

CHILD CARE FUNDING UPDATE: SASKATCHEWAN – YEAR ONE

Implementation of the Canada-Wide Early Learning and Child Care Agreements

Peter Jon Mitchell

October 2023

A Cardus Research Brief

Introduction

Canada's federal budget for 2021 included a \$27 billion commitment to establish a \$10-a-day childcare program within five years. Combined with additional funding, a total of \$30 billion was committed in years one through five, with a projected annual cost of at least \$9.2 billion in year five and later. The federal government then entered into negotiations with each province and territory (negotiating a unique asymmetrical agreement with Quebec, which has a program already) to jointly determine the funding and goals. These negotiations resulted in a "Canada-Wide Early Learning and Child Care Agreement" with each province and territory (which we refer to as "the Agreement" in this brief).

Cardus conducted its own costing estimate in 2021 prior to the release of the agreements, concluding that the federal government had underestimated the cost and complexity of implementing a national childcare program.¹ Cardus is now studying the funds spent and goals achieved in each province and territory annually. We will issue provincial and territorial reports for each year of the agreements as data become available.

¹ A. Mrozek, P.J. Mitchell, and B. Dijkema, "Look Before You Leap: The Real Costs and Complexities of National Daycare," Cardus, 2021, <https://www.cardus.ca/research/family/reports/look-before-you-leap>.

The Agreement with Saskatchewan was signed on August 13, 2021.²

This brief presents the results for year one for Saskatchewan (fiscal year 2021–22, which is April 1, 2021 to March 31, 2022).

Year-One Summary

The province should be commended for meeting its obligation to publicly report on the progress under the Agreement, as many provinces and territories have not done so.³

As the Agreement was signed in August of 2021, the province had a truncated term to complete ambitious targets, and the results reflect the difficulty of actioning a sudden influx of funding. The province sought an amendment to the Agreement to increase the percentage of first-year funding to be carried over to year two, from 60 percent to 64 percent. The province will have to overcome a stunted start in order to achieve targets in future years.

Families who are able to access licensed care in Saskatchewan saw a 50 percent reduction in fees, on average, during the second year of the program and were among the first in Canada to pay an average of \$10 a day in fees by the beginning of the third year (April 1, 2023).

Despite notable achievements in the affordability of licensed care, the province fell well short of space-creation targets and struggled with other measures in the Agreement. It was able to allocate only 37 percent of the targeted 6,000 new spaces in year one, despite exceeding the year-one funding allocated for this purpose. This will increase the burden to create more spaces in subsequent years of the Agreement. According to the Ministry of Education, a net gain of 642 new spaces were operational by the end of year one.

As of the end of year one, only a minority of children under age six (about 18,500 children) were able to access highly subsidized care.

Future efforts to create spaces will have to contend with the shortage of early childhood educators. Efforts to address recruitment and training of personnel are scheduled for subsequent years of the Agreement, while funding from the “2017–2021 Canada–Saskatchewan Bilateral Early Learning and Child Care Agreement Workforce Annex” funded efforts in year one. The percentage of certified early childhood educators decreased by one percent during year one.

Our Perspective on Childcare Policy

At Cardus, we recognize that families use diverse forms of childcare to meet their needs and desires. Care is often costly, whether provided in a licensed facility, by a provider in the child’s home, or by a parent who forfeits earned income to care for their child. We propose policies that support parental preference across a diverse spectrum of care options.

² Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement—2021 to 2026,” August 13, 2021, <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/saskatchewan-canada-wide-2021.html>.

³ Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report,” 2022, <https://pubsaskdev.blob.core.windows.net/pubsask-prod/138630/2021-22%252BAnnual%252BReport%252BCan-Sask%252BELCC%252BAgreement.pdf>.

Efforts towards inclusion targets were underwhelming at best. The province struggled to provide greater accessibility for the targeted one hundred children in year one, overspending the allocated annual funds by 55 percent while meeting only 46 percent of its target. The province did not report how many vulnerable children it helped transition into childcare, though it set a target of 150 children. The province spent \$400,000 of the \$975,000 allocated for this goal in year one. No dollars were spent on developing a plan for First Nations and Métis engagement, although two meetings were held to discuss options. It should be noted that additional inclusion efforts were funded under the “Canada–Saskatchewan Bilateral Early Learning and Child Care Agreement.”

Regrettably the province did not report on the administrative costs associated with the first year of the Agreement. This is a key omission and a loss for public accountability.

The first year reflects the complexity and cost of administrating a provincial childcare system. The province reached its goal to reduce parent fees ahead of schedule, but results from year one overall illustrate the challenges in implementing the Canada-wide programs.

Agreement at a Glance

Term: April 1, 2021 to March 31, 2026.

Federal Funding Estimate

Table 1 displays the projected federal share of financial provisions for each year of the Agreement.

Major Targets

- Reduce fee to 50 percent of the 2019 average fee in year one, and to an average of \$10 a day by year five.
- Increase the number of regulated childcare spaces to 59 percent coverage for children under age six by year five.
- Create 12,100 full-time-equivalent spaces within years one and two, exclusively in not-for-profit and public providers, and a total of 28,000 new spaces in not-for-profit and public providers by year five.

Table 1. Projected Federal Share of Financial Provisions to Saskatchewan, by Year

Year	Projected Amount
One (2021–22)	\$114,410,468
Two (2022–23)	\$179,850,668
Three (2023–24)	\$223,996,682
Four (2024–25)	\$264,633,193
Five (2025–26)	\$316,567,960
Total	\$1,099,458,971

Note: These amounts are subject to annual adjustments for population change.

Source: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement—2021 to 2026.”

Pre-Agreement Baseline Measures

- Provincial childcare budget of \$71.2 million in 2019–20.⁴
- Average parental fees of \$335 to \$1,300 a month as of March 2021, depending on the child’s age and type of facility.⁵ This is the equivalent of about \$11 to \$43 a day.
- 17,665 full-time-equivalent regulated spaces as of March 2021.⁶

Agreement Targets and Results

The Canada-wide agreements share a similar structure, focusing on four priorities: affordability for parents, increasing access through space creation, making childcare more inclusive, and improving the quality of care.

Saskatchewan provided an action plan for the first two years of the Agreement (2021–22 and 2022–23). The tables that we show here summarize the commitments made, the year in which targets are to be achieved, and the federal funding allocated to the targets.

The tables also summarize the progress made towards the target and the funding spent on these efforts in year one. Results and spending were publicly reported, per section 5.2.2.e of the Agreement, and the results that we show are taken from “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report,” unless otherwise noted.

Affordability

While our brief focuses on the results of year one, it should be noted that Saskatchewan achieved its goal of reducing parent fees to 50 percent of the average 2019 fee by the end of year two. The province reports that in year one it spent about one third of the funding allocated toward this target (table 2). The reduction was applied to about 12,000 spaces. According to the Ministry of Education’s annual report for 2021–22, there were 18,308 full-time-equivalent licensed spaces in the province as of March 2022.⁷ As the Agreement applies only to children under age six, not all spaces qualify for the fee reduction.

In addition to attaining a fee reduction of 50 percent in year two, the province is among the first to reach a province-wide average fee of \$10 a day. While families able to obtain a subsidized licensed spot will benefit from this significant fee reduction before their peers in most other provinces, it is

⁴ Saskatchewan Ministry of Education, “Annual Report for 2020–21,” Government of Saskatchewan, 2021, 37.

⁵ Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement.”

⁶ Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement.”

⁷ Saskatchewan Ministry of Education, “Annual Report for 2021–22,” Government of Saskatchewan, 2022, 22.

important to note that a majority of the 87,574 children under age six in the province are not in licensed care and receive no benefit from this achievement.⁸

Table 2. Affordability Commitments and Results, Saskatchewan, 2021–22 and 2022–23

Commitments			Results	
Target	Timeline	Federal Funding	Progress	Federal Funding Spent
50% fee reduction from 2019 levels by end of 2022	Year one (2021–22)	\$93.56 million	50% reduction by December 31, 2022, covering 12,000 spaces and an estimated 18,500 children	\$32.24 million
	Year two (2022–23)	\$125.47 million		
\$10/day average parent fee	Year five (2025–26)	To be determined	Achieved \$10/day by April 1, 2023	

Sources: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement–2021 to 2026”; Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report.”

Accessibility

The province underperformed in its efforts to create new childcare spaces in year one, allocating only 37 percent of the targeted number (table 3). The action plan called for the creation of 6,000 full-time-equivalent spaces, but the province managed to allocate only 1,803 centre-based spaces and 409 home-based spaces, for a total of 2,212 new allocated spaces. Despite falling short of the space-creation target, the province exceeded the space-creation budget by \$289,000.

Allocated spaces are not necessarily operational spaces, nor does the number of allocated spaces account for the number of licensed spaces lost due to facility closures. A comparison of Ministry of Education annual reports for 2020–21 and 2021–22 shows a net gain of 97 licensed home-based spaces and 545

⁸ The number of children in the province is taken from “Saskatchewan Population by Age and Sex: 1971 to Date,” Demography, Census Reports and Statistics, Saskatchewan Bureau of Statistics, <https://www.saskatchewan.ca/government/government-data/bureau-of-statistics/population-and-census>. As noted above, there were 17,665 regulated full-time equivalent spaces for children of all ages in 2021, meaning a majority of children under age six are not in a regulated child care space.

licensed centre-based spaces, for a net addition of 642 operational licenced spaces by the end of year one.⁹ The annual reports do not specify how many of these spaces are for children under age six.

Having allocating only 8 percent of the spaces promised under the five-year Agreement in year one, and presuming that all allocated spaces become operational, the province will need to create 25,788 spaces over four years to reach its 2026 target: a pace equal to 6,447 new spaces a year.

Table 3. Accessibility Commitments and Results, Saskatchewan, 2021–22 and 2022–23

Commitments			Results	
Target	Timeline	Federal Funding	Progress	Federal Funding Spent
Create 6,000 full-time-equivalent spaces	Year one (2021–22)	\$16.33 million	2,212 total spaces allocated, of which 1,803 are centre-based and 409 are home-based	\$16.62 million
Create 6,100 full-time-equivalent spaces	Year two (2022–23)	\$33.50 million		
Increase spaces for children under age 6 to at least 28,000, resulting in 59% coverage	Year five (2025–26)			

Sources: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement–2021 to 2026”; Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report.”

Inclusion

Efforts to address inclusion in year one focused on planning, grants to providers, and funding facilitators and consultants. Although the targets specify the number of children to be served, publicly released data are sparse. Where the number of children served is reported, the numbers fall well short of the target.

The province reports spending none of the \$400,000 granted to develop a plan for First Nations and Métis engagement, though two meetings were held to discuss options (table 4). Five childcare facilitator positions were funded in Early Years Resource Centres to develop flexible-care options for children with disabilities and minority children. These centres provide a number of support services

⁹ Calculations by author from Saskatchewan Ministry of Education, “Annual Report for 2020–21,” 25; Saskatchewan Ministry of Education, “Annual Report for 2021–22,” 22.

for families and host activities for children. Additionally, two developmental consultants were funded to help build capacity in centres and home-based care, to accommodate newcomers, children with disabilities, and minority children. Funding earmarked to support an additional one hundred children with disabilities was committed to this target. Transferring funds between targets is permitted within the first year of the Agreement.

Less than half of the amount of funding to assist the transition of 150 vulnerable children into childcare spaces was spent. Funding was directed toward staff with the skill base to care for children with medical needs. The number of children served was not reported.

The province overspent by \$110,000 to enhance accessibility, reaching 46 percent of its target number of children. Funding was distributed to providers through the Enhanced Accessibility and Inclusion Grants, which are funded from provincial funding, an existing bilateral agreement, and the “Canada–Saskatchewan Canada-Wide Early Learning & Child Care Agreement,” and supported an additional 487 children. According to Ministry of Education annual reports, the province increased the number of Enhanced Accessibility grants by sixteen over the previous year, for a total of 412. An additional two Inclusion grants were provided, for a total of 75.¹⁰

It should be noted that additional inclusion efforts were funded under an existing bilateral agreement, beyond the targets set in the Agreement.

Quality

Additional workforce targets for year one are not recorded here, as funding was granted under annex 3 of the “Canada–Saskatchewan Early Learning and Child Care Agreement.”¹¹

Recruitment of early childhood educators appears to be a challenge in the province, as it is across the country. Much of the work of recruiting and retaining qualified personnel was funded under the “Canada-Saskatchewan Bilateral Early Learning and Child Care Agreement—2017 to 2021” and are not reflected in this evaluation. Those efforts included professional development and one-time funding for wage enhancement.

Quality targets under the Agreement are heavily weighted toward the future years of the Agreement. In year one, a one-time grant available for the newly allocated 2,212 spaces was intended for the purchase of equipment and resources to enhance active play and to implement the province’s framework in regulated childcare that is outlined in “Play and Explore: An Early Learning Program Guide.”¹² The province aims to increase the percentage of staff with the qualification of early childhood educator levels I, II, and III by 15 percent by the end of year five. The portion of qualified early childhood educators decreased one percentage point during year one of the Agreement (table 5).¹³

¹⁰ Calculations by author from Saskatchewan Ministry of Education, “Annual Report for 2020–21,” 25; Saskatchewan Ministry of Education, “Annual Report for 2021–22,” 22.

¹¹ Government of Canada, “Canada–Saskatchewan Early Learning and Child Care Agreement,” annex 3.

¹² Saskatchewan Ministry of Education, “Play and Exploration: Early Learning Program Guide,” Government of Saskatchewan, April 2008, <https://publications.saskatchewan.ca/#/products/74066>.

¹³ Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report,” 14.

Table 4. Inclusion Commitments and Results, Saskatchewan, 2021–22 and 2022–23

Commitments			Results	
Target	Timeline	Federal Funding	Progress	Federal Funding Spent
Develop a plan for First Nations and Métis engagement	Year one (2021–22)	\$400,000	Two meetings to discuss options	\$0
	Year two (2022–23)	\$300,000		
Develop flexible-care options for children with disabilities, newcomers, Black and other racialized minorities	Year one (2021–22)	\$250,000	Five facilitators funded in Early Years Centres Development consultants funded in Regina and Saskatoon	\$456,000
	Year two (2022–23)	\$250,000		
Support 100 children experiencing disability	Year one (2021–22)	\$251,000	Included in the progress above for year one, “Develop flexible-care options.”	Year one funding directed towards facilitators and development consultants listed above in “Develop flexible-care options.”
	Year two (2022–23)	\$251,000		
Assist the transition of 150 vulnerable children into care	Year one (2021–22)	\$975,000	Funded staff with skill base to care for children with medical needs; number of children not reported	\$400,000
	Year two (2022–23)	\$975,000		
Enhance accessibility for 100 children	Year one (2021–22)	\$200,000	46 children supported (additional children funded under a previous bilateral agreement)	\$310,000
	Year two (2022–23)	\$200,000		
Childcare subsidy	Year one (2021–22) Year two (2022–23)	To be determined		

Sources: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement—2021 to 2026”; Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report.”

Table 5. Quality Commitments and Results, Saskatchewan, 2021–22 and 2022–23

Commitments			Results	
Target	Timeline	Federal Funding	Progress	Federal Funding Spent
Support quality for new “Play and Explore” supports*	Year one (2021–22)	No funding allocated	One-time funding granted to the newly allocated 2,212 spaces for equipment and resources	\$366,000
Develop wage grid for early childhood educators	Year two (2022–23)			
Increase wages of ECEs through centre-based compensation support	Year two (2022–23)	\$11 million		
Provide bursaries up to \$5,000 for 150 full-time students in early childhood education	Year two (2022–23)	\$3.55 million in 2023 school year		
Provide training grants for 500 early childhood educators				
Provide professional development and skill enhancement to benefit 50% of workforce	Year two (2022–23)	\$1.15 million		

*Does not appear in the original Agreement.

Note: Additional workforce targets for fiscal year 2021–22 are not recorded here, as funding was granted under the “2017–2021 Canada–Saskatchewan Bilateral Early Learning and Child Care Agreement Workforce Annex.”

Sources: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement–2021 to 2026”; Government of Saskatchewan, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement: 2021–2022 Annual Report.”

Administration

The province did not report on the progress toward or funding for planning, reporting, and administration. This is a significant shortcoming in public accountability. The Agreement allows the province to spend up to 10 percent of funding on administrative costs. Just under \$2.5 million was budgeted for these costs in year one (table 6).

Table 6. Administration Commitments and Results, Saskatchewan, 2021–22 and 2022–23

Commitments			Results	
Target	Timeline	Federal Funding	Progress	Federal Funding Spent
Childcare system strategy	Year one (2021–22)	\$250,000	Data not reported	Data not reported
Data system development	Year one (2021–22)	\$1.0 million	Data not reported	Data not reported
	Year two (2022–23)	\$2.0 million		
Administration, up to 10% of total Agreement funding	Year one (2021–22)	\$1.2 million	Data not reported	Data not reported
	Year two (2022–23)	\$1.2 million		

Source: Government of Canada, “Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement—2021 to 2026.”

Legislative and Policy Changes

The Agreement allows the province to carry forward up to 60 percent of funding from year one to year two. An amendment dated March 1, 2022 increased the carry-forward allowance to 64 percent.¹⁴

Additional Observations

In a November 2021 press release, the province encouraged unregulated providers to join the licensed system and indicated that applications for licensing from existing unregulated providers would be given priority.¹⁵ The provincial report does not specify how many unregulated providers transferred into the system. While transfers into the system would represent a growth in the supply of licensed spaces, most of these spaces would already be occupied and have little impact toward increasing care options.

¹⁴ Government of Canada, “Agreement to Amend the Canada–Saskatchewan Canada-Wide Early Learning and Child Care Agreement—2021 to 2026,” 2022, <https://www.canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/saskatchewan-canada-wide-2021/amendment.html>.

¹⁵ Government of Saskatchewan, “Government of Saskatchewan Encourages Home-Based Child Care Providers to Become Regulated,” November 25, 2021, <https://www.saskatchewan.ca/government/news-and-media/2021/november/25/government-of-saskatchewan-encourages-home-based-child-care-providers-to-become-regulated>.

Predictably, some parents left unlicensed providers for heavily subsidized care, as not all unlicensed providers chose to or were able to meet licensing requirements. One parent who used an independent home-based provider told *Global News* that “her previous provider looked into getting licensed but couldn’t meet the requirements for licensing because they are renting their space.”¹⁶ A licensed home-based provider who planned to open an additional service told *Global News*, “Other providers have called me saying sadly they have to close because of their house or others issues. They cannot get licensed so they are losing parents.”¹⁷

The province initiated a similar campaign in November 2022 (year two) to encourage unregulated home-based providers to join the licensed system. The province has not provided data on the number of unregulated providers who joined, but it indicated in an April 2023 email to Cardus that the application form and the “Becoming a Regulated Family Child Care Home Checklist” were each downloaded over one thousand times from the province’s website.¹⁸ The province did not provide data on how many applications were submitted.

While families using licensed care in Saskatchewan will receive significant reductions earlier than parents in some other regions, media reports suggest that this achievement may come at the cost of part-time licensed care.¹⁹ These spaces are not covered by the funding. The difficulty and expense of providing these spaces are a disincentive for providers.

As the province fell significantly short on space-creation goals during year one, Saskatchewan will need to significantly increase space creation in future years in order to meet its obligations under the Agreement. As objectives and funding amounts increase over the term of the Agreement, the province should be proactive in publicly reporting administrative costs associated with implementing the Agreement.

¹⁶ T. Charles, “Providers and Parents Struggle to Navigate Saskatchewan Child Care Regime,” *Global News*, April 2, 2022, <https://globalnews.ca/news/8729848/saskatchewan-child-care-competitive-industry-providers-parents/>.

¹⁷ Charles, “Providers and Parents Struggle.”

¹⁸ Government of Saskatchewan, “CWELCC Annual Report,” email correspondence with author, April 25, 2023.

¹⁹ L. Sciarpellelli, “Sask. Child-Care Providers Say They’re Scrambling to Prepare after Province Rushed \$10/Day Program Rollout,” *CBC News*, March 15, 2023, <https://www.cbc.ca/news/canada/saskatchewan/child-care-10-a-day-program-rollout-rushed-1.6778743>.



About Cardus Family

Cardus Family conducts, compiles, and disseminates research on family and marriage and their strengthening impact on civil society.

Contact

Peter Jon Mitchell, Program Director, Family
tel: 613-241-4500 x 504, pmitchell@cardus.ca



Cardus is a non-partisan think tank dedicated to clarifying and strengthening, through research and dialogue, the ways in which society's institutions can work together for the common good.

cardus.ca

 [@cardusca](https://twitter.com/cardusca)

Head Office: 185 Young Street, Hamilton, ON L8N 1V9

info@cardus.ca

© Cardus, 2023. This work is licensed under a [Creative Commons Attribution-Noncommercial-NoDerivatives Works 4.0 International License](https://creativecommons.org/licenses/by-nc-nd/4.0/).