

Education, Culture and Employment  
Early Learning and Child Care  
Funding Programs Review

December 2021

Éducation, Culture et Formation  
Éducation et garde des jeunes enfants  
examen des programmes de financement

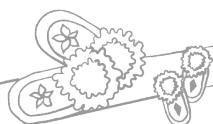
Le présent document contient la traduction française du sommaire

Décembre 2021



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## Executive Summary

Early learning and child care programs provide care and development opportunities for children from birth to 5 years of age. These programs can provide tremendous individual, community, and territorial value; high quality early childhood education programs have been found to benefit children, parents and the economy as a whole.<sup>1</sup> To do this, early learning and child care programs need appropriate, effective supports. Supports include funding to achieve the territorial early learning and child care goals of:

1. accessibility, so that all families have the opportunity for their children to participate in early learning opportunities, and
2. quality, so that all programs can provide excellent care and development opportunities for children and families.

Funding supports are the subject of this evaluation. Specifically, the funding programs being evaluated are offered through the Government of the Northwest Territories' (GNWT) Department of Education, Culture and Employment's (ECE) Early Learning and Child Care (ELCC) Division. The programs evaluated are:

- Right from the Start Early Childhood Scholarship
- Early Childhood Staff Grant
- Early Childhood Program Operating Subsidy
- Health and Safety Grant
- New Child Care Spaces Fund

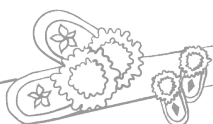
This evaluation outlines the short-term, medium-term, and long-term goals of these programs. It draws from multiple lines of evidence to determine the extent to which the outcomes of these programs are being achieved. This evaluation explores existing literature, and includes a jurisdictional scan of early learning and child care funding. It reviews ELCC divisional administration records including financial statements from recipients of ELCC funding. As well, it provides analyses of interviews with stakeholders including post-secondary students enrolled in post-secondary education in the field of early childhood development, early childhood educators currently working in the NWT, and operators of early learning and child care programs.

The results of this evaluation highlight a struggling early childhood sector that is somewhat supported by the funding ECE offers but not to a level that enables the sector to thrive. While records show an increase in students participating in post-secondary education in the field of early childhood, these students do not seem to be staying in the NWT or taking steps to work in NWT daycares or other early childhood programs.<sup>2</sup> There is also a notable decrease in the number of

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<sup>1</sup> "Special Report TD Economics: Early Childhood Education Has Widespread and Long Lasting Benefits." November 27 2012. [Right from the Start: A Framework for Early Childhood Development in the NWT.](#)

<sup>2</sup> The NWT's Junior Kindergarten and Kindergarten programs are not considered in this evaluation as these are part of the NWT public school system.

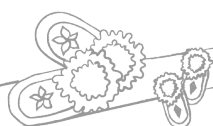


early childhood educators with post-secondary education over time. This evaluation explores possible reasons for the decrease and presents current data on early childhood educator wages, which fall below living wages in the NWT. The Early Childhood Staff Grant was designed to recognize and address the problem of low wages in the early childhood education sector. However, this evaluation found that the Staff Grant is not adequately addressing the challenges of low sector wages. This evaluation outlines a recommendation for legislating minimum wage standards for early childhood educators.

The evaluation also looked at subsidy, funding, and grant programs designed to help early childhood programs with operational and startup costs. The results pointed to needed changes to some of the funding programs; it is recommended that the Early Childhood Staff Grant be discontinued in favour of legislating early childhood educator wages, and the Early Childhood Program operating subsidy (ECP-ECP-OS) is greatly increased and remodeled away from the current attendance based approach. The increase in funding for the Operating Subsidy will help offset the cost to early childhood programs that would result from the recommended new wage legislation. The remodeling of the ECP-ECP-OS will allow for a more equitable distribution of funds, and a distribution that is more in line with the financial structuring of early childhood programs. This evaluation also recommends setting maximums on fees charged to families or guardians for participation in early childhood programs, typically called 'parent fees'. Setting maximums for parent fees will allow for a more equitable financial modeling for the ECP-ECP-OS and support ELCC's long term goal of accessibility in the early learning and child care programs.

Finally, this evaluation lays out still unanswered questions regarding the success of the funding programs. Responses to interviews with ELCC program operators reveal some confusion about the Health and Safety Grant and the New Child Care Spaces Fund. Because operators are not clear about the benefits of these programs, this evaluation cannot draw conclusions about their effectiveness. Similarly, the evaluation was challenged by small sample sizes, particularly for financial records. It is recommended that early learning and child care programs be required to submit financial statements to ECE, following mutually agreed upon schedules, so that ECE has the information it requires to appropriately and regularly monitor the effectiveness of its funding programs.

The early learning and child care sector in the NWT is not alone in the challenges identified through this evaluation. Across Canada, early learning and child care programs and sectors face similar situations. The jurisdictional scan conducted as part of this evaluation identified those similar challenges as well as various ways that provinces and territories are working to address them. Indigenous Governments and early learning and child care programs have also identified their challenges and solutions and continue to do so through close dialogue with the GNWT. The Federal Government of Canada is also investing work in this field through bilateral funding and support to Indigenous Governments, provinces, and territories. Addressing the challenges identified in this evaluation will require coordinated work, including funding, across all parties moving forward.



## Sommaire

Les services d'éducation et de garde des jeunes enfants offrent aux enfants, de leur naissance jusqu'à l'âge de 5 ans, des soins et des occasions de se développer. Ces services comptent énormément pour les personnes, les collectivités et tout le territoire. On a observé, en effet, que des services à la petite enfance de qualité profitaient aux enfants, aux parents et à l'économie dans son ensemble<sup>3</sup>. Pour parvenir à ce résultat, les organisations concernées doivent être appuyées efficacement, et donc avoir entre autres le financement nécessaire pour atteindre les buts de l'éducation et de la garde des jeunes enfants :

1. Accessibilité – tous les enfants ont la possibilité d'accéder à des services à la petite enfance.
2. Qualité – toutes les organisations concernées sont en mesure d'offrir d'excellents soins et occasions de développement aux enfants et à leurs familles.

La présente évaluation analyse l'aide financière disponible dans le domaine, et plus particulièrement les programmes de financement offerts par la Division de l'éducation et de la garde des jeunes enfants du ministère de l'Éducation, de la Culture et de la Formation (MÉCF) au gouvernement des Territoires du Nord-Ouest (GTNO). En voici la liste :

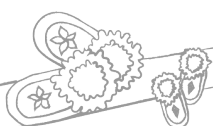
- le Programme de bourses d'études en développement de la petite enfance Partir du bon pied;
- la subvention pour le personnel en développement de la petite enfance;
- la subvention au fonctionnement pour les services à la petite enfance;
- la subvention pour le programme de santé et sécurité;
- le fonds pour de nouvelles places en garderie.

L'évaluation souligne les buts à court, moyen et long terme de ces programmes de financement. Elle tient compte de nombreuses sources pour déterminer à quel point les résultats poursuivis sont atteints, et dépouille ainsi la littérature existante sur le financement de l'éducation et de la garde des jeunes enfants, y compris la documentation concernant ce qui se fait dans d'autres régions. L'évaluation se penche aussi sur les dossiers administratifs de la Division de l'éducation et de la garde des jeunes enfants, incluant les états financiers des bénéficiaires du financement offert par la Division. On trouve également ici une analyse d'entrevues avec des intervenants du domaine, dont des étudiants inscrits aux programmes postsecondaires en développement de la petite enfance, des éducateurs à la petite enfance qui exercent actuellement aux Territoires du Nord-Ouest (TNO), ainsi que des gestionnaires de services d'éducation et de garde des jeunes enfants.

L'évaluation révèle que le secteur de la petite enfance arrive à fonctionner plus ou moins bien, en partie grâce au financement du MÉCF, mais que ça ne suffit pas pour atteindre l'excellence. Bien que, selon les données, le nombre d'étudiants inscrits aux études postsecondaires dans le domaine

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<sup>3</sup> *Special Report TD Economics: Early Childhood Education Has Widespread and Long Lasting Benefits*, dans *Partir du bon pied : Cadre de développement du jeune enfant aux TNO*, 27 novembre 2012.



de la petite enfance a augmenté, il semble qu'ils ne demeurent pas aux TNO ou qu'ils ne cherchent pas à travailler dans les garderies ou les autres services du genre sur le territoire<sup>4</sup>. On note aussi, depuis un certain temps, que le nombre d'éducateurs à la petite enfance possédant un diplôme postsecondaire a chuté. Les auteurs de l'évaluation tentent de trouver les raisons possibles de cette baisse et présentent les données actuelles sur les salaires des éducateurs à la petite enfance en constatant que ceux-ci arrivent sous le salaire vital aux TNO. La subvention pour le personnel en développement de la petite enfance a été instaurée pour tenter de remédier au problème de l'insuffisance des salaires dans le secteur. L'évaluation démontre cependant que la subvention en question ne règle pas tous les problèmes qui caractérisent les secteurs mal rémunérés. On recommande ainsi l'instauration d'un salaire minimum pour les éducateurs à la petite enfance.

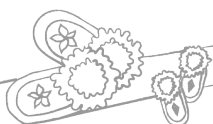
L'évaluation s'est aussi préoccupée des programmes de subventions et de financement conçus pour aider au démarrage et au fonctionnement des services à la petite enfance. On a ainsi pu définir les changements nécessaires à certains de ces programmes; les auteurs recommandent de remplacer la subvention pour le personnel en développement de la petite enfance par une loi qui régirait le salaire des éducateurs concernés, et ils suggèrent d'augmenter fortement la subvention au fonctionnement tout en n'en faisant plus une question de taux de fréquentation des établissements. Cette augmentation de la subvention au fonctionnement aiderait les organisations de services à la petite enfance à assumer la hausse salariale recommandée. Le remodelage de la subvention au fonctionnement permettra, lui, de mieux distribuer les fonds ainsi que d'harmoniser cette distribution avec la structure financière des organisations du secteur. Les auteurs recommandent aussi de plafonner les frais facturés aux familles ou aux gardiens pour l'inscription des enfants aux services à la petite enfance, ce qu'on appelle typiquement les « frais demandés aux parents ». Plafonner ces frais permettra de rendre la subvention au fonctionnement plus équitable et de nous rapprocher du but à long terme de la Division en matière d'accessibilité.

Enfin, la présente évaluation pose de nouvelles questions sur le succès des programmes de financement. Les réponses recueillies dans les entrevues réalisées avec des gestionnaires de services d'éducation et de garde des jeunes enfants révèlent une certaine confusion quant à la subvention pour le programme de santé et sécurité et au fonds pour de nouvelles places en garderie. Les gestionnaires ne connaissant pas bien les avantages de ces programmes, nous ne pouvons pas, ici, tirer de conclusions sur l'efficacité de ces derniers. De la même façon, la petitesse des échantillons, particulièrement au titre des dossiers financiers, a entravé l'évaluation. Les auteurs recommandent que les organisations de services d'éducation et de garde des jeunes enfants soient tenues de soumettre des états financiers au MÉCF, à intervalle convenu, afin que le ministère dispose de l'information nécessaire pour mesurer adéquatement et régulièrement l'efficacité de ses programmes de financement.

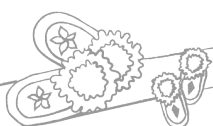
Le secteur de l'éducation et de la garde des jeunes enfants aux TNO n'est pas le seul à vivre les difficultés cernées dans la présente évaluation. Des organisations comparables, ailleurs au Canada, connaissent les mêmes. L'analyse de la situation à l'échelle du pays a permis de préciser ces

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<sup>4</sup> Les groupes de maternelle et de prématernelle des TNO ne sont pas étudiés dans la présente évaluation, car ils font partie du système scolaire public ténéois.



difficultés, ainsi que la variété des façons dont les différentes administrations provinciales et territoriales s'en occupent. Les gouvernements et organisations autochtones (GOA) et les services d'éducation et de garde des jeunes enfants ont eux aussi défini les enjeux et les options qui se présentent à eux, et ils entretiennent des échanges avec le GTNO à ce sujet. Le gouvernement fédéral investit également travail et financement dans ce secteur par l'intermédiaire d'ententes bilatérales avec les GOA, les provinces et les territoires. Pour régler les problèmes définis dans cette évaluation et pour aller de l'avant, les parties intéressées devront se coordonner et organiser convenablement le financement du secteur.





## Introduction

The present report is a component of the Early Learning and Child Care (ELCC) Evaluation Project. The project was designed for the purpose of providing meaningful, program level monitoring and evaluation support to the ELCC division within the Department of ECE. This evaluation presents the findings of the component of the evaluation project that is meant to assess the following ELCC funding programs:

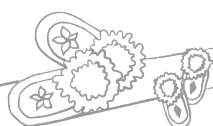
- Right from the Start Early Childhood Scholarship;
- Early Childhood Staff Grant;
- Early Childhood Operating Subsidy;
- Health and Safety Grant; and
- New Child Care Spaces Fund.

These programs were selected for evaluation according to ELCC's priorities and information needs. Findings regarding the evaluation of these funding programs inform the progress ELCC has made towards achieving the goals ECE has committed to through the *Early Childhood Development: Right from the Start Framework* and the *Multilateral Canada-Northwest Territories Early Learning and Child Care Agreement*. The overlapping goals committed to in these documents are to:

- Enhance the quality of early learning and child care programs;
- Increase the accessibility of early learning and child care programs.

Recommendations are offered in light of this progress. This program evaluation, along with ECE's efforts to incorporate the recommendations into ELCC programming, is part of ECE's fulfillment of its commitments to the Minister regarding program evaluation. This evaluation can be used to:

- Make strategic and operational decisions that pertain to program improvement.
- Substantiate previously made decisions.
- Build evaluation capacity of the ELCC division (e.g., by modeling other evaluations on the basis of this one, reusing data collection tools, building on the collected data).
- Focus on stakeholder engagement and shared learning.



## Program Description

### Early Childhood Development Scholarship and ELCC Staff Grant

#### Right from the Start Early Childhood Scholarship

The Right from the Start Early Childhood Scholarship (which will be referred to as “scholarship”) is designed to help offset the costs of attending full-time on-site diploma or degree programs in the field of early childhood development. Eligible students can apply for the \$5,000 scholarship each year for the duration of their studies. In 2019, the budget was 30 scholarships.

The scholarship was first implemented in 2014-2015 fiscal year. Full [program guidelines](#) are available on ECE’s website.

#### Early Childhood Staff Grant

The Early Childhood Staff Grant (which will be referred to as “Staff Grant”) is a taxable wage supplement administered by ECE, through quarterly payments to early learning and child care staff working at licensed centre-based programs. These programs include day cares, out-of-school (before and after school) programs, and preschools. As of June 2019, there were 63 licensed centre-based programs in the NWT<sup>5</sup>. There were also 52 licensed family day homes (which will be referred to as “day homes”); however, day homes are not eligible for the Staff Grant.

Only permanent employees who provide care, assistance, and supervision of children as part of their job duties or the on-site supervision of the early learning and child care program are eligible to apply. Early learning and child care managers and directors are only eligible to apply for the time they spend directly caring for children.

Quarterly grant amounts range from \$600 to \$3,000 depending on the number of hours worked and the level of post-secondary early childhood education completed.

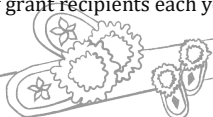
The Staff Grant was first implemented in the 2014-2015 fiscal year. Full [program guidelines](#) are available on ECE’s website.

### Early Childhood Program (ECP) funding

The Early Childhood Program funding is made up of four funding streams, described in more detail below. ECE funds early learning and child care programs through these streams (grants and subsidies) which are composed of both GNWT and federal funds. ‘Early learning’ refers to programs that are set up to function as child care, often for working families, where early learning is interwoven into these child care programs. The exceptions to this are Junior Kindergarten and Kindergarten. While they are also early learning programs, they function differently because they

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<sup>5</sup> ECE does not collect data on the total number of centre-based staff eligible for the grant, but it is likely that all eligible staff would apply. This means the number of grant recipients each year is a good proxy for the total number of centre-based staff in the territory.



operate in schools as part of the JK-12 education system. As such, they are not included in most of the findings of this evaluation.

### Operating Subsidy

The ECP-ECP-OS is an attendance-based quarterly contribution through which early learning and child care providers receive a fixed daily rate per attending child. The daily rates are adjusted for type of care and community location (zone) as specified in Table 1 and Table 2 below. Programs located at government-owned buildings are funded at 75% of the daily rate. All licensed early learning and child care programs are eligible for this subsidy.

Licensed early learning and child care programs submit applications for this funding to regional ECE Early Childhood Consultants. Applications are reviewed and approved by the Early Childhood Consultants and/or Regional Superintendents. Recipients are required to provide attendance forms (indicating attendance per space and the number of days the licensed early childhood centre was open).

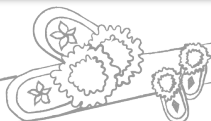
**Table 1: Full-time daily rates for the ECP Operating Subsidy**

	<b>Zone A</b>	<b>Zone B</b>
<b>Infant/Special Needs</b>	\$35.75	\$49.66
<b>Pre-School</b>	\$14.17	\$19.81
<b>Out of School</b>	\$4.72	\$5.01

Note: Part-time spaces are funded at half the full-time rate.

**Table 2: List of communities by zone**

<b>Zone A will include operators in:</b>	<b>Zone B will include operators in:</b>
<ul style="list-style-type: none"> <li>• Behchokò</li> <li>• Detah</li> <li>• Ndilo</li> <li>• Enterprise</li> <li>• Fort Liard</li> <li>• Fort Providence</li> <li>• Fort Resolution</li> <li>• Fort Simpson</li> <li>• Fort Smith</li> <li>• Hay River</li> <li>• Hay River Reserve</li> <li>• Jean Marie River</li> <li>• Kakisa</li> <li>• Wrigley</li> <li>• Yellowknife</li> </ul>	<ul style="list-style-type: none"> <li>• Fort McPherson</li> <li>• Gamètì,</li> <li>• Inuvik</li> <li>• Łutselk'e</li> <li>• Nahanni Butte</li> <li>• Norman Wells</li> <li>• Wekweètì</li> <li>• Whati</li> <li>• Aklavik</li> <li>• Colville Lake</li> <li>• Dèlne</li> <li>• Fort Good Hope</li> <li>• Paulatuk</li> <li>• Sachs Harbour</li> <li>• Trout Lake (Sambe K'e)</li> <li>• Tsiigehtchic</li> <li>• Tuktoyaktuk</li> <li>• Tulita</li> <li>• Ulukhaktok</li> </ul>



## Health and Safety Grant

The Health and Safety Grant was reinstated in 2017-2018. It is an on-demand contribution capped at \$10,000 for licensed providers that is meant to help with the cost of repairs and maintenance required by annual health and fire safety inspections. Family Day Homes may access this funding once during the start-up phase of their facility, whereas licensed centres may access the funds annually if needed. Complying with inspection requirements is mandatory to maintain a license in the NWT. The grant consists of two components: up to a maximum of \$5,000 can be used towards improvements required by environmental health inspections and another \$5,000 maximum can be used towards improvements required by fire safety inspections.

Family day homes can access this fund once, during the start-up phase, whereas centre-based programs are eligible to access it annually. The reason for this discrepancy is because family day homes operate out of their home where there is an expectation that some costs are already addressed through home owner's regular costs and maintenance. E.g., replacing a furnace is a regular cost of home ownership regardless of whether the program operates or not. An integrated sprinkler system, which is required and a significant cost for the home owner, is something that can be covered during the start-up phase. In contrast, a centre-based program is operated out of a building which may have rent/mortgage, as well as utilities and other ongoing maintenance costs associated with operating as a non-profit.

Repairs noted in inspection reports from Environmental Health, the Office of the Fire Marshal, or the Yellowknife Deputy Fire Chief are eligible to be covered through this fund. Early learning and child care providers submit requests for this funding to regional ECE Early Childhood Consultants.

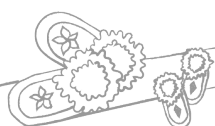
Grant recipients are required to:

- Keep detailed accounting of expenditures with receipts and proof of payment to contractors;
- Demonstrate that the repairs or maintenance have been completed to the satisfaction of Environmental Health and/or the Office of the Fire Marshal; and
- Remain open for a minimum of one year after receipt of Health and Safety funding; funds may be recovered by ECE.

The amount of funding allocated for this program is \$360,000 spread out over three fiscal years (from 2016-2017 to 2019-2020).

## New Child Care Spaces Fund

The New Child Care Spaces funding was established in 2017 to replace the former Start-up Subsidy. This is an application-based fund that assists with the creation of new licensed early learning and child care programs by providing additional funding for the purchase of equipment and supplies. This funding cannot be used towards staffing or lease payments. This funding is also available to programs who wish to re-profile spaces based on community need (i.e., preschool to infant).



Licensed family day homes are eligible to receive a flat amount based on which zone they are in, whereas centre-based programs receive a fixed amount per type of space as outlined in Table 2. To apply, early learning and child care providers submit detailed budgets for approval to regional ECE Early Childhood Consultants. Applications are reviewed on a case by case basis.

The total funding available through this program is \$370,000 over three fiscal years (from 2017-2018 to 2019-2020).

Financial reporting requirements differ depending on the amount received through the fund and are described in Table 3.

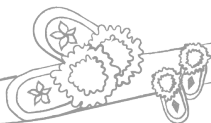
**Table 3: Full-time rates for New Child Care Spaces Fund**

	<b>Zone A</b>	<b>Zone B</b>
<b>Rates per space</b>		
<b>Infant or Special Needs</b>	\$2,500	\$4,200
<b>Preschool</b>	\$1,700	\$2,800
<b>Out-of-School</b>	\$500	\$1,000
<b>Flat rate</b>		
<b>Family Day Home</b>	\$3,000	\$4,500

Note: Part-time spaces receive half of the full-time rates.

**Table 4: Financial reporting requirement for New Childcare Spaces Fund recipients**

<b>Contribution amount:</b>	<b>Financial reporting requirements:</b>
<b>\$0 - \$50,000</b>	The recipient will submit a Schedule of Revenue and Expenditures for the project signed by the recipient within 60 days after completion.
<b>\$50,001 - \$250,000</b>	The recipient will submit a Schedule of Revenue and Expenditures for the project signed by the recipient and Chief Executive Officer within 60 days after completion.
<b>\$250,001 or more</b>	The recipient will submit an audited financial statement which includes a letter from the professional auditor verifying compliance with the terms and conditions of the agreement submitted within 120 days after the recipient’s business year-end.

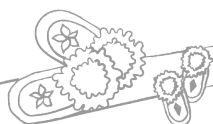


## Summary of short-term, medium-term, and long-term outcomes of ELCC funding programs

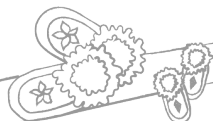
Table 5 below offers a brief summary of the short-term, medium-term, and long-term outcomes that are expected to result from the ELCC funding in this review. For a more detailed account of these outcomes and their underlying assumptions, see [Appendix B](#).

**Table 5: Short-term, medium-term, and long-term expected outcomes of ELCC funding programs**

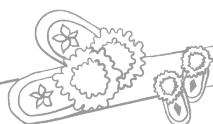
Funding program	Short-term expected outcomes	Medium-term expected outcomes	Long-term expected outcomes
<p><b>ECD Scholarship and ELCC Staff Grant</b></p>	<p>Short Term Outcome-a. The scholarship will attract students to pursue post-secondary programs in the field of early learning and child care.  This is expected to happen because the scholarship will reduce the cost of getting a diploma or a degree in early childhood.</p>	<p>Medium Term Outcome-1. Attract and retain more qualified staff in early learning and child care.  Through the scholarship, ECE expects to increase the education level of NWT early learning and child care workforce.</p>	<p>Quality of ELCC programs  By increasing the education level of the early learning and child care workforce, the scholarship and Staff Grant are expected to contribute to improved quality of early childhood care in the territory.</p>
	<p>Short Term Outcome-b. The Staff Grant will attract students to pursue ECDL.  This is expected to happen because the Staff Grant will be an incentive to pursue employment in early childhood in the NWT sector.</p>		
	<p>Short Term Outcome-c. The Staff Grant will attract qualified</p>		



	<p>educators to the NWT early learning and child care sector.</p> <p>This is expected to occur because the Staff Grant will make early childhood wages more competitive.</p>		
<p><b>Operating Subsidy and NCCS</b></p>	<p>Short Term Outcome-d. An offset to operating costs for early learning and child care providers.</p> <p>This is expected because the providers will use the Operating Subsidy and NCCS Fund towards operating or start-up expenses.</p>	<p>Medium Term Outcome-2. Early childhood programs are financially stable</p> <p>As operating costs are offset as a result of consistent funding from the Operating Subsidy, early childhood programs should become more financially stable.</p> <p>Financial stability ensures adequate numbers of staff are employed year to year and quality program materials can be comfortably purchased.</p>	<p>Quality and Accessibility of ELCC programs</p> <p>Offsets to operational and start-up costs are expected to contribute to increased quality of early learning and child care programs in the territory as they allow for more funds to be allocated to improving.</p> <p>Offsets to start-up costs are expected to contribute to accessibility because they allow for addition of more spaces and so greater availability of ELCC programming.</p>
	<p>Short Term Outcome-e. An offset in start-up costs.</p> <p>This is expected to happen because the funding NCCS fund will offset the costs of equipment and supplies required for the program.</p>		
	<p>Short Term Outcome-f. Operators are incentivized to expand their programs</p> <p>The NCCS is expected to incentivize operators to expand their programs given</p>	<p>Medium Term Outcome-3. The NWT ELCC sector is expanding</p> <p>Lower operating costs are expected to lead to increased number of licensed early learning</p>	



	<p>the reduction in start-up costs.</p> <p>Short Term Outcome-g. The number of licensed early learning and child care spaces in the NWT has increased An increase in number of spaces in the NWT overall should result as early learning and child care operators expand their programs.</p>	<p>and child care program spaces in the territory.</p>	<p>be more programming and spaces available to parents.</p>
<p><b>Health and Safety Grant</b></p>	<p>Short Term Outcome-h. Operators upgrade and repair their facilities Through this grant, ECE expects licensed programs to upgrade and repair their facilities in compliance with health and safety standards.</p>	<p>Medium Term Outcome-4. Health and Safety of ELCC programs are enhanced The overall health and safety of licensed early learning and child care programs is enhanced as operators are able to make the upgrades and repairs they need.</p>	<p>Quality of ELCC programs The Health and Safety Grant will contribute to increased quality of early learning and child care facilities in the territory by helping providers meet health and safety requirements.</p>
<p><b>Operating Subsidy</b></p>	<p>Short Term Outcome-i. Parent fees are reduced or stabilized The Operating Subsidy is expected to have an impact on parent fees.</p>	<p>Medium Term Outcome-5. Parent fees decreased or stabilized Lower operating costs are expected to translate to lower child care fees for the families. In the least, it is expected that providers will not increase their fees.</p>	<p>Accessibility of ELCC programs Reduced or stabilized parent fees enhances early learning and child care programming affordability for parents.</p>

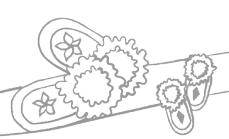
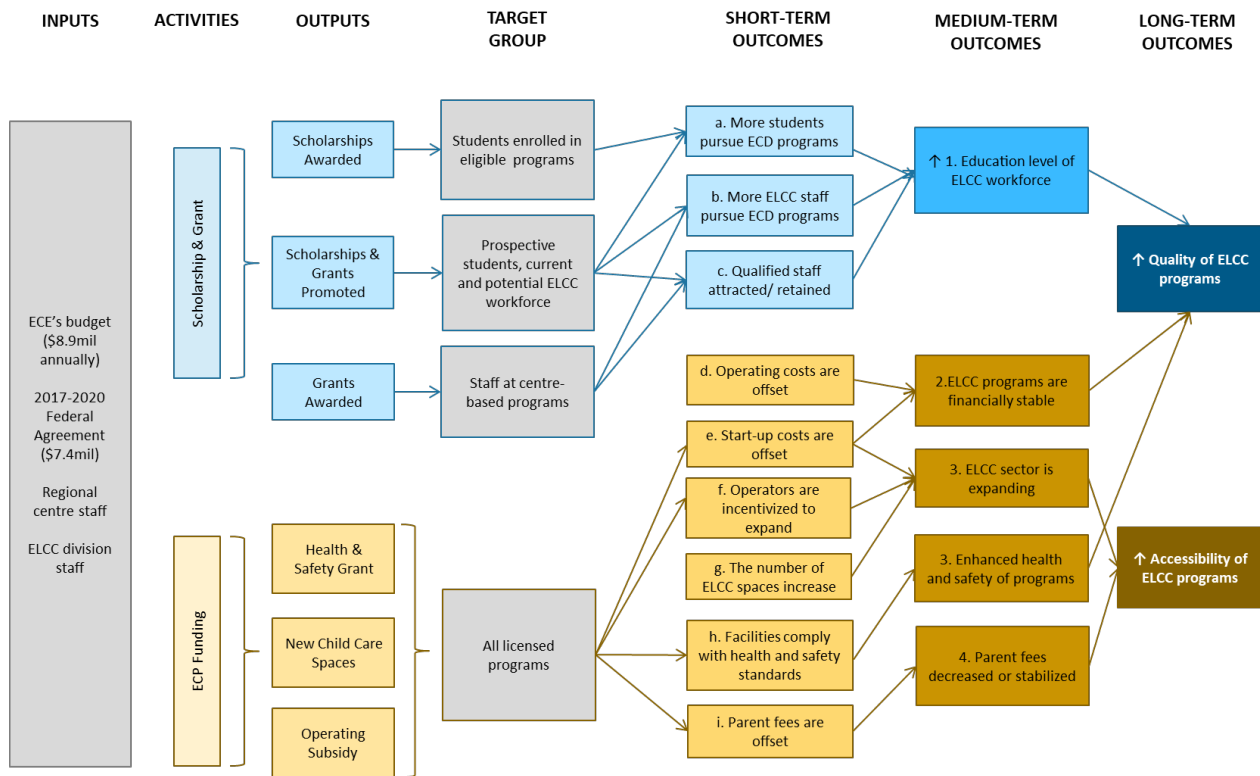




# Program Logic Model

The program logic model in Figure 1 offers a visual representation of the logic of the ELCC funding programs in this evaluation. The ‘inputs’ represent what goes into the funding programs to initiate them (e.g., ECE and regional staff and GNWT and Federal funding). The ‘activities’ are the programs that deliver the input funds (e.g., scholarship program). The ‘outputs’ are the tangible products in the world that result from the program activities (e.g., scholarships awarded to students). Finally, outcomes are the expected results of the programs, as also outlined in Table 5.

**Figure 1: Program Logic Model**



## Evaluation Methodology

This evaluation assesses the plausibility of ELCC funding program theory as well as the extent to which short- and medium-term outcomes have been achieved. A detailed description of the Evaluation Methodology is available in the Appendices. Briefly, the evaluation focused on the following; program theory and achievement of short- and medium-term outcomes. The evaluation questions form the heading of the results section, and can be found detailed in Appendix C.

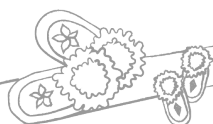
## Data Collection, Procedures and Instruments

This evaluation used qualitative and quantitative data obtained from the following data collection methods: literature review, analysis of administrative data and program documentation, individual interviews, surveys – each of these methods is described in [Appendix A](#).

- Applicant (staff, student, early learning and child care provider) information collected by ELCC through application forms by ELCC division (applicant first and last name, educator education level, educator wages, application year for all types of applicants, type and location of early learning and child care provider); Applicant information collected by Student Financial Assistance (SFA) division through student loan applications (application status, program name, application year);
- Number of new and repeat applicants, including unsuccessful applicants.

## Limitations and Mitigation Strategies

The table in [Appendix C](#) describes the anticipated limitations, their impact on evaluation results, and corresponding mitigation strategies.



## Evaluation Results

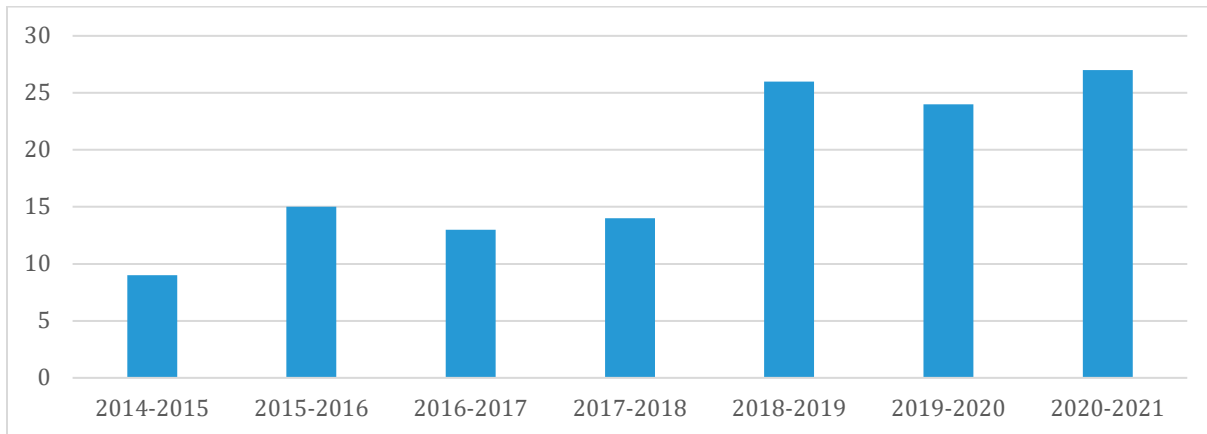
### Medium Term Outcome -1. Is ECE ELCC funding helping attract and retain qualified staff?

#### Short Term Outcome-a. Is the Early Childhood (EC) scholarship helping attract students to pursue early learning and child care programs in post-secondary?

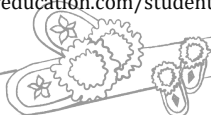
Existing evidence suggests that scholarships and bursaries strongly influence student choices in post-secondary (Canadian Millennium Scholarship Foundation, 2006; Abraham, K., & Clark, M., 2006; Seeta, 2017)<sup>6</sup>. Some positive findings regarding the EC scholarship show that the scholarship has seen an increase in applicants and recipients over time (Figure 2). While this trend goes in the right direction, this data is only descriptive and cannot tell us if the increase is due to more students enrolling in early childhood programs or if those enrolments are the result of the scholarship.

An administrative analysis of student enrolments shows a slight, though not straightforward, increase in the percentage of NWT post-secondary students pursuing early childhood programs over time (Figure 3). It does seem that the increase in number of scholarship applicants is, at least in part, due to an increase in number of students pursuing early childhood post-secondary programs.

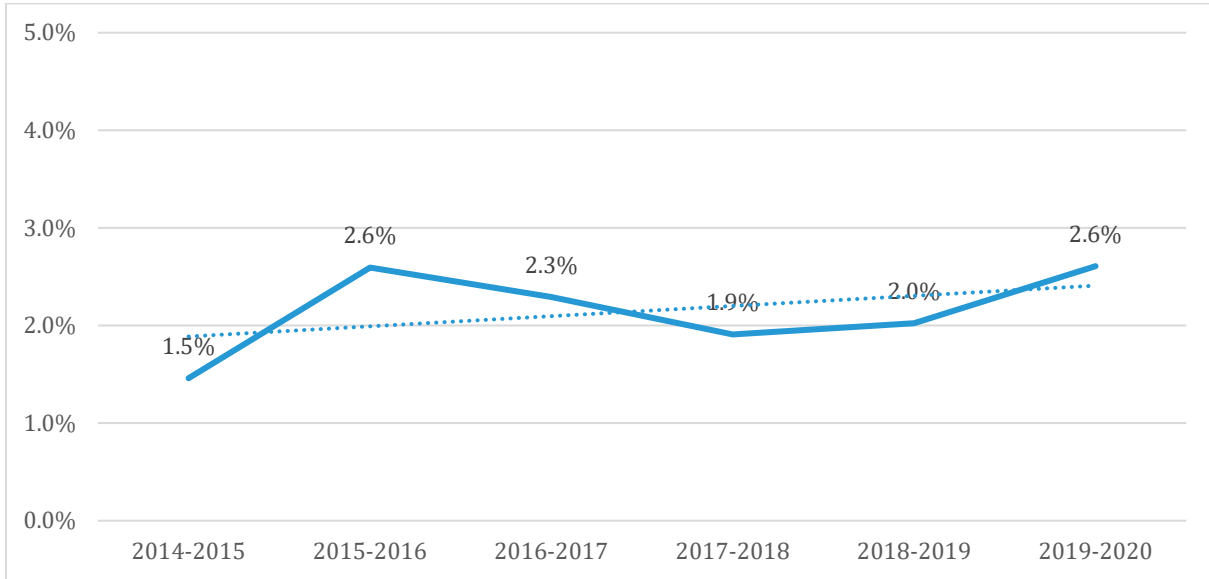
**Figure 2: Number of approved Scholarship applications, by school year**



<sup>6</sup> Canadian Millennium Scholarship Foundation. (2006, July). The Impact of Bursaries: Debt and Student Persistence in Post-Secondary Education. Retrieved from: [https://library.carleton.ca/sites/default/files/find/data/surveys/pdf\\_files/millennium\\_2006-07\\_rn-4\\_en.pdf](https://library.carleton.ca/sites/default/files/find/data/surveys/pdf_files/millennium_2006-07_rn-4_en.pdf)  
 Abraham, K., & Clark, M. (2006). Financial Aid and Students' College Decisions: Evidence from the District of Columbia Tuition Assistance Grant Program. *The Journal of Human Resources*, 41(3), 578-610. Retrieved from [www.jstor.org/stable/40057270](http://www.jstor.org/stable/40057270)  
 Seeta B. (2017, June 6). Why do students go to university and how do they choose which one? *Times Higher Education*. Retrieved from: <https://www.timeshighereducation.com/student/news/why-do-students-go-university-and-how-do-they-choose-which-one>.

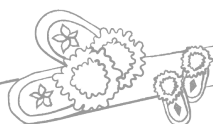
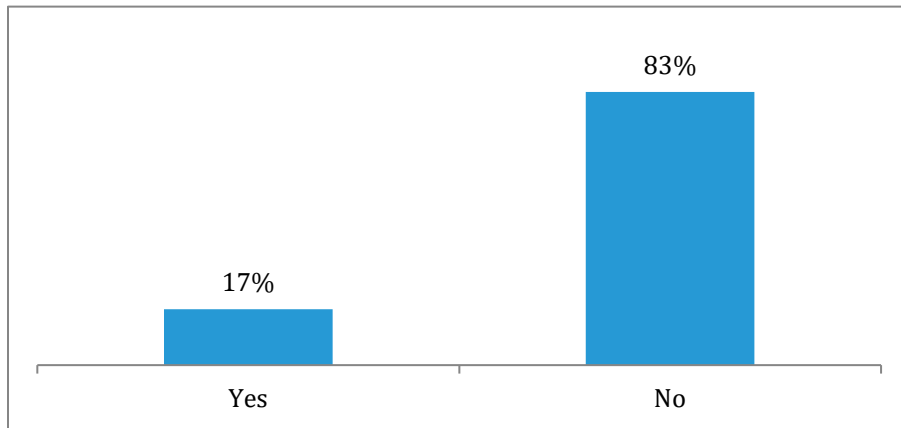


**Figure 3: Percent of SFA recipients enrolled in ECD postsecondary programs**



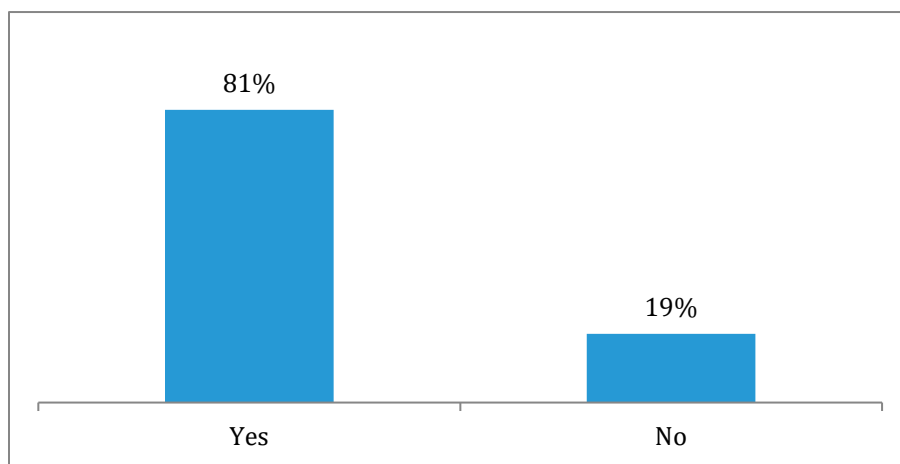
Students were asked about what influenced their decision to pursue early childhood. The majority (83%) of respondents who provided this feedback reported that the scholarship did not influence their choice of a post-secondary program (Figure 4). Over half of these respondents explained that the major influence in choosing their post-secondary program was having a passion for working with kids and an interest in working the ECD field. The few students who did find the scholarship encouraging claimed it was one of several reasons for choosing their program. CEAs were also asked if they thought the EC scholarship would influence students to pursue early childhood programs. About half of the CEAs believed it would only be encouraging if the student already had a previous interest in early learning and child care.

**Figure 4: Did the ECD scholarship encourage student respondents to pursue ECD programs at post-secondary?**



Most students who answered whether they were aware of the Staff Grant before the survey indicated that they were not (60%). It is unsurprising, then, that none of the respondents listed it in their reasons for pursuing post-secondary education in the field of early childhood. However, once informed about the Staff Grant and the funding amounts they could receive at different educational attainments, most respondents (81%) who answered whether the Staff Grant encourages them to get more education in early childhood responded 'yes' (Figure 5). The majority of CEAs (83%) also believed that the Staff Grant would encourage students to pursue ECD programs in post-secondary. This offers some support for the idea that the Staff Grant could attract more students to pursue ELCC post-secondary programs.

**Figure 5: Percent of Student Survey respondents who felt the Staff Grant encourages them to pursue ELCC programs**



### **Short Term Outcome-b. Are the Staff Grant and scholarship helping attract existing early learning and child care educators to pursue post-secondary programs in the field of early childhood?**

Researchers agree that education leaders and policy makers often rely on financial incentives as strong motivators for educators to pursue professional development.<sup>7 8 9 10</sup> Financial incentives are helpful because they help to offset some of the costs associated with pursuing professional development opportunities. The assumption is that offsetting the financial burden on educators will encourage participation in professional development activities, and lead to improved professional knowledge and practices.

<sup>7</sup> Darling-Hammond, Linda. (2010). Recruiting and Retaining Teachers: Turning Around the Race to the Bottom in High-Need Schools. *Journal of Curriculum and Instruction*, 4(1), 16-32.

<sup>8</sup> Yuan, K., Le, V., McCaffrey, D., Marsh, J., Hamilton, L., Stecher, B., & Springer, M. (2013). Incentive Pay Programs Do Not Affect Teacher Motivation or Reported Practices: Results From Three Randomized Studies. *Educational Evaluation and Policy Analysis*, 35(1), 3-22.

<sup>9</sup> OECD (2014), "Developing and Supporting Teacher", in *TALIS 2013 Results: An International Perspective on Teaching and Learning*, TALIS, OECD Publishing, Paris.

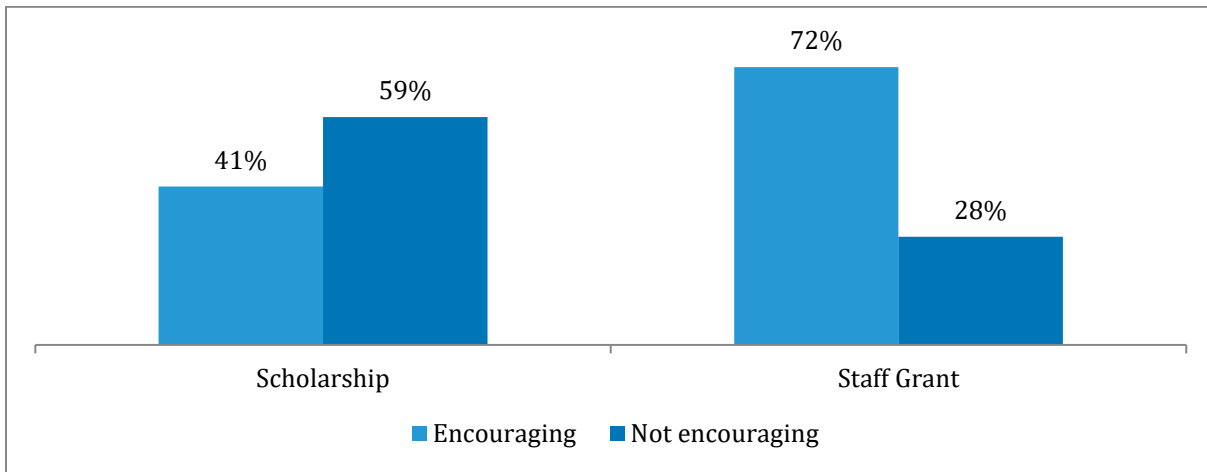
<sup>10</sup> Foreman, E., McMillan, S., & Wheeler, A. (2017). Utilizing a Scholarship Program as a Workforce Strategy for the Community-managed mental Health Sector. *The Journal of Mental Health Training, Education and Practice*, 12(6), 360-376.



Looking to directly address this evaluation question, early childhood educators working in licensed centre-based programs were asked during interviews and in the survey if they found either the Staff Grant or scholarship funding programs motivating to pursue further post-secondary education. As shown in Figure 6, only 41% of respondents felt encouraged by the scholarship to pursue further education. Knowing that the grant top-up increases with education level, 72% of respondents felt encouraged by the Staff Grant to pursue further education (Figure 6).

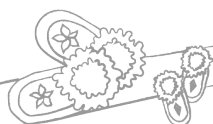
Of the early childhood educators that did feel encouraged by the scholarship to get further education, most respondents reported the chance to further their education, training and experiences as the main factor that encourages them to enrol in school. Other respondents also reported that access to the extra money would be helpful towards school costs as well as supporting their families.

**Figure 6: early learning and child care educators level of encouragement to pursue education, by funding program**



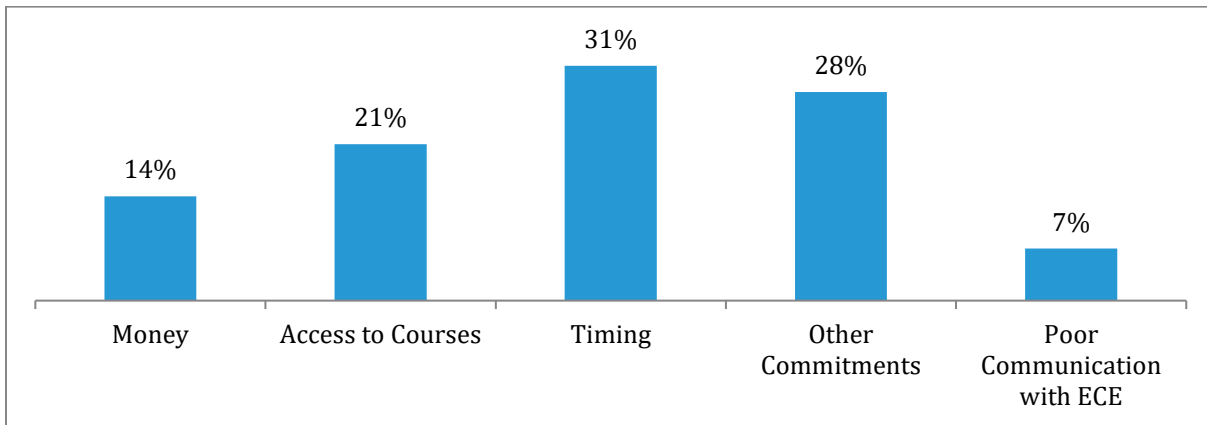
Early learning and child care educators who did not feel motivated by the scholarship or the Staff Grant reported professional and personal barriers that prevented them from pursuing further education. Figure 7 outlines the barriers reported by early childhood educators in the interviews and the survey. Nearly a third (31%) of respondents reported timing as being a barrier to professional development, specifically not having the time to go to school or it being a generally poor time in their lives to consider going back to school (Figure 7). Respondents also reported other time commitments such as their current jobs and their families as a barrier.

Early learning and child care educators also reported access to courses as a barrier. Respondents further explained that the inability to leave their community, the inability to access degree courses while remaining working in the NWT, and the scholarship not being offered for online courses as elements of this barrier. As shown in Figure 7, poor communication with ECE was also a reported barrier. Respondents reported difficulty learning about and accessing the funding programs, specifically the Staff Grant, from the Department.



Research also suggested that factors such as personal and family health issues, conflicting work schedules, need for travel, complex workloads, and job insecurity must be recognized as possible barriers to pursuing professional development.<sup>11 12 13 14</sup> This research also speaks to how these professional barriers are often overlooked by policy makers and education leaders when offering financial incentives.<sup>15</sup> It is important for ECE to consider different types of barriers when developing supports and incentives to improve the overall education level of early childhood educators working in the NWT

**Figure 7: early learning and child care educators perceived barriers to pursuing professional development**



A record analysis was conducted to determine if the funding programs had encouraged any existing early learning and child care educators to go back to school for further education. The analysis looked for any Staff Grant recipients who had received the scholarship either during or after receiving the Staff Grant (meaning they were employed in early childhood either at the same time or before going to school).

The results show that a total of 11 early learning and child care educators, at four or five educators per year, received the scholarship either during or after being employed in an NWT day home or centre between 2014-2015 and 2019-2020. This represents less than 2% of the annual number of employed early childhood educators (n=~263). These results do not support the possibility that the Staff Grant or scholarship program are leading current educators to pursue (more) post-secondary education in early childhood.

<sup>11</sup> Neuman, S., & Cunningham, L. (2009). The Impact of Professional Development and Coaching on Early language and Literacy Instructional Practices. *American Educational Research Journal*, 46(2), 531-556.

<sup>12</sup> Yuan, K., Le, V., McCaffrey, D., Marsh, J., Hamilton, L., Stecher, B., & Springer, M. (2013). Incentive Pay Programs Do Not Affect Teacher Motivation or Reported Practices: Results From Three Randomized Studies. *Educational Evaluation and Policy Analysis*, 35(1), 3-22.

<sup>13</sup> OECD (2014), "Developing and Supporting Teacher", in *TALIS 2013 Results: An International Perspective on Teaching and Learning*, TALIS, OECD Publishing, Paris.

<sup>14</sup> Jensen, B., Sonnemann, J., Roberts-Hull, K. & Hunter, A. (2016). *Beyond PD: Teacher Professional Learning in High-Performing Systems*. (Washington, DC: National Center on Education and the Economy, 2016).

<sup>15</sup> Foreman, E., McMillan, S., & Wheeler, A. (2017). Utilizing a Scholarship Program as a Workforce Strategy for the Community-managed mental Health Sector. *The Journal of Mental Health Training, Education and Practice*, 12(6), 360-376.

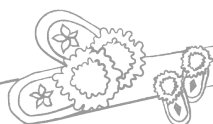
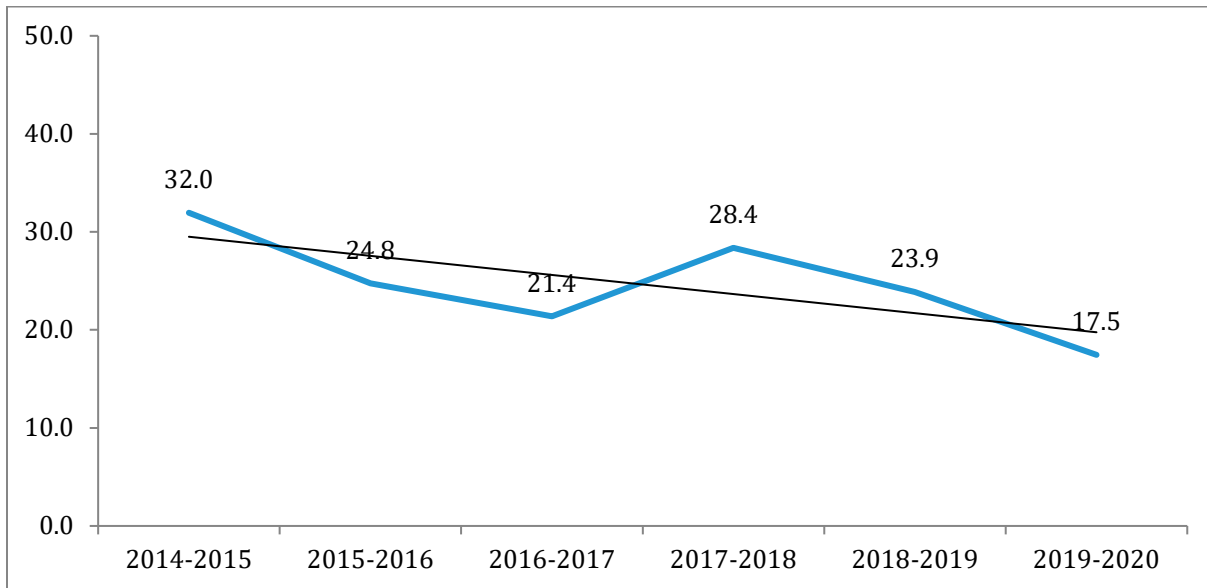


**Short Term Outcome-c. Is the Staff Grant helping attract qualified educators to the NWT early learning and child care sector?**

Results so far suggest that CEAs, post-secondary students, and existing early childhood educators at least perceive the Staff Grant to be encouraging the pursuit of more early learning and child care post-secondary education. And while very few current early childhood educators have been able to go back to school for post-secondary education, it is possible that post-secondary graduates who have not previously been employed in the NWT early learning and child care sector are more attracted to enter it because of the extra funding opportunities.

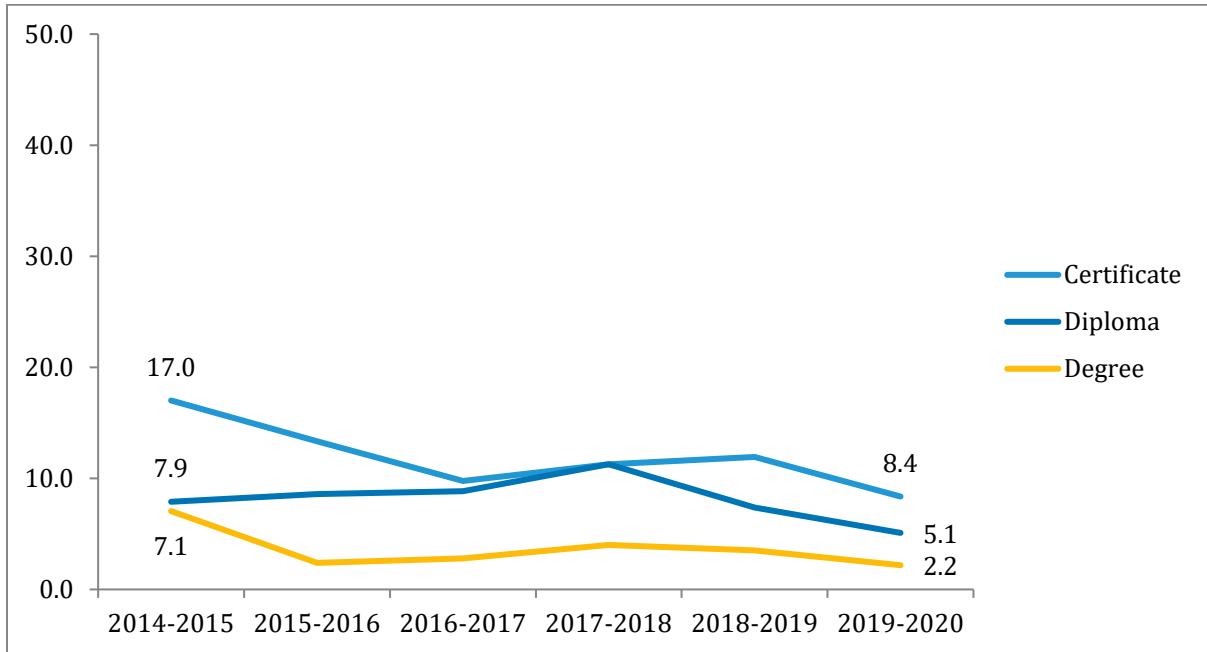
To assess this, a records analysis of NWT early learning and child care educators dating back to 2014-2015 was done to determine the proportion of educators with ELCC post-secondary education. The results show that the NWT ELCC sector has seen a slight decrease in early childhood educators with post-secondary education (Figure 8). When looked at by type of post-secondary training, the decrease is most pronounced for educators with certificates (Figure 9). This also supports

**Figure 8: Percent of early childhood staff with postsecondary education in an early childhood field, 2014-2015 to 2019-2020**





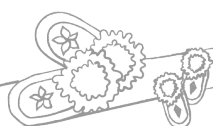
**Figure 9: Percent of early childhood staff with post-secondary by type of post-secondary training, 2014-2015 to 2019-2020**



These results are a strong indication that the Staff Grant has not been successful in attracting early childhood educators with post-secondary in the field of early childhood to the NWT sector. Considering these results together provides a particularly striking picture. The decrease in the portion of NWT early childhood educators with post-secondary training (Figure 9) is correlated with the increase in the number of SFA recipients enrolling in post-secondary programs in the field of early childhood (Figure 3). It seems the moderate increased number of students taking early childhood post-secondary programs are either not entering the NWT early learning and child care sector, or leaving the territory, after completing their education.

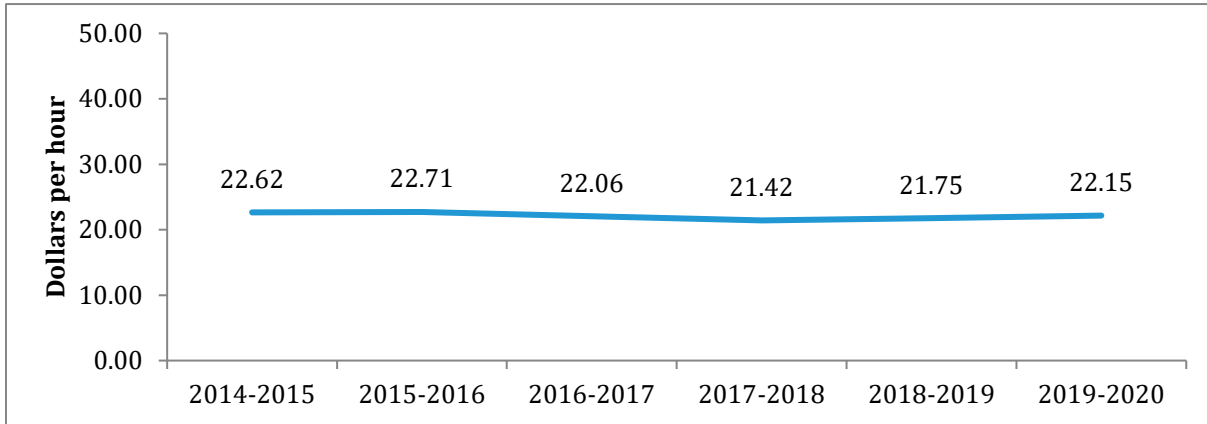
To understand why the Staff Grant and scholarship have not been successful, despite survey respondents suggesting that it would be encouraging to them, and evidence from previous research suggesting that financial incentives can moderately influence the choice to pursue post-secondary education, this evaluation looked into other underlying barriers.

Respondents offered many underlying barriers to pursuing post-secondary education in early childhood. These included job and family commitments, and the inability to take courses online or in their own community. However, there is also a significant financial barrier to working in the early childhood sector that may be exacerbating these seemingly non-financial barriers. This significant barrier is low wages.



Early childhood educators make relatively low wages compared to all other types of educators and lines of work that require post-secondary training. This is true across jurisdictions in Canada,<sup>16</sup> and the NWT is no exception. Figure 10 shows the average hourly wages of early childhood educators in the NWT over time dating back to 2014-2015.

**Figure 10: Average hourly wage for early learning and childcare workers in licensed NWT centres, over time, as collected through the NWT Staff Grant data**



The average wage is approximately \$22/hour (equivalent to a full-time annual salary of \$45,760). According to *Alternatives North* estimates for a living wage in the NWT, this wage is below the living wage for all family types and communities analyzed. And while Figure 11 does not provide estimates for small communities or single parents with more than one dependent, one could imagine trying to live on \$22/hour in such circumstances would be incredibly difficult. ECE’s early learning and child care educator data does not provide information on educator marital or dependent status but they do have information on what communities educators live in. Almost a third (31%) of early learning and child care educators report living in small communities.

<sup>16</sup> See the Government of Canada job bank summarizing wages of early childhood educators and assistants: <https://www.jobbank.gc.ca/marketreport/wages-occupation/5189/ca>.



**Figure 11: Living wage estimates for the NWT in 2019, by *Alternatives North*<sup>17</sup>**










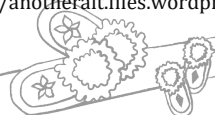
	Living Wage	Annual Expenses*	=	Employment Income	+	Government Transfers	-	Taxes
<b>Yellowknife<sup>11</sup></b>								
 Couple, 2 children (each parent)	<b>\$23.95</b>	\$87,454		\$93,405		\$6,359		\$12,289
 Lone Parent, 1 child	<b>\$25.09</b>	\$57,247		\$48,926		\$11,352		\$3,028
 Single Adult	<b>\$23.08</b>	\$38,522		\$45,006		\$82		\$6,556
<b>Hay River</b>								
 Couple, 2 children	<b>\$24.75</b>	\$89,605		\$96,525		\$6,181		\$13,100
 Lone Parent, 1 child	<b>\$24.66</b>	\$56,703		\$48,087		\$11,424		\$2,801
 Single Adult	<b>\$22.34</b>	\$37,570		\$43,563		\$154		\$6,137
<b>Inuvik</b>								
 Couple, 2 children	<b>\$23.78</b>	\$85,161		\$92,742		\$6,123		\$13,951
 Lone Parent, 1 child	<b>\$23.48</b>	\$54,270		\$45,786		\$11,476		\$2,982
 Single Adult	<b>\$24.58</b>	\$40,376		\$47,931		\$0		\$7,555

Figure 13 shows estimated resulting annual salaries for early childhood educators at licensed NWT centres, at different levels of education and number of hours worked. The amounts of quarterly Staff Grant top ups are provided in Figure 12.

With the top up, and referring again to Figure 11, an early learning and childhood educator working full-time at \$22/hour could make a living wage in either Yellowknife, Hay River, or Inuvik so long as they were either single and/or had no more than one dependent. If they had more than one dependent, they would need a partner with a similar or greater salary to split costs.

<sup>17</sup> Retrieved from: <https://anotheralt.files.wordpress.com/2019/03/nwt-2019-living-wage-report-final.pdf>



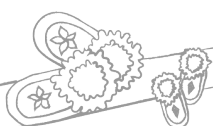
**Figure 12: Eligible Staff Grant amounts per quarter for licenced early childhood centre educators, by hours worked**

Number of hours worked per week	8- 18 hours per week	18.5 - 27 hours per week	27.5 - 36 hours per week	37 + hours per weeks
No post-secondary	\$600	\$900	\$1,200	\$1,500
Certificate	\$800	\$1,200	\$1,600	\$2,000
Diploma	\$1,000	\$1,500	\$2,000	\$2,500
Degree	\$1,200	\$1,800	\$2,400	\$3,000

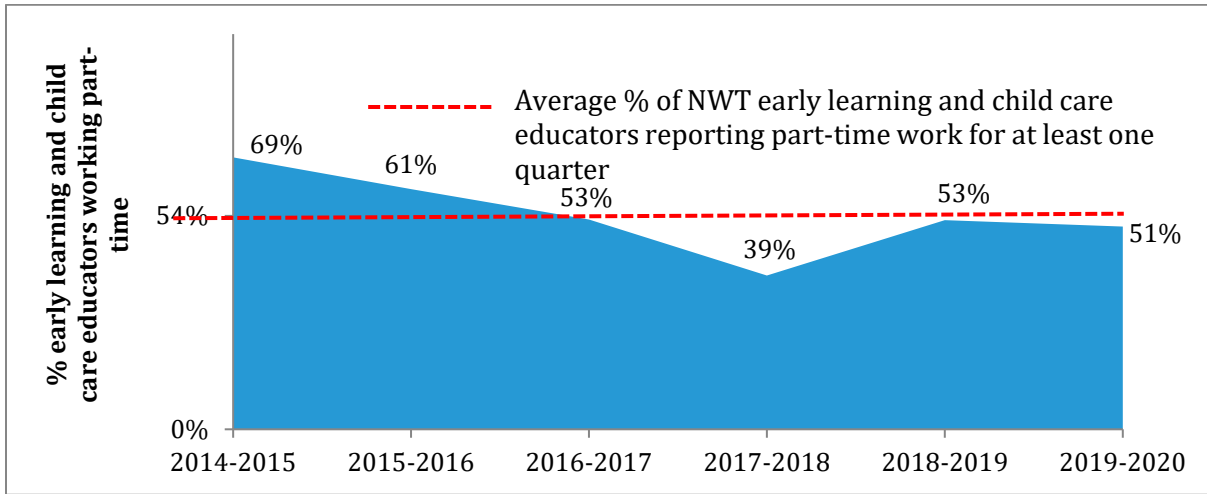
**Figure 13: Estimated annual salaries of licenced early childhood centre workers, by hours worked, including Staff Grant**

Number of hours worked per week at \$22/hour	8 hours per week	18.5 hours per week	27.5 hours per week	37 hours per week
No post-secondary salary + top up	\$11,552	\$24,764	\$36,260	\$48,328
Certificate salary + top up	\$12,352	\$25,964	\$37,860	\$50,328
Diploma salary + top up	\$13,152	\$27,164	\$39,460	\$52,328
Degree salary + top up	\$13,952	\$28,364	\$41,060	\$54,328

It is important to note that estimations based on a full-time salary do not represent the realities of about half of early learning and child care educators in the NWT sector. According to ECE records, an average of 54% of early learning and child care educators per year report working part-time for at least one quarter (Figure 14). This means over half of NWT early learning and child care educators, even with the Staff Grant top up, do not make a living wage in any of the three reference communities.



**Figure 14: Percent of NWT early learning and child care educators reporting part-time work for at least one quarter in the year, 2014-2015 to 2019-2020**

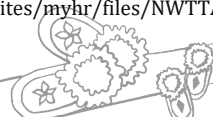


The low wages of early childhood educators in the NWT likely make the prospects of taking early childhood post-secondary education especially unattractive. The low-income period that post-secondary students experience while in their studies is difficult and would be exacerbated for those in small communities, with dependents, or who have not had the opportunity to establish savings because of previously low wages. Furthermore, for students enrolled in post-secondary education in early childhood, that low income period is not offset by a high-paying career afterward.

For educators who already work in early childhood, balancing work and learning on top of other personal responsibilities would make for an even greater hurdle. As the responses from the survey highlight, adults who are already working often have families and do not live in one of the two communities where the post-secondary programs are offered. For these educators to take post-secondary training they may need to take a loss in an already low salary if they find they need to reduce their hours.

It is also important to point out the difference in salaries between early childhood educators who work in day homes and centres and those educators who work in the parallel sector of public education, namely Junior Kindergarten (JK). Educators of JK who have no experience and have a maximum of a diploma in early childhood have a starting salary with GNWT of \$72,152.<sup>18</sup> There are other positions in the GNWT as well that relate to early childhood, which similarly require a diploma in early childhood, but pay substantially more than an early learning and child care educator. For example, the Family Preservation Worker has a starting salary of \$84,845 and the Early Childhood Intervention Coordinator starts at \$72,014. Working as an early childhood educator in a licensed program is a hard choice when post-secondary education in this area creates opportunities for employment in other areas with much higher compensation and benefits.

<sup>18</sup>Collective Agreement between the NWTTA and GNWT (Aug 2020 - Jul 2021), Retrieved from: <https://my.hr.gov.nt.ca/sites/myhr/files/NWTTA%20Final%20version%202020-2021%20with%20signature.pdf>.



**Summary of Medium Term Outcome-1 findings:** Taken together, these results demonstrate that ECE's EC scholarship and Staff Grant are not achieving their expected medium-term outcome of attracting and retaining qualified staff to NWT's early learning and child care sector because they do not sufficiently address the underlying barrier of low staff wages in early learning and child care centres. According to student and educator responses, the scholarship is not an influencing factor for pursuing ELCC post-secondary programming. This suggests that it is doing little to attract more students to early childhood post-secondary than those who were going to enrol anyway.

As for the Staff Grant, although it is perceived as an influencing factor for taking more early childhood post-secondary education, it is not leading to actual increases in the number of early childhood educators with post-secondary training in NWT centres and day homes. This is because there are significant barriers to prospective students and current educators to obtaining more post-secondary education in ELCC. These barriers are exacerbated by unsustainably low wages in the sector. Because of this, the Staff Grant and scholarships are not substantial enough to incentivize current or prospective early childhood educators to take post-secondary training. The sacrifice required to obtain additional post-secondary education is not worth the relatively low payoff offered by the Staff Grant.

### **Recommendation 1: Replace the Early Childhood Staff Grant with a regulated pay grid for early learning and child care educators**

Results from analysis of Medium Term Outcome-1 (the extent to which ELCC funding is helping to attract and retain qualified educators to NWT's sector) point firmly to a need for better pay and benefits for early childhood educators working in early learning child care centres. Even with the Staff Grant, most of these educators are not able to make a living wage. Low wages and precarious work are major barriers to attracting and retaining qualified staff to a sector or incentivizing current staff to pursue further qualifications. The territory, therefore, must take steps to substantially increase wages and benefits for early childhood educators. This evaluation recommends ECE replace the Staff Grant with a legislated early childhood educator salary grid that sets reasonable, minimum wage levels that reflect the importance of early education and child care as a career. ECE can continue to support early childhood educators by increasing the Operating Subsidy (see Recommendation 2) which will help ELCC program operators cover educator increased wages.

Prince Edward Island (PEI) can be used as a model for these minimum standards. PEI has mandated a wage grid for early learning and child care educators based on an hourly rate, education and training, and years of direct experience.<sup>19</sup> In developing a similar pay grid for the NWT, ECE will need to settle on salary amounts that are appropriate to the kind of work early learning and child care educators undertake, are informed by wages in neighbouring sectors such as education, and take into account the cost of living in the NWT. To ensure these amounts are well-informed and feasible, the ELCC division could contract a financial analyst to assist with the work.

<sup>19</sup> See [https://www.princeedwardisland.ca/sites/default/files/publications/eyc\\_wage\\_grid.pdf](https://www.princeedwardisland.ca/sites/default/files/publications/eyc_wage_grid.pdf).



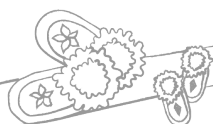
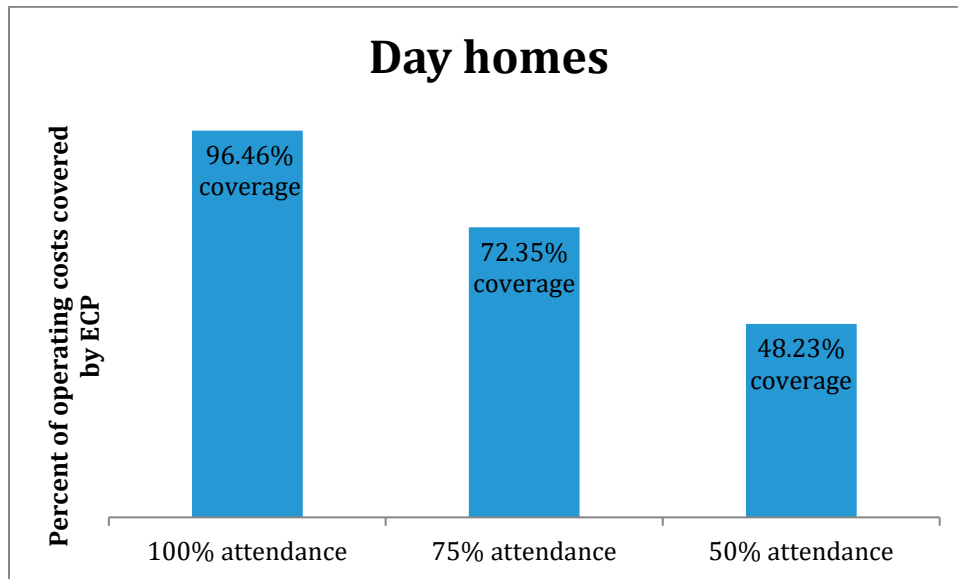
## Medium Term Outcome-2. Is ECE’s ELCC funding helping early child care and learning program reach financial stability?

### Short Term Outcome-d. to what extent did the Early Childhood Program operating subsidy offset early childhood program operating costs?

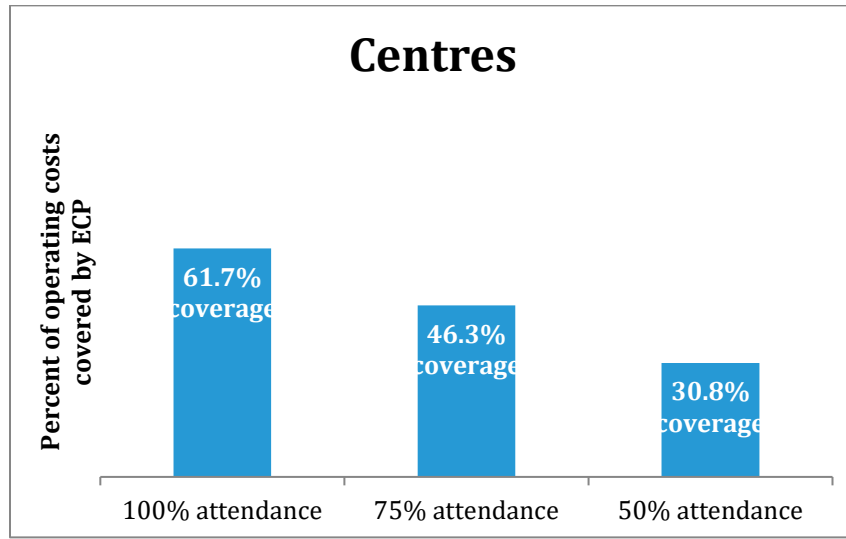
To be able to measure the extent to which the ECP-OS helps licensed early learning and child care programs reach financial stability, self-reported financial statements were requested from NWT licensed programs to find out what proportion of total operating costs are covered by the ECP-OS payments. ECE compared the total operating costs reported by the programs with the maximum ECE funding those same programs are entitled to (i.e., the funding amount for 100% attendance). The proportion of these total operating costs that would be covered if those programs only received ECP-OS funding based on 75% or 50% attendance for the year was also calculated. This was done in an effort to get a sense of how much ECP-OS funding programs realistically receive in a year given that it is rare for programs to have 100% attendance.

The results are presented in the tables below (Figure 15 and Figure 16). On average, if programs receive 100% of their entitled ECP-OS funding, about 96.5% of their total operating costs for the year would be covered if they were a day home and 62% if they were a centre. This proportion drops substantially for both day homes and centres as attendance is calculated at lower rates.

**Figure 15: Average percent of program operating covered by ECP-OS (day homes, n=8)**



**Figure 16: Average percent of program operating covered by ECP-OS (centres, n=19)**



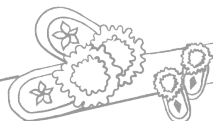
This discrepancy in coverage between day homes and centres highlights a possible inequity in how the ECP-OS is distributed between these facility types. Caution is used in the interpretation here as the sample of day home financial statements used for the analysis was quite small (8 day homes). Nevertheless, this possible inequity is concerning especially considering some other important differences between day homes and centres such as,

- Day homes often have an additional revenue stream from parent fees.
- In some cases, centres have a larger gap in coverage to manage, making them more financially precarious and less able to deal with underlying barriers to the outcomes of improved quality and access.

These differences compounded with the possible inequitable distribution of ECP-OS funding between day homes and centres suggest that applying the same funding model to both of types of facilities may not be appropriate.

Another possible problem with ECP-OS funding suggested in the above analyses is that attendance has little effect on operating costs. If this is the case, then low attendance will result in low ECP-OS funding but it will not result in lower operating costs. To determine the extent to which operating costs might fluctuate with attendance, a selection of the program financials were looked at in detail to determine what proportion of operating costs are attendance dependent. The chart below is an examination of 15 of the latest financial statements (oldest 2017-2018, newest 2019-2020) that were received from 15 centre-based facilities with expenditure breakdowns that contained enough detail for this exploration. These expenditures were divided into attendance dependent costs<sup>20</sup> and

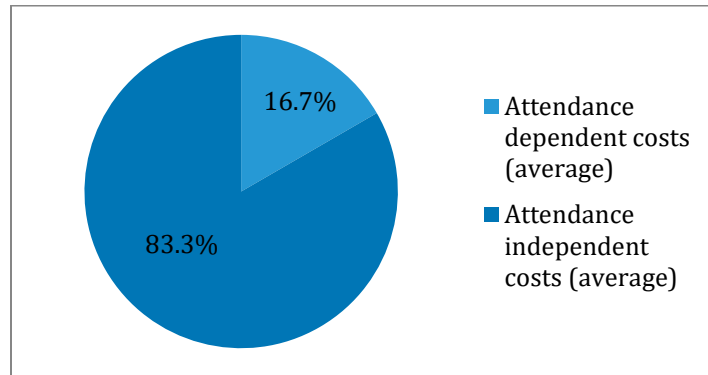
<sup>20</sup> Attendance dependent costs included: utilities, food, program supplies professional or consulting fees, office and administration, and program events.





attendance independent costs.<sup>21</sup> As the chart below makes apparent, costs that could be associated with fluctuations in attendance made up a much smaller proportion of total expenditures (16.75%) on average than the more fixed costs did (83.3% average)(Figure 17). This difference is largely because of wages and benefits (fixed costs) which alone make up 65.7% of facility total costs on average.

**Figure 17: Estimated attendance dependent and attendance independent costs as a proportion of total program expenses (n=15 facilities), 2018-2020**

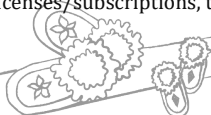


If these proportions are similar for the other centres in the territory, then generally speaking operating costs do not change very much with changes in attendance. This is at odds with an attendance-based funding model. Such a model implicitly assumes lower coverage is needed when attendance is low. A more thorough financial analysis is needed to determine if the statistic presented above is territorially representative. If it is, an attendance-based funding model is ill-suited to support ELCC programming.

During interviews, feedback from the operators offered further support to the notion that attendance-based funding is an unsuitable model for the ECP-OS. When operators were asked if they had any suggestions to improve ECP-OS funding, the most frequently cited suggestion was to do away with the funding's attendance criterion. A total of six out of twelve (50%) operators provided detailed feedback regarding the financial difficulties they faced as a result of the attendance requirement. Specific problems with attendance-based funding that were voiced included the paraphrased points below. Note that the suggestions are phrased as they were stated by the interviewees at the time. Some of the suggestions may have been addressed by ECE by the completion of this report.

- Even if attendance is low in one quarter, there will still be the same number of staff who need to be paid the next quarter.
- When families go out on the land seasonally this affects attendance, but it is not a good indicator of what attendance will be like when they return.
- After-school attendance-based funding does not account for when kids stay much longer than typical “after school” hours. Examples named were STIP and during the summer.

<sup>21</sup> Attendance independent costs included: wages and benefits, rent/property tax/mortgage, repairs and maintenance, financial expenses, fundraising/advertising, licenses/subscriptions, training, travel, extracurricular programming.



- The fixed costs and revenues like staffing and parent fees are hard to make any changes to because funding is not secure or predictable.
- COVID-19 has resulted in lower attendance because kids need to stay home even with slight signs of illness.
- JK-12 funding is not penalized for low attendance in the same way early childhood funding is, further undervaluing the early childhood sector in comparison to the JK – 12 sector.

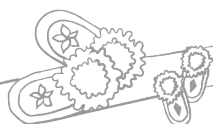
There are three general problems with ECP funding that can be gleaned from these concerns: 1) attendance is not the best predictor of program costs; 2) even if attendance were a good predictor of program costs, attendance in one quarter is not a good predictor of attendance in another quarter; 3) when ECP funding is low because attendance is low, and attendance is often low, it just isn't very helpful. This offers further support to the findings from the financial analysis that attendance is a poor predictor of overall program costs. As well, they offer the additional insight that ECP funding is often perceived as unhelpful because attendance is either unpredictable or generally low.

**Summary of Medium Term Outcome-2 findings:** Analysis of financial records of ELCC programs and responses from operator interviews indicate that the funding model for the ECP-OS is

- inequitable in that it offsets day home expenditures more so than centres, and benefits programs differently because programs do not have the same kinds of revenue streams or operating costs;
- unpredictable because it is based on attendance which can vary seasonally, or for reasons not known to facility operators, or known but beyond their control (e.g., families taking holidays);
- often too low because attendance does not track actual operating costs.

Provided the findings in this section point to a change away from an attendance-based model for the ECP-OS, it could raise a concern that abandoning attendance-based funding may create a disincentive for programs to try to maximize attendance. If attendance-based funding is an incentive for programs to maximize attendance through, say, program promotion, then this aligns with the expected long-term outcome of increasing accessibility. Centres and day homes promoting their programs may raise parent awareness of early learning and child care options and so may help address unmet needs. As such, what if abandoning the attendance-based funding approach risks decreased attendance?

This possible concern is not a good reason to continue with a funding approach that is not informed by actual costs of early learning and child care programs and has led to widespread frustration among recipients. As far as operators are concerned, the function of the ECP-OS is to help offset their costs. If it turns out that the ECP-OS is not adequately offsetting their costs (as the findings in this review suggest), it is unfair to operators to continue offering a funding program that is not satisfying its stated function. Importantly as well, it is not known whether attendance-based funding actually leads to higher attendance. If ECE is to continue with attendance-based funding because of the expectation that it increases attendance, empirical validation of this assumption is needed.



## Recommendation 2: Substantially remodel and increase the Operating Subsidy so that it is no longer attendance based, and so that it incorporates other funding streams

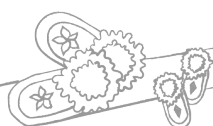
The findings from the analysis of Medium Term Outcome-2 highlight gaps in the current model of the Operating Subsidy. These findings show the funding is :

- inequitable in that it offsets day home expenditures more so than centres, and benefits programs differently because programs do not have the same kinds of revenue streams;
- unpredictable because it is based on attendance which can vary seasonally or for reasons not known to operators, or known but beyond their control;
- often too low because attendance does not track actual operating costs.

To address these gaps, the Operating Subsidy needs to be based on a model that distributes funding more equitably across NWT early learning and child care programs and tracks actual operating costs. Such a model would need to be informed by the financial records of early learning and child care programs. These records should be used to develop estimates of representative average costs of relevant program types (e.g. day home, centre) as well as estimates of revenue gaps between programs with differing revenue streams. From these estimates, ECE would be able to develop standard funding amounts for the different funding criteria. Given the results presented in this report, this review recommends that the specific funding criteria in the table below be considered in the development of this funding model. Distributing funding based on these criteria would help address the gaps of inequity, predictability, and amount in the current Operating Subsidy that this report has identified.

Recommended funding criteria for differential amounts of Operating Subsidy:

<b>Suggested funding criteria</b>	<b>Example</b>	<b>Gap in current Operating Subsidy addressed</b>
<b>Facility type</b>	Centre or day home	Inequity
<b>Total annual operating expenditures group</b>	Group 1: \$X or less Group 2: \$X-\$Y Group 3: \$Y-\$Z . Etc.	Predictability Amount
<b>Additional sources of revenue</b>	Parent fees, Federal Government funding, Indigenous Government funding	Inequity



### **Recommendation 3: Develop requirements for comprehensive financial reporting from recipients of ELCC funding**

The financial analysis required for fulfilling Recommendation 2 will need robust financial data from all NWT early learning and child care programs. The current sample of financial statements ECE has on record is not sufficient for such an analysis. To obtain this data, and to be able to model the ECP-OS on the criteria suggested in Recommendation 2, ECE will need to implement financial reporting requirements from early learning and child care funding recipients. At the outset of the financial analysis for Recommendation 2, all ECP-OS funding recipients will need to provide a minimum of two years of financial statements that have been completed by an accountant. Moving forward, early learning and child care recipients will need to provide the previous year's financial statement completed by an accountant at the beginning of every funding period (recommended annually) and according to schedules mutually agreed upon by ECE and early learning and child care programs.

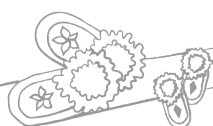
### **Medium Term Outcome-3. Is ECE ELCC funding incentivizing program expansion?**

#### **Short Term Outcome-e. To what extent does the New Child Care Spaces fund help offset start-up costs?**

Operators were asked in interviews if they ever applied for or received the New Child Care Spaces (NCCS) fund. They were also asked to what extent this funding helped them with their start-up costs. Of the four operators who answered questions about the NCCS fund, all four indicated that the fund had a high impact on offsetting starting costs associated with either opening their facility or adding more spaces. Just one of these individuals mentioned they did not think the funding was enough. Given the very low number of operators who could answer this question, this data should not be considered representative of operators in general. To assess this short-term outcome, either more interviews are needed or the actual costs surrounding start up and adding more spaces should be analyzed.

#### **Short Term Outcome-f. Does the New Child Care Spaces fund incentivize early learning and child care centre operators to expand their programs?**

Program expansion is a relatively costly endeavour and so would require more funding support than the ECP-OS on its own. The New Child Care Spaces (NCCS) fund provides operators the opportunity to receive extra funding per type of space they are adding. This kind of extra funding is in line with what other jurisdictions in Canada offer. Provinces and territories including Yukon, British Columbia, Manitoba, Nova Scotia, and Prince Edward Island offer funding and grants to early learning and child care centres and family day homes for the specific purpose of adding additional spaces or building new early child care centres (Table 9).



**Table 6 Supports from other provinces/territories that promote expansion of early learning childcare centres**

Jurisdiction Reviewed	Examples
<b>British Columbia</b>	Childcare BC New Spaces Fund <sup>22</sup> provides funding to eligible organizations to create new licensed child care. There are two opportunities to apply throughout the year.
<b>Manitoba</b>	Manitoba Child Care Centre Development Tax Credit Program <sup>23</sup> for private corporations who invest in the creation of new early learning and child care centres to support their employees and surrounding community.
<b>Nova Scotia</b>	<p>The Space Conversion Grant<sup>24</sup> is one time funding that allows centres to improve their existing space.</p> <p>Program Enhancement Grant<sup>25</sup> is one time funding for nonprofit centres to make minor repairs and renovations, replace equipment, or to purchase new materials.</p> <p>Strategic Growth Initiative<sup>26</sup> fund is an investment promised to focus on growing and supporting child care spaces in targeted communities where they need it the most. Most of the funds were used for a site expansion. The fund supports family home child care agencies by funding programs to support family home child care sites, infant care and start up grants.</p>
<b>Prince Edward Island</b>	<p>Family Home Centre Capital Grant<sup>27</sup> can be used for capital improvements and equipment (this is different from the NWT grant that can only be used for equipment).</p> <p>The Early Childhood Centre Inclusion Grant<sup>28</sup>: Capital Improvement is available to operators who are adding spaces to help them with expansions, renovations, and the purchase of equipment.</p> <p>Another strategy is support the potential child care providers through training materials on self-employment and financial supports to help set up a small business.</p>

<sup>22</sup> [https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/running-a-daycare-or-preschool/newspaces\\_fund\\_guide.pdf](https://www2.gov.bc.ca/assets/gov/family-and-social-supports/child-care/running-a-daycare-or-preschool/newspaces_fund_guide.pdf)

<sup>23</sup> [https://www.gov.mb.ca/fs/childcare/resources/pubs/development\\_tax\\_credit\\_guide.pdf](https://www.gov.mb.ca/fs/childcare/resources/pubs/development_tax_credit_guide.pdf)

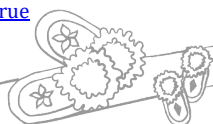
<sup>24</sup> <https://novascotia.ca/news/release/?id=20190626003>

<sup>25</sup> [https://novascotia.ca/coms/families/provider/documents/ECEG\\_Application.pdf](https://novascotia.ca/coms/families/provider/documents/ECEG_Application.pdf)

<sup>26</sup> <https://www.ednet.ns.ca/earlyyears/strategicgrowth.shtml>

<sup>27</sup> <https://www.princeedwardisland.ca/en/service/family-home-centre-capital-grants>

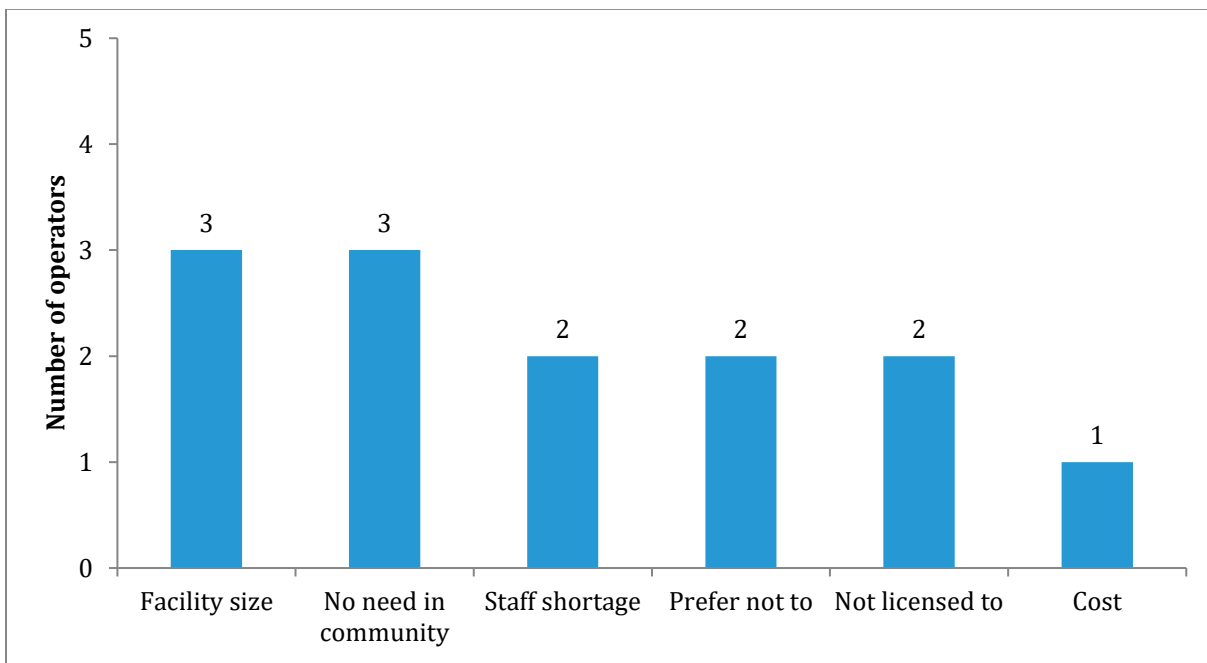
<sup>28</sup> <https://www.princeedwardisland.ca/en/information/education-and-lifelong-learning/early-learning-and-childcare-investments?wbdisable=true>



Responses from operator interviews suggest the NCCS fund is on the right track to promoting program expansion. Operators were asked if they had ever taken advantage of this particular funding and whether it was helpful. Four of the centre operators interviewed said they had received the NCCS funding. Two of these four indicated the funding was very helpful and adequately covered associated costs. They also stated they would not have been able to expand without the funds. This finding demonstrates there are at least some operators in the territory who have wanted to expand and saw the NCCS to be adequate for helping them do so.

Data from these interviews, however, also show there are operators who do not feel they are able to expand even with NCCS funding. Centre operators were asked if they felt there were barriers to expanding and all seven of these operators said there were. The most frequently cited barrier was facility size. Other barriers included lack of need in the community, staff shortages, and cost (Figure 16). Four out of these seven operators believed the barriers to be too great, and did not think expansion was possible.

**Figure 18: Barriers to adding more early childhood spaces cited by number of operators (n=13)**



Some of the barriers to expansion operators cited could be addressed if changes to ECE funding were made. For instance, facility size was the most frequently cited barrier. Operators were not asked about their knowledge of the infrastructure funding<sup>29</sup> so it is not clear if that funding would be enough for these operators to take steps to expand. Nevertheless, the funding opportunities simply might not be enough support, and if this is the case, more funding may result in more

<sup>29</sup> ECE offers the Early Learning and Child Care Infrastructure funding for infrastructure repairs and retrofits to support the creation of new licensed, centre-based child care spaces in communities. There is \$500,000 per year available to put towards these projects.



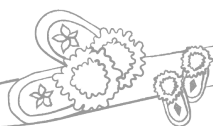
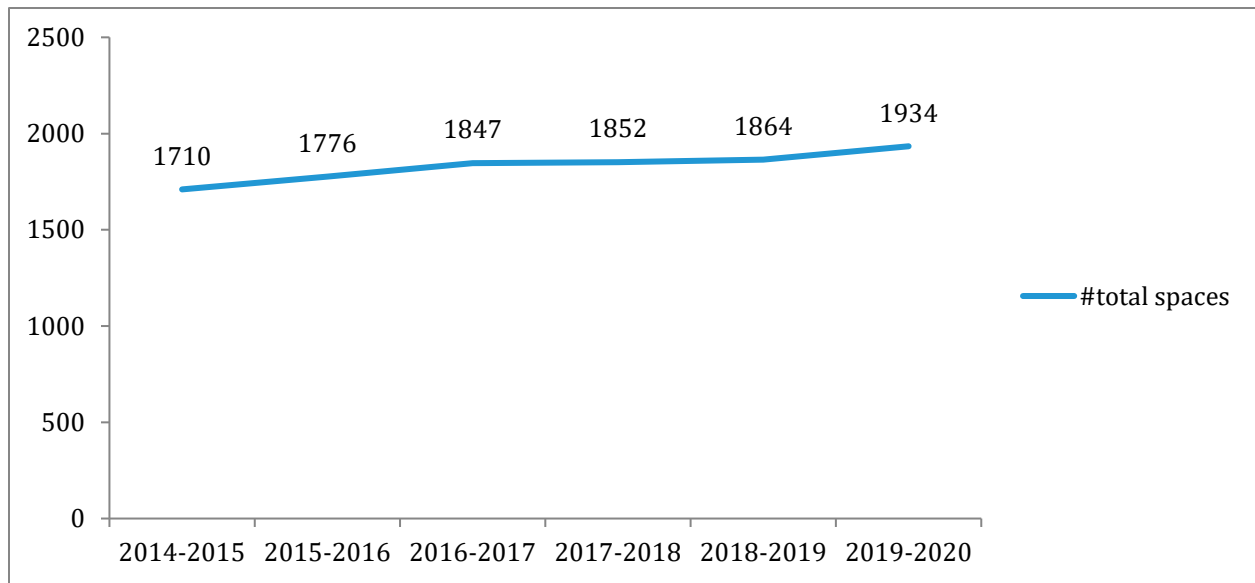
expansion. Interview data show that at least some operators might feel this way. Two of the operators who said they had received NCCS funding said it fell very short of covering associated costs. It would be beneficial if more operators were engaged on this topic.

**Short Term Outcome-g. Did the number of spaces in licensed early learning and child care programs increase as planned?**

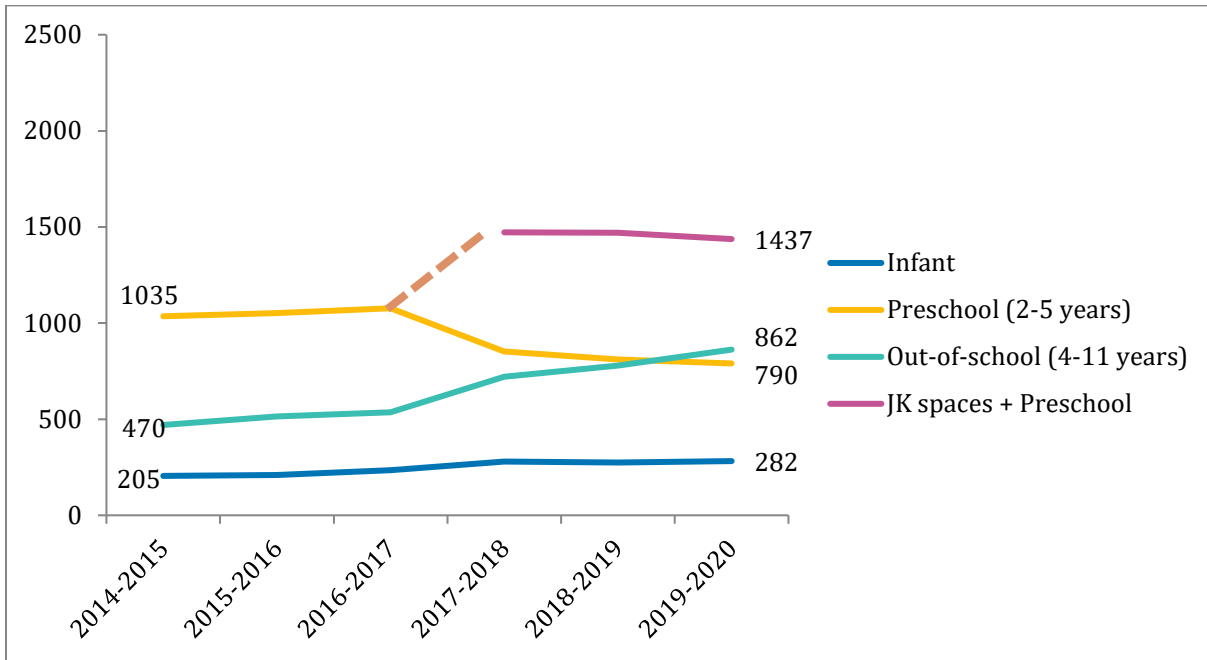
The NCCS fund is expected to result in an increased number of child care spaces. ECE has a target of 20 new ELCC spaces per fiscal year.

Figure 19 below shows an overall increase of 224 space over the last four years. Looked at as an average, the target of 20 spaces per year has been reached. Breaking this number down into types of spaces shows that while infant and after school spaces have increased, preschool spaces have decreased. However, much of the reason for this decrease is the rollout of JK, the NWT’s well attended early learning programming for 4 year-olds.

**Figure 19: Total number of early childcare spaces, including JK spaces, since 2016-2017**



**Figure 20: Number of early childhood spaces by space type over time**

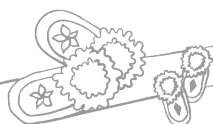


It is positive to see such a large increase in after school spaces over the four years analyzed, though infant spaces have only modestly increased.

**Summary of Medium Term Outcome-3 findings:** While operators expressed in their interviews that the NCCS fund was helpful for offsetting startup or expansion costs, there were still some who cited barriers to expansion they believed the NCCS was not able to help. More information from a representative sample of operators is needed to be able to determine the main barriers to expansion and what kind of funding is needed for operators to mitigate these barriers.

Overall, growth in the number of licensed spaces in the territory is difficult to determine as some spaces have increased while others have decreased. And those that have decreased are likely mostly due to the introduction of JK. It is clear, though, that infant spaces – which would not be affected by JK – have not seen significant increases.

Something to keep in mind regarding infant care is that it is more costly due to a required higher staff:child ratio and some infrastructure costs such as separate sleeping areas. Because of this, infant spaces are a more risky investment if revenue for infant care is precarious. The NCCS funding is a one-time grant that may not factor heavily into operators’ long-term business planning. More regular supports, such as the ECP-OS, are more likely to influence operator decisions about how many and what type of child care spaces their program can support. As mentioned previously, however, the ECP-OS is attendance-based and so is a precarious kind of funding. It is worth considering that neither funding support is an adequate incentive for operators to increase the number of infant spaces in their programs.





Something else to consider regarding expansion is lack of need among parents. Operators were clear in their interviews that attendance was an issue and this is why they would prefer a different funding approach. If it is true that throughout the territory attendance in early learning and child care programs is often low, it is a question whether any kind of benefit could lead to substantial expansion in the sector.

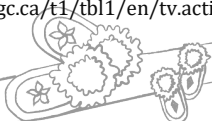
Adding to this, a recent report by Statistics Canada<sup>30</sup> on early learning and child care shows that 44% of families with children from birth to 5 years of age in the NWT do not use any form of child care (which also includes care by relatives or friends). The top cited reasons for this included: there is a parent at home (13%), someone is on parental leave (12%), 'other' (10%), their child is in Kindergarten (9%), and the cost is too high (8%). Importantly, what is not in the top listed reasons for not using child care is lack of availability. In Canada generally, the percent of parents citing low availability as a reason to not use child care tended to be small. For Canada overall, this number was a little under 3%. In the Yukon this percentage was 3.8% and in Nunavut it was 7.5%. This number was not known for the NWT because of "unreliable" data. But given that data suppression often has to do with low numbers, and that these numbers are generally low across Canada, it is not likely that NWT numbers differ much from the rest of Canada on this measure. This further suggests demand among NWT parents for an expansion of current early learning and child care programming might be low.

What these data don't tell us, however, is if parents would be participating in early learning and child care programs at higher rates if there were options that were more appealing to them. For example, in the past, parents have communicated a need for rotational and 'after hours' or extended child care. For this reason, ECE needs to know more about the specific programming needs of parents, especially those parents who do not use child care at all. Do stay-at-home parents want to stay home with their children to spend the most one-on-one time with them as they can in their early years? Do they prefer drop-in early learning programs that they can participate in with their children and meet other parents? Are they looking for something that will enrich their own lives along with the child's (e.g. cultural, on-the-land, or athletic programs)? In order to be able to maximize expansion of early learning and child care programs in the territory, ECE needs to know more about what parents need/are interested in in terms of the kinds of programs they are willing to enroll their children in.

ECE is in the process of collecting this information from Indigenous Governments as it prepares to develop a new 2030 Early Learning and Child Care Strategy. Using information gathered from Indigenous Governments and others will be critical to designing early learning programming that is appropriate to the needs and interests of NWT families. If one of ECE's two main goals for early learning and child care programs is to increase accessibility, ECE needs to consider and act on the possibility that it is the types of programming being offered not just the availability that is a barrier to parents participating in early learning and child care programming. Presently, ECE is actively

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<sup>30</sup> Statistics Canada, "Survey on Early Learning and Child Care Arrangements". Data table, Reasons for not using any child care arrangement, household population aged 0 to 5 years" 2021. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=4210001001&pickMembers%5B0%5D=1.13&pickMembers%5B1%5D=3.1>.



considering and exploring more early learning programming options outside of the models currently employed. ECE has developed the 2030 ELCC Strategy Decision Paper that seeks feedback from a variety of stakeholders on the topic of early learning and child care programming needs. Feedback from this decision paper can be used to by operators to expand or change their programming in ways that better meet NWT families' needs.

#### **Recommendation 4: Monitor the uptake of the programming guidelines to operators that are generated by the 2030 ELCC Strategy Discussion Paper.**

In their interviews, program operators brought up attendance as an ongoing issue. It would be valuable to understand more about the barriers parents face in enrolling their children in ELCC programs and attending on a regular basis. As suggested, some of the programming itself may not be what many parents are looking for. They may prefer to spend one-on-one time with their children at home, or are looking for a different kind of program. Commitments surrounding the 2030 ELCC strategy include compiling the feedback received from stakeholders and developing guidelines for operators to provide programming that meets NWT family needs. This review recommends that ECE monitor the uptake of these guidelines to operators so as to determine if incentives (e.g. tax benefits) are needed for operators to make the recommended changes to their programs.

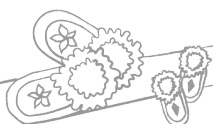
### **Medium Term Outcome-4. Is ECE ELCC funding enhancing the health and safety needs of early learning and child care programs?**

#### **Short Term Outcome-h. To what extent did the Health and Safety Grant help providers to comply with health and safety standards?**

Recall, the expected short-term outcome of the Health and Safety Grant is to support centre based programs to comply with health and safety standards. In interviews, operators were asked whether they ever received the Health and Safety Grant and if these funds were sufficient to cover the repairs or upgrades they needed. They were also asked if they had any suggestions for the program.

Of the seven operators based in centres, six of them indicated that they had received the Health and Safety Grant. Half of these six expressed that they were able to meet all their health and safety needs with the amount provided. The other three, however, mentioned they had unmet health and safety needs. Suggestions for improvement here were:

- provide better and more regular communication to operators about the grant as they were unsure about some aspects of it;
- do not base the funding on inspection reports as repairs are often made prior to inspections;
- make the funding amount based on need as opposed to a set amount.



**Summary of Medium Term Outcome-4 findings:** Overall, this review was only able to collect a limited amount of data on the effectiveness of the Health and Safety Grant. More interviews with centre operators would be ideal. Nevertheless, more and clearer communication surrounding the grant would help to address two out of the three concerns mentioned above. If even a few operators have outstanding health and safety issues in their centres, it is a valuable use of resources to ensure these operators are made aware of the supports already available to them.

### **Recommendation 5: Have in-person meetings with ELCC program operators around the topic of program expansion, the New Child Care Spaces funding, and infrastructure funding**

The results from analysis of Medium Term Outcome-3 and Medium Term Outcome-4 highlighted some confusion among program operators about Health and Safety Grant and the New Child Care Spaces Fund, and infrastructure funding (not evaluated). That operators are not clear about these benefits bars drawing conclusions about their effectiveness. This review recommends that ECE organize and support regional Early Childhood Consultants in a systematic outreach to program operators to have in-person meetings about these benefits. Ensure operators are clear about the details of these funding opportunities and have a chance to voice any concerns or limitations they might have regarding health and safety and program expansion. This feedback should be recorded, written up into a summary and considered for possible program changes.

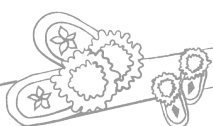
## **Medium Term Outcome-5. Is ECE ELCC funding helping stabilize or reduce parent fees?**

### **Short Term Outcome-i. To what extent did the operating subsidy help reduce or stabilize parent fees?**

'Parent fees' for early learning and child care programs refer to the amount that families pay, usually monthly, to reserve a spot for their children to participate in the program. While a range of early learning programs exist, parent fees are in the context of child care programs specifically. Early learning programs such as infant or child swimming lessons, infant or child and parent drop-in classes, or other similar early learning programs are not considered here.

If the ECP-OS can help offset licenced program costs, then operators should need less in the way of revenue from parent fees to cover remaining costs and/or earn adequate profit and be able to charge reduced parent fees. Operators were asked in the interviews if they used ECP-OS funding to reduce parent fees.

The majority of operators made an explicit connection between ECP funding and parent fees. Five out of twelve said they did use the subsidy to reduce parent fees whereas two said they did not because the funding was needed elsewhere. Of the remaining four operators who did not make any



mention of parent fees, three of them do not charge parent fees (which is likely because ECP or other funding streams offsets their costs).

ECE does not have complete or comprehensive information on parent fees for licenced programs across the NWT. Anecdotally, ECE is aware that some licenced programs do not charge parent fees at all, while others charge in the range of \$900 to \$1200 monthly depending on the child's age and the facility. This significant range in program costs is due to the large variation in how licenced programs in the NWT are managed and operate; some programs are heavily subsidized by other government organizations, such as the federal government or Indigenous Government Organizations and thus are able to provide free or very low cost programming. Other programs (i.e. day homes) operate as private businesses and charge fees to make the business profitable. Still other programs operate as parent-led not-for-profits and charge fees for organizational stability and operations. Understanding the range of parent fees charged across the NWT is critical for better answering this question. ECE expected this information to appear in licenced ELCC program financial statements, but it was not consistently apparent.

**Summary of Medium Term Outcome-5 findings:** While operator responses in their interviews offer some assurance that ECP-OS is helping stabilize or reduce parent fees, it is not clear these responses are representative of operators more generally, nor is it clear what these stated reductions in parent fees are actually amounting to.

## **Recommendation 6: Using additional research and information, establish territorial standards for early childhood programming fees**

More research is needed to determine acceptable amounts for parent fees in the NWT. This review recommends ECE determine these acceptable amounts based on an analysis of program operating costs and needed profit margins (for the for-profit programs). These amounts should then be set, though a policy tool, as territorial standards. Other jurisdictions have set provincial standards for early childhood programming fees so the NWT would not be out of step with the rest of Canada.<sup>31</sup>

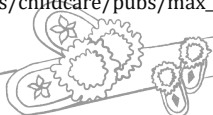
<sup>31</sup>Mandating fixed parental fees based on a child's age is an approach that Prince Edward Island and Manitoba have adopted. Families pay the regulated price set by the province's government. A maximum daily rate has been set for each age range. As of 2019, in Prince Edward Island, the daily rate limit for children under 22 months is \$34, \$28 for children 22 months-3 years of age, and \$27 for children 3 years to school entry age. In Manitoba, funded facilities follow provincial regulations, set out in the Maximum Daily Fee chart; however unfunded facilities do not have to follow the regulations and can charge a price of their choosing.

See Prince Edward Island Child Resources Unit report, 2016. Retrieved from:

<https://childcarecanada.org/sites/default/files/ECEC2016-PE.pdf>

See Government of Manitoba (July 2013) Maximum Daily Fee Schedule. Retrieved from:

[https://www.gov.mb.ca/fs/childcare/pubs/max\\_daily\\_fees.pdf](https://www.gov.mb.ca/fs/childcare/pubs/max_daily_fees.pdf)



## Summary of Findings and Recommendations

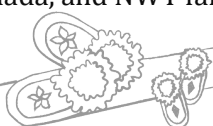
This evaluation took place over the 2019-2020 and 2020-2021 fiscal years, and has highlighted challenges and successes in how ECE funds early learning and child care programs in the NWT. This was a challenging period of time to conduct an evaluation on early learning and child care funding; programs were occupied with the need to respond to the operational challenges of COVID-19. Similarly, ECE ELCC staff were pressed by operational requirements of the COVID-19 response. At the same time, the upheavals brought on by the events of the past year also present an ideal opportunity to reflect. The critical importance of early learning and child care programs was highlighted and the ability to quickly redevelop and redesign funding programming to meet needs was demonstrated.

The results of this evaluation show a discrepancy between what we know to be the critical nature of the sector, and wages for early childhood educators in licensed centre-based early learning and child care programs. The results also show that the funding currently available is not adequately addressing this discrepancy or adequately encouraging the pursuit of post-secondary education for early educators. Results also show that the design of the largest funding stream, the ECP-OS, is not equitably supporting the different types of early childhood programs through its attendance-based design.

The evaluation has recommended regulating a pay grid for early childhood educators and substantially increasing and redesigning the ECP-OS. It has recommended a change away from attendance-based funding to funding up to a percentage of operating expenditures, including staffing costs that reflect an appropriate compensation model. The remodeling of the ECP-OS will allow for a more equitable distribution of funds, and a distribution that is more in line with the financial structuring of early childhood programs. This evaluation also recommends setting maximums on fees charged to families or guardians for participation in early childhood programs, typically called 'parent fees'. Standardized parent fees will allow for a more equitable financial modeling for the ECP-OS and support ELCC's long term goal of accessibility of licensed early learning and child care programs.

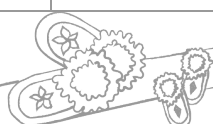
This evaluation also identifies questions still unanswered with respect to how ECE funds programs. Similarly, the evaluation was challenged by small sample sizes, particularly for financial records. It is recommended that licensed early learning and child care programs be required to submit financial statements to ECE, following mutually agreed upon schedules, so that ECE has the information it requires to appropriately and regularly monitor the effectiveness of its funding programs.

With the recommendations made by this evaluation, targeted additional financial analysis and modeling is suggested. This is because the information gathered and subsequent recommendations made are not sufficiently detailed to be immediately actioned through new funding models. This work will take more time, and the involvement of key partners in the early learning and child care sector including Indigenous Government Organizations, early learning and child care programs, the Government of Canada, and NWT families.

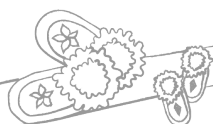


**Table 7 Summary of findings and recommendations**

<b>Medium-Term Outcome</b>	<b>Long-Term Outcome</b>	<b>Summary of findings</b>	<b>Recommendations</b>
<b>Medium Term Outcome-1 Is ECE ELCC funding helping attract and retain qualified staff?</b>	Quality	The Staff Grant and scholarship are not resulting in more qualified early learning and child care educators in NWT centres and day homes	1. Replace the Early Childhood Staff Grant with a regulated pay grid for early learning and child care educators
<b>Medium Term Outcome-2 Is ECE ELCC funding helping early child care and learning program reach financial stability?</b>	Accessibility and Quality	The Operating Subsidy is attendance-based. This is not a suitable model for ELCC program costs which are only minimally influenced by attendance	2. Substantially remodel and increase the Operating Subsidy so that it is no longer attendance based, and so that it incorporates other funding streams.  3. Develop requirements for comprehensive financial reporting from recipients of ELCC funding
<b>Medium Term Outcome-3 Is ECE ELCC funding incentivizing program expansion?</b>	Accessibility	While preschool spaces are increasing, infant spaces are only doing so minimally. Lack of parent need may be influencing this or NCCS is not enough of an incentive. Further investigation into families' needs with respect to child care is recommended.	4. Monitor the uptake of the programming guidelines to operators that are generated by the 2030 ELCC Strategy Discussion Paper.
<b>Medium Term Outcome-4 Is ECE ELCC funding enhancing the</b>	Quality	More interviews with a representative sample of	5. Have in-person meetings with ELCC program operators around the topic of



<p><b>health and safety needs of early learning and child care programs?</b></p>		<p>centre operators are needed.</p>	<p>program expansion, the New Child Care Spaces funding, and infrastructure funding.</p>
<p><b>Medium Term Outcome-5 Is ECE ELCC funding helping stabilize or reduce parent fees?</b></p>	<p>Accessibility</p>	<p>More research on the variation in parent fees across the territory is needed. Acceptable amounts for parent fees in the NWT need to be established.</p>	<p>6. Using additional research and information, establish territorial standards for early childhood programming fees.</p>



# Appendix A Data Collection, Procedures and Instruments

## 1. Literature review

Literature reviewed within this evaluation included:

- Evaluation reports
- Research reports by NGOs, governments, professional associations
- Descriptions of programs (e.g., policies, guidelines, manuals)
- News articles or other online articles (e.g., blogs) summarizing academic research – this source is included in cases where the original academic research article is not available to the evaluators due to the lack of access to academic databases.

## 2. Analysis of administrative records and program documentation

Information from the following administrative records was used to inform this evaluation:

### a. Financial records:

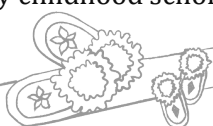
- Self-reported financial records from early learning and child care programs. Information from these financial statements used in the analyses of this evaluation included overall expenditures and expenditure line items.
- All quarterly ELCC Staff Grant applications from 2014-2015 until 2019-2020. Information from these applications used in the analyses of this evaluation included position titles, community of work, name of ELCC program of work, numbers of hours worked, hourly wage.
- Names of applicants and recipients of the EC scholarship by year.
- SFA applicant information collected by SFADivision through student loan applications (application status, program name, application year).

### b. Operational program records:

- Program documentation including communication materials, internal briefing notes, guidelines, policies, manuals, and handbooks.
- Number of licensed early learning and child care spaces in the territory;
- Contact information of all licensed early learning and child care centres in the territory.

The following data sets were linked:

- Early childhood scholarship and Staff Grant records (linked by first and last name).





### 3. Survey of ECD Students

A survey of post-secondary students enrolled in early childhood education programs was conducted to gather data on relevant indicators specified in the evaluation matrix. The following students were invited:

- All SFA recipients who have ever been enrolled in an early childhood education post-secondary programs between 2014-2015 and 2019-2020.
- All Aurora College students who have ever been enrolled in the Early Learning and Child Care certificate or diploma programs between 2014-2015 and 2019-2020.

The survey asked about students' experiences, awareness, and opinions of the scholarship and the Staff Grant. The survey was administered online through the SurveyMonkey platform. It was open from June to October of 2020, with two reminders being sent out to each population to complete the survey. The survey was sent to a total of 178 current and former students. The target was a minimum of 120 responses. Ultimately, we received a total of 58 responses to the survey. The response rate was 33%.

### 4. Interviews with Career and Education Advisors (CEAs)

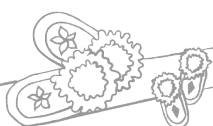
Individual interviews with six Career and Education Advisors (CEAs) were conducted to understand what factors may be influencing NWT students' career and post-secondary program choices. CEAs are ECE employees who provide individual and group career counselling to high school students across NWT and are the second-best source of information on the topic of interest, after the students themselves. There are currently 6 CEAs and all participated in an interview.

### 5. Early learning and child care (ELCC) educators and operators interviews and survey

Individual interviews with early learning and child care educators and operators were conducted within this evaluation. early learning and child care educators and operators were invited to discuss their awareness, experiences, and opinions of the ELCC funding programs under considerations. Interviews were semi-structured, which allowed for more discussion and exploration of emerging issues more in depth. Interviews were held between July and September of 2020. Ultimately, 7 interviews were conducted with early learning and child care educators and 12 with ELCC operators (i.e. centre-based directors and day home operators).

Due to the low response numbers for educators, the interview guide was converted into a survey with the goal of increasing the number of responses. The survey was provided to all early learning and child care educators in August 2020 and was closed in October of the same year. The survey used both closed- and open-ended questions. The survey received 43 responses.

There were a total of 50 responses from early learning and child care educators across the two methods of engagement. The responses rate was 17%.



# Appendix B Detailed Program Short, Medium, and Long-term outcomes

## Scholarship

### **Short-term expected outcomes of the Right from the Start Early Childhood Development Scholarship:**

#### **Encourage prospective students to complete post-secondary education in early childhood.**

This is expected to happen because the scholarship will reduce the cost of getting a diploma or a degree in early childhood. As a result, a higher number of prospective students would be willing to consider it. This expectation is based on an assumption that potential students consider the scholarship to be substantive enough to inspire career choices. It is also assumed that the students are aware of the scholarship. In addition to these assumptions, availability of post-secondary programs, labour market conditions, career prestige, and SFA student loans will serve as external factors affecting the effectiveness of the scholarship.

#### **Encourage existing early learning and child care educators to pursue post-secondary education in the field.**

This is expected to happen because the scholarship would ease the financial burden of pursuing full-time studies. These expectations are based on an assumption that the scholarship amount (in combination with other available supports) is sufficient to significantly offset the costs of full-time studies and is, therefore, motivating for the current ECD staff. The program recognizes that external barriers like lost wages and the need to relocate to pursue on-site studies may hinder the effectiveness of the scholarship program with respect to this goal. GNWT's SFA Part-time Course Reimbursement Grant may alleviate some of these barriers by providing additional funds for part-time studies. This means some increases in the level of post-secondary participation and achievement among existing early learning and child care educators may actually be caused by the SFA program and not by the ELCC scholarship.

### **Medium-term expected outcomes of ECD Scholarship**

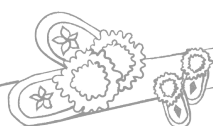
#### **Increase the education level of the NWT early learning and child care workforce.**

Through the scholarship, ECE expects to increase the education level of the NWT early learning and child care workforce. These expectations are based on an assumption that students receiving the scholarship will complete their diplomas and/or degrees and return to or stay in the NWT to work in early learning and child care programs. While ECE currently does not follow up with scholarship recipients to ensure they are working in the NWT.

### **Long-term expected outcomes of Scholarship**

#### **Quality of ELCC programs**

By increasing the education level of the early learning and child care workforce, the scholarship is expected to contribute to improved quality of early childhood care in the territory. Although this



expected outcome will not be evaluated, this evaluation will provide information that will help assess the department's progress towards this long-term outcome.

## Staff Grant

### **Short-term expected outcomes of Staff Grant:**

#### **Encourage NWT students to complete post-secondary programs in early childhood.**

This is expected to happen because students will be attracted by the wage top-ups, which will motivate them to pursue education in early childhood. This expectation is based on an assumption that students take future earnings into consideration when choosing their careers and that the amount of wage top-ups is attractive enough to motivate career choices.

Another assumption behind this expected outcome is that the prospective students are aware of the Staff Grant. The program recognizes that this may not be the case because ability to raise awareness among high school students of the Staff Grant were limited.

The evaluation will assess the level of progress towards this expected outcome and look into the assumptions and external factors affecting its feasibility.

#### **Encourage existing early learning and child care educators to pursue post-secondary education in the field.**

This is expected to happen because the quarterly grant amounts increase by \$200-\$500 for each additional level of education gained. For example, a full-time employee who went from no credential to an early childhood degree will receive an additional \$6,000 per year for a yearly total of \$12,000.

These expectations are based on an assumption that the additional income provided through the Staff Grant will be a strong enough motivator for the early learning and child care educators to invest money, time, and effort into post-secondary education. The program recognizes that barriers like staff motivation, availability of time off work, and the availability of suitable post-secondary programs may interfere with the effectiveness of the Staff Grant with respect to this goal.

### **Medium-term expected outcomes of the Staff Grant**

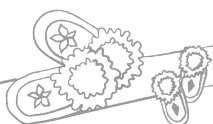
#### **Increase the education level of NWT early learning and child care workforce.**

Through the Staff Grant, ECE aims to contribute to increased level of education among staff working in licensed centre-based programs.

### **Long-term expected outcomes of Staff Grant**

#### **Quality of ELCC programs**

The Staff Grant is expected to contribute to improved quality of licensed early learning and child care programming in the territory. Although this expected outcome will not be evaluated, this evaluation provides information that helps assess the department's progress towards this long-term outcome.



## Operating Subsidy

### Short-term expected outcome of Operating Subsidy

#### **An offset to operating costs for early learning and child care providers.**

This is expected because the providers will use the money received towards operating expenses. ECE recognizes that fluctuations in attendance and high costs for staffing and facilities will impact the effectiveness of the subsidy in offsetting operating costs to providers.

The evaluation will examine whether these and other barriers warrant a revision of the way the subsidy is currently administered. It will also assess if the subsidy is offsetting program operating costs, as planned.

### Medium-term expected outcomes of Operating Subsidy

#### **Early childhood programs are financially stable**

As operating costs are offset as a result of consistent funding from the Operating Subsidy, early childhood programs should become more financially stable. Financial stability ensures adequate numbers of staff are employed year to year and quality program materials can be comfortably purchased.

#### **Decreased or stable early learning and child care fees**

Lower operating costs are expected to translate to lower child care fees for the families. In the least, it is expected that providers will not increase their fees. These expectations are based on an assumption that the operating costs will be low enough for the providers to decrease fees while supporting program sustainability (for non-profits) or keeping the same profit margin (for family day homes). It also assumes that the providers are not motivated by the desire to increase profits.

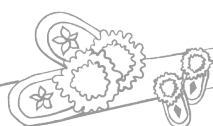
#### **Expansion of the NWT early learning and child care sector**

Lower operating costs are expected to lead to an increased number of early learning and child care program spaces in the territory. These expectations are based on an assumption that existing or new licensed early learning and child care providers will have the motivation and capacity to expand.

### Long-term expected outcomes of Operating Subsidy

#### **Quality and Accessibility of ELCC programs**

The subsidy is expected to contribute to increased quality and accessibility of licensed early learning and child care programs in the territory. Although this expected outcome was not evaluated, the evaluation will provide information that will help assess the department's progress towards this long-term outcome.



## Health and Safety Grant

### **Short-term expected outcomes of Health and Safety Grant**

#### **Health and safety of early childhood programs are enhanced**

Through this grant, ECE expects licensed programs to upgrade and repair their facilities in compliance with health and safety standards. The program recognizes that the effectiveness of this grant will be limited in cases where deficiencies exceed the maximum available amounts.

#### **Long-term expected outcomes of Health and Safety Grant**

The grant will contribute to increased quality of early learning and child care facilities in the territory by helping providers meet health and safety requirements. ECE does not systematically assess the quality of early learning facilities and current regulations do not require such assessments. As a result, there is no data that could be used to evaluate this outcome.

## New Child Care Spaces Fund

### **Short-term expected outcomes of NCCS Fund**

#### **An offset in start-up costs.**

This is expected to happen because the funding will offset the costs of equipment and supplies required for the program. It is recognized that high costs of shipping, staffing, and maintenance may reduce the effectiveness of the New Child Care Spaces Fund in offsetting start-up costs to providers.

### **Medium-term expected outcomes of NCCS Fund**

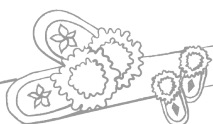
#### **Expansion of the NWT ELCC sector.**

Lower start-up costs are expected to offset costs and reduce barriers for providers who are interested in opening new early learning and child care programs. This is based on an assumption that the amount of funding provided is substantial enough to offset costs/reduce barriers to the extent prospective providers need. In addition, the expectation is based on an assumption that prospective providers are aware of this support and have other resources necessary to open new programs.

### **Long-term expected outcomes of NCCS Fund**

#### **Quality and Accessibility of ELCC programs.**

The New Child Care Spaces funding is expected to contribute to increased quality and accessibility of early learning and child care programs in the territory. Although this expected outcome was not evaluated, the evaluation provides information that helps assess the department's progress towards this long-term outcome.



# Appendix C Evaluation Design

## Evaluation Design

This evaluation will combine a program theory assessment and an outcome assessment.

Program theory assessment focuses on the program theory, which is a set of implicit and explicit assumptions and ideas that underlie any program design. These ideas and assumptions explain “why the program does what it does and provide [...] rationale for expecting that doings so will achieve the desired results” (Rossi, Lipsey & Freeman, 2004, p. 148)<sup>32</sup>.

In the process of assessment, an evaluator first describes the program theory as it is intended (which may differ from what happens in reality) and then assesses its soundness (i.e., whether the expected outcomes are likely to be achieved given this design). One of the ways to assess the soundness of the program’s theory is by comparing it to the actual needs of the group it serves. An effective program theory will deliver interventions that are relevant to the needs of its target groups.

Another way to assess program theory is by analyzing the logic underlying program design, and then comparing it with research and best practices in the field. An effective program will be based on reasonable assumptions and expectations, and tap into the right mechanisms that are able to bring about the intended changes.

Both approaches will be used in this evaluation to ensure that the program theory is supported with best practices and research and is relevant to the needs of its target population. Programs that have a sound program theory are more likely to reach their intended outcomes. An outcome assessment will be conducted within this evaluation to see if the program is achieving its intended short- and medium-term outcomes and to verify the soundness of the program theory.

This evaluation takes a utilization-focused approach to increase the chances of the findings being used and useful. This means that the evaluation will be “done for and with specific intended primary users for specific, intended uses”(Patton, 2008, p. 37)<sup>33</sup>.

The primary intended user of this evaluation is the Early Learning and Child Care (ELCC) division of ECE.

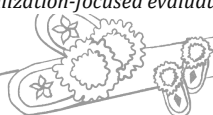
## Evaluation Questions

This evaluation assesses the plausibility of ELCC funding program theory as well as the extent to which short- and medium-term outcomes have been achieved.

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<sup>32</sup> Rossi, P. H., Lipsey, M. W., & H. E. Freeman (2004) *Evaluation: A systematic approach* (7<sup>th</sup> ed.) Thousand Oaks: Sage.

<sup>33</sup> Patton, M. Q. (2008). *Utilization-focused evaluation*. Sage publications.

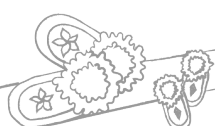


**Program theory** is assessed throughout the review where relevant.

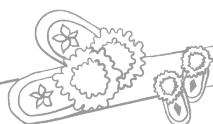
**Achievement of short- and medium-term outcomes** are assessed according to the evaluation questions. Evaluation questions form the heading of the results section and are found in Table 8.

**Table 8: Evaluation questions by short-, medium- and long-term outcomes**

Short-term outcome	Medium-term outcome	Long-term outcome
<p><b>Is the ECD scholarship helping attract students to pursue ECDL programs in post-secondary?</b></p> <p><b>Is the Staff Grant helping attract students to pursue ECDL programs in post-secondary?</b></p> <p><b>Is the Staff Grant helping attract qualified early learning and child care educators to NWT centres and day homes?</b></p>	<p>MT-1: Is ECE ELCC funding helping attract and retain qualified staff?</p>	<p>Is the quality of early childhood programs being enhanced by ELCC funding?</p>
<p><b>To what extent did the operating subsidy offset early childhood program operating costs?</b></p> <p><b>To what extent does the New Child Care Spaces fund help offset start-up costs?</b></p>	<p>MT-2. Is ECE ELCC funding helping early child care and learning program reach financial stability?</p>	<p>Is the quality of early childhood programs being enhanced by ELCC funding?</p> <p>Is the accessibility of early childhood programs being enhanced by ELCC funding?</p>
<p><b>Does the New Child Care Spaces fund incentivize ELCC operators to expand their programs?</b></p> <p><b>Did the number of spaces in licensed early learning and child care programs increase as planned?</b></p>	<p>MT-3. Is ECE ELCC funding incentivizing program expansion?</p>	<p>Is the accessibility of early childhood programs being enhanced by ELCC funding?</p>



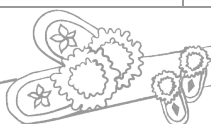
<b>To what extent did the Health and Safety Grant help providers to comply with health and safety standards?</b>	MT-4. Is ECE ELCC funding enhancing the health and safety needs of early learning and child care programs?	Is the quality of early childhood programs being enhanced by ELCC funding?
<b>To what extent did the operating subsidy help reduce or stabilize parent fees?</b>	MT-5. Is ECE ELCC funding helping stabilize or reduce parent fees?	Is the accessibility of early childhood programs being enhanced by ELCC funding?





## Appendix D Limitations and Mitigation Strategies

	<b>Limitation</b>	<b>Impact</b>	<b>Mitigation Strategy</b>
1.	Relatively small size of the program’s target group posed threats to confidentiality of early childhood professionals and providers interviewed for the evaluation.	The limitation does not directly impact validity or reliability of the evaluation, but poses a threat to the ability of evaluators to recruit participants and collect enough data.	A two-step informed consent procedure was applied to ensure that participants were well aware of the potential risks. In the process of transcription, all interviewees were de-identified.
2.	Inability to causally attribute many of the medium-term outcomes to the impact of evaluated programs (especially grant and scholarship) due to non-experimental evaluation design, and the fact that there are other factors that influence outcomes under investigation.	Although evaluated ELCC programs can be associated with positive/negative outcomes, it will not always be possible to establish that these programs caused these observable effects, and to make definitive conclusions with regard to the programs’ effectiveness.	Triangulation of data as well as assessment of program theories helped evaluators establish the extent to which evaluated ELCC programs could have plausibly contributed to the identified observed outcomes.
3.	Evaluation conducted internally by ECE.	Internal evaluations may be more prone to the impact of bias than external evaluators because all parties involved in the process are bound by professional and, sometimes, personal relationships. This may impact the integrity of the evaluation or create barriers to collaboration in the evaluation process.	Program stakeholders, like ELCC staff, providers, and students participated in the evaluation and their input helped balance out any biases that may have occurred otherwise.  Evaluation findings and recommendations were provided to the program staff for feedback and review; however, suggested



			<p>changes were evaluated in light of all available information and implemented only when a) they were supported by the available data, and b) improved the utility and accuracy of the findings and recommendations.</p> <p>To ensure that the integrity of findings was not compromised, the evaluators followed ethical guidelines established by the Canadian Evaluation Society.</p>
4.	<p>The quality of data obtained through interviews is significantly affected by the skills of the interviewer.</p>	<p>The validity of findings can be negatively affected if interviewers lack interviewing skills.</p>	<p>Interviews were conducted by experienced interviewers. Interviewers attended a refresher session on interviewing techniques.</p>
5.	<p>Dependence on voluntary participation of students, early childhood professionals and early learning and child care providers in interviews and surveys.</p>	<p>Low participation rates in interviews and survey may adversely affect reliability and representativeness of the data obtained through these methods. Unrepresentative and unreliable data cannot be used to confidently make decisions on its basis.</p>	<p>To create favourable conditions for student, staff, and provider participation, evaluators: a) attempted to collect data at different times of the day and week, b) sent a reminder to survey participants, c) offered several options for the format of interviews (over the phone, via video conference call, and face to face), and d) used media announcements to recruit early learning and child care educators when the planned recruitment approach failed.</p>

