



Canada-New Brunswick Canada-wide Early Learning and **Child Care** Agreement.

ANNUAL REPORT FOR FISCAL YEAR 2022-2023



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Introduction

On December 12, 2021, the Government of New Brunswick and the Government of Canada signed a five-year agreement investing \$491 million in federal funding and an additional \$53 million in provincial funding over five years.

Designation is a status that is only available for licensed facilities. Operators of designated facilities commit to offering affordable, high-quality and inclusive early learning and child care services by removing barriers linked to family income, children’s ability and needs, language, and minority settings. In return, they receive government funding through the Canada-New Brunswick Canada-wide Early Learning and Child Care Agreement to support preschool services, wage support for educators and parent subsidies.

New Brunswick designation program was created through the Canada-New Brunswick Early Learning and Child Care Bilateral Agreement 2017-2020 and improved through subsequent Canada-New Brunswick Agreements on early learning and child care.

This report includes highlights from both agreements for fiscal year 2022-2023.

Affordability

REDUCED OUT-OF-POCKET FEES FOR FAMILIES BY AN AVERAGE OF 50 PER CENT

As part of the designation program, facilities are required to follow the low-fee policy to ensure affordable services for all families accessing their facilities.

Families do not pay more than 20 per cent of their annual gross family income for children enrolled in a designated facility. This is established through a sliding scale, with benefits to families with an annual gross family income less than \$80,000. Families with an annual gross family income less than \$37,500 receive free child care.

As of March 31, 2023, 4,174 children were enrolled in the parent subsidy program which demonstrates an increase of 809 children benefitting from subsidies when compared to March 2022. Changes to the Parent Subsidy Program, effective Nov. 1, 2022, allow newcomers to the province, such as internationally recruited workers and Ukrainian families, to apply for subsidies.

On June 1, 2022, New Brunswick announced it would be reducing out-of-pocket fees by an average of 50 per cent for families of preschool-aged children attending designated facilities. The Parent Fee grid lays out the maximum daily fees for families:

PARENT FEE GRID AS OF JUNE 1, 2022

STANDARD FEE GRID		INFANT (0-24 MONTHS)	PRESCHOOL (2-5 YEARS)
Large Urban	Full day	\$21	\$18
	Part day	\$12	\$7
Small Urban & Rural	Full day	\$19	\$16
	Part day	\$12	\$7

Ninety-seven (97) per cent of licensed spaces for children aged five and under are in designated facilities. All families receiving services in designated facilities benefit from the Parent Fee grid. The average daily fee for families is \$12.82, as many families also receive additional fee reductions through the Parent Subsidy Program.



Families with children enrolled in a designated facility have seen an average annual savings of \$3,600 per child.

The Parent Fee Grid is reviewed annually. Families with preschool children enrolled in designated facilities will see their fees further reduced to an average of \$10 per day by March 31, 2026.

PROVIDED SUPPORT FOR OPERATORS

To help offset the impact of inflation on the cost of goods and services, New Brunswick distributed \$3.87 million in one-time inflation grants in December 2022 to operators of designated facilities while permanent solutions are studied.

Operators of designated facilities received a one-time quality grant in the following amounts:

- \$250 per occupied preschool space that does not offer meal service.
- \$375 per occupied preschool space for facilities that provide meals for children.

The Department of Education and Early Childhood Development also reviewed and updated the market fee threshold, which sets the limit for daily fees operators of designated facilities can charge for their services.

Access

Through the Canada-New Brunswick Canada-Wide Early Learning and Child Care Agreement, the provincial government aims to create 3,400 designated preschool early learning and child-care spaces by March 31, 2026. Increasing the availability of child care services will have a direct, positive impact on New Brunswick families, particularly for women who are looking to return to the workforce after parental leave.

As of March 31, 2023, 567 of the 601 licensed facilities in the province are designated. Ninety-seven per cent of licensed spaces for children aged five and under are in designated facilities.

As of March 31, 2023, 604 non-designated spaces became designated and 791 new designated spaces have been created within the ELCC system.

New Brunswick saw an increase of 9 per cent (1,395 spaces) in its designated spaces, going from 15,023 designated spaces in September 2021 to 16,418 on March 31, 2023.

Overall, there has been an increase of 19 per cent more children enrolled in a designated facility, going from 11,103 in September 2021 to 13,161 in March 2023. New Brunswick also saw a six per cent increase in occupancy rates, going from 74 per cent to 80 per cent.

LAUNCHED FIRST CALL FOR PROPOSALS TO CREATE NEW EARLY LEARNING AND CHILD CARE SPACES

In spring 2022, following amendments to the *Early Childhood Services Act*, a six-month moratorium on issuing designated licences for new applicants was put in place. The moratorium was in effect from May 10, 2022 until October 31, 2022. Its purpose was to allow New Brunswick time to consult with families and stakeholders and develop guidelines to meet community and family needs for space creation.

In November 2022, New Brunswick adopted Policy 901: Space Allocation for Designated Early Learning and Child Care Facilities. This policy establishes criteria for how new designated spaces are allocated in the province and ensures federal funding is used exclusively for licenced, designated facilities and predominantly in not-for-profit facilities and ELCC homes.

The policy saw the creation of the Early Learning and Child Care Preschool Designated Space Allocation Grid, which outlines where government is looking to create new designated early learning and child care spaces. The grid informed the first call for proposals, which was issued in January 2023.

SPACES AWARDED IN THE JANUARY 2023 CALL FOR PROPOSAL

	NOT-FOR-PROFIT	FOR-PROFIT	TOTAL
Anglophone infant spaces	78	87	165
Francophone infant spaces	33	33	66
Anglophone preschool spaces	174	137	311
Francophone preschool spaces	15	46	61
Total	300	303	603

Existing not-for-profit centres and new applicants for early learning and child care homes looking to create infant spaces were exempt from the process until August 2023. This was due to the high demand for infant spaces.

During the same time period, 66 new spaces were created in early learning and child care homes across the province. This data is not captured in the table above, as early learning and child care homes can open spaces without going through the call for proposals.

CONDUCTED RESEARCH ON HOW TO INCREASE NOT-FOR-PROFIT PARTICIPATION

A market research firm was hired in 2022 to explore how to best support the creation of not-for-profit organizations. This included research to understand the child care needs of New Brunswick families for child care.

The market research firm explored different models to support the voluntary transition of for-profit facilities to a not-for-profit model and identified barriers for doing so. There are no examples in Canada of provinces that have made a transition like this and the research identified funding and organizational structure elements as the biggest obstacles for making a transition.



Here are the recommendations from the research:

- Provide operators with more information about the not-for-profit model, specifically the set-up and relationship with the board and ensure this information is accessible and easy to locate.
- Address concerns operators have surrounding the control of the center and operational parameters of the board.
- Re-visit how government funding for designated centres is provided to operators to determine if funding can be provided closer to point of expense. This would help address cash flow challenges for operators.

Engagement sessions were held in summer 2022 with home operators to determine the main barriers and challenges to offering more spaces and/or infant spaces. Some requirements under the Early Childhood Services Act and its regulations were identified as barriers including the child-to-staff ratio and the ability to hire staff. Funding was also noted as a barrier and increased funding would enable home operators to maintain or expand infant spaces.

CREATED AND LAUNCHED THE EARLY LEARNING AND CHILD CARE WAITLIST

On February 13, 2023, New Brunswick launched the Early Learning and Childcare Waitlist. This allows families to submit their child care needs on a centralized waitlist. Operators are then able to search for potential clients based on the child care needs and communities. Data from the centralized waitlist provides government with information to determine where in the province new early learning and child care spaces are needed.

CAPITAL FUNDING COMMITTED TO SUPPORT SPACE CREATION

In 2022-2023, New Brunswick committed to providing capital funding in the form of start-up grants to support space creation.

INCREASED EARLY CHILDHOOD EDUCATOR WAGES

New Brunswick announced plans to increase the wages of early childhood educators in designated facilities in March 2022. Wage increases were implemented in April 2022 for educators working in designated facilities through the existing Wage Support Program for Early Childhood Educators (WSP-ECE).

The hourly wage increased for Level 1 ECEs from \$19.00/hr to \$23.47/hr; a 24 per cent increase.

Entry Level ECEs saw an hourly wage increase from \$14.90/hr to \$16.90/hr; a 13 per cent increase.

On November 1, 2022, New Brunswick implemented the ECE Wage Grid as part of the provincial WSP-ECE.

The ECE Wage Grid must be reviewed annually as legislated in the *Early Childhood Services Act*.

HOURLY ECE WAGE GRID AS OF NOVEMBER 1, 2022

TRAINING LEVEL	STEP 1	STEP 2	STEP 3
Entry Level	\$14.90	\$15.87	\$16.90
Level 1	\$21.00	\$22.20	\$23.47

REDUCED THE EARLY CHILDHOOD EDUCATOR TURNOVER RATE

Like the rest of the country, New Brunswick is still facing recruitment and retention challenges for early childhood educators. High turnover rates have resulted in a focus on replacing staff instead of expanding the workforce.

That being said, New Brunswick has seen the turnover rate further decrease by 33 per cent since March 31, 2022, from 36 per cent to 24 per cent. In November 2021, the turnover rate was near 50 per cent.

New Brunswick also began development of a retention strategy in collaboration with the early learning and child care sector. The goal of the strategy is to enhance job satisfaction, professional development opportunities, and work-life balance for educators.

INCREASED THE NUMBER OF TRAINED EARLY CHILDHOOD EDUCATORS

New Brunswick committed to increase the number of ECEs meeting training requirements to 60 per cent. New Brunswick is continuing to work closely with the Collège communautaire du Nouveau-Brunswick and the New Brunswick Community College to support more ECEs in obtaining their one-year certificates.

TRAINING LEVELS BETWEEN SEPTEMBER 1, 2021 AND APRIL 1, 2023

	SEPTEMBER 1, 2021	APRIL 1, 2023
Entry Level	53% (2,273)	38% (1,818)
Level 1	47% (2,017)	62% (2,926)
Total number of educators	4,290	4,744

Additionally, New Brunswick continued offering a micro-credentialing program. This is an onsite training program, offered free of charge, to obtain the one-year college certificate offered to educators who have worked for a minimum of three (3) years in a licensed ELCC facility with children under the age of five (5) and who have completed the Introduction to Early Childhood Education course.

In 2022-2023, 256 educators completed the micro-credentialing program and another 80 are still participating in the program.

EXPANDED ACCESS TO MORE HIGH SCHOOL STUDENTS TO THE INTRODUCTION TO EARLY CHILDHOOD EDUCATION ONLINE COURSE

The Introduction to Early Childhood Education online course continued to be offered to students in both the anglophone and francophone school system. In 2022-23, approximately 80 students across both education sectors took this course.

Inclusion

CONTINUED SUPPORTING ENHANCING INCLUSION IN EARLY LEARNING AND CHILD CARE FACILITIES

As per the *Early Childhood Services Act*, all licensed ELCC facilities must develop and implement an inclusion policy that extends well beyond children with disabilities and additional needs.

- **Inclusion support program:** This program provides funding to support the full wages of an Inclusion Support Worker in licensed early learning and child care facilities to increase accessibility for children with additional needs who require support to meaningfully and actively participate in the daily activities of a facility.
- **Access project:** New Brunswick launched year one of a multiple-year prototype providing funding for four-year old children who otherwise would not have access to child care. Removing barriers to access included: funding to pay daily fees; transportation, and additional staff to support inclusion if required. In 2022-2023, 79 children were provided access to child care prior to starting kindergarten. An evaluation framework for the prototype is in place to gather data on the outcomes of children, families and to analyze the lessons learned to build upon in year two. New Brunswick did not achieve the target of 100 children in 2022-2023 due to additional time that was required to put in place the appropriate processes for sharing private information. These challenges have been resolved and New Brunswick is on track to serve 100 children in 2023-2024.
- **Agreement with Connect Canada:** The Francophone sector signed an agreement with Connect Canada to deliver training on nurturing and attentive relationships, practices and inclusive environments. This is virtual training for early childhood educators and child care centres, and support for communities of practice.
- **The Pyramid Model:** In 2022-23, New Brunswick adopted the Pyramid Model. This is an evidence-based training and coaching framework that responds to children's social and emotional needs which also strengthens nurturing and responsive relationships and supports an effective workforce. In 2023-2024, the Pyramid Model training will be available to all designated ELCC facilities.

CONTINUED RECRUITMENT AND RETENTION WORK FOR INCLUSION SUPPORT WORKERS

In August 2022, the wages of inclusion support workers were aligned with those of early childhood educators with Entry Level at \$16.90/hour and Level 1 at \$23.47/hour.

CONTINUED WORK WITH FIRST NATIONS COMMUNITIES

New Brunswick currently provides ELCC licensing upon the request of operators within First Nations communities. Licensed First Nations facilities are now eligible for designation status as well as additional funding outside the designation program. Three First Nations facilities became designated in 2022. New Brunswick continues to collaborate with First Nations organizations and communities to better understand their needs and establish a plan for early learning and child care services for Indigenous children.

Stakeholder Consultation

In 2022, New Brunswick launched a comprehensive engagement strategy with families, the child care sector and key partners about the path forward for New Brunswick to create a community-based early learning and child care system.

24

open forums with 400 participants were held across the province.

18

individual interviews were held with the business sector.

2,000

families responded to surveys.

13

briefs were submitted.

The consultations revealed families, the economic sector and other community stakeholders across the province identified common needs for child care:

- improved access to licensed child care for infants as early as 11 months of age to support mothers' return to the workforce;
- increased flexibility in the hours of services to allow for appropriate labour force contribution;
- inclusion for children with additional needs along with the proper resources to support the educators; and
- equitable quality across the province.

Two additional engagement sessions (in French and English) were subsequently held with approximately 20 operators who offer infant spaces to better understand the challenges of providing and sustaining infant spaces. Operators identified a number of challenges, including labour costs; updating equipment and materials for care and education; recruitment and retention; and costs related to safety requirements.



CREATED OPERATOR ENGAGEMENT TABLE

New Brunswick created an Operator Engagement Table in June 2022 with 23 operators representing all business types and communities.

This engagement table works in collaboration with government and the childcare sector to build a path forward toward a community based ELCC system that is responsive to the needs of New Brunswick families. The Operator Engagement Table provides an ongoing forum to engage operators in the critical dialogue that is necessary to support the transformation of the system in the province. The Operator Engagement Table met in June, September, October, November, and December of 2022 and in March of 2023.