



Early Learning and Child Care Action Plan

Market Fee Threshold Policy

What is a Market Fee Threshold?

A Market Fee Threshold is the range of fees provided by designated New Brunswick Early Learning Centres. It is based on the average fee currently charged to parents for infants and preschool aged children under the age of five in three different sizes of communities: large urban, small urban and rural. It sets the market efficiency price for large urban areas such as Moncton, Dieppe, Riverview, Saint John and Fredericton; for small urban areas such as Miramichi, Edmundston, Bathurst and Campbellton and for rural New Brunswick.

The market fee thresholds for New Brunswick’s three community types are outlined below:

Current fee range	Large Urban	Small Urban	Rural
Infant	\$39.00	35.00	\$34.00
Pre-school	\$33.00	\$29.50	\$29.00

These rates will be re-examined in 2020-2021.

What is the Maximum Market Fee?

The Maximum Market Fee is set at 10% above the market fee threshold.

What is the process for a Market Fee Threshold?

Any centre interested in becoming a designated New Brunswick Early Learning Centre will be required to maintain the fees they were charging parents on December 1, 2017. This will be the maximum fee they can charge parents until the annual renewal of their license.

If a designated centre’s current rate is below the market fee threshold based on their community type, the designated centre can increase their fees by one per cent at the time of the anniversary of their licenses. If designated centres wish to have a greater increase (between one per cent to three per cent) due to extreme circumstances, they will be required to make a formal request to the Department of Education and Early Childhood Development at the time of the renewal of their license.



In the event that the designated centre's current fees are at or above the market fee threshold for their community type, any operator who wishes to increase fees will be required to make a formal request to the Department of Education and Early Childhood Development at the time of the renewal of their license. Designated centres in this situation could request fee increases to a maximum of three per cent.

Designated centres with fees are at or above the maximum market fee (10 per cent above the market fee threshold) are not eligible to increase their rates.

The department will consider exceptions under special circumstances (e.g. flooding). This will be considered on a case-by-case basis.

Example #1 – Centres with fees less than the market fee threshold

A designated centre in a large urban area sets infant fees to families at \$36 per day based on their December 1, 2017 fees. Its infant fee is below the market fee threshold of \$38.90 for infants in a large urban area.

On the anniversary of its license, the designated centre can raise its fee by one per cent without asking for permission from the department. If the designated centre wants to raise its fee by more than one per cent in that year, the operator would make a formal request to the Department of Education and Early Childhood Development to raise infant fees at the time of the renewal of their license.

Example #2 – Centres with fees at or above the market fee threshold and less than maximum market fee

The December 1, 2017 infant fee charged to families in this designated centre in a large urban area is set at \$40 per day and is above the market fee threshold of \$38.90 for infants.

This centre will have to apply for any increase in fees with the department. If the centre applies for a rate increase that is above the maximum market fee (i.e. ten percent above the market fee threshold), the application is ineligible. The request for an increase cannot be above three per cent and it must be below the maximum market fee.

Example #3 – Centres with fees at or above the maximum market fee

The December 1, 2017 infant fee charged to families in this designated centre in a large urban area is set at \$48 per day and is above the maximum market fee.

This centre is not eligible for an increase to the rate.

Who will benefit?

Families will see a coordinated approach and greater consistency for the management of child care fees across similar community types through a predictable process for childcare fees that are controlled through the market fee threshold policy.



Operators of designated centres will benefit from the market fee threshold in that they can maintain their current fee rates while, at the same time, receive operational funding.

Why is it being done?

As part of the Child Care Review Task Force Report, parents reported that the continuous rising costs of child care are slowly becoming out of reach for some families. In addition, operators have voiced their concerns over the needed financial support from government to be able to offer quality services without making the cost of child care too much for parents.

The market fee threshold policy allows a predictable fee structure for parents while providing operators with the some flexibility to adjust their fees and maintain sustainability as well as on-going operational funding.

For information

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