	Ministry Child Care Space Allocations					
	2025			2026		
	Original	Revised	Change	Original	Revised	Change
Community Based Spaces	339	246	↓ 93	302	106	↓ 196
School Based Spaces	49	49	0	0	0	0

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As mentioned, the City of Hamilton's 2025 and 2026 community-based space allocations have been reduced by a total 289 spaces. Among the 47 Service System

Managers across Ontario, Hamilton is one of 27 who had spaces reduced. A total of 16 Service System Managers received increased spaces, and the remaining 4 saw no change to their space allocations.

Hamilton's directed growth application for 2025 opened on January 7, 2025. To date 4 Licensees have had their applications approved for a total of 119 new affordable spaces. Directed growth applications are accepted on a first come first serve basis and will remain open until all 2025 and 2026 space allocations are approved. All applications are evaluated using the division's Access and Inclusion Framework, prioritizing wards with lower access rates. The division's Access and Inclusion Framework can be found at [Hamilton/CWELCC](#).

NEW INFRASTRUCTURE FUNDING ANNOUNCED FOR HAMILTON

In addition to the space recalibration, the March 31st memo also announced new ELCC Infrastructure funding for Hamilton for 2025 Hamilton will receive \$1,629,121 to support not-for-profit licensed child care operators to increase inclusion in child care for underserved communities. This funding will support the creation of the new, licensed, full-day child care spaces, which are included in Hamilton's child care space allocations. This funding is a complement to the current Start-Up Grant program, and supports additional infrastructure costs, including planning and design stage expenditures, as well as the purchase of land or buildings.

The Ministry has also adjusted 2025 funding allocations, and the following chart provides highlights of these changes:

Funding Type	2025		
	Original	Revised	Change
Cost Based Funding (to support operational child care spaces)	\$ 143,787,480	\$ 142,531,450	\$ (1,256,030)
Administration	\$ 3,223,315	\$ 3,219,753	\$ (3,562)
Start Up Grants (to support creation of new spaces)	\$ 3,728,700	\$ 2,231,085	\$ (1,497,615)
NEW Infrastructure Funding (to support new not-for-profit spaces)	\$ -	\$ 1,629,121	\$ 1,629,121

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Staff have completed a preliminary analysis to the changes in funding and have confirmed the reduction to cost based funding and start up grant funding correlates to the reduction in child care space allocations.

The City of Hamilton has consistently maintained that all targeted CWELCC spaces are needed in Hamilton and would be achieved by the required provincial deadlines. In addition, Hamilton has consistently requested additional child care spaces in order to meet the demand demonstrated through our directed growth application process. Although staff are still inquiring about the details of the reallocation and surrounding process, it does not appear that there is opportunity to appeal the Ministry's March 31st reallocation decision, however future opportunity may arise for additional allocations, depending on progress made towards provincial commitments. City staff will take every opportunity to advocate to the Ministry of Education for expansion of CWELCC spaces and funding to address our growing demand. Staff will continue to request additional spaces and will pursue every opportunity through municipal-provincial tables and OMSSA membership to advocate for critical capacity in the child care sector, recommend advocacy by Mayor and Council towards this same goal and will keep Council updated on status and progress.

Next Steps:

1. A Consideration Report recommending the acceptance of the new Infrastructure funding will be presented at the May 22, 2025, Emergency and Community Services Committee.
2. A Canada Wide Early Learning and Child Care Communication Update will be released to the Early Years Community in Hamilton.
3. The City will develop a process for the allocation of the new Infrastructure funding.
4. The City will continue to keep our 2025 and 2026 directed growth application process open and will assess any impacts to that process resulting from this announcement.

Should you require further information on the Canada-Wide Early Learning and Child Care plan, please contact Jessica Chase, Director, Children's Services and Community Services Division at 905-973-4938 or via email at Jessica.Chase@hamilton.ca.

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