

May 2026

While the Canada-wide Early Learning and Child Care Program is still relatively new it has provided a significant opportunity for many families – but it is not without growing pains and areas that we must pay attention to, most notably the need to expand and the need to address workforce compensation.



After years of advocacy, alongside sector colleagues, Andrew Fleck Children's Services enthusiastically embraced CWELCC, confirming our commitment to be part of the program before we even knew what the funding implications would be – we have remained steadfast in our appreciation of how important access to quality and affordable child care is for families. But as a not-for-profit operator with a long history in Ottawa, we are also intimately aware of what is working and what needs to change so this important social program can thrive.

### **Affordability**

The reduction of fees has been life-changing for families lucky enough to secure a CWELCC funded space, the impact has been huge, influencing not only what is happening today but for generations to come.

We have asked families the same two questions four separate times, with the most recent being this month<sup>^</sup>, and the answers have remained consistent:

#### **How has the child care fee reduction impacted your family? What changes have you experienced?**

- Decided to return to work
- Choosing to have another child
- Paying off debt
- Able to make healthier life-style choices (food, activities)
- Less stress
- Saving for the future

#### **If child care fees were returned to what they were before CWELCC how would this impact your family?**

- One parent would have to quit work
- Remove my child from child care
- Go into debt
- Sell house or move
- Wait to have another child

<sup>^</sup>See separate attachment for all responses from May 2026

Even though Ontario has not yet achieved the hoped for \$10.00 reliance on the existing fee subsidy system, available for those who cannot afford the \$22.00 / day fee, has dropped dramatically signaling that the current daily fee is reasonable for most. This affordability is something for both Ontario and the Federal government to celebrate – but what is extremely frustrating for many, many families is the lack of spaces!

## Expansion

It should not be a surprise that with child care now more affordable interest in spaces has increased, confirming that more people want to work outside the home when their children are young, which should be reinforced as an economic opportunity.

The target of having a CWELCC funded space for 37% of Ontario's children under the age of six is too low and not consistent with parental expectations. Our waiting lists at AFCS are significant!

	Needing space within next 6 months			
	Infant	Toddler	Preschool	Kinder
Agency-Wide Waitlist Numbers	2458	2677	3608	502
Total Agency Capacity	60	290	544	187
Wait list to capacity*	2%	11%	15%	37%

	Needing space within next 12 months			
	Infant	Toddler	Preschool	Kinder
Agency-Wide Waitlist Numbers	2919	2964	3685	504
Total Agency Capacity	60	290	544	187
Wait list to capacity*	2%	10%	15%	37%

PLUS, our licensed Home Child Care Agency has a waiting list of 4000 children for 500 spaces representing a waiting list to capacity of 13%

*\* if all of our spaces were available (e.g. no children currently occupying them) this is the percentage of children on the waiting list who could be offered a space.*

Existing not-for-profit agencies, especially those that are already multi-site would be enthusiastic about expansion if it were not for Capital funding barriers and limited CWELCC Operating spaces. Andrew Fleck Children's Services has several "aspirational" projects that we are connected with – these are projects, at various approval stages, where the co-location of child care has been deemed mutually advantageous but AFCS cannot commit to proceed because there are no CWELCC operational spaces being approved beyond those that must be licensed by December 31, 2026. If we are not part of the planning and design of these spaces now, even though the buildings won't be ready to occupy until 2028-2029 or later we will miss the window of opportunity and whole affordable housing developments will not include child care.

### Two case studies from Ottawa

1460 Riverside Dr – this recently approved multi-tower project, providing 400 affordable housing units is being constructed on National Capital Commission land as part of the Build Canada Homes initiative, we are thrilled to be approached as the partner to create child care but...we have to be prepared to commit within the next few months, as the space is being designed, even though occupancy won't be until 2029 but ....there are no CWELCC Operating spaces earmarked for beyond 2026 and there is no Capital funding! How does a not-for-profit agency take this amount of risk? Also, affordable housing initiative cannot / should not be financing the expansion of child care.

DREAM Lebreton flats – this project was conceived pre-CWELCC, also on National Capital Commission land and with an obligation to include child care. Two towers, 600 units, with 41% designated as affordable housing, are under construction with occupancy planned for 2027. The Developer, in good faith, allocated 8000 square feet plus appropriate outdoor space for licensed child care, designed in collaboration with AFCS, but we have not been able to commit to operating in that location because there are no expansion spaces, or Capital funding

available beyond 2026. This is a cautionary tale for any Developer, I am sure DREAM regrets earmarking this amount of space that will sit unused unless CWELCC spaces become available.

For both sites we estimate, based on previous projects, the leasehold improvement costs to be about \$2M for each location, so \$4M – the current cost-based funding formula does not cover actual market rent in new locations let alone provide room to recoup financing of leasehold improvement costs. The funding gap must be addressed if expansion targets are to be realized.

There are other initiatives currently being planned, part of Build Canada Homes, where child care would not only be welcomed but is a necessary partner as we design communities but if we are not able to commit to covering construction and operating costs, years before construction will be completed, child care will not be included creating additional deserts and frustration for families.

## Recommendations

- Link the \$1B Child Care Capital fund, to be administered by CMHC, to Build Canada Homes projects and incorporate not-for-profit child care in all new affordable housing initiatives
  - ensure that CWELCC operating funding, along with Capital costs is approved
  - Encourage Ontario to link not-for-profit expansion with all new Long-Term Care homes
    - Child Care Capital fund would be prioritized for co-location opportunities, where spaces are being purposely designed and constructed enabling intergenerational programming
  - Also ensure funding is made available through a new infrastructure grant program, or other social infrastructure programs (refer to B2C2 paper) to enable the sector to move ahead quickly with expansion of spaces
    - Perhaps separate from CMHC since their expertise is housing
    - Enables projects that are ready so no expansion opportunities are delayed or missed
- Pause the goal of reducing parent fees to \$10.00 a day in Ontario for now, while we stabilize and expand the system. Use the planned funding that would have reduced the current \$22.00 / day fee to \$10.00 / day to:
  - Increase the target number of spaces from 37% to 50% or more
    - Identify annual expansion targets
      - Include additional spaces based on projected population growth
      - Enable longer approval window to ensure that not-for-profits can commit to projects during the planning and construction phase
      - Obligate Ontario, in collaboration with Municipalities, to prioritize approvals for not-for-profit child care
        - E.g. Zoning automatically allowing for licensed child care is already in place in some municipalities
    - Maintain the 70% not-for-profit threshold
  - Obligate Ontario to address workforce stabilization
    - Implement the recommendations in the December 2025 coroner report
      - Increase requirement for qualified staff
      - Lower child/adult ratios
    - Address workforce compensation