

# Child Care Funding Update: Yukon—Years One and Two (2021–22 and 2022–23)

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

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A Cardus Research Brief

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### 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 had 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). At the time of publication, eleven provinces and territories have renewed their agreements through fiscal year 2030-31.

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.<sup>1</sup> Cardus is now studying the funds spent and goals

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

achieved in each province and territory annually. We will issue provincial and territorial reports as data become available.

The Agreement with Yukon was signed on July 23, 2021.<sup>2</sup>

This brief presents the results for years one and two for Yukon (fiscal years 2021–22 and 2022–23, which is April 1, 2021 to March 31, 2022, and April 1, 2022 to March 31, 2023).

## Summary

Yukon was the third jurisdiction to sign the Agreement with the federal government in 2021. The territory had begun the transition to a universal system prior to finalizing the Agreement.

Yukon's fee structure is lower than most regions in Canada. The average daily fee was \$4.45 by the end of year one of the Agreement, well below the \$10-per-day average regions are committed to reaching by 2026. That said, the average daily fee increased to \$7.19 by the end of year two.

The territory reported exceeding the space creation target of fifty new spaces in the first two years, creating 400 spaces. While this is a success, Yukon exceeded the goal largely through working outside the confines of the Agreement. The Agreement funds were to be used for new spaces in public and non-profit care for children aged 0 to 6, and for the benefit of First Nations and French-language children. The new spaces created during the first two years of the Agreement were for children aged 0 to 12, with the majority of spaces created in for-profit facilities, which did not qualify for space-creation funding under the Agreement.

Yukon's inclusivity targets included a focus on the Supported Child Care program. The action plan called for an evaluation of the program in year one, followed by the development of an inclusivity plan based on the evaluation. The inclusivity plan was to be completed by the end of year two. The territory did not reach this target by the end of year two.

Yukon has one of the more generous compensation packages for childcare workers in Canada. Agreement funding was used to increase the wage scale, fund additional post-secondary training options, and support a cultural enhancement fund. The territory opted to adopt the British Columbia Early Learning Framework instead of developing its own framework as originally planned.

Yukon budgeted over \$30 million for childcare in 2022–23. In addition, the territory received over \$7 million under the Agreement for 2022–23 and had just over \$2 million in carry-over funding

### 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–Yukon Canada-Wide Early Learning and Child Care Agreement—2021 to 2026* (July 2021), <https://canada.ca/en/early-learning-child-care-agreement/agreements-provinces-territories/yukon-canada-wide-2021.html>.

under the Agreement from 2021 to 2022. One reason the territory was able to exceed space-creation targets was that Yukon leveraged funds outside of the Agreement, avoiding the constraints of the federal government’s preferences. Unlike some other regions, Yukon’s childcare budget is largely funded by the territory. Yukon is less beholden to federal funds and can more easily navigate federal restrictions in operating its licensed childcare system.

## 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

- Create at least 110 new spaces by end of 2025–26.
- Expand the delivery of childcare at or below an average of \$10 a day.
- Increase the portion of the childcare workforce that are certified to 60 percent by 2025–26.

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

Year	Projected amount
One (2021-22)	\$5,523,308
Two (2022-23)	\$7,243,339
Three (2023-24)	\$8,452,787
Four (2024-25)	\$9,542,037
Five (2025-26)	\$10,930,043
<b>Total</b>	<b>\$41,691,514</b>

*Note:* These amounts are subject to annual adjustments for population change.  
*Source:* Government of Canada, *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement—2021 to 2026*.

## Pre-Agreement Baseline Measures

- Yukon budgeted \$7,005,000 in direct subsidies and operating funds in 2020–21.<sup>3</sup>
- Average parental fees of \$37.62 per day as of March 2021.<sup>4</sup>
- 1,869 spaces for ages 0 to 12 as of March 2021.<sup>5</sup>

3 Government of Yukon, *Yukon Budget 2020–21* (March 2020), <https://open.yukon.ca/budget-2020%E2%80%9321>.

4 Government of Yukon, *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2021–22 Report* (November 2022), 3.

5 *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2021–22 Report*, table 3.

## Agreement Targets and Progress

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.

Yukon provided an action plan for the first two years of the Agreement (2021–22 and 2022–23). The tables shown 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 toward the target and the funding spent on these efforts in years one and two. Unless otherwise noted, the results shown are taken from the *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2021–22 Report*, and the *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2022–23 Report*, acquired through Access to Information and Protection of Privacy requests.

### Affordability

The territory transitioned toward a fully funded, universal childcare system in the spring of 2021 before signing on to the Agreement with the federal government in July of 2021. While the territory achieved an average fee of \$4.45 per day in year one, the average daily fee climbed to \$7.19 by the end of year two. It is not clear from the territorial report why the average fee increased. Despite the increase, the fee remained below the federal target.

To achieve the average daily fee of \$4.45 in year one, the territory offered providers up to \$700 a month per child under the age of six. In addition to this funding, Yukon offered a further income-tested subsidy utilized by 307 children in year one. The territory also covers the full parent fee for teen parents and grandparents who are raising grandchildren. In the first year of the Agreement, eight children received the grandparent grant. The territory spent \$1,673,308 in Agreement funding on fee reductions and subsidies in addition to territorial funding and money from a previous bilateral agreement with the federal government.

In year two, 1,727 children received fee reductions, with the territory spending \$2,744,478 from the Agreement allocation. As in year one, these fee reductions were achieved with additional territorial funding and funds from a bilateral agreement with the federal government. The income-tested subsidy covered 278 children in year two.

One reason the average daily parent fee is lower than for many other regions in Canada is that some operators have been able to provide care at or below the level of funding they receive, allowing them to forgo charging parent fees.

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

Target	Commitments		Results	
	Timeline	Federal funding	Progress	Federal funding spent
Reduce fees below \$10/day	Year one (2021–22)	\$1,673,308	Average daily fee reduced to \$4.45 by April 2021	\$1,673,308
Subsidize 195 spaces	Year one (2021–22)		8 grandparent grants and 307 subsidies (March 2022)*	
Reduce fees below \$10/day	Year two (2022–23)	\$2,593,339	Subsidized fees for 1,727 children, for an average daily fee of \$7.19	\$2,744,478
Subsidize 305 spaces	Year two (2022–23)		278 children received the subsidy (March 2023)*	

\*Additional territorial funding and federal funding from a previous bilateral agreement were used toward this target.

Sources: Government of Canada, *Canada–Yukon Canada-Wide Early Learning and Child Care—2021 to 2026*; Government of Yukon, *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2021–22 Report*; Government of Yukon, *Canada–Yukon Canada-Wide Early Learning and Child Care Agreement 2022–23 Report*.

## Accessibility

The territory targeted the creation of fifty new spaces for children under age six within the first two years of the Agreement through First Nations governments, non-profit providers, and French language non-profit centres.

Yukon exceeded the space-creation goal, creating 199 new spaces in year one and 201 spaces in year two. While this was a success, the majority of new spaces were achieved with funding outside of the Agreement. The Agreement pertains to children ages 0 to 6, and prioritizes spaces for First Nations and French-language children. Agreement funding for new spaces is also restricted to not-for-profit and public providers. The territory reports that new spaces covered children ages 0 to 12, and were primarily created among for-profit providers. While some new spaces were created in communities with significant First Nations populations, many of the spaces were not specifically targeted to these children, though First Nations children likely benefited.

Most spaces created in year one were funded outside the Agreement, with Yukon using only \$6,500 of the \$500,000 allocated to space creation. In year two, Yukon reported spending \$278,555 of the \$500,000 allocation on eighty-two non-profit spaces. Unspent funds were reallocated to a cultural enhancement fund and post-secondary education. The remaining 119 new spaces created in year two were in for-profits, and not eligible for funding under the Agreement.

Over the first two years of the Agreement, three new centres were created in rural Yukon, with two serving predominantly First Nations communities. The Report does not indicate whether these rural centres were non-profit. Four new centres, one of which is non-profit, opened in Whitehorse, and an existing centre in the city was expanded.

For-profit providers had a significant impact on space creation in the first two years of the Agreement, despite being ineligible to receive federal space-creation funding. Between March 2021 and March 2023, the for-profit sector experienced a net growth of 276 spaces compared to 35 net spaces among non-profit providers.

First Nations spaces grew by 10 spots, but family day homes experienced a net loss of 27 spaces between March 2021 and March 2023.

**Table 3. Accessibility Commitments and Results, Yukon, 2021-22 and 2022-23**

Target	Commitments		Results	
	Timeline	Federal funding	Progress	Federal funding spent
25 new spaces (for children under age 6 in First Nations, language-minority communities, and non-profits)	Year one (2021-22)	\$500,000	199 new spaces (for ages 0-12, with one centre in a predominantly First Nations community, and with a minority of those new spaces in non-profit facilities)	\$6,500*
25 new spaces (for children under age 6 in First Nations, language-minority communities, and non-profits)	Year two (2022-23)	\$500,000	201 new spaces (ages 0-12, with 82 spaces in non-profit facilities)	\$278,555*

\*Territorial core funding was also used toward this target.

Sources: Government of Canada, *Canada-Yukon Canada-Wide Early Learning and Child Care—2021 to 2026*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2021-22 Report*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2022-23 Report*.

## Inclusion

Yukon’s inclusivity efforts focus on children with disabilities and those requiring individual support, First Nations children, and children requiring French language services.

Children with disabilities receive support through the Supported Child Care program, which provides inclusive programming, equipment, and provisions for Early Childhood Educators working with individual children. In year one, \$500,000 was allocated to support at least eight children, but the territory did not spend the allocation, using core funding instead. In year two, \$1,000,000 was allocated to support at least sixteen children, and to complete a review of the Supported Child Care program. The territory spent \$1,106,917, supporting thirteen children in four childcare programs. Funding was also used to support the transition of the Child Development Centre Therapeutic Preschool and Early Learning Program to a new centre. The Child Development Centre provides

therapeutic programs for children with developmental challenges. The Supported Child Care program review was initiated, but not completed, during year two.

Under the Agreement for year two, \$100,000 was allocated to support the development of a plan for vulnerable children. The plan was contingent on the review of the Supported Child Care program, which, as shown above, was incomplete by the end of year two. As a result, the plan was not achieved and the allocation went unspent.

The action plan identifies support for francophone children but does not allocate a specific funding amount in year one. The territory reports that French language-only programs received the same fee reduction funding as other programs. Yukon notes that cultural enhancement kits were created for francophone and First Nations children, supported through funding outside the Agreement.

**Table 4. Inclusion Commitments and Results, Yukon, 2021-22 and 2022-23**

Target	Commitments		Results	
	Timeline	Federal funding	Progress	Federal funding spent
Support at least 8 children through the Supported Child Care program	Year one (2021-22)	\$500,000		\$0*
Support at least 16 children through the Supported Child Care program	Year two (2022-23)	\$1,000,000	13 children supported, Child Development Centre Therapeutic Preschool and Early Learning Program transitioned to a new centre	\$1,106,917
Plan for vulnerable children	Year two (2022-23)	\$100,000	Plan delayed as program review was incomplete by end of year two	\$0
Support for francophone children	Year one (2021-22)	N/A	Curated cultural enhancement kits for francophone and First Nations children; 3 French language programs (2 centre-based and one family home daycare) received support to serve francophone children	\$0*
	Year two (2022-23)	N/A		\$0*

\*Territorial core funding was used toward this target.

Sources: Government of Canada, *Canada-Yukon Canada-Wide Early Learning and Child Care—2021 to 2026*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2021-22 Report*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2022-23 Report*.

## Quality

Yukon's action plan outlined four initiatives focused on increasing quality.

The first initiative focused on the retention of childcare workers through the implementation of a wage scale set under the Employment Standards Act. Yukon boasts one of the more competitive wage scales in Canada. Between April 2021 and April 2023, the hourly wage of a Level 0 childcare worker in Whitehorse increased from \$15.20 per hour to \$16.77 per hour. At the top end of the scale, Level 3 childcare workers in Whitehorse saw an increase from \$29.16 per hour in 2021 to \$32.08 per hour in 2023. The wage scale for rural childcare workers is about \$1.80 to \$1.85 per hour more on average than the wage scale for Whitehorse.

The plan targeted at least 300 workers in year one and 325 workers in year two through wage enhancement funding provided to operators. In year one, over 350 workers were supported at a cost of \$1,200,000. In year two over 350 workers were supported but at a cost of \$2,011,928, well above the \$1,400,000 allocation.

The second initiative focused on supporting post-secondary institutions in training childcare workers. The action plan allocated \$500,000 per year to increase enrolment in early childhood education courses by twenty people each year for a total of forty additional students. The territory did not spend the allocation in year one, and instead used workforce funding from a separate bilateral agreement with the federal government. In year two, the territory focused on flexible options to help certify current childcare workers. Funds were directed to Yukon University's Professional Diploma Pathways program, which helps experienced workers achieve Level 3 ECE certification. Yukon reported thirty-nine workers benefited from the program in year two. In addition to this program, twenty-six workers in rural communities accessed training courses. The territory exceeded the allocation of \$500,000, spending \$648,029.

Third, the territory created a Cultural Enhancement Fund intended to benefit 250 children through culturally inclusive programing. Licensed centres could access up to \$5,000, while family day homes could access up to \$2,000 to develop enhanced programs. Operators could access cultural resource kits, or claim an additional \$500 to develop their own kits. In year one, forty-three programs, accounting for 226 workers, accessed the fund at a cost of \$338,377. In year two the number of participating workers increased to 297 in fifty programs at a cost of \$560,570.

The final initiative was to develop and implement quality frameworks in five childcare programs in year one, and fifteen programs in year two. The action plan states that operators would need to work with the territory to measure quality, and improve professional development as a condition of receiving funding. Yukon would then use this feedback to develop an early learning curriculum framework, and future funding for operators would be tied to quality assessment standards.

The year one allocation was unspent. In year two, Yukon adopted the British Columbia Early Learning Framework that was already in use in Yukon schools, rather than developing a new made-in-Yukon framework. The territory created a free monthly newsletter for childcare workers to promote the BC Early Learning Framework, and incorporated the Framework into course material at Yukon University. The territory's Early Learning and Child Care Branch hosted professional development for childcare workers, using carry-over funding from the workforce agreement that is part of a separate bilateral agreement with the federal government.



**Table 5. Quality Commitments and Results, Yukon, 2021-22 and 2022-23**

Target	Commitments		Results	
	Timeline	Federal funding	Progress	Federal funding spent
Support for at least 300 early childhood educators	Year one (2021-22)	\$1,100,000	Over 350 workers benefited from wage-enhancement funding	\$1,200,000
Support for at least 325 early childhood educators	Year two (2022-23)	\$1,400,000	Over 350 workers benefited from wage-enhancement funding	\$2,011,928
Increase the number of students enrolled in early childhood education courses by 20 students per year	Year one (2021-22)	\$500,000	Workforce annex funding used to achieve target	\$0*
	Year two (2022-23)	\$500,000	39 workers utilized Professional Diploma Pathways program, and 26 workers in rural areas accessed courses	\$648,029
250 children to benefit from Cultural Enhancement Fund	Year one (2021-22)	\$400,000	43 programs and 226 workers benefited from the fund	\$338,377
	Year two (2022-23)	\$400,000	50 programs and 297 workers benefited from the fund	\$560,570
5 centres to develop and implement quality frameworks	Year one (2021-22)	\$200,000	No progress	\$0
15 centres to develop and implement quality frameworks	Year two (2022-23)	\$50,000	Adopted BC Early Learning Framework, created newsletter for workers, and hosted professional development	\$0*

\*Funding from a previous bilateral agreement (Workforce annex) was used for this target.

Sources: Government of Canada, *Canada-Yukon Canada-Wide Early Learning and Child Care—2021 to 2026*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2021-22 Report*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2022-23 Report*.

## Administration

Yukon did not spend the full allocation for administration, including financial audits, in years one and two. The territory focused on increasing the capacity to track and analyze data on the childcare system in year two, spending \$103,834 of the \$515,000 allocation.

**Table 6. Administration Commitments and Results, Yukon, 2021-22 and 2022-23**

Target	Commitments		Results	
	Timeline	Federal funding	Progress	Federal funding spent
Administration	Year one (2021-22)	\$35,000	Administration and audit	\$22,000
	Year two (2022-23)	\$35,000	Administration and audit	\$29,672
Enhanced data and analytics capacity	Year one (2021-22)	\$515,000		\$0
	Year two (2022-23)	\$515,000		\$103,834

Sources: Government of Canada, *Canada-Yukon Canada-Wide Early Learning and Child Care—2021 to 2026*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2021-22 Report*; Government of Yukon, *Canada-Yukon Canada-Wide Early Learning and Child Care Agreement 2022-23 Report*.

## Legislative and Policy Changes

Prior to signing the Agreement, Yukon amended the Child Care Act in 2021 to move responsibility for childcare from the Department of Health and Social Services to the Department of Education. The territory also indicated the intention to review the Child Care Act. Yukon announced a review of the Act in November 2023. The review falls outside of the first two fiscal years of the CWELCC Agreement, but is noted here for future observation.



### **About Cardus Family**

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

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