

**Plan to sustain Canada’s Early Learning and Child Care (ELCC)
through the COVID-19 pandemic**

This plan was developed by Canada’s three national early childhood education and child care organizations: Canadian Child Care Federation, Child Care Now (Canada’s child care advocacy association), and Childcare Resource and Research Unit.

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Canada’s fragile early learning and child care sector will not survive the COVID-19 crisis without sector-specific aide that is provided in a coordinated way by all levels of government. Unlike primary and secondary education, which is publicly funded and publicly delivered, child care in Canada is fragile because it is market-based, fragmented and under-funded. Licensed/regulated services are provided by self-governing, not-for-profit organizations, whose volunteer boards hold legal responsibility, as well as by a smaller number of commercial operators. Most service providers receive minimal public funding and are dependent on revenues from parent fees. The very low compensation paid to the predominantly female workforce has created a crisis in recruitment and retention of qualified early childhood educators and other staff.

Since the onset of the pandemic, almost all provinces/territories have ordered licensed child care centres to be temporarily closed. In some provinces/territories a limited number were kept open or have been re-opened to provide emergency child care services for essential service workers. Most licensed/regulated home-based child care providers have been either ordered to close or have voluntarily closed because of public health and safety concerns, or because too many parents have withdrawn their children from programs.

Provincial and territorial governments have taken different and changing approaches to the continuation or cessation of child care services, and to the continuation or cessation of public funding during the pandemic. The constantly changing public policy and operational landscape, combined with the sudden and dramatic drop in parental fee revenue, has put child care organizations, especially the volunteer boards of directors of not-for-profit organizations, in an impossible position. To mitigate risk, some have laid off their employees and shuttered their premises. For many, the shutdown will likely be permanent because they have no reserves to pay ongoing operating costs such as rent or mortgage payments during the pandemic. Other providers, who have been able to struggle through the first few weeks, could face permanent closure as the pandemic continues. There is danger that the sector could experience the termination of thousands of ELCC employees who will not come back to work in the low-wage sector once other employment opportunities open up again.

All of this will put Canada’s economic recovery in jeopardy: parents or guardians of young children will not have access to the child care services they need to return to work once it is safe to do so.

What Canada needs is a plan specifically designed to sustain Canada’s early learning and child care sector through the pandemic. If it collapses, the federal government’s promise to turn the fragile patchwork of services into a robust, fully effective comprehensive high-quality system will be that much more difficult.

Under the Plan set out below, federal funding will cover 75 per cent of the costs of sustaining the ELCC sector. The proposed funding formula, which requires the provinces and territories to contribute 25 per cent to receive federal funding, will ensure a common framework for sustaining the sector across the country. The plan would replace the other COVID-19 federal support programs that may be available to some but not all ELCC providers: for example, the federal government’s Canada Emergency Wage Subsidy. Unlike the Canada Emergency Wage Subsidy, the ELCC Plan will ensure the continued full employment of ELCC employees through the pandemic and therefore reduce the numbers who would otherwise make claims under the Employment Insurance program and/or the Canada Emergency Response Benefit, or social assistance programs. Further, the Plan will provide fee relief to parents—many of whom are being asked to continue to pay fees even if services are closed-- during this very difficult time. As well, the cost of the Plan for the federal government can be partly absorbed by the federal budget allocation for ELCC for 2020-21.

Fundamental Principles and Objectives

- Stabilization and survival of the ELCC sector is a joint federal/provincial/territorial responsibility;
- The objective of the Plan is to prevent permanent shuttering of licenced/regulated ELCC programs and the permanent loss of qualified staff to ensure services are in place to support Canada's economic recovery when we move out of the pandemic period;
- The Plan respects the provinces' and territories' authority and jurisdiction with respect to the delivery of ELCC services while encouraging equitable distribution of federal funds to sustain the sector.

Plan Components

- Each licensed/regulated ELCC program will continue to receive its pre-COVID levels of public funding including fee subsidies, operating grants, wage enhancements, and any other public funding or public in-kind contributions in lieu of funding;
- Each licensed/regulated program that receives public funding under the Plan will be required to cease collecting parent fees of any kind from parents who are unable to access services, including fees to hold a space in the program during the pandemic;
- Each licensed/regulated ELCC program will receive additional public funding to compensate for any reductions in revenue from parental fees (excluding waitlist fees that programs may collect from parents or other ancillary program fees such as lunch fees, supply fees, music fees);
- Each program that receives public funding under the Plan will be required to:
 - o keep its employees on its payroll and continue to pay wages, applicable pension contributions and insured benefits;
 - o agree to reopen once the province/territory where it is located determines that it is safe to do so;
 - o allow parents to re-enrol their children once their program is reopened;
 - o forego any other COVID-19 related public funding or support from any level of government
- Any program that fails to meet the requirements of the plan, or that fails to use the public funds received under this Plan as intended, will be required to pay back the funds received.

Funding the Implementation of the Plan

- Provincial/territorial governments will be responsible for determining the cost of implementing the Plan in their respective provinces/territories.
- The federal government will transfer to each province/territory that agrees to implement the Plan an amount equivalent to 75 per cent of the cost of implementation.

Submitted to the Honourable Ahmed Hussien,
Minister of Families, Children and Social Development,
April 14, 2020

