Frequently asked questions:

Early Learning and Child Care Affordability Funding Approaches

January 2025

General Information

What is happening on April 1, 2025?

On April 1, 2025, Alberta is introducing three unique Affordability Funding approaches for daycare providers, preschools and family day homes to enable the continued delivery of high-quality child care across the province and further implement the Canada-Alberta Canada-wide Early Learning and Child Care (CACWELCC) Agreement.

These changes ensure that high-quality child care remains affordable and sustainable for families across Alberta.

In conjunction with the introduction of the new Affordability Funding approaches, starting April 1, 2025, the Child Care Subsidy Program for children zero to kindergarten age (attending child care during school hours) will be replaced with a flat and predictable monthly parent fee for all children registered in full or part-time licensed daycare and family day homes across Alberta. The flat monthly parent fee is $326.25 for full-time care. This is equivalent to $15 per day. A flat monthly rate of $230 for part-time care will also be introduced.

As opposed to a flat monthly parent fee, parents with children in preschools will instead have a reduction of up to $100 off their preschool program's stated monthly child care fees.

Who will these changes impact?

Daycares, Family Day Home (FDH) Agencies, FDH educators and preschools that receive Affordability Funding from the Ministry of Jobs, Economy and Trade will be impacted by these changes.

All parents with children zero to kindergarten age (attending child care during school hours) registered in licensed child care in Alberta, including those receiving Child Care Subsidy, will also be impacted.

Why are these changes happening?

The new Affordability Funding approaches are the next steps to ensure continued delivery of high-quality child care across Alberta and further implement the CACWELCC.

How were the Affordability Funding approaches developed?

Three unique funding approaches have been developed for daycares, preschools and FDHs. These approaches were developed based on Child Care Fee data provided in Affordability Grant Agreements, information collected from child care providers through the 2024 Child Care Cost Questionnaire, and insights gathered during the 2023 sector-wide engagements.

How do I learn more about these changes?

Please review in detail the package you received on January 30, 2025 which includes key information and dates to help you navigate the next few months. Please click on the link in the January 30, 2025 package to register for an information session in February that will

provide additional information about the funding approaches and give programs an opportunity to ask questions.

Please also continue to check the Child Care Licensing Portal under “Affordability Grants” for updates and for your Affordability Grant Agreement once it becomes available.

Should you require further support, please contact childcare@gov.ab.ca and include “Funding Approach” in the email subject line.

Child Care Subsidy Program

What is changing for the Child Care Subsidy Program?

The Child Care Subsidy Program is ending March 31, 2025 for daycares, family day homes and preschools for children up to kindergarten-age (attending during school hours).

What will happen with the Child Care Subsidy Program between now and April 1?

New applications for Child Care Subsidy taking effect on or after February 1, 2025 will not be processed for children zero to kindergarten age (attending child care during school hours). This means applications will only be processed for children registered to start child care on or before January 31, 2025. Renewals will continue to be accepted for children that already received Child Care Subsidy. All payments for subsidy will end by March 31, 2025.

Can parents renew their Child Care Subsidy?

Renewals will continue to be accepted for children that already received Child Care Subsidy; however all payments will end by March 31, 2025.

Do the changes to Child Care Subsidy Program affect children in OSC?

The Child Care Subsidy Program for children in full-day kindergarten to Grade 6 enrolled in a licensed OSC program is not changing. Families with children attending licensed OSC will continue to be eligible to apply for and receive Child Care Subsidy.

New Child Care Participant Number and New Claims System

What is the Child Care Participant Number?

Alberta is introducing the Child Care Accountability Program to enable the creation of a unique Child Care Participant Number for every child using licensed child care services in Alberta.

Starting this spring, all licensed child care programs will be required to register children attending their program into the Child Care Licensing Portal which will generate a Child Care Participant Number.

Why is a Child Care Participant Number being introduced?

The Child Care Participant Number will lead to: a more streamlined claims process and less red tape; strengthened financial accountability for public funds; better monitoring to ensure programs are delivering child care services that support the safety, security, well-being and development of children; and eventually giving parents clear information on government funding used to reduce their fees. While the benefits are long lasting, programs will need to undertake some up-front administrative work to register children

attending their program into the Child Care Licensing Portal. More information on the registration process will be shared in the coming weeks.

When will the new claims system be implemented?

Claims for April and May 2025 will continue to be made through the existing Child Care Claims Processing (C3P) system. Starting summer 2025, providers will claim for registered children enrolled in their program using the Child Care Participant Number in the new claims system.

The new claims system will be rolled out in phases:

- March to June 2025 – Training will be available to help programs learn about the new Child Care Participant Number and claims submission processes within the Child Care Licensing Portal.
- April to June 2025 - Providers will be asked to register all children enrolled in their programs into the new child registration system within the Child Care Licensing Portal.
- Summer 2025 – Providers will be able to submit their June 2025 claim through the new claims system in the Child Care Licensing Portal.

More information and training to support providers in using the new claims system will be released in March 2025.

Affordability Grant Agreement Timing

When will the new Affordability Grant be ready to sign?

A 2025/2026 Affordability Grant Agreement that reflects the new Affordability Funding approaches will be available in the Child Care Licensing Portal for providers to **review** in February 2025. The 2025/2026 Affordability Grant Agreement and Wage Top-Up Agreement will be **available to sign** in March 2025.

What is the deadline to sign the Affordability Grant?

The deadline for signing the 2025/2026 Affordability Grant Agreement is March 31, 2025, however, providers that sign before March 28, 2025, will receive a claim advance payment within the first week of April 2025.

When will I receive my claim advance for April?

Programs that submit their February claim by March 20, 2025, and sign the 2025/2026 Affordability Grant Agreement before March 28, 2025, will receive a claim advance payment within the first week of April 2025.

Eligible programs that sign the Affordability Grant Agreement between March 28 and March 31, 2025, may have their claim advance payment delayed.

Claim advance amounts beginning in April 2025 will be calculated based on a program's new 2025/2026 Child Care Fees.

Can I opt out of the 2025/2026 Affordability Grant?

Yes, child care providers can choose to not sign the 2025/2026 Affordability Grant Agreement, however, this would result in the provider no longer being eligible to receive the integrated suite of child care funding offered by government, including wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators.

As a stand alone out-of-school care (OSC) operator, what happens if I do not sign an Affordability Grant Agreement?

Stand-alone OSC programs serving a small number of kindergarten-age children during school hours will continue to receive wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators regardless of whether they sign the Affordability Grant Agreement.

Daycare Affordability Funding Approach For Existing Programs

How were 2025/2026 Child Care Fees determined for my daycare?

Step 1: Calculate Child Care Fees

For each age group in the 2024/2025 Schedule A Child Care Fee:

A. Multiply the 2024/2025 Schedule A monthly Child Care Fee by the Cost Increase Replacement Funding rate (if three per cent, multiply by 1.03; if six per cent, multiply by 1.06).
B. Add $150 to the total calculated above for infant age groups (0-18 months).
C. Add two per cent for inflation by multiplying the total of A and B by 1.02.

Step 2: Compare to Regional Benchmarks

Each age group's Child Care Fee calculated in Step 1 is compared against the minimum and maximum benchmarks for that age group based on the geographic region of the program.

A. If the fee calculated in Step 1 is above the maximum regional benchmark, the fee will move down to the maximum benchmark fee listed in the regional fee table. This becomes the final 2025/2026 Child Care Fee.
B. If the fee calculated in Step 1 is below the minimum regional benchmark, the fee will move up to the minimum benchmark listed in the regional fee table. This becomes the final 2025/2026 Child Care Fee.
C. If the fee calculated in Step 1 is between the region's minimum benchmark and maximum benchmark, then this fee is the final 2025/2026 Child Care Fee.

Step 3: Calculate Affordability Funding Rate

Subtract the full-time monthly parent fee of $326.25 per month from the final 2025/2026 Child Care Fee calculated in Step 2 to determine the Affordability Funding rate per enrolled child.

How do I calculate my Part-Time Child Care Fee?

Part-time Child Care Fees are calculated as 65 per cent of a program's 2025/2026 full-time Child Care Fee for each age group. The Affordability Funding rate a program will receive per child registered for part-time care is calculated by taking the 2025/2026 part-time Child Care Fee minus the monthly part-time parent fee of $230.

What happened to the Infant Care Incentive and Cost Increase Replacement Funding (CIRF)?

Cost Increase Replacement Funding, the $150 Infant Care Incentive, and an additional two per cent inflationary increase have been integrated into the calculation for a program's 2025/2026 Child Care Fees to streamline the administration of Affordability Funding.

Why are there 13 new regions?

Regional benchmarks have been identified for thirteen regions across Alberta. These regional benchmarks enable the funding approach for daycares to better account for regional cost differences.

What can new daycares set their Child Care Fees at?

For newly licensed programs signing the 2024/2025 Affordability Grant Agreement between January 30 and March 31, 2025, or programs previously licensed but adding new age groups to their license during this time period, please contact your Licensing Officer to receive the Daycare Maximum Regional Benchmarks applicable between January 30 and March 31, 2025.

To keep the system more equitable, effective April 1, 2025, new licensed programs and existing programs adding a new age group to their license must set full-time (100+ hours) 2025/2026 Child Care Fees at or below new regional maximum benchmark that is at approximately the mid-point of the minimum and maximum benchmarks for existing child care spaces. Part-time fees must be set at or below 65 per cent of their full-time Child Care Fee.

How does the new Affordability Funding approach affect programs with daycares and preschools?

Similar to current state, a program that offers both daycare and preschool programming will have two sets of Schedule A fees, one with their preschool Affordability Funding rate and one for their daycare Affordability Funding rate.

In alignment with current practice, children registered in more than one type of care and operated under the same license can only be claimed once. This means that if a parent registers their child in a preschool operated within a daycare that their child is also attending, the child can only be claimed once for Affordability Funding, with either the preschool funding amount or daycare funding amount.

What if I opt out of signing the 2025/2026 Affordability Grant?

Daycares that choose not to sign the 2025/2026 Affordability Grant Agreement will not be eligible to receive the integrated suite of child care funding offered by government, including wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators.

Programs with a combination of daycare, OSC and/or preschool that choose not to sign the 2025/2026 Affordability Grant Agreement will not be eligible to receive any funding from the full suite of child care funding, including wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators. This includes all early childhood educators associated with the OSC program.

Family Day Home Affordability Funding Approach

What are my new 2025/2026 Regional FDH Child Care Fees?

Starting April 1, 2025, full and part-time Regional FDH Child Care Fees are being established for all FDHs based on seven regions and two age categories: infants (under 19 months) and children between 19 months and kindergarten-age (requiring child care during school hours). Part-time Child Care Fees are equivalent to 65 per cent of the full-time Regional FDH Child Care Fees.

These newly established Regional FDH Child Care Fees account for Cost Increase Replacement Funding, inflation, and the $150 Infant Care Incentive which was previously added separately from Affordability Funding.

How do I calculate my Affordability Funding rate?

The Affordability Funding rate a program will receive per enrolled child each month will be calculated by subtracting the monthly parent fee of $326.25 for full-time or $230 for part-time from the full or part-time Regional FDH Child Care Fee.

Why are there seven FDH regions?

The introduction of seven FDH regions enables the funding approach to better account for regional cost differences. Regional FDH Child Care Fees are based on the location of the FDH educator, which means FDH agencies may have FDH educators receiving different Child Care Fees depending on where their FDH educators are located across the province.

Will the new Affordability Funding approach affect my FDH Agency Contract?

No, there are no changes to the FDH Agency Contracts that were effective January 1, 2025. FDH Agencies will continue to receive reimbursement as outlined under the FDH Agency Contract to provide services outlined in the Family Day Home Standards Manual for Alberta. This includes any applicable rural educator modifiers, new educator modifiers they may be eligible for, as well as continuing to be able to charge educators a maximum of $550 per month to provide services that are outlined in the standards. The total reimbursement will include the base fee and any additional modifiers, which will form the total contract funding received by the Agency.

What if I opt out of signing the 2025/2026 Affordability Grant?

FDH Agencies that choose not to sign the 2025/2026 Affordability Grant Agreement will not be eligible to receive the integrated suite of child care funding offered by government, including wage top-up, professional development, release time, and employer contribution funding for their FDH educators.

Are wage top-up rates changing?

For FDH Agencies that sign the Affordability Grant Agreement, the current rates for wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators are not changing.

Optional Services and Supplemental Fees

For Daycare Operators and Family Day Homes

Can I charge parents supplemental fees?

Yes. Understanding that providers require flexibility to meet the needs of the families they serve, programs will be permitted to charge supplemental parent fees for services that are optional for parents. Programs will be required to report on optional services and the associated supplemental fees charged to parents.

These supplemental fees may be charged directly to parents and are in addition to the flat monthly parent fee.

Programs must provide parents a choice as to whether they will participate in and pay for an optional service, and preferential access to programs cannot be granted to families willing or able to pay for these optional services. Any mandatory supplemental parent fees currently being charged to parents must be optional as of April 1, 2025.

What are examples of optional services?

Examples of optional services where a supplemental parent fee may be charged include transportation, field trips, meals, extracurricular activities, or diapers. A supplemental parent fee may be charged for overnight care and extended hours care.

Can I charge late fees for missed payments?

Targeted fees for late pickup, late payments, or other punitive fees are permitted to be charged to parents. Programs will continue to be prohibited from charging additional general administrative, operational and equipment fees to parents.

Do I have to charge supplemental fees for optional services?

No, supplemental fees are not required to be charged to parents for optional services. Child care providers may choose to provide optional services for no additional supplemental fee.

Preschool Affordability Funding Approach

What will be changing for preschool programs?

Starting April 1, 2025, preschool programs:

- Will not be required to implement a flat monthly parent fee;
- Will be permitted to set Child Care Fees without restrictions or caps as many preschool programs have already achieved a parent fee of $15 per day or less;
- Will no longer receive Cost Increase Replacement Funding which was introduced to compensate programs for inflationary increases when they were not able to increase their Child Care Fees; and
- Will have an increase in their Affordability Funding rate up to $100 per enrolled child, up from $75 to account for inflationary increases and the discontinuation of Cost Increase Replacement Funding. The Affordability Funding rate will not exceed a preschool's Child Care Fees.

Will there be a flat monthly parent fee for preschools?

No. As opposed to a flat monthly parent fee, parents with children in preschools will instead have a reduction of up to $100 off their preschool program's stated monthly child care fees.

Although preschools will not have the same flat monthly parent fees as daycares and FDHs under the new Affordability Funding approach, most preschool fees are already at $15 a day or lower for parents.

What if I opt out of signing the 2025/2026 Affordability Grant?

Preschools that choose not to sign the 2025/2026 Affordability Grant Agreement will not be eligible to receive the integrated suite of child care funding offered by government, including wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators.

Programs with a combination of preschool, daycare and/or OSC that choose not to sign the 2025/2026 Affordability Grant Agreement will not be eligible to receive any funding from the full suite of child care funding, including wage top-up, professional development, release time, and employer contribution funding for certified early childhood educators. This includes all early childhood educators associated with the OSC program.