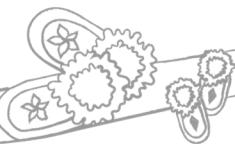




Child Care Fee Reduction Subsidy

2023/24 Increases

Information Sheet



The Child Care Fee Reduction (CCFR) subsidy is increasing for the 2023/24 fiscal year. Effective April 1, 2023:

- **Families** with children attending licensed early learning and child care programs (licensed programs) will receive an increase in their CCFR subsidy from ECE, which will reduce their total child care fees. The GNWT was paying an average of 50% of child care fees which will now increase to an average of 60%.
- **Licensed programs** will be able to increase their fees by 2 – 6%, depending on the total fee rates being charged by that program for infant and preschool spaces, and by a flat rate of \$10 per month for out-of-school.

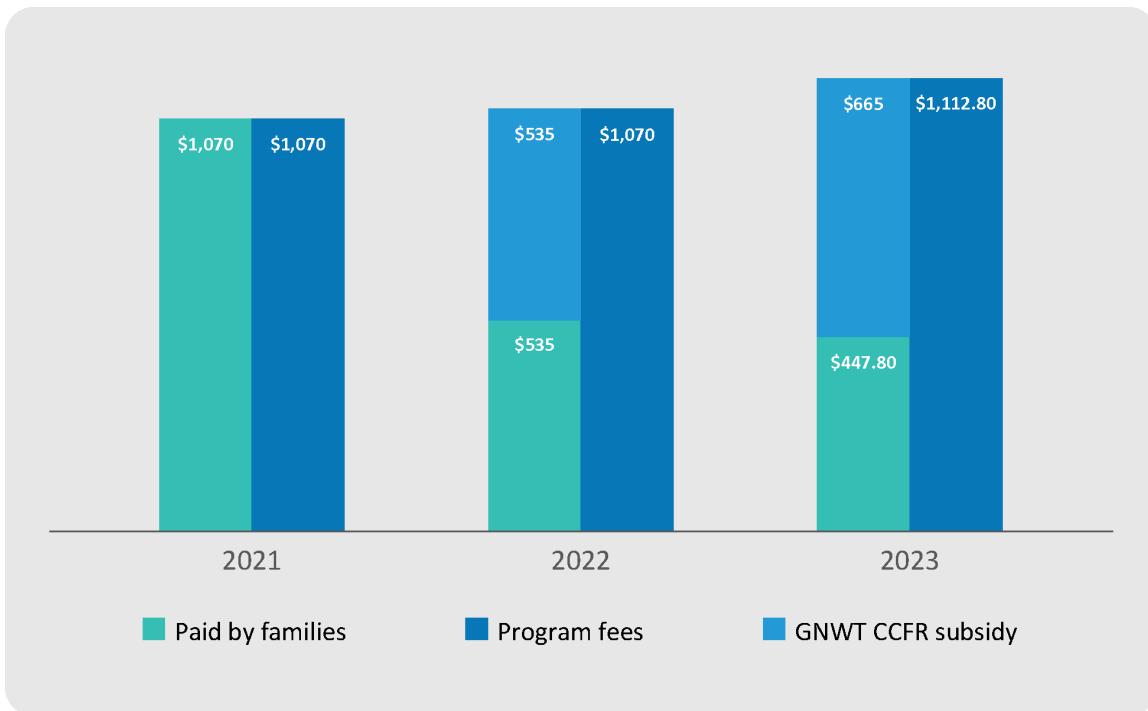
With the GNWT CCFR subsidy, families pay less for licensed early learning and child care and licensed programs may receive more funding.

Example:

An infant attends a licensed family day home in Hay River. Prior to the CCFR subsidy the family paid \$1,070 per month for that space. In 2022, after introducing the CCFR subsidy the family paid \$535 per month in child care fees and the operator continued to receive \$1,070 per month (\$535 from the family and \$535 from the GNWT).

Based on this operator's current rate (which falls within tier 3), on April 1, 2023, the operator is eligible to increase fees by up to 4% for this child care space. The operator may now charge up to \$1,112.80 per month. Meanwhile the CCFR subsidy also increases from 50% to 60%. The family now pays \$447.80 per month and the GNWT pays \$665. The operator continues to receive the full \$1,112.80 per month for providing early learning and child care for this infant space.

An example: CCFR subsidy and fees paid by families as a total amount of monthly licensed program fee increases annually



The GNWT has a mandate commitment to advance universal child care by increasing availability and affordability. This aligns with the Canada-wide Early Learning and Child Care (ELCC) Agreement which provides funding for the 60% reduction in child care fees paid by families on average. This is another step to increasing affordability and moving the territory towards an average of \$10 a day child care by March 2026. The next reduction will occur in April 2024.

FAQs

Licensed Programs

What are the fee increase ranges for licensed programs?

Tier	Current fee rates	% Increase
1	Up to \$650	The greater of \$650 or 6%
2	\$651-\$999	6%
3	\$1,000-\$1,199	4%
4	\$1,200 or higher	2%

Why did the GNWT choose a tiered approach to the fee rate increases?

Across the NWT, there is a wide range of fees charged for early learning and child care. While some programs are free for families, of those that charge fees, the current child care fees in the NWT range from approximately \$540 to \$1,380 per child per month.

Four tiers were chosen to acknowledge and address the varying fee range across the territory and provide increases according to the range of fees currently charged (e.g., high, medium and low). The tier amounts help move towards an average of \$10 per day. To achieve affordability, as well as the other commitments in the Canada-wide ELCC Agreement, ECE must work within an established budget to support access to affordable, quality, inclusive early learning and child care programming for families throughout the territory.

Did the GNWT consider the cost of living and inflation?

Yes. We recognize that program operators, just like other small businesses, are facing rising costs due to inflation. The GNWT has structured increases to reduce fees for families who are also facing inflation while also raising the payment to program operators, to assist with rising costs. ECE must work within an established budget to support access to affordable, quality, inclusive early learning and child care programming for families throughout the territory.

Inflation is a national problem, the NWT is currently near the top of the list for allowable increases for program operators. In comparison, other jurisdictions have responded to inflation with approved fee increases that range between 0% and 3%.

Will the cap on fee increases affect licensed operators' ability to stay open?

The GNWT provides licensed programs with various funding intended to offset cost associated with programs operation. For example, ECE provides the Early Childhood Program (ECP) operating subsidy for all licensed programs, the Retention Incentive to enhance wages for educators working in centre-based programs, and other funding as eligible.

Licensed program operators were able to increase fees by up to 2.3% in 2022. Effective April 1, 2023 licensed program operators may choose to increase fees by up to 2-6%, depending on their tier. This results in a possible net increase of fees by 4.35 – 8.44% over two years.

How does the CCFR subsidy rate increases for licensed programs compare to other jurisdictions in Canada?

While not all jurisdictions have published their increased rates, the NWT is currently near the top of the list for allowable increases for licensed programs. In comparison, BC's increase is 3% and the Yukon is a range of 1-3%. Ontario froze child care fees at the rate charged on March 27, 2022.

Why is the GNWT reviewing CCFR subsidy rates every year?

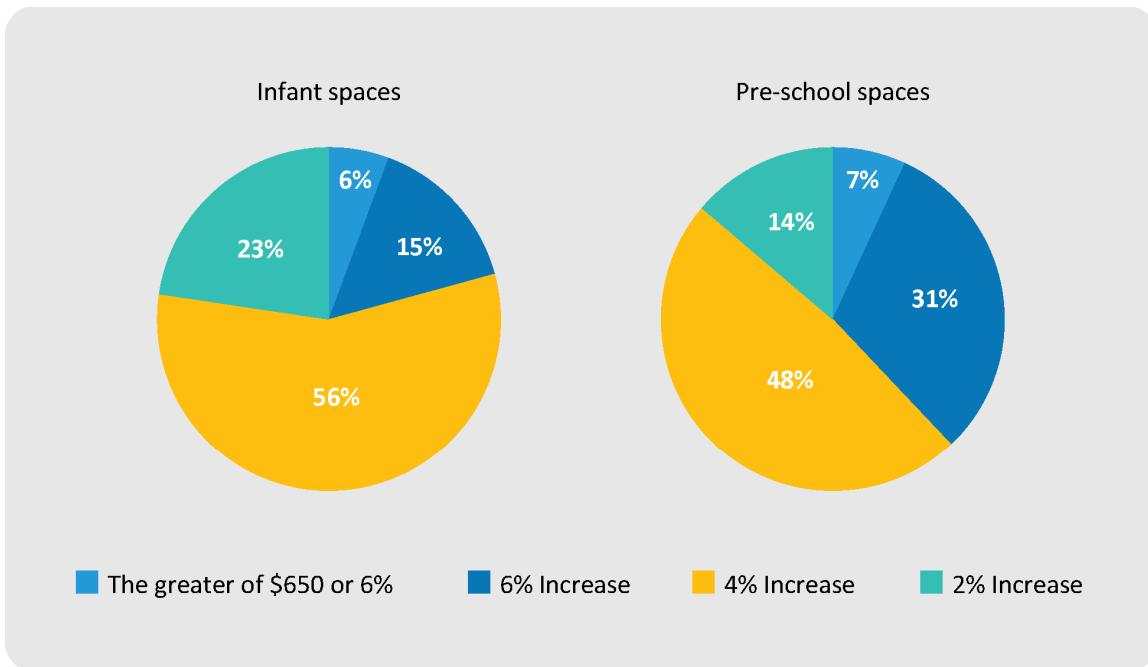
Annual increases are more sustainable and predictable, as opposed to increases after several years. The GNWT is reviewing the increase annually so that licensed programs and families can plan for adjustments.

How many licensed early learning and child care programs in the NWT are participating in the CCFR subsidy?

100% of eligible licensed early learning and child care programs that charge fees are participating in the CCFR subsidy. The CCFR subsidy is for families with children ages five and under.

How many licensed programs are within each CCFR subsidy tier?

Percentage of licensed programs in each funding tier based on space type.



I want to increase my child care rates within the allowable limit. What is the process for this?

In order to increase fees, licensed early learning and child care programs must provide ECE with at least two weeks of written notice of the program's intent to increase fees prior to the increase coming into effect. Please contact the early childhood consultant to inform them of your intent to increase fees with the new amounts you will be charging families.

I want to increase my child care rates beyond the allowable limit. What is the process for this?

In considering requests for increases to child care fees beyond the annual increase for 2023-2024, ECE will take into consideration the current fees charged, fee increase proposed, and demonstrated need for the increase balanced with the CCFR subsidy's intent to increase affordability for families.

If your program is experiencing financial challenges, please reach out to your [Early Childhood Consultant](#) directly.

Families

Will families pay more for licensed child care?

Increases to licensed early learning and child care fees will not impact fees for families with children five and under. With additional government funding, child care program operators may receive more while families pay less.

The Canada-wide ELCC Agreement (2021-2026) is focused on reducing child care fees for children five years of age and younger. The CCFR Subsidy is not applicable for children over the age of five.

What are the maximum subsidy amounts?

For 2023/24, the maximum CCFR subsidy amounts are 60% of the total fees charged to a maximum of:

Space type	2022/23 subsidy maximum per child	2023/24 subsidy maximum per child
Infant (0-23 months)	\$545/month	\$665/month
Pre-school (2-5 years)	\$475/month	\$640/month
Out-of-School (3-5 years)	\$165/month	\$175/month

When will I experience these further reductions?

Licensed early learning and child care programs have the ability to decide if they charge full fees up front or immediately reduce fees paid by families. The CCFR Subsidy increases to 60%, up to the identified maximum, on April 1st 2023. Depending on when licensed early learning and child care programs process fees, families may experience these reductions at different times.

Do families get the CCFR subsidy for more than one child attending a licensed early learning and child care program?

Yes. The CCFR subsidy applies to all children ages five years and younger attending a licensed early learning and child care program, including families with more than one child attending a licensed program. For example, if a family had a second child age five and under in a program, they would receive the CCFR subsidy for both children based on the subsidy rate for the space.

Will my subsidy increase in future years?

Yes. The CCFR subsidy for families will increase again in April 2024, and eventually move the territory towards an average of \$10 a day child care by March 2026.

More information

Department of Education, Culture and Employment
www.ece.gov.nt.ca