Child Care Now
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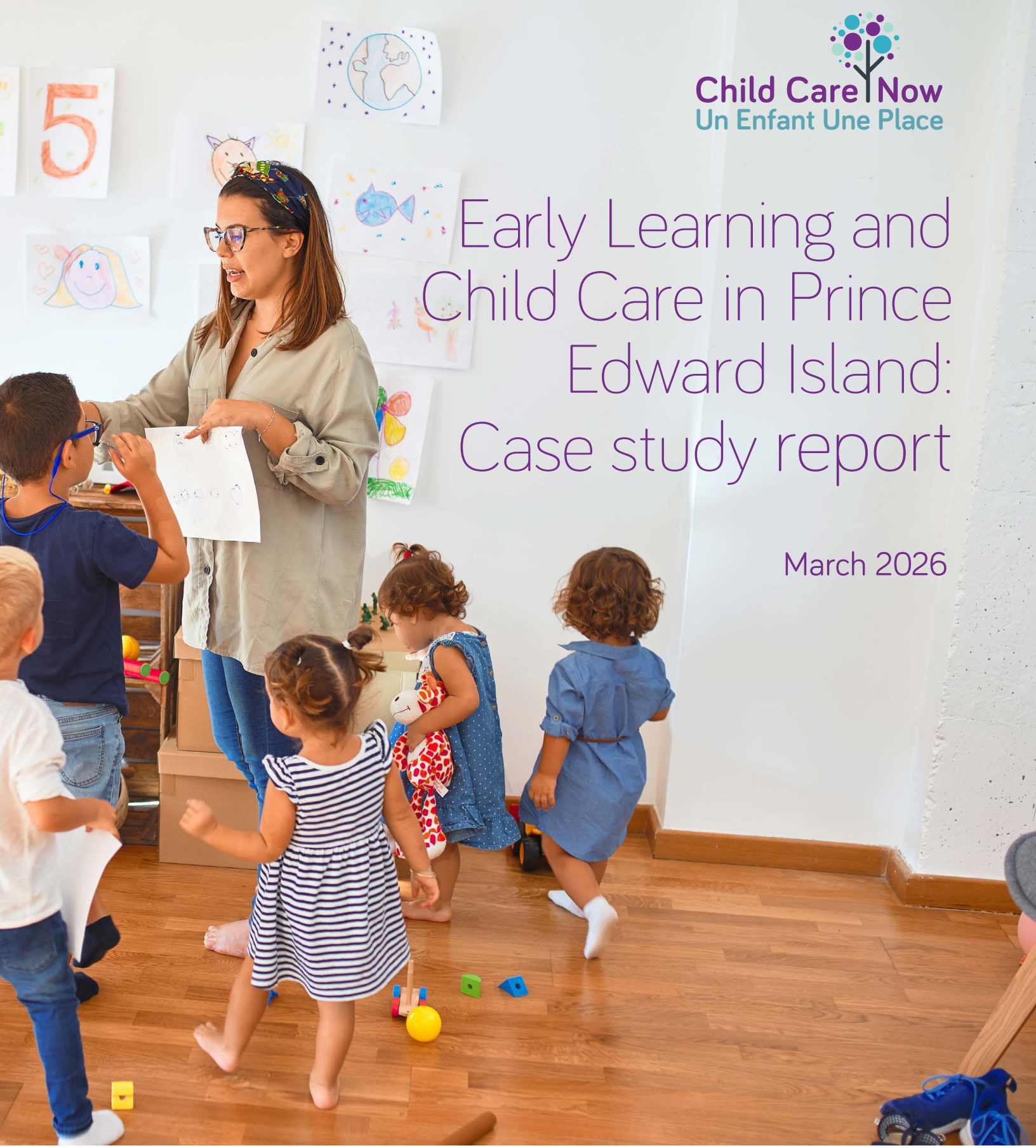
Early Learning and Child Care in Prince Edward Island: Case study report

March 2026



Growth by Design:
Expanding Early Learning and Child Care in Canada

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Growth by Design:
Expanding Early Learning
and Child Care in Canada

Land acknowledgement

Child Care Now's office is located on the unceded Anishinaabe Algonquin territory but our organization is active on the lands—ceded, unceded and contested—across Turtle Island. As a national advocacy organization, Child Care Now respects and affirms the inherent and Treaty Rights of all Indigenous Peoples across the lands and waters with whom we strive to work in solidarity. Child Care Now commits to the Truth and Reconciliation's 94 calls to action to redress the legacy of residential schools and advance the process of Canadian reconciliation. We note, in particular, Call #12 which calls upon all governments to develop culturally appropriate early childhood education programs for Indigenous families.

About this paper

This report is produced as part of a larger project funded by the Employment and Social Development Canada's Early Learning and Child Care Innovation Program, called 'Growth by Design: Expanding Early Learning and Child Care in Canada' (2023-2026).

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https://childcarenow.ca/growth-by-design/

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Our week-long visit encompassed consultations, key informant interviews, focus groups, and site visits in Charlottetown, Stratford, the rural municipalities of Kinkora, Hunter River, and the Abegweit First Nations community.

A very special acknowledgement is reserved for Jenn Nangreaves, the Executive Director of the Early Childhood Development Association (ECDA). Jenn's dedication was instrumental to the success of the case study visit. Her coordination of the focus groups, facilitation of multiple site visits, attendance at numerous meetings, and thorough note-taking, ensured we gained deep, comprehensive insights into the PEI early learning and child care sector.

Introduction

Growth by Design, Child Care Now's federally funded Innovation Project, is examining and promoting innovative strategies to support the sustainable expansion of public and not-for-profit Early Learning and Child Care (ELCC) in Canada. As part of this work, seven provincial and territorial case studies are being undertaken—in Newfoundland and Labrador, Prince Edward Island, Nova Scotia, Ontario, Manitoba, British Columbia, and Nunavut. Each case study aims to identify promising approaches to ELCC expansion and to explore policies and practices that enhance equitable access for families.

The case studies focus primarily on the expansion of public and not-for-profit Early Learning and Child Care (ELCC) services. While the central emphasis is on expansion—both physical and operational—it also encompasses the broader policy and programmatic environment that enables or constrains growth. This includes examination of key systemic supports such as workforce recruitment and retention strategies, funding formulas, governance structures, and measures aimed at ensuring equitable access to high-quality child care for underserved populations.

The case study activities include:

- A thorough review of government websites and documents, policy frameworks, and public reports related to ELCC
- Compilation and analysis of relevant data from successive editions of *Early Childhood Education and Care in Canada*
- Key informant interviews and meetings with provincial government officials, provincial child care associations, ELCC administrators and other key stakeholders
- Focus groups with child care operators and frontline staff to gather perspectives on workforce, funding, and service delivery challenges;
- Site visits to a range of early learning and child care programs, providing insights into local implementation, infrastructure, and experiences with expansion[1].

This document provides an overview of the ELCC landscape in PEI—including details on regulated child care spaces and public funding prior to the implementation of the Canada-Wide Early Learning and Child Care (CWELCC) system. It outlines PEI's key commitments under the CWELCC funding agreement relevant to expansion, summarizes site visits and stakeholder engagement activities undertaken in the province, and highlights emerging themes and findings. These findings will continue to be updated over the life of the project as new developments unfold.

1 Site visits, interviews and focus groups were undertaken in PEI in March, 2025.

The context for Early Learning and Child Care in Prince Edward Island

According to the 2021 Census, Prince Edward Island had a population of 154,331, which represented an 8% increase from 2016 and significantly outpaced the national growth rate of 5.2%. By April 1, 2025, provincial estimates from Statistics Canada placed the population at 180,029. Despite this growth, PEI remains a largely rural province with only three cities having a population of more than 5,000.

In 2021, the province had 20,800 children aged 0-12, a number that grew to 21,300 by 2024. The labour force participation rate for mothers was high, reaching 86.4% for those with a youngest child aged 0–5 in 2021, and rising to 86.7% by 2024. Similarly, for mothers with a youngest child aged 6–12, the rate was 86.3% in 2021, increasing to 88.5% in 2024.

Key organizational structures

In Prince Edward Island, Early Learning and Child Care is the responsibility of the Department of Education and Early years. PEI's ELCC system is supported by two key bodies: the Early Learning and Child Care Board and the Early Childhood Development Association (ECDA).

The Early Learning and Child Care Board is composed of nine members appointed by the Minister, including:

- one employee of the Environmental Health Office of the Department of Health and Wellness
- one employee of the Department of Education and Early Years
- one representative of La Fédération des Parents de l'Île-du-Prince-Édouard Inc.
- two representatives of the Early Childhood Development Association
- three members of the public at large, with one representative for each county
- one public officer, appointed by the Minister to be chairperson

The responsibilities of the Board include licensing child care facilities, issuing certificates to qualified staff, advising on standards and qualifications, and monitoring facilities to ensure they adhere to prescribed standards.

The Early Childhood Development Association (ECDA) was established in 1974 to support Early Childhood Educators in delivering high-quality services. The association receives core and project-based funding from the provincial government, with additional revenue from membership fees and professional development events. The ECDA's functions include:

- Administering a comprehensive benefits program for members.
- Managing the defined contribution pension plan for Early Years Centre (EYC) staff.
- Managing the province's centralized child care waitlist system.
- Delivering the majority of professional learning and development opportunities in the sector.

The ECDA also conducts research projects for the government and engages the sector through committees. The ECDA maintains a close working relationship with the Department of Education and Early Years, with its leadership meeting regularly with the Assistant Deputy Minister and ELCC Director. This collaboration allows for strong policy influence, though it requires the Association to carefully balance its role as a government partner with its mandate as an independent voice for the sector. Child care provision in PEI

The predominant form of licensed child care in PEI is Early Years Centres (EYCs), which accounts for more than 90% of full day centre-based programs.

The Canada-Prince Edward Island Canada-Wide Early Learning and Child Care Agreement

Prince Edward Island signed the Canada-Prince Edward Island Canada-Wide Early Learning and Child Care Agreement (CWELCC) on July 27, 2021. The agreement allocated $117,717,269 over five years. In 2021-2022 PEI was allocated $13,651,009, with amounts increasing each year and reaching $32,679,018 by year five. Among the initiatives in its first Action Plan, PEI committed to:

- Increase the net number of licensed spaces for children from birth to school entry to a coverage rate of at least 59% full-time equivalent spaces by the end of fiscal year 2025 to 2026. The spaces were to be created predominantly in not-for-profit, public early learning and child care providers/operations, as well as in family home child care.
- By 2023, increase full time equivalent spaces for children 0-4 by 452, of which 126 would be in family home child care. Priority was to infant and toddler spaces, underserved and rural communities, and inclusive spaces for children with extra support needs.
- Reduce average daily fees in Early Years Centres to $25/day in January 2022, $20/day in October 2022 and $15/day in December 2022, and to an average of $10/day by the end of 2024.

Recent history of early learning and child care in Prince Edward Island

In 2010, PEI undertook major reforms to the organization, management, and funding of early learning and child care (ELCC).

Kindergarten moved to the school system

In September 2010, kindergarten was formally transitioned from the child care sector to the public school system in Prince Edward Island. Previously, it had been offered as a part-day program through licensed child care centres and was publicly funded beginning in 2000.

The decision to integrate kindergarten into the school system was announced in the 2008 Speech from the Throne, followed by the creation of a Public Kindergarten Commission in May 2008. The Commission's final report, released in June 2009, recommended that kindergarten become a compulsory, full-day program, to be initially staffed by Early Childhood Educators (ECEs) holding a two-year diploma and at least one year of experience in a PEI kindergarten setting.

ECEs who transitioned to the school system were given a designated period to complete a Bachelor of Education degree to meet new certification requirements.

A comprehensive review and transformation of early learning and child care in PEI

Recognizing the potential impact of experienced Early Childhood Educators (ECEs) moving to the school system, the Public Kindergarten Commission recommended a comprehensive review of early learning and child care in Prince Edward Island. This review was conducted by Kathleen Flanagan and Associates, resulting in the 2010 report, *Early Years Report: Early Learning in PEI – An Investment in the Island's Future*.

The report was based on: extensive consultations with parents and early childhood stakeholders, international research and expertise, a comprehensive literature review, and an online parent survey. It focused on building a cohesive early childhood system, with an emphasis on governance, access, quality, and sustainability.

Launch of the Preschool Excellence Initiative

In May 2010, the PEI government launched *Securing the Future for Our Children: Preschool Excellence Initiative*—a system-wide plan to implement broad and significant reforms, guided by the recommendations of the Early Years Report, with significant involvement of the ECDA.

Establishment of Early Years Centres

A core element of the initiative was the establishment of Early Years Centres (EYCs) for children 0-4, introduced in September 2010, with funding provided under a new operational model. EYCs were required to meet a set of criteria that went beyond basic provincial licensing regulations.

Requirements for Early Years Centre designation

To be eligible for Early Years Centre designation, operators were required to to meet the following conditions:

- Be licensed as an early childhood centre and in good standing with the Early Learning and Child Care Board which will include the six months prior to date of application[2]

2 In April 2024, licensed early childhood centres were no longer required to be in operation for six months before applying for early Years Centre designation. New applicants could apply for both an early childhood centre licence Probationary Early Years Centre designation at the same time. This means that new centres no longer had to wait to receive the core operating funding that enabled them to pay staff at the wage scale, while charging parents fees at $10/day.

- A minimum centre size of 40 children[3]
- Provision of infant care
- Inclusion of children with additional support needs
- Establishment of a parent advisory committee
- Staff compensation aligned with the mandated provincial wage scale
- Provincially regulated parent fees
- Participation in quality improvement initiatives and research/evaluation activities
- All staff (except support staff) certified at least as an Early Childhood Intern (formerly known as an ECE Level 1), or enrolled in courses to obtain an Early Childhood Intern certification[4]
- Membership in the Early Childhood Development Association (ECDA) for all certified staff
- Use of the province-wide child care registry
- As of 2011, use of the PEI Early Learning Framework

Operators who met the criteria could apply for designation, while others could choose to remain as non-designated ("private") centres[5]. Designation was implemented gradually, and by 2024, over 92% of licensed early childhood centres in PEI were designated Early Years Centres. The criteria were revised in April 2024 to reflect evolving standards and practices.

Regulated parent fees

When EYCs were introduced in 2010, the government set regulated daily parent fees at:

- $32/day for infants (later increased to $34/day)
- $26/day for toddlers (later increased to $28/day)
- $25/day for preschoolers (later increased to $27/day)

Fees were reduced for all children enrolled in EYCs as part of PEI's participation in CWELCC:

- To $25/day as of January 1, 2022
- To $20/day on October 1, 2022
- To $10/day on January 1, 2024

In September, 2021, PEI introduced the Universal Pre-Kindergarten Program for all four-year olds. The program is delivered free of charge, for 15 hours/week in licensed early childhood centres. Fees apply for children who attend an early learning program beyond the 15 hours.

3 The Early Years Centre Designation Criteria, revised in April 2024 no longer require a 40-space minimum.

4 ECE Intern certification requires successful completion of a 30-hour course approved by the Board in each of the following: child growth and development, child guidance and early childhood pedagogy.

5 Private centres in PEI refer to early childhood centres that have not been received, or applied for Early Years Centre designation. They are typically, small owner-operated programs. Private centres receive some public funding, but they do not receive the same core operational funding as Early Centres, nor are they required to charge a maximum of $10/day.

Compensation and related workforce investments

PEI was one of the first jurisdictions in Canada to implement a province-wide ECE wage scale, though initial rates were low and not competitive with comparable occupations in other sectors.

Wage Grid for staff working in Early Years Centres 2010[6]

Position	Education completed	Experience after certification				
		1 year or less	2 years	3 years	4 years	5 years or more
Director (Level 3)	Post Diploma / Degree	$21.00	$21.63	$22.28	$22.95	$23.64
Level 2	2-year Diploma	$15.00	$15.45	$15.91	$16.38	$16.68
Level 1	1-year certificate	$13.50	$13.91	$14.33	$14.75	$15.17
Entry Level	90 hours of coursework	$12.00	$12.36	$12.73	$13.11	$13.50

The 2019 PEI Workforce Strategy Project recommended immediate wage increases of $1–$3/hour, depending on certification level, and a revised, competitive wage structure within five years.

Increases to the wage scale were implemented in:

- October 2020
- October 2021
- April 2024

The current wage scale sets compensation based on position, certification level, and years of experience.

6 Childcare Resource and Research Unit (2012) Public Investments in Early Childhood Education and Care in Canada 2010

Wage Grid for staff working in Early Years Centres 2010[7]

Position	Education completed	Experience after certification				
		1 year or less	2 years	3 years	4 years	5 years or more
Director**	Post Diploma / Degree	$35.45	$36.19	$36.95	$37.50	$38.50
Early Childhood Educator	2-year Diploma	$29.15	$29.62	$30.10	$30.59	$31.12
Early Childhood Associate	1-year certificate	$21.77	$22.19	$22.63	$23.08	$23.51
Early Childhood Intern	3x30 hours ECE courses	$19.00				
Cook	N/A	$17.93				
Uncertified	N/A	minimum wage				
Support Staff	N/A	minimum wage				

* Staff must have completed the education level required and have become certified by the Early Learning and Child Care Board to start the associated pay band

**Funding for the Director position remains at the start level of the pay band until the Director obtains the required educational credentials assessed by the Manager of Licensing and Compliance.

Pedagogical support

In 2022-2023, PEI added pedagogical support positions into the funding formula for EYCs. These positions are in addition to the staff required to meet the regulated staff to child ratio. They are intended to allow staff release time from their regular duties for planning, documentation and observation.

Defined contribution pension plan

In 2023, PEI introduced a defined contribution pension plan for staff in EYCs. All staff who have three months employment and work at least 20 hours a week are enrolled in the pension plan, which is administered by the ECDA.[8]

Regulatory changes

A number of regulatory amendments came into effect on December 30, 2023. These included:

- Updated ECE certification titles
- Increased centre capacity limits from 80 to 125 children
- Increased maximum infant group size from six to 12
- Allowing new staff up to eight weeks to complete CPR and first aid requirements, providing at least one certified staff is always present

7 Source: PEI wage grid: Effective October 1, 2025

8 Further information about pension plans can be found here

Operational funding model for Early Years Centres

The set fee and mandatory wage scale are publicly funded through a funding formula that is made up of wages, benefits and operating costs, less a portion of the set parent fee.

Wages and benefits account for 80% of a centre's funded budget. Staff are paid according to the wage scale, based on their position, level of certification and years of experience. Additional staffing is built into the budget to cover time out of ratio (for example, for planning, staff meetings, documentation, meeting with parents, etc.). Wages for cooks are also built into the budget.

The remaining 20% is intended to cover operating costs. Once the full cost of operating the centre is calculated, 90% of revenue collected as per the provincially set parent fees is deducted from the core funding amount provided by the province.

Funding for Early Learning and Child Care expansion

In 2023-2024, PEI introduced a number of funding initiatives to assist with the expansion of ELCC spaces, in both Early Years Centres and family child care homes.

Funding for the expansion of Early Years Centres

Low-Interest Loan Program

The Department of Education and Early Years launched a low-interest pilot program in partnership with Finance PEI. Approved loans are to a maximum of 80% of the cost, at a fixed rate of 3% per annum for five years and amortized over a period of up to 20 years. Loans are interest-free for up to 12 months during the construction period or the date of substantial completion. Recipients of the low-interest loan scheme are also eligible for additional capital grant funds, amounting to 20% of the total project costs of new construction or expansion, up to a maximum of $200,000 per project.

Eligible Applicants include:

- Early Years Centre operators
- Non-profits, community-based/service organizations, municipalities and private sector companies with a partnership affiliation with an Early Years Centre
- Individuals intending to become designated as an Early Years Centre

The facility must maintain child care spaces for a minimum of 20 years.

Applications for the low-interest loan programs closed on January 17, 2025.

Early Years Centre Capital Expansion Grant

Under the Expansion Capital grant, operators were eligible for a maximum of $200,000 to support construction, renovations and/or purchase of equipment for eligible projects. Applications for this grant closed on January 17, 2025.

Non-Profit Organization Child care Start-Up Grant

This grant replaced the Capital Expansion Grant effective February 2025. Applicants may receive up to a total of $200,000 through this grant for construction and renovation costs.

Eligible costs include:

- 20% of project costs for new construction, building purchase and fit-up
- Materials and/or equipment required for licensing or designation

In multi-purpose buildings, the grant can only be applied to the portion of the building used for child care. Applications are accepted until October 31, 2025. The facility must be used for child care for a minimum of five years.

Architecture Fee Reimbursement Grant

Applicants can receive 80% of architecture costs, up to a maximum of $80,000.

Early Learning and Child Care Business Plan Grant

The Early Learning and Child Care Business Plan Grant is a one-time grant up to $4,000 or 80 percent of the cost of a certified business advisor to develop a business plan for planning a new EYC, or expanding an existing EYC.

As of May 2025, 25 centres had received the Expansion Capital Grant and/or the Low Interest Loan Pilot. As of May 2025, 13 are operating, 11 are expected to open by September 2025, and one is yet to be determined. In total, 402 spaces were operational, with a further 300-400 expected to be created.

Of the 25 centres that received capital funding, 6 are not-for-profit centres, and 19 are for-profit.

Funding for the expansion of family child care homes

In November 2022 the province introduced the Quality Enhancement Grant for family child care homes to encourage more people to open a licensed family home childcare. The Quality Enhancement Grant offered up to $25,000 and annual grant of up to $18,000. In October 2023 this was replaced with four grants for family home child care centres:

- Family Home Centre Capital Grant - up to $15,000 toward modification of physical space
- Infant Programming Incentive - up to $5,000 toward items geared for infants (cribs, change tables rocking chairs, strollers, etc)
- Family Home Centre Operational Grant - $19,000 per year
- Family Home Centre Licensing initiative - $3,000 to encourage unlicensed providers to become licensed

Growth in child care spaces

Prince Edward Island has experienced steady growth in licensed child care capacity, spanning centre-based and family home settings. This expansion includes both CWELCC-funded spaces (ages 0–5) and school-age care. Since 2019—the baseline year for CWELCC expansion—the province has added 1,339 spaces across all categories. By 2024, PEI reported a total of 7,032 licensed spaces, providing coverage for 33% of children aged 0–12. Specifically, the 4,258 centre-based spaces designated for children aged 0–5 resulted in a 46% coverage rate for that demographic.

Figure 1 on the next page, shows the growth in centre spaces and **Figure 2** shows the growth in the number of family home centre (regulated family child care) spaces during the same period.[9]

9 Source for all space information: Friendly et al (2019, 2021, 2023, 2024) Early childhood education and care in Canada

Figure 1: Number of licensed centre-based child care spaces, by type, 2019 to 2024

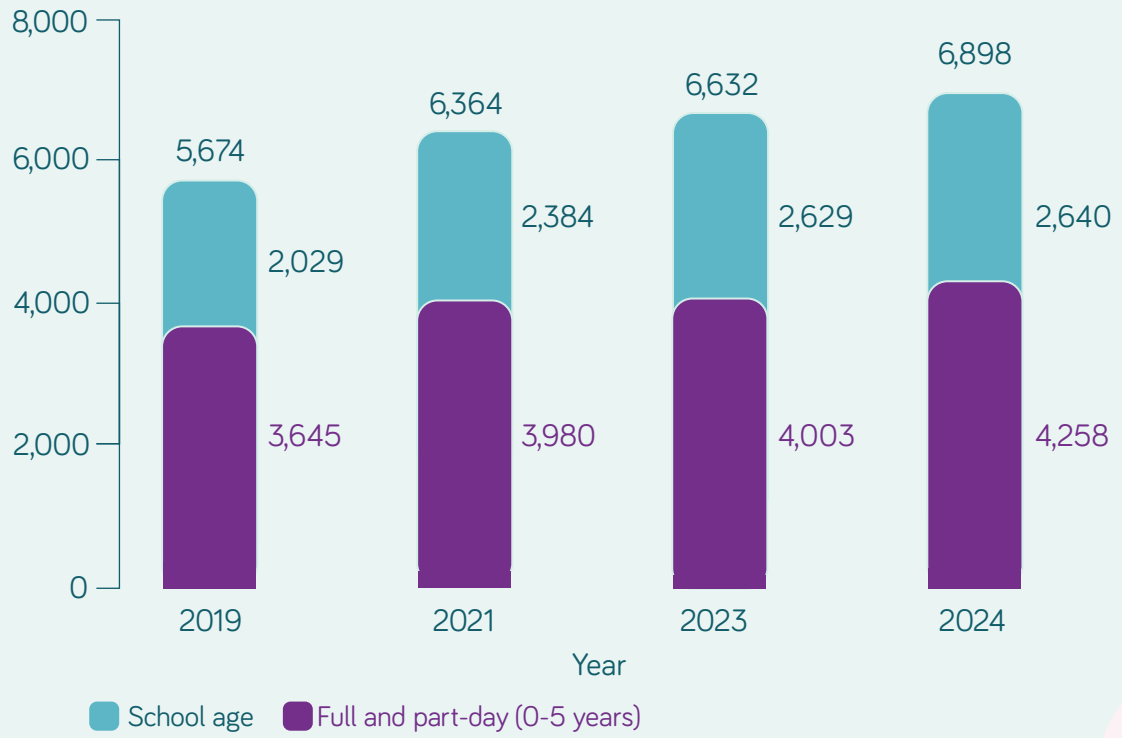
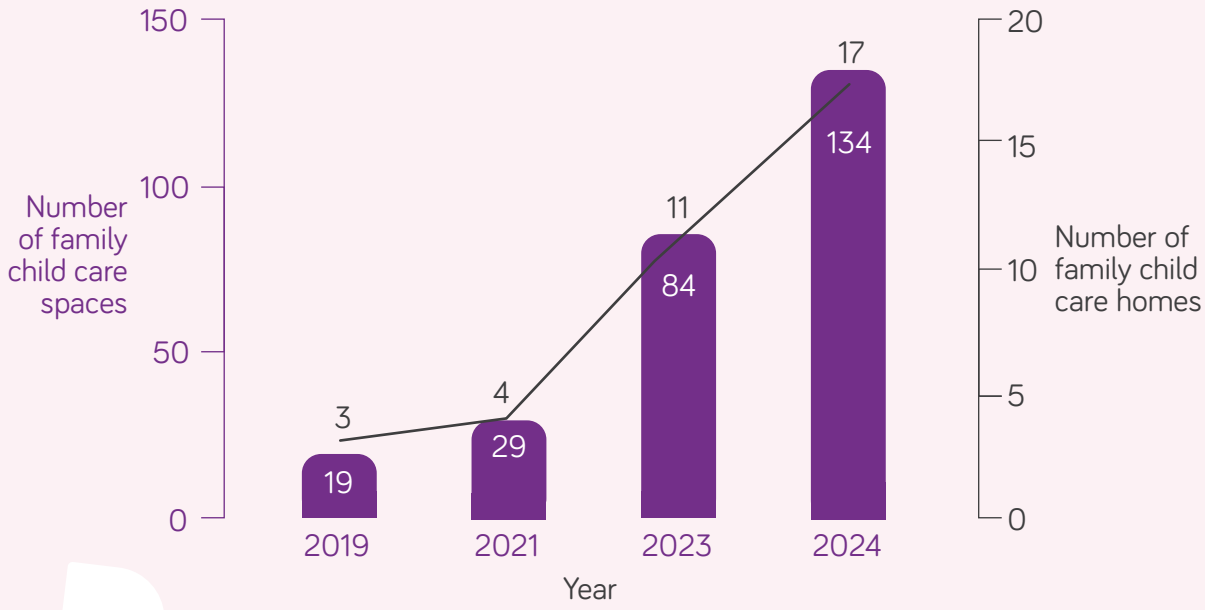


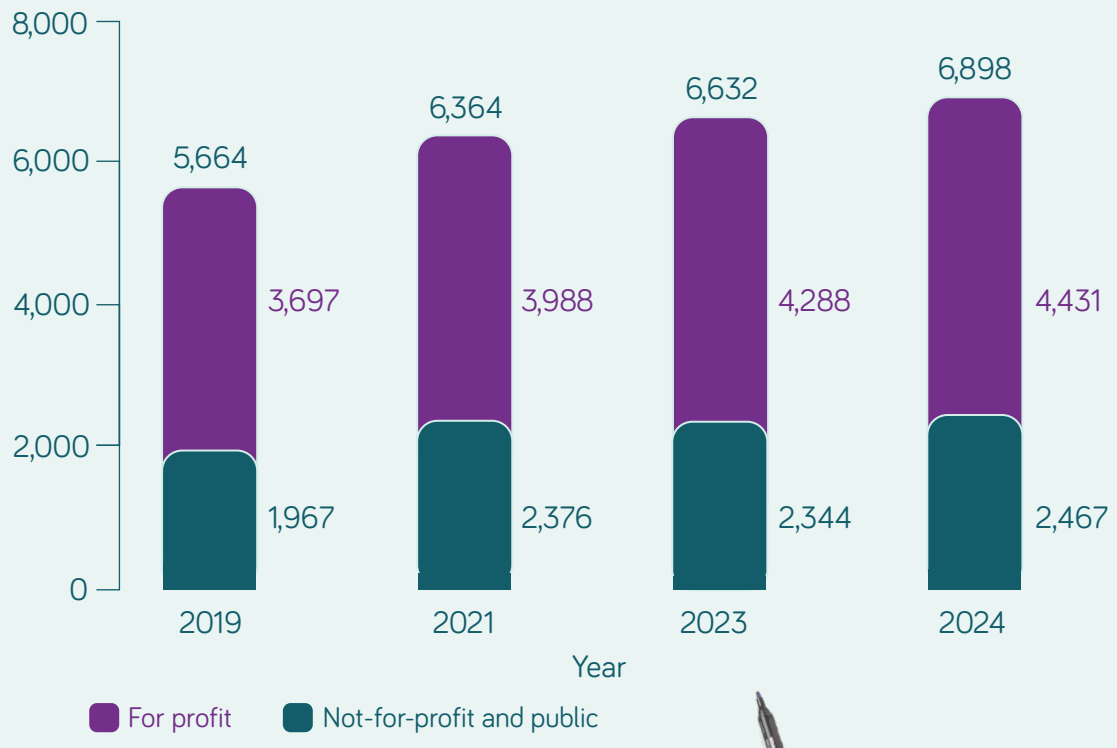
Figure 2: Number of family child care spaces and share of all spaces, Canada-wide, 2021 and 2025



In the Canada-Prince Edward Island Canada-Wide Early Learning and Child Care Agreement, PEI commits that: "federal funding will be used predominantly to support not-for-profit, public early learning and child care providers/ operations, as well as family home child care." PEI typically does not distinguish between profit and for-profit operations, but on Early Years designation. However, since the CWELCC agreement notes the priority for not-for-profit and public expansion in all jurisdictions, growth by auspice is examined.

Since 2019, the balance between non-profit and for-profit spaces has remained fairly constant, with 65% of centre spaces for children 0-12 in centres that were for-profit operations in 2019, and 64% in 2024. Overall, non-profit centre spaces increased by 500 and for-profit spaces increased by 749 spaces.

Figure 3: Total number of 0-12 centre-based spaces, by auspice, PEI, 2019 to 2024



Typically, there is a higher percentage of full and part-day spaces for children 0-5 that are for profit than for all centre spaces for children 0-12. In 2019, 69% of spaces for children 0-5 were for-profit. While there were still more for-profit than non-profit and public spaces in 2024 (4,431 and 2,467 respectively) the percentage of for-profit spaces for children 0-5 was down to 67%.

Figure 4: Total number of 0-5 centre-based spaces, by auspice, PEI, 2019 to 2024

Key findings from consultations and site visits

Activities undertaken during the case study visit in Prince Edward Island

A week-long visit to Prince Edward Island included consultations with government officials and key stakeholder organizations, key informant interviews, focus groups, and child care centre site visits. The trip encompassed Charlottetown, as well as the rural municipalities of Stratford, Kinkora, Hunter River, and the Abegweit First Nations community on the Scotchford reserve. The following activities were part of the case study:

Key informant interviews were held with:

- The Assistant Deputy Minister and ELCC Director in the Department of Education and Early Years
- Early Years team leaders responsible for ELCC in the Department of Education and Early Years
- The Executive Director of the Early Childhood Development Association (ECDA)
- The Chief Administrative Officer of the Rural Municipality of Kinkora
- The Assistant Director of the Association of French-speaking Early Childhood Centres
- The Program Administrator and Smart Start Coordinator from Chances Family Centre
- An instructor in the Early Childhood Care and Education program at Holland College

Site visits to and discussions were held with the directors/administrators of:

- Kinkora Early Learning and Child Care Centre.
- Hunter River Early Learning Centre
- CHANCES Smart Start Murphy's
- Abegweit First Nations Early Childhood Centre
- Little Ducklings Child Care
- Centre de la Petite Enfance L'Île Enchantée

Focus groups

Focus groups were held with the ECDA Board of Directors, the ECDA Workforce Committee, child care owners/directors, and frontline ECEs.

Discussion with the Early Childhood Development Association Board of Directors

The ECDA Board of Directors includes a diverse mix of owners, directors, pedagogical staff, frontline educators, and a designated representative for francophone child care programs. Seven Board members participated in the focus group. They were asked about their roles, their perspectives on the impact of the Canada-Wide Early Learning and Child Care (CWELCC) Agreement on the association, and their views on workforce issues, expansion, and system-building. The members stated that they joined the Board to advocate for quality, support sector change, provide leadership, and stay connected to sector developments and decisions.

The members expressed a deep connection to the ECDA, noting its strong sense of community and ties to the sector. The ECDA is highly valued for its approachable leadership and ongoing dialogue, as well as the Executive Director's ability

to navigate system changes collaboratively with the government. Furthermore, the association is recognized for its extensive range of professional development (PD) offerings, providing 80–100 sessions annually, which are responsive to the sector's needs.

The relationship between the ECDA and the Department of Education and Early Years is strong and collaborative, with the government viewing the ECDA as a trusted partner and advocate. Regular meetings are held every six weeks with the ELCC Director and Assistant Deputy Minister, along with yearly meetings with the Minister. The Board collectively decides on its positions before meeting with the government, and issues are addressed respectfully behind closed doors rather than through the media.

Board members identified both positive impacts and challenges from the CWELCC Agreement. Positive changes included increased professionalism and public respect for the sector, as well as a significant growth in ECDA membership, from 300-400 to over 1,300 members. The association's role also expanded to include administering pensions, benefits, and various projects. However, the challenges noted were a significant increase in workload for both the ECDA and the child care centres, and the concern that expansion efforts often strain quality due to staffing gaps.

Summary of main themes from all focus groups and interviews (ECDA workforce committee members, child care owners and directors, and front line educators)

Positive impacts of CWELCC

Participants overwhelmingly noted that the Canada-Wide Early Learning and Child Care (CWELCC) Agreement has led to greater professional recognition and a perception of early learning as a true career rather than "just babysitting". The access to benefits and the introduction of a provincial wage grid and pensions has improved staff retention and morale.

Workforce challenges and supports

Despite the positive developments, staffing remains the single biggest operational challenge. Recruitment, particularly in rural areas, is difficult, and many centres rely heavily on international staff who are in Canada on work visas. Turnover is highest among uncertified staff and those with less experience.

Steps to Success, a training initiative designed to assist people start a career as an Early Childhood Educator has resulted in an increase in the number of individuals entering the field. It is funded by the provincial government's Department of Workforce, Advanced Learning, and Population and administered by the Early Childhood Development Association of PEI.

The program provides participants with a pathway to become certified as an Early Childhood Intern, which is the first level of ECE certification in PEI. Participants work full-time at a licensed child care centre for a 35-week period. They also take three introductory ECE courses at Holland College, with all fees and materials covered. Once participants have completed the program, they are eligible for Holland College's Accelerated Early Childhood Education program, which provides an accelerated path to ECE certification at either a certificate or diploma level.

Since its launch in 2020, the program has provided training to over 100 participants. In the first two cohorts, the program had a high employment success rate, with 92% and 88% of participants hired after completing the program, respectively.

While accelerated training programs and the Steps to Success pathway are valued, there are

concerns that condensed courses may not provide sufficient practical preparation. The new wage grid is appreciated, but the fact that it caps at five years limits recognition for long-serving staff.

The wage grid, pension, and benefits have improved staff retention and morale. Directors are calling for the creation of assistant director roles to help manage the administrative load of expanding sites and prevent director burnout. Although pedagogical support is valued, its implementation is inconsistent and is often used as a substitute for mentorship, planning, or quality improvement.

Expansion pressures

Expansion is frequently driven by government targets rather than the readiness of operators. A key concern is that quality may be compromised as centres grow larger, particularly with regulatory change allowing an increase in maximum capacity from 80 to 125 children. Operators also struggle to navigate the regulatory hurdles, such as licensing, fire codes, and municipal zoning, without a clear government liaison or a coordinated team. Under current conditions, many directors would not recommend expansion without more streamlined processes.

Many would prefer smaller expansions or additional licenses instead of being pressured into creating what directors referred to as "mega-centres" with 125 children. While there is high demand for further growth, operators in centres that have the physical space are often hesitant to expand because there is no funding for assistant director positions—an increasingly essential role to relieve overburdened directors. Directors are frequently overstretched, managing multiple responsibilities from finances and human resources to maintenance and payroll.

Importantly, directors voiced concern that expansion is sometimes pursued at the expense of program quality, especially when operational and staffing supports don't grow alongside physical capacity. Some also report inadequate staff facilities, such as resorting to using furnace rooms or cubbies for documentation and meetings.

Funding and governance

While the operational funding model is praised for covering wages and some costs, it doesn't adequately cover expenses like rent and mortgages. Also, centres operate on tight margins and are vulnerable to sudden cost changes to which the operational funding doesn't always respond. There is also a call for increased transparency within the government's funding administration.

Participants generally described their relationship with the government and the ECDA as positive and collaborative. However, some expressed concern that publicly managed systems could undermine operator autonomy and child-led programming.

Pedagogical and inclusion support

The pedagogical support role funded by the provincial government is highly valued when implemented effectively for mentoring, planning, and quality improvement. However, its use is inconsistent, and the role is sometimes used for substitute coverage instead of pedagogical leadership. Educators desire clearer guidelines and standardized expectations for this position. The quality of support from government coaches varies; some are highly supportive, while others seem disconnected from frontline realities.

Inclusion supports are essential for children with diverse needs, but they are often tied to individual children, creating job insecurity for staff and challenges in hiring for contract-based positions. The use of these supports also varies, with some staff being deployed as general classroom support even when not needed for one-on-one care.

School age programs

School-age care programs face acute sustainability challenges. Staff in these programs are not included in the provincial wage grid or pension plans, making recruitment and retention difficult. As a result, some operators have opted to close school-age programs in favour of expanding pre-kindergarten services, which receive operational funding. Many directors strongly support moving school-age programs into schools, feeling that the current provision is more like care than education and is often in unsuitable space.

Relationship with government

The relationship between operators and government is generally viewed as positive and collaborative, rooted in long-standing relationships with key officials who understand the realities of ELCC. Participants prefer behind-the-scenes advocacy over public campaigns, valuing the government's responsiveness. Despite the many challenges, directors, educators, and board members remain deeply committed, motivated by their relationships with children, families, and staff, and their pride in their roles as leaders and advocates for children's well-being.

Motivation and Commitment

Despite ongoing challenges, directors, educators, and board members consistently express a deep commitment to their work. They are motivated by strong relationships with children, families, and colleagues, and by the sense of purpose that comes from contributing to community-building and sector transformation. There is evident pride in their roles as leaders, mentors, and advocates for children's well-being.

Additional supports for some centres have facilitated expansion

The Abegweit First Nation benefits from a band employment structure and a federal pension, with expansion plans tied to housing growth. They receive additional funding from multiple federal sources, including Indigenous Services Canada and the Indigenous Early Learning and Child Care Framework.

Francophone centres, operated by the Association of Francophone Early Childhood Centres of Prince Edward Island, benefit from strong community integration and receive Canadian Heritage funding for expansion. They also operate in rent-free spaces within schools, with significant support from the francophone school board.

Larger organizations, like CHANCES, benefit from a robust administrative infrastructure that supports sustainability and expansion. Boards also play an important strategic role, balancing the recommendations of their Executive Director with the needs of their communities.

The Rural Municipality of Kinkora is one of the few public entities in Atlantic Canada to establish, operate, and expand a municipally run Early Years Centre and school-age program. Started in a community hall during COVID, as part of municipal operations, the centre received funding from the Atlantic Canada Opportunities Agency to support the development of a purpose built facility with increased spaces. It also received funding from Economic and Social Development to build an accessible playground.

Conclusions

The Prince Edward Island early learning and child care sector has demonstrated commitment, adaptability, and innovation in advancing the CWELCC goals. However, to translate this significant momentum into sustained, high-quality growth, the government must strategically address ongoing systemic challenges in infrastructure, workforce stability, and administrative coordination.

Considerations for non-profit and public expansion

While the CWELCC agreement committed to the expansion of predominantly non-profit, public providers, the PEI case study findings suggest specific policy steps are needed to accelerate this goal.

Despite the commitments under CWELCC, 19 of the 25 centers that received capital funding as of May 2025 were for-profit and only six were non-profit. To strategically encourage non-profit growth, capital funding streams (such as the Non-Profit Organization Child Care Start-Up Grant) should be prioritized and sustained specifically for non-profit organizations and public entities that commit to the perpetual delivery of quality Early Years centres.

Multi-site non-profit organizations, such as CHANCES and the Association of Francophone Early Childhood Centres of Prince Edward Island, have a greater inherent capacity for viable expansion due to their established robust administrative infrastructure and strategic governance. These larger entities may be better positioned to navigate the complex challenges of funding, human resources, and facility development compared to smaller, single-site operators. The Department may wish to consider encouraging and facilitating amalgamation of smaller non-profit operators. Amalgamation would allow for the creation of infrastructure that can handle complex responsibilities like financing, human resources, payroll, and maintenance. Larger organizations may be better equipped to implement strong human resource policies and supports, leading to improved recruitment and retention.

The success of the Rural Municipality of Kinkora in establishing and expanding a municipally run Early Years Centre and school-age program offers

a model for achieving more publicly delivered not-for-profit ELCC. Governments should provide targeted support, grants, and technical assistance to other municipalities and school boards to encourage them to become direct operators or sponsors of new non-profit spaces.

Investing in leadership and workforce stability

Sustaining expansion requires a dual focus on investing in both leadership and the broader workforce.

The current system places a significant strain on directors due to high administrative loads and the pressure to expand. To address this sustainably, the province needs to define a comprehensive staffing model for quality delivery. This process should determine the specific administrative structure—including the necessary ratio of directors and assistant directors—required to operate effectively. Formalizing these standards would ensure consistent, appropriate funding for leadership teams and eliminate the need for operators to rely on workarounds, such as licensing centres individually, to secure necessary resources.

For the wider workforce, there is strong support to extend the ELCC wage grid beyond the current five year cap to better recognize and retain long-serving, experienced staff.

Decoupling Individualized Support Assistant (ISA) funding from individual children would stabilize staffing for inclusion support, increase job security, and make it easier to hire and retain essential staff for children with diverse needs.

Enhancing the pedagogical support role and requiring higher certification levels for pedagogical staff would enable them to focus on mentorship rather than on substitution or acting as float staff. Building adequate float or regular part-time staff to cover staff breaks and absences into the funding formula would also help address staffing shortages.

Immigration policy and pathways must be better aligned with the sector's needs. Some centres have become heavily reliant on international staff, but recent changes to immigration processes have left these workers uncertain about their work visa renewals and their ability to remain in the country. This puts centres with significant numbers of staff on international work visas in a precarious position.

The need for coordinated planning and administrative support

Effective system transformation requires coordinated planning and robust administrative support.

The creation of dedicated expansion teams or navigators, including representatives from health, fire, building code, and municipal departments would help streamline facility approvals and remove significant hurdles for operators. Without this support, expansion is often pursued at the expense of program quality and operator well-being. While the introduction of pension plans, wage enhancements, and pedagogical support have positively impacted staffing retention and morale, more expansion funds are needed to meet community demand and ensure sustainable program growth.

Integration of school age care

Numerous directors and owners called for schools to play a bigger role in the provision of school age care. Moving school-age care to school jurisdictions could improve its sustainability by providing access to better-suited environments and freeing up ELCC operators to focus on early years expansion.

PEI's Foundation for Success

The Prince Edward Island early learning and child care sector has demonstrated dedication, adaptability, and innovation. The province instituted wage grids and set fees well in advance of CWELCC. The funding formula for Early Years Centres acts as an incentive for operators to recruit diploma-level ECEs, or to encourage staff with lower qualifications to upgrade. PEI is one of the few jurisdictions to recognize and compensate staff based on their level of certification, not on the minimum regulations. This means that the more the centre receives for wages and benefits (80% of the approved funding), the more they receive for other operating costs (the remaining 20%). The successful Steps to Success and accelerated ECE post-secondary certificate and diploma programs provide innovative pathways to become an early childhood educator.

The relationship between the PEI Department of Education and Early Years and the Early Childhood Development Association (ECDA) is generally described as strong and collaborative. The government views the ECDA as a trusted partner and advocate for the sector. This close working relationship allows the ECDA to keep the sector well-informed of policy developments and plans, and ensure that the concerns and issues of the sector are communicated to government in a timely manner.

By addressing these strategic areas, the PEI government can leverage the positive momentum of the CWELCC agreement and ensure that the early learning and child care sector continues to grow in a way that is both high-quality and sustainable.

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