



Auditor General
MANITOBA

Report to the Legislative Assembly

**Child Care Access and
Inclusivity in Manitoba**

Independent Assurance Report

WEBSITE VERSION



March 2026



In 2026, the Office of the Auditor General of Manitoba celebrates its 150th anniversary. Since 1876, provincial auditors have helped to ensure that public resources are managed effectively and responsibly. Today, as an independent officer of the Manitoba Legislative Assembly, the Auditor General proudly continues that legacy. The Office is dedicated to promoting government accountability and public administration excellence for all Manitobans.



Auditor General
MANITOBA

March 2026

Honourable Tom Lindsey
Speaker of the Legislative Assembly
Room 244, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Honourable Speaker:

It is an honour to submit my report, titled *Child Care Access and Inclusivity in Manitoba*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Section 28 of *The Auditor General Act*.

Respectfully submitted,

Tyson Shtykalo, FCPA, FCA
Auditor General

This page is intentionally left blank.

Table of contents

Auditor General's comments	1
Report Highlights	3
Background	5
Objective, scope and approach, and audit criteria	9
Conclusion, findings, and recommendations	11
1 The Department lacks critical information on child care demand	11
1.1 No provincial waitlist	12
1.2 Limitations in the demand model reduce usefulness of space planning tool	13
1.3 Space closures are not continuously monitored	14
2 No comprehensive plan to meet 23,000 new spaces and demand assessment needs improvement	15
2.1 Manitoba unlikely to meet 23,000 spaces without substantial new commitments	15
2.2 Action plans did not provide a comprehensive roadmap for meeting accessibility and inclusivity objectives	16
2.3 The Department responds to immediate demand but lacks a long-term strategy for child care expansion	18
2.4 The Department needs to improve workforce tracking to keep pace with space expansion	19
2.5 The Department needs to improve how it assesses current and future child care demand	21
3 Inclusion supports in place, but barriers to access exist	25
3.1 Eligibility for Inclusion Support Program funding was verifiable and supported	26
3.2 Barriers to eligibility limit access to Inclusion Support Program	27
3.3 Processes to provide inclusion support are in place	28
3.4 Expense eligibility for Enhancing Diversity and Inclusion grants not verified grants not verified	28
Appendix 1	31
Appendix 2	33
Methodology and assumptions	35
Additional information about the audit	39
Summary of recommendations and response from officials	41

This page is intentionally left blank.

Auditor General's comments

Access to affordable, high-quality, and inclusive child care is important to Manitoba's social and economic well-being. It supports children's development, enables parents to work or pursue education, and strengthens communities.

Like other provinces, Manitoba has long faced shortages of licensed child care spaces. Through the Canada-Wide Early Learning and Child Care (CWELCC) Agreement, the Province committed to expanding access by creating 23,000 additional not-for-profit spaces for children under seven.

We found Manitoba is unlikely to meet this commitment by March 31, 2026, the end date in the agreement. While the Department of Education and Early Childhood Learning has taken steps to create new spaces, it does not have a comprehensive plan on how to achieve its target

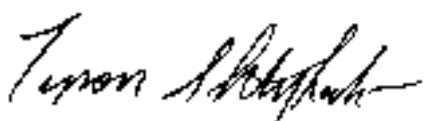
We noted a lack of sufficient data regarding demand, waitlists, and space closures. Without this, the Department cannot fully understand where child care is most needed or whether expansion efforts are improving access. As a result, decisions are often driven by immediate pressures rather than guided by long-term strategy.

The Department has not used forecasting to understand how demand for child care may evolve over time. Incorporating forecasting would provide better insights for long-term planning.

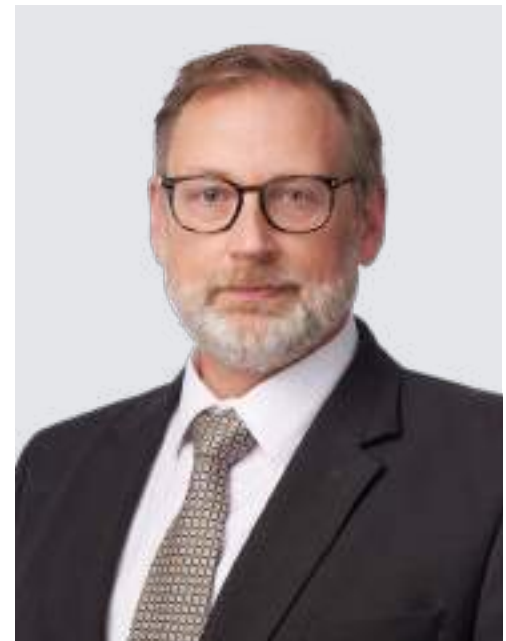
Through the CWELCC Agreement, Manitoba also committed to ensuring equitable access to child care spaces for children requiring individualized supports. I encourage the Department to continue to reduce barriers for families trying to access the Inclusion Support Program and do more to ensure grants and supports are used as intended.

This report includes seven recommendations aimed at strengthening planning, data, and oversight so that child care funding translates into meaningful and equitable access for Manitoba families.

I would like to thank Department staff for their cooperation throughout this audit, and my audit team for their efforts in completing this work.



Tyson Shtykalo, FCPA, FCA
Auditor General



This page is intentionally left blank.

Why we did this audit

- In 2021, Manitoba secured federal funding for its Early Learning and Child Care Program to improve quality, accessibility, affordability, and inclusivity.
- The initial five-year Canada-Wide Early Learning and Child Care (CWELCC) Agreement ends March 31, 2026.
- We wanted to determine whether the Department of Education and Early Childhood Learning (the Department) had plans and processes to meet its commitments under the accessibility and inclusivity objectives of the agreement.

Conclusion

The Department's plans and processes are not adequate to meet its commitments under the accessibility and inclusivity objectives from the CWELCC Agreement.

Our report includes

7 RECOMMENDATIONS.

What we found

Data on child care spaces

The Department lacks critical information on child care demand

- There is no provincial waitlist for child care.
- Limitations in the child care demand model reduce the usefulness of its space planning tool.
- Space closures are not continuously monitored.

Planning to meet space commitment

No comprehensive plan to meet space commitment made under CWELCC Agreement

- Manitoba is unlikely to meet its target of 23,000 new spaces without substantial new space commitments.
- The Department's action plans do not provide a clear roadmap for meeting accessibility and inclusivity objectives.
- The Department responds to immediate demand but lacks a long-term strategy for child care expansion.

Demand assessment needs improvement

- The Department needs to improve:
 - Workforce tracking to ensure staffing levels keep pace with space expansion.
 - How it assesses current and future child care demand.

Supporting inclusion and equitable access

Inclusion supports in place, but barriers to access exist

- All applications for Inclusion Support Program (ISP) funding in a representative sample were assessed and met eligibility criteria before approval.
- Barriers to access the ISP include long wait times for diagnosis, reluctance to pursue a diagnosis, and complex paper work.
- Despite some challenges, all eligible children in a representative sample were receiving ISP support.
- The Department did not verify expenses claimed by facilities under the Enhancing Diversity and Inclusion grants, limiting its ability to confirm funds were used as intended.

Background

Early learning and child care contributes significantly to economic growth and is among Canada's largest job-creating sectors. Access to child care enables parents to work or pursue education. The Department of Education and Early Childhood Learning (the Department) has stated that every dollar invested in child care generates an estimated \$2.30 in economic return, in accordance with a 2012 study prepared by the Atkinson Centre for Society and Child Development.

Manitoba has an initiative to modernize early learning and child care. The stated goal of the initiative is to build a stronger and more responsive system that ensures high-quality, affordable, and accessible services for all Manitoba families.

In 2021, the federal government finalized \$27.2 billion in bilateral agreements with provinces and territories to launch the Canada Wide Early Learning and Child Care (CWELCC) Agreement, aimed at making quality child care more affordable, accessible, and inclusive across the country for children under seven.

Manitoba entered the CWELCC Agreement with the federal government on August 9, 2021. This secured \$1.2 billion for Manitoba over five years. In February 2025, the CWELCC Agreement was extended through to 2030/31, with an additional \$1.8 billion over five years. The details of this extension were still being negotiated at the time of our audit.

In March 2024, Manitoba and Canada also entered the Canada-Manitoba Early Learning and Child Care Infrastructure Funding Annex (IFA) of the CWELCC Agreement. The IFA provides an additional \$30.4 million over four years (2023/24 to 2026/27) to expand inclusive child care spaces in underserved communities through partnerships with regional health authorities and health facilities.

The CWELCC Agreement includes five objectives summarized as follows:

- **Affordability:** Reducing parent fees for children under seven to an average of \$10 a day for regulated child care spaces at licensed facilities that receive operating grants.
- **Accessibility:** Increasing the net number of affordable, high-quality, and inclusive early learning and child care regulated not-for-profit spaces by 23,000 for children under age 7 by March 31, 2026.
- **Quality:** Improving child care services curriculum redevelopment and additional tools and resources for child care facilities, and additional supports including enhanced wages for the child care workforce.
- **Inclusivity:** Developing and funding a plan that supports access to licensed child care spaces for vulnerable children and children from diverse populations.
- **Data sharing and reporting:** Sharing financial and administrative data with the federal government needed to monitor progress in establishing the Canada-Wide system.

The Department's mission is to ensure responsive, equitable, and high-quality child care and learning that fosters belonging from early childhood through to high school graduation and supports all children and youth to reach their full potential.

ELCC division

Early Learning and Child Care is the responsibility of the Department of Education and Early Childhood Learning (the Department). It is responsible for ensuring that all licensed child care services in Manitoba are in compliance with *The Community Child Care Standards Act* (the Act). The Act defines child care settings requiring a license and authorizes the Department to conduct inspections and enforce child care standards.

The following examples of child care settings are exempt from the Act:

- Family home providers with no more than four children under the age of 12, including their own.
- School programs for four year olds.
- Before-and-after-school programs operated by public or private schools.

The Department also:

- Provides grants and program assistance to eligible licensed early learning and child care facilities.
- Works to support children with additional support needs in child care settings through the Inclusion Support Program.
- Classifies all child care assistants and Early Childhood Educators who work in licensed child care facilities.
- Assigns a child care coordinator to work with each licensed facility.
- Provides child care subsidies to eligible families to help with the cost of care.

Within the Early Learning and Child Care Division, there are four branches:

Capital and Space Expansion: This branch oversees Manitoba's early learning and child care capital and space expansion programs, including the creation of 23,000 additional spaces under the CWELCC Agreement. Within this branch, the Capital Development unit oversees program design, budgeting, and project management for capital projects, while the Space Expansion unit develops policies and programs to advance both capital and non-capital space expansion.

Provincial Operations: This branch supports more than 1,200 early learning and child care facilities across all regions of Manitoba. It delivers services through three units:

The **Inclusion Support Program** helps child care centres, nursery schools and family/group child care homes to reduce barriers so that children with additional support needs can meaningfully participate in programming and activities.

- Diversity and Inclusion Support, which administers the **Inclusion Support Program**.
- Licensing and Compliance, which manages licensing and regulatory compliance.
- Quality Enhancement and Program Development, which designs and implements initiatives to promote safe, healthy, and enriching environments.

Policy and Planning: This branch leads the design and innovation of strategic policy and planning initiatives for Manitoba's early learning and child care system including workforce development, intergovernmental relations, and divisional leadership for engagement and IT infrastructure. Its three units focus on policy and legislative development, workforce expansion and regulation of Early Childhood Educators, and communications and engagement strategies to support program and policy design.

Funding and Financial Assistance: This branch oversees the design of funding strategies and implements programs for Manitoba's early learning and child care system, including the Child Care Subsidy program. Its units manage funding strategies, administer facility grants and subsidies for families, lead financial planning and reporting, and provide administrative support to ensure efficient operations aligned with government policies.

Child care facilities and spaces in Manitoba:

Manitoba has two types of licensed child care facilities:

- **Child care centres** typically provide full-time care during the day. Some may provide part-time, evening, or weekend care.
- **Child care homes** typically care for fewer children than centres and are generally open for full-time care during the day. In some cases, part-time, evening, overnight, or weekend care is also available.

Child care centres operate on either a non-for-profit or for-profit basis. Manitoba's early learning and child care landscape consists predominantly of non-for-profit operators, with only a small percentage of for-profit centres. In 2025/26 the majority (95%) of centre-based providers operated independently as non-for-profit organizations while the remaining (5%) were for-profit organizations. The Department includes home-based providers in the count of non-for-profit spaces. Nursery schools also provide child care on a part-time basis for children up to six years old, and usually for two to three hours per day (and two to five days per week). Departmental operating grants are only available to homes, non-for-profit centres, and nursery schools.

Child care spaces in Manitoba are categorized by the type of space, based on the groupings defined in the *Child Care Regulation*:

- Infant: children from 12 weeks to under two years.
- Preschool: children two years and older who are not yet enrolled in grade 1.
- School Age: children enrolled in grade 1 through grade 6.

The first two categories fall under "children six and under," while school age spaces are designated for "children aged seven and older".

For-profit centres and some forms of child care, such as nursery programs operated by public schools, are exempt from the Act and are not included in the CWELCC Agreement to create 23,000 additional spaces. Additionally, federally funded child care spaces which are not regulated by the Department, such as Indigenous Early Learning and Child Care or related initiatives from the Assembly of Manitoba Chiefs, First Peoples Development Inc., or the First Nations and Inuit Child Care Initiative are also excluded from the provincial space commitment.

Child care workers

The Child Care Regulation sets the minimum standards that licensed early learning and child care programs must meet to ensure children's health, safety, and overall quality of care. It includes requirements for staff to child ratios and educator qualifications to support consistent, developmentally appropriate programming, with specific ratios varying by facility type and the ages of children in care.

Figure 1: Required staff to child ratios			
Health Authority	Infants	Preschool children	School age children
Mixed age group centres	1:4	1:8	1:15
Nursery schools	1:4	1:10	N/A
Family child care home	Maximum eight children, of which no more than five are preschool age, and no more than three are infants.		

Source: Child Care Regulation 62.86

Early Childhood Educators (ECEs) work in mixed age group centres and nursery schools. There are two levels of ECEs:

- ECE IIs have a two-year diploma in early childhood education from an approved institution or have completed a competency assessment program offered by the Department.
- ECE IIIs have an approved diploma plus additional education in an approved area of specialization in child care, or a degree in developmental studies.

Child care legislation requires two thirds of the staff in full-time child care centres, and half the staff in nursery schools or school age centres, to be trained ECE IIs or IIIs. As well, child care centres may employ Child Care Assistants (CCAs) to provide direct care to children. CCAs must complete a minimum 40-hour course in child development in their first year of employment.

Objective, scope and approach, and audit criteria

Objective

Our objective was to determine whether the Department of Education and Early Childhood Learning (the Department) had plans and processes to meet its commitments under the accessibility and inclusivity objectives from the Canada-Wide Early Learning and Child Care Agreement.

Scope and approach

Our audit focused on the commitments made under two objectives from the Canada Wide Early Learning and Child Care (CWELCC) Agreement. This includes examining the processes the Department had in place to identify, project, and plan for child care spaces in Manitoba to achieve the commitments by March 31, 2026. We also examined the processes the Department had in place to ensure these spaces were inclusive of those with additional needs.

We did not assess the licensing of child care facilities, nor their operational funding. We also did not assess the affordability, quality, or data sharing and reporting objectives of the CWELCC Agreement.

As part of our audit work, we:

- Interviewed departmental staff.
- Examined and analyzed departmental policies, processes and practices, documents, reports, email correspondence, and data provided by government.
- Selected representative samples to assess departmental practices such as child care capital projects, Inclusion Support Program, and Enhancing Diversity and Inclusion grants.

Audit criteria

To determine whether the Department of Education and Early Childhood Learning had plans and processes to meet its commitments under the accessibility and inclusivity objectives from the Canada-Wide ELCC Agreement, we used the following criteria:

Criteria	Sources
<p>1 The Department of Education and Early Childhood Learning (the Department) has a process to identify the availability of child care spaces within Manitoba communities.</p>	<p>Canada Wide Canada Manitoba Early Learning and Child Care (CWELCC) Agreement 2021- 2026 s,2.1.1, & s.5.1</p> <p>Child Care Canada: Assessing child care needs and forecasting demand (2022)</p>
<p>2 The Department has a plan to increase the number of child care spaces based on an assessment of Manitoba’s current and projected child care needs.</p>	<p><i>Manitoba Child Care Act</i> and regulation</p> <p>Canada -MB CWELCC Agreement 2021-2026, s. 2.1</p>
<p>3 The Department has a process to project the future need of child care spaces in Manitoba.</p>	<p>Child Care Canada: Assessing child care needs and forecasting demand (2022)</p> <p>Ontario: Planning and Design Guidelines for Licensed Child Care Centres.</p> <p>British Columbia: Stepping Stones – Child Care Planning Guides for BC’s Local Governments</p>
<p>4 The Department ensures that all children with additional needs have equitable access to licensed child care, and the program supports they require.</p>	<p>ELCC Policy: Inclusion Support Program Eligibility Application</p> <p>Multilateral Early Learning and Child Care Framework: Accessible</p> <p>ISP Planning request form</p>

Departmental plans and processes are inadequate to meet commitments under the accessibility and inclusion objectives of the CWELCC Agreement

The Department of Education and Early Childhood Learning (the Department) administers the Early Learning and Child Care (ELCC) program to improve access to high-quality, affordable, and inclusive child care. In 2021, Manitoba secured federal funding under a five-year agreement ending March 31, 2026. Given the growing demand for child care and the limited availability of spaces, it is critical to have a comprehensive plan that identifies where demand is highest and how resources can be allocated most effectively. Additionally, understanding the pressures on the system, such as geographic disparities, population growth, and workforce capacity is essential for informed decision-making. Without this planning, Manitoba may fall short of its accessibility and inclusion objectives in the Canada-Wide Early Learning and Child Care (CWELCC) Agreement.

We concluded that the Department's plans and processes to meet its commitments under the accessibility and inclusivity objectives from the CWELCC Agreement are inadequate. We based this conclusion on the following findings:

- The Department lacked information on demand and where additional spaces were most needed across Manitoba (**SECTION 1**).
- The Department did not have a comprehensive plan to meet 23,000 net-new child care spaces and demand assessment needs improvement (**SECTION 2**).
- The Department's Inclusion Support Program had eligibility barriers (**SECTION 3**).

1 The Department lacks critical information on child care demand

When planning the expansion of child care spaces, information on current and long-term demand is essential for timely planning and resource allocation. As of March 31, 2021, The Department of Education and Early Childhood Learning (the Department) reported having 39,214 licensed child care spaces, of which 23,089 were designated as not-for-profit spaces for children under age seven.

Given that Manitoba agreed to increase access to child care by 23,000 net-new spaces in the Canada-Wide Early Learning and Child Care (CWELCC) Agreement by March 31, 2026, we expected that the Department would have data identifying regions or communities with the greatest demand. This information would be used to support planning to expand child care spaces where they are most needed in Manitoba.

We found the Department was lacking critical information on child care demand. While the Department had a system to identify available child care spaces, it:

- Did not maintain or monitor waitlists.
- Lacked critical information on the number of additional spaces needed in Manitoba communities.
- Did not incorporate closures of existing spaces.

1.1 No provincial waitlist

The Department lacks province-wide information on the number of children waiting for licensed child care spaces, which limits its ability to assess demand and plan for child care needs across Manitoba.

Manitoba maintained a centralized waitlist for child care spaces until 2021, when it was replaced by the Manitoba Child Care Search (MCCS). The MCCS is an online tool that shows which licensed child care facilities have spaces available across Manitoba. Child care providers update their availability status regularly, and families can search for child care by location and age group. MCCS does not show how many children are waiting at each facility.

In Manitoba, child care facilities are not required to maintain waitlists, although some choose to do so independently. As a result, the Department does not have access to province-wide waitlist information. While MCCS shows where child care spaces are available, it was not designed to capture key information such as demand, how long facilities have operated at full capacity, or turnover rates (for example, how often facilities accept new children). Consequently, the Department lacks current data on the number of children waiting for child care across Manitoba, making it difficult to assess demand in specific areas.

Program officials told us the Department does not collect waitlist information because children can be placed on multiple waitlists at once, which affects the accuracy and reliability of the data. While duplicate listings can overstate demand, the Department could obtain identifying information (such as the name and address of each child) to remove duplicate entries. Even with these limitations, such data could provide valuable insight for planning.

A 2016 report by the Manitoba Early Learning and Child Care Commission stated that “a centralized waitlist, with all of its shortcomings, is a much more accurate approach for determining the level of need for child care.” Reflecting that centralized waitlist data was previously identified as a useful tool for understanding child care needs in Manitoba.

Impact of \$10-a-day child care on demand

Demand for child care in Manitoba increased following the introduction of \$10 a day child care in April 2023. Statistics Canada reported that about 8,900 families in Manitoba were seeking child care in 2022. By 2025, this number had increased to over 13,900. Given that the population of children under seven decreased from 119,722 to 115,900 for the same period we can attribute this increase to affordability improvements under the CWELCC Agreement, rather than population growth.

A 2025 Manitoba Child Care Association member survey found that half of the child care providers reported their waitlists increased by 20–30% after the \$10-a-day announcement, while 30% reported increases of 30–50%. This is consistent with Statistics Canada information which shows that the percentage of children on waitlists in Manitoba grew from 16.8% in 2022 to 32.1% in 2025. This demonstrates how CWELCC's affordability measures increased demand while also highlighting Manitoba's challenge to expand child care capacity.



Recommendation 1

We recommend the Department obtain improved data (such as waitlist numbers) to identify areas with high demand and integrate this information into child care space planning.

1.2 Limitations in the demand model reduce usefulness of space planning tool

The Child Care Demand Model (CCDM) had significant limitations which reduced its effectiveness in identifying where child care spaces are most needed in Manitoba.

The Department developed the CCDM to estimate the need for child care and to guide the identification, selection, and prioritization of space development projects in Manitoba. The model is intended to identify communities with higher or lower levels of child care availability relative to what is typical across Manitoba, using Census data, population projections from Statistics Canada, and existing child care facility data.

However, CCDM has significant limitations as it does not:

- Identify space creation targets.
- Specify the number of child care spaces needed by geographical area.
- Retain historical data.

This makes it difficult to assess past demand and evaluate the impact that building a child care facility had on the demand in that area. In addition, because the CCDM does not forecast long-term demand, it has limited value for planning purposes, which limits its effectiveness as a planning tool.

Although the Department developed the CCDM to support space development planning, design and data limitations reduce its usefulness as a decision-making tool. Without clear space-creation targets, geographic estimates of need, integrated internal data, or historical and forward-looking analysis, the model does not provide sufficient insight into where child care demand is greatest. As a result,

while the Department can allocate resources, it may not have the level of information needed to make optimal strategic decisions or direct resources to areas of highest demand.

1.3 Space closures are not continuously monitored

The Department does not track space closures as part of its tracking of child care spaces under the CWELCC Agreement. As a result, it does not have a complete picture of available spaces, which limits the transparency of progress reporting and reduces the ability to understand net growth.

The Department maintains a Master Space Tracker and an internal dashboard to track the number of approved, committed, and opened child care spaces since the start of the CWELCC Agreement. The internal dashboard is an interactive, web-based tool that displays open and committed child care spaces. It is updated with every committed space using data from the Master Space Tracker.

We noted the Master Space Tracker and dashboard:

- Tracks all child care spaces for children under 12 since the start of the CWELCC Agreement.
- Excludes spaces that existed prior to the CWELCC Agreement.

Additionally, the dashboard:

- Does not include a filter for child care spaces for children under seven.
- Excludes home-based child care spaces.

Understanding net growth is important for accurate reporting and planning. Currently, the Department does not incorporate the child care spaces that have closed, whether temporarily or permanently, into its analysis. This limits the Department's ability to provide a complete picture of total available spaces, which affects the usefulness of reported progress and limits insight into sustainability. Without this information, reporting may not reflect actual availability, and planning decisions may not align with community needs.



Recommendation 2

We recommend the Department strengthen its Child Care Demand Model to plan for new and long-term child care spaces by area through incorporating:

- a. Waitlist information.
- b. Space closures.
- c. Space creation targets.
- d. Historical information.

2 No comprehensive plan to meet 23,000 new spaces and demand assessment needs improvement

Under the Canada Wide Early Learning and Child Care (CWELCC) Agreement, the Department of Education and Early Childhood Learning (the Department) is required to prepare an action plan outlining how it will meet all the objectives in the agreement, including the accessibility objective of 23,000 net-new spaces.

A comprehensive and implementation focused action plan would clearly define objectives and milestones, allocate resources, identify key stakeholders and accountabilities, establish timelines and execution strategies, and assess risks that could affect delivery. These elements provide a structured foundation for monitoring progress, supporting timely decision making, and promoting accountability for results.

While the Department undertook initiatives to increase the number of child care spaces, it did not develop a comprehensive, implementation focused action plan to guide these efforts.

We found that Manitoba is unlikely to meet the target of 23,000 net-new spaces without substantial new commitments. We also found the Department:

- Lacks a comprehensive roadmap for achieving the accessibility and inclusivity objectives.
- Lacks a long-term strategy for child care expansion.
- Needs to improve how they integrate workforce planning with space expansion efforts.
- Needs to improve how they assess child care demand.

2.1 Manitoba unlikely to meet 23,000 spaces without substantial new commitments

Without substantial new space commitments, Manitoba is likely to fall short of creating 23,000 additional spaces by March 31, 2026.

The Canada-Wide Early Learning and Child Care (CWELCC) Agreement is a national initiative designed to make child care more affordable, accessible, and inclusive for families across Canada. While several jurisdictions in Canada have adopted **coverage-based targets**, Manitoba's agreement focused on creating a specific number of spaces rather than adopting a percentage-based target.

The Department stated it had 23,089 licensed not-for-profit child care spaces for children under age seven at the start of the CWELCC Agreement in 2021. To assess the Department's

Coverage-based target

Some bilateral CWELCC Agreements have a coverage-based target of 59% or 5.9 children for every 10 spaces.

This ratio compares the population of children in a community to the number of child care spaces.

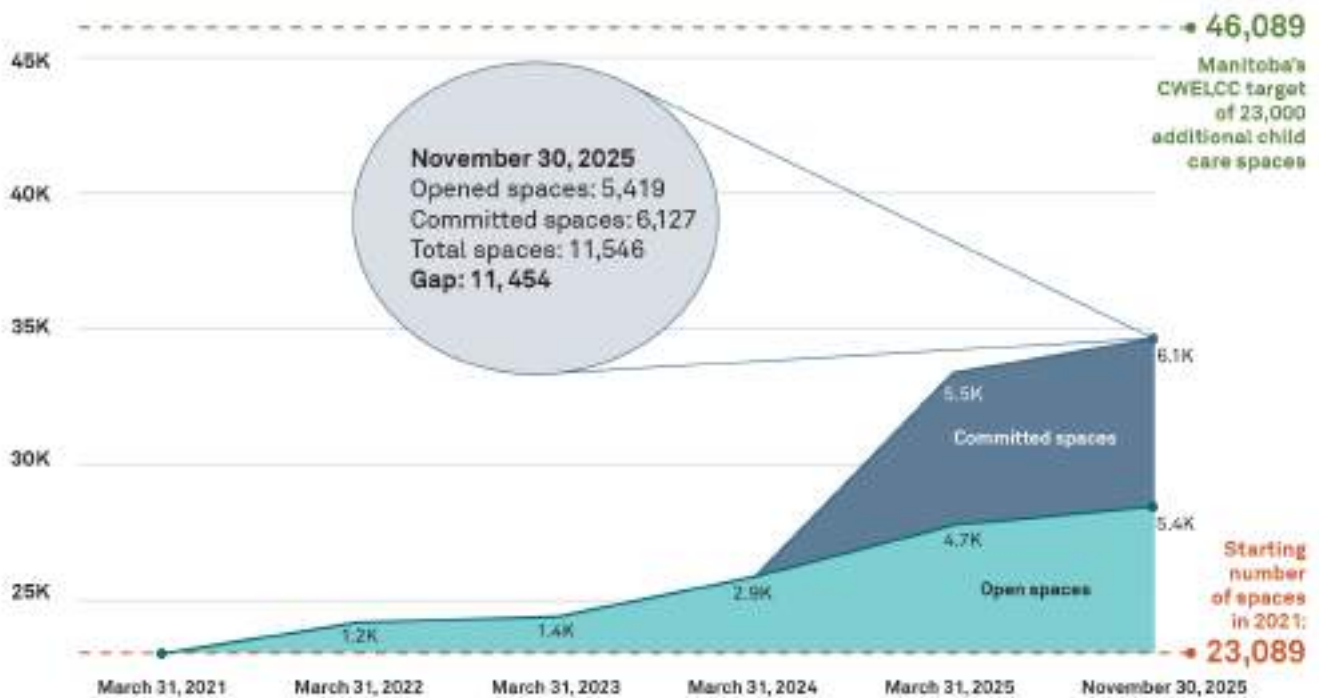
Open spaces are child care spaces which receive operational funding and provide child care services.

Committed spaces are child care spaces which are not currently providing child care services, but funding has been committed for their construction, or for the renovations to increase space in an already existing facility.

progress toward creating an additional 23,000 spaces, we analyzed a listing of all open and committed projects as of November 30, 2025 (see **FIGURE 2**). Under the CWELCC Agreement, both **open** (operational) and **committed** spaces are eligible to be included toward the target.

As shown in **FIGURE 2**, since the start of the CWELCC Agreement, Manitoba has opened 5,419 licensed not-for-profit child care spaces and committed to an additional 6,127 spaces. To reach 23,000 additional spaces by March 31, 2026, the Department must commit to an additional 11,454 spaces.

Figure 2: The Department's progress towards 23,000 additional child care spaces



Source: Departmental Master Space Tracker. Opening balance (23,089) provided by the Department.

2.2 Action plans did not provide a comprehensive roadmap for meeting accessibility and inclusivity objectives

While the Canada Wide Early Learning and Child Care (CWELCC) Action Plans identify intended projects and space creation targets, they lack key planning elements including timelines, milestones, execution strategies, and performance measures. The CWELCC Action Plans also do not provide a structured approach for identifying and addressing barriers to access for diverse and underserved communities.

The CWELCC Agreement requires Manitoba to create an action plan on how it will achieve its accessibility and inclusivity objectives. Accordingly, we expected the Department to have an action plan for implementation of these objectives, including defined timelines, milestones, execution strategies, performance measures, and documented approaches for identifying and addressing barriers to access.

Our review assessed whether the Department's CWELCC Action Plans provided a guide for implementation that enabled effective monitoring and evaluation of progress toward accessibility and inclusivity objectives.

Action plans lack timelines and execution strategies

The Department is required to prepare an action plan outlining how it will meet its commitment of 23,000 additional spaces.

We reviewed the CWELCC Action Plans for the periods of 2021-23 and 2023-26. While the CWELCC Action Plans identified the types of child care projects that the Department planned to implement and the overall number of spaces planned for development, they did not provide sufficient detail to support effective implementation. In particular, the CWELCC Action Plans lacked timelines, milestones, execution strategies, and performance measures that would demonstrate how initiatives were to be delivered over the life of the agreements.

The absence of these elements limits the usefulness of the action plans as management tools. Without defined timelines and milestones, the Department does not have a clear basis to assess whether space creation initiatives are progressing as intended or to identify delays, capacity constraints, or other implementation risks. Similarly, the lack of execution strategies and performance measures reduce transparency around how progress is expected to be achieved.

Some consideration of access for diverse and underserved communities

In addition to creating 23,000 additional spaces, Manitoba agreed, within the inclusivity objective, to develop and fund a plan to ensure equitable access to regulated child care spaces for **diverse and/or vulnerable communities**. We expected the Department to have an action plan or documentation explaining how it would address these risks and barriers, outline initiatives and actions, and define measures of success for child care spaces and programs within these targeted groups.

Departmental management stated that it had developed and implemented a variety of tools, programs, and partnerships that support the identification and mitigation of barriers to access. Management noted that these measures were informed by engagement with communities, Indigenous governing bodies, and other stakeholders, and were designed to reflect the diverse needs of Manitobans.

Under the CWELCC Agreement, **diverse and/or vulnerable communities** are defined as communities, including children with disabilities and children needing enhanced or individual supports, Indigenous children, Black and other racialized children, children of newcomers, and official language minorities.

Although the Department implemented a range of initiatives, tools, and partnerships, these efforts were not supported by a cohesive framework that identified known risks and barriers and linked them to planned actions. Our assessment found that initiatives generally acknowledged the existence of access barriers, but documentation did not demonstrate how these barriers were assessed or how initiatives were strategically designed to address them. Initiatives were implemented on an individual basis, without clear explanations of how they were intended to contribute to measurable outcomes or collectively support equitable access objectives under the CWELCC Agreement.

Further, we found that the Department did not have the information needed to assess equitable access to regulated early learning and child care spaces. Specifically, the Department did not:

- Record this information by distinctions (First Nations, Inuit, Métis).
- Obtain information on the number of Indigenous children under age seven in regulated ELCC spaces.
- Obtain information on the number of racialized children under age seven in regulated ELCC spaces.
- Establish targets or performance measures to assess whether initiatives are improving equitable access for these communities.

Without this information, the Department cannot monitor progress toward the CWELCC accessibility objectives or evaluate the effectiveness of initiatives intended to address barriers to access within the inclusivity objective.



Recommendation 3

We recommend the Department develop a comprehensive action plan that addresses barriers and improves equity of access in all Manitoba communities.

2.3 The Department responds to immediate demand but lacks a long-term strategy for child care expansion

The Department has a process to respond to immediate child care needs, particularly in a context where demand for child care spaces remains high across the province. The Department's current approach includes an assessment of demand using the internally developed Child Care Demand Model (CCDM). However, it does not have a long-term strategy for creating 23,000 additional child care spaces.

Departmental officials indicated that demand for child care is high throughout Manitoba, that newly opened spaces are quickly filled, and that there is little vacancy within existing facilities. In this environment, the Department's approach supports decisions aimed at addressing current demand.

However, given the limitations of the CCDM (see **SECTION 1.2**), the Department's demand assessment is not used to support long-term, strategic planning. As the Department continues to expand child care spaces, demand may begin to stabilize in some areas, and a more strategic approach may be required. This approach would ideally include additional information such as waitlist data (see **SECTION 1.1**), a calculation

of the number of spaces needed in an area (see **SECTION 1.2**), and consideration for underserved communities and populations facing barriers to access (see **SECTION 2.5**).

The Department's capital project process

The Department's capital project process is designed to expand child care spaces through partnerships rather than direct builds. The Department does not build child care spaces, but initiates the process through accepting an application or Expression of Interest from **external partners** who apply for one of the capital project programs.

Different funding streams take different approaches. The Early Learning and Child Care (ELCC) Building Fund works directly with child care operators to create new spaces, while the Child care in Schools Policy (under *The Education Administration Act*) ensures new schools include child care facilities. Other streams, such as the Child Care Renovation Expansion Grant and the School-Based Child Care Expansion Project, involve partnerships with public bodies or private businesses. Each stream has its own approval steps and documentation requirements, often requiring coordination with departments like Health.

We reviewed a sample of 55 capital projects (50 approved, five declined) to assess whether the Department had a process in place to support decisions to proceed with these projects. Of those projects that were approved, 29 projects included an Expression of Interest, and eight involved applications to the ELCC Building Fund. The remaining projects were linked to capital requests for new schools under the Child Care in Schools policy or proposed directly by municipalities. Based on our review, the Department followed a documented process to make decisions on whether to proceed with capital projects under the CWELCC Agreement for the projects examined.

External partners can be child care operators, school divisions, post-secondary institutions, regional health authorities, municipalities, Indigenous Governing Bodies, and private business.

2.4 The Department needs to improve workforce tracking to keep pace with space expansion

The Department is factoring in the staffing requirements for new and existing child care spaces. It has calculated the number of Early Childhood Educators (ECEs) and Child Care Assistants (CCAs) needed for each facility using the space count identified in their Master Space Tracker.

However, while the Department estimates the number of ECEs and CCAs required to support newly committed and pre-existing spaces, there is no evidence the calculations are aligned with an assessment of overall workforce capacity. The Department tracks overall workforce numbers and does not monitor departures, making it difficult to determine with accuracy whether staff are available to fill the positions required across all committed and existing spaces, and if staffing levels are keeping pace with space commitments.

The Manitoba Child Care Regulation (**SECTION 8.2**) establishes staff-to-child ratios for licensed child care facilities, excluding nursery schools. These standards are intended to ensure the safety, well-being, and development of children in child care programs. The required ratios and group sizes (as shown in

FIGURE 1 in the background section) are intended to help staff provide better supervision and care. They also provide children with more opportunities to develop social skills by allowing them to interact with a smaller group of children and staff.

Importantly, facilities need to meet the regulated child care ratios and ensure that children are supported during some of the most important developmental periods. Without a workforce that grows in step with space creation, new facilities may not fully open due to a lack of the workforce needed to deliver safe, effective care.

As of March 31, 2025, there were 3,603 Early Childhood Educators (ECEs) and 5,760 Child Care Assistants (CCAs) in Manitoba. This was an increase over the previous year, but still far below what will be needed to support the 23,000 additional spaces. To fully staff these new spaces, an additional 3,329 child care workers will be required above those already employed in existing facilities.

Without sufficient, qualified staff, new facilities cannot open all their child care spaces, even if the physical spaces are built. This highlights the critical need for continued investment in workforce training, recruitment, and retention to ensure the workforce capacity grows alongside infrastructure expansion.

The Department had the following initiatives to build workforce capacity alongside infrastructure expansion:

- Wage increases for ECEs and CCAs.
- A \$5,000 tuition reimbursement program for ECE students.
- Expansion of training seats in post secondary institutions.
- Efforts to increase public awareness and elevate the profile of the ELCC sector.
- Workforce strategies targeted to rural and northern communities.

The Department also released a workforce strategy in November 2025 that outlined its efforts to recruit, retain, and recognize child care workers. As these initiatives and the broader workforce strategy were implemented recently, it is too early to measure their effectiveness or determine their impact on addressing workforce shortages.

While the Department has projected staffing needs and introduced initiatives to attract and retain workers, it does not currently track data on workforce departures, satisfaction, or retention. This limits the Department's ability to evaluate whether these efforts are effectively building the workforce required to support expanded child care spaces. Without this insight, there is a risk that poor retention will result in not having enough staff to meet the ratios required for newly opened or existing spaces.



Recommendation 4

We recommend the Department improve its tracking of staffing levels needed to keep pace with space expansion by obtaining data to monitor child care staffing retention, employee satisfaction, and reasons for departures.

2.5 The Department needs to improve how it assesses current and future child care demand

The Department has made progress toward its March 31, 2026, target of creating 23,000 additional child care spaces; however, significant gaps remain. The Department has not conducted a forecasting analysis, nor does it have a comprehensive action plan for meeting child care needs. Without long-term strategies Manitoba may struggle to meet both current and future child care needs.

A comprehensive assessment of child care demand can provide the information needed to understand where pressures exist and support decision makers in determining how best to allocate resources.

While the Department has reduced child care costs to \$10 per day for publicly funded, licensed programs, the number of available spaces still falls short of demand. As fees for child care decrease, demand typically increases, placing additional pressure on the system. As of November 2025, there are **2.32 spaces for every 10 children** under the age of seven. This shortage highlights the widespread need for child care across Manitoba and underscores the importance of long term planning.

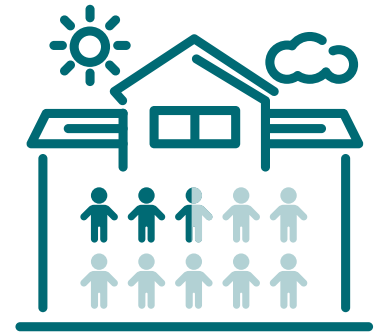


Figure 3: There are 2.32 child care spaces for every 10 children under the age of seven

Newfoundland, Nova Scotia, Prince Edward Island, Saskatchewan, Yukon, and Northwest Territories have a coverage-based target of 59%.

To provide some context, the Organisation for Economic Co-operation and Development (OECD) found that jurisdictions with universal child care systems had coverage rates between 70% and 90% for children under six. While universal child care systems do not exist in Canada and Manitoba is not pursuing universal coverage, as a reference, **several Canadian jurisdictions** have adopted coverage-based targets, such as aiming for 59% of children under six to have access to licensed spaces.

Departmental officials acknowledged that, while reaching 23,000 additional child care spaces is a significant milestone, it still falls short of addressing Manitoba's actual need. As a result, some parents will continue to face challenges trying to obtain child care.

To assess the implications of these gaps, we conducted a forecasting analysis to determine when Manitoba is likely to meet the 23,000 additional spaces and how this progress compares with coverage benchmarks adopted in other jurisdictions.

Forecasting analysis

Forecasting analysis is the systematic use of historical and current data, assumptions, and analytical methods to estimate future conditions, demand, or resource requirements in order to support planning, risk management, and informed decision-making under uncertainty. When used by management, it can act not only as a planning method, but also as a forward-looking management control. We conducted this type of analysis as part of our audit, to demonstrate its usefulness and feasibility to plan and manage the Department's commitments.

Since the Department's action plans have focused primarily on achieving 23,000 additional spaces under the CWELCC Agreement, we used Departmental data and Statistics Canada information to examine two key questions:

When will Manitoba likely meet 23,000 additional spaces?

The Department includes both open (operational) and committed spaces toward its 23,000 additional spaces. Between 2021 to 2025, the Department committed to an average of 2,309 spaces per year. Based on our analysis, these committed spaces typically take 18 months to four years to open and become operational. As a result, we project that the Department will reach its target of 23,000 spaces by May 2031. However, we estimate that the 23,000 spaces will not be fully operational until sometime between 2032 and 2035. This indicates that Manitoba is unlikely to achieve its target of 23,000 by March 31, 2026, as outlined in **SECTION 2.1**.

How does the Department's progress compare to a coverage benchmark of 59%?

Coverage rate calculations

Manitoba's accessibility target of creating 23,000 additional child care spaces in the CWELCC Agreement is based on a population of children under seven.

Other jurisdictions have a 59% coverage-based target based on a population of children under six.

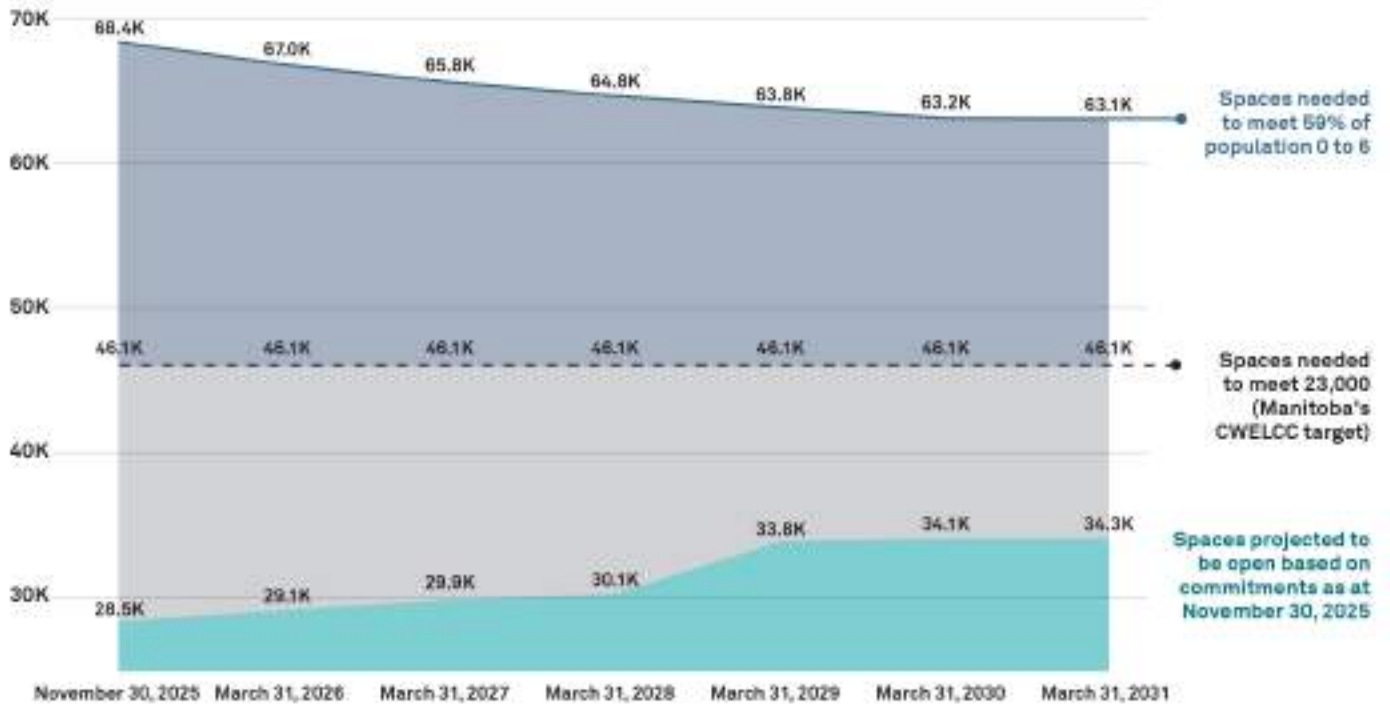
Our calculations of coverage-based targets for Manitoba were based on a population of children under seven.

FIGURE 4 shows that Manitoba's projected number of new child care spaces from 2025 to 2031 remains far below what is needed—both to meet the CWELCC target (23,000 spaces) and to meet a 59% coverage benchmark for children under seven based on population growth.

Even though the number of projected open spaces increases gradually over time, the gap between what is needed and what will exist remains large throughout the entire period.

Our analysis considered conditions (see **METHODOLOGY**) in Manitoba at the end of 2025 and at the conclusion of the agreement's extension in 2031, assuming all spaces that were opened or committed by November 2025 were fully operational.

Figure 4: Projected child care space openings relative to population trends and coverage benchmarks



Source: Statistics Canada projected population information and the Departmental Master Space Tracker

FIGURE 4 compares Manitoba's projected child care space openings against population growth from 2025 to 2031.

- The top shaded area represents the gap between a 59% coverage ratio and the number of spaces needed to meet Manitoba's 23,000 additional spaces.
- The middle shaded area represents the gap between projected space openings and the number needed to meet Manitoba's 23,000 additional spaces.
- The bottom shaded area represents the projected number of spaces expected to open based on commitments made as of November 2025. Any space commitments that would open after March 31, 2031, are not shown in this visual.

Without thorough planning, Manitoba may continue to experience gaps in child care access. The absence of forecasting and a comprehensive assessment of child care demand limits the information available to support decision making. The Department may not have sufficient information to assess coverage, sustainability, or future access needs. As a result, some communities may still face shortages, even with progress toward affordability and accessibility objectives under the CWELCC Agreement. Ongoing gaps may also be associated with broader community, workforce, or family impacts.

Coverage analysis by area

To understand the impact of the potential shortfall, we analyzed child care coverage by **areas** in Manitoba. This approach allowed us to compare the number of licensed child care spaces to the population of children within each area and community, providing insights that could support more informed assessments about where additional spaces could be most needed.

The **areas** in our analysis were defined using Forward Sortation Areas (FSA), which refer to the first three characters of a Canadian postal code. These characters identify a specific area in Manitoba and provide a consistent way to group locations.

Each FSA contains multiple communities. For example, FSA ROG contains 32 communities.

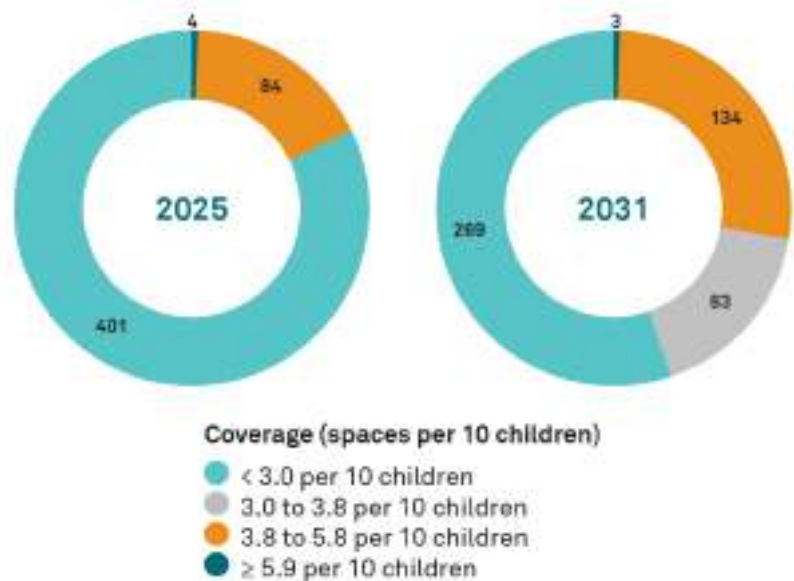
We converted the 23,000 additional spaces from Manitoba's CWELCC Agreement into a calculated **coverage-based target** (38%) for the population of children under seven at the start of the CWELCC Agreement. This coverage rate provides a benchmark to assess how the 23,000-space target addresses child care needs across Manitoba.

We found child care spaces are unevenly distributed as coverage rates were as low as 2% and as high as 35% across Manitoba.

A detailed breakdown of coverage in Manitoba and Winnipeg for 2025 is provided in **APPENDIX 1** and **APPENDIX 2**.

FIGURE 5 outlines the number of communities in Manitoba within each child care coverage range. Manitoba's calculated **coverage-based target** is 38%, while 59% represents a benchmark used in other jurisdictions. The coverage ranges reflect the proportion of children with access to a child care space within each community, ranging from fewer than three spaces for 10 children (<30%) to about six or more spaces for 10 children (≥59%).

Figure 5: Projected change in child care coverage (per 10 children) in communities in Manitoba - 2025 and 2031



Source: Statistics Canada projected population information, Manitoba Child-Care Online Data, and the Departmental Master Space Tracker.

Of Manitoba's 489 communities, 401 (approximately 82%) had fewer than three licensed child care spaces per 10 children in 2025. This number decreases to 269 communities (approximately 55%) by 2031 once the spaces the Department has committed to opening become operational.

As the Department sets targets to meet the demand for child care spaces, it will be crucial that they rely on all available data and tools to manage demand effectively.



Recommendation 5

We recommend the Department improve its internal analytical capacity by developing forecasting tools and processes that identify child care demand and workforce pressures to inform management's assessment of risks associated with meeting current child care commitments and support future planning and resource allocation.

3 Inclusion supports in place, but barriers to access exist

Inclusivity is one of the five objectives of the Canada-Wide Early Learning and Child Care (CWELCC) Agreement. Under this agreement, Manitoba was expected to develop and fund a plan to ensure vulnerable communities have equitable access to regulated child care spaces. These communities include *"children with disabilities, children needing enhanced or individual supports, Indigenous children, Black and other racialized children, children of newcomers, and official language minorities, with consideration to their assessed need for child care."*

We expected that the Department of Education and Early Childhood Learning (the Department) would implement processes to provide inclusion supports and monitor equitable access for these groups. While the Department requires all regulated child care facilities to have an inclusion policy and develop individual program plans for children with additional support needs, barriers to accessing these supports persist.

In our review of the Inclusion Support Program (ISP) we found:

- The Department had a process to determine Inclusion Support Program eligibility.
- There were challenges in determining Inclusion Support Program eligibility.
- A process to provide inclusion supports was in place.
- Expense eligibility for Enhancing Diversity and Inclusion grants were not verified.

3.1 Eligibility for Inclusion Support Program funding was verifiable and supported

We reviewed a sample of children who received Inclusion Support Program funding between 2022 and 2024 and confirmed that all applications were assessed and met established eligibility criteria prior to approval.

The Department's **Inclusion Support Program** helps child care facilities address barriers, enabling children with diverse abilities and additional support needs to engage meaningfully in programming and activities alongside their peers.

The Department administers the **Inclusion Support Program** (ISP) to help children with disabilities and those requiring individualized supports access licensed child care. The program is designed to strengthen the overall capacity of child care providers while delivering targeted supports to individual children, with the intent of ensuring children can meaningfully participate in programming and activities alongside their peers.

According to the 2024/25 Education and Early Childhood Learning annual report, 58% of licensed child care facilities and 3% of home-based child care facilities received additional funding to

support children with diverse needs. In the same period, 1,393 children participated in the ISP. Services are provided in response to an identified need and could include training, behavioural interventions, equipment/modifications, or grants to enhance the staffing ratio and support inclusion.

For a facility to access supportive funding through the ISP, a child must first secure a spot in a licensed not-for-profit child care facility. The child must then meet one of the following eligibility criteria:

Child's DisABILITY Services

is a program provided through Manitoba Department of Families, that supports families who are raising children with developmental or physical disabilities by providing support for additional needs.

- Has a diagnosed life-long or permanent disability and/or is eligible for **Children's DisABILITY Services**, or
- Exhibits behavioural or emotional difficulties characterized by impaired adaptive functioning, which disrupts the child's ability to adequately participate in programming and activities and these behaviours continue over a period.

The ISP eligibility criteria and application form are publicly available on the Department website. The child care facility, in collaboration with the parent(s)/guardian(s), prepares the application and submits the specific information and documentation outlining the

reasons the child requires support. Once the application is submitted and eligibility is confirmed, the child remains eligible for ISP until they age out or withdraw from the program. This process ensures that children who need additional support receive consistent assistance throughout their time in the program.

3.2 Barriers to eligibility limit access to Inclusion Support Program

Interviews with child care facility management and discussions with program officials identified several challenges in accessing the Inclusion Support Program (ISP). However, many of these challenges stem from factors outside the Department's control.

Once ISP eligibility is confirmed, the Department creates a child's file and assigns an ISP Coordinator. However, the Department does not maintain records of applicants who did not complete the eligibility process or for those who were approved but ultimately did not proceed with their request for ISP support.

We identified the following barriers to eligibility:

- **Time to obtain a diagnosis:** To access ISP funding, the Department must be provided an assessment from a qualified professional confirming that the child has a physical or cognitive disability, or information showing that the facility is required to provide additional accommodation or support. Wait times for assessments and diagnoses often exceed a year, leaving children and facilities without support for extended periods.
- **Diagnosis avoidance:** Families may be hesitant to pursue a diagnosis due to concerns about stigma or misconceptions, or they may be reluctant to consent to the sharing of information about their child. This can further limit access to necessary supports.
- **Administrative burden:** Complex and repetitive paperwork (for example, applications, individualized plans, reassessments every three to six months), vague documentation standards, and redundant processes after eligibility approval led to significant workloads and inefficiencies.

ISP Coordinators support licensed child care facilities in creating inclusive environments for children with additional support needs. They manage cases, provide training and resources, and recommend programming. The goal of the ISP and the coordinator is to reduce barriers so all children can meaningfully participate in early learning and child care.

Many of these barriers are outside the Department's control. However, because the Department lacks insight into applicants who do not complete or proceed through the eligibility process, it cannot determine whether elements of the process are preventing children from receiving assistance or whether other factors are contributing to delays in accessing ISP funding.

Management of child care facilities noted that the addition of the ISP Coordinator has positively enhanced centre support, ensured timely responses to questions, and offered valuable assistance with applications and staff training.



Recommendation 6

We recommend the Department collect and analyze information on applicants who do not complete the eligibility process or who are approved but do not proceed with ISP supports.

3.3 Processes to provide inclusion support are in place

The Department's Inclusion Support Program (ISP) process helps ensure that children receive the supports they need; however, challenges remain in how those supports are assessed and delivered.

Once a child is eligible for ISP, the facility completes a Service Plan Request (SPR) to request support from the Department. The SPR outlines the child's condition, includes supporting medical or behavioural reports, describes the facility's available resources, and specifies what the facility requires to support the child. The Department reviews the submitted SPR, follows up with the facility on any missing information, and may contact the facility to discuss the details. Once the SPR is finalized and approved, the facility is notified and proceeds to submit a contract for the required support services. This process is repeated each time an eligible child moves to a new facility.

The **Individual Program Plan**

is a plan made up of goals and support(s) in place for the individual child, which are developed by all the support team members in child care. It also notes who will provide the resources to meet those goals. These goals build on the child strengths, so each IPP is unique to each child.

Because the type and amount of support a child requires may change, ongoing reassessment is essential to ensure support remains appropriate. To ensure that a child's needs continue to be met while they receive ISP funding, Child Care Regulation 62.86 states that a reassessment should occur at least annually. The SPR Assessment form also specifies that a review should occur within three months if no **Individual Program Plan (IPP)** is in place, or within one year if an IPP exists.

We selected a sample of 63 individuals supported by the ISP and reviewed the SPR process. We found that the SPRs consistently included documentation that clearly identified each child's needs and the facility requirements. All the SPRs in our sample

highlighted the need for additional or enhanced staffing, indicating a consistent and widespread priority across child care facilities to increase staff capacity and better support children requiring additional assistance.

Most ISP eligibility applications (76%) and reassessments (83%) were completed within required timelines, suggesting opportunities for continued improvement in timeliness.

Even once eligibility was established, we found 6% of children in our sample experienced challenges in having their specific support needs documented by an appropriate professional. Despite these challenges, all eligible children in our sample were receiving ISP support from the Department.

3.4 Expense eligibility for Enhancing Diversity and Inclusion grants not verified

The Department did not verify the expenses submitted by facilities for the Enhancing Diversity and Inclusion (EDI) grants were eligible under the grants' terms and conditions

The final expense reports we reviewed did not account for \$99,317 (9.6%) of the \$1,038,000 in EDI grant funding, limiting the Department's ability to confirm that these funds were used in accordance with

grant requirements. If extrapolated across the \$18.9 million in EDI grants provided, up to \$1.8 million may not have been used for eligible expenses outlined in the grant's terms and conditions. Strengthened monitoring and follow-up processes are needed to ensure that grant funds are used as intended.

EDI grant funding and requirements

In March 2023, the Department issued \$18.9 million in EDI grants to child care facilities. These grants provided \$500 per space to *"help child care facilities improve children's experiences through an enriched curriculum rooted in the principles of diversity and inclusion."* The grants were also intended to help ensure that:

- Children felt a sense of belonging and had the ability to meaningfully participate in the program.
- Children and staff flourished in an environment designed with intention to meet their needs.

Facilities could use this funding toward initiatives that address their centre's unique needs to support diversity and inclusion of children, staff, and families.

We reviewed a sample of EDI grants to assess how the Department determined eligibility, provided funds, and evaluated the Department's oversight processes. Due to the design of the EDI grants, we found the Department did not conduct eligibility assessments before distributing funds. Instead, facilities indicated that they would participate in the program and abide by the grant guidelines.

Departmental management stated that it extended the initial deadlines for submitting interim and final reports as facilities were experiencing delays. Despite these extensions, the Department did not actively monitor the progress of funded projects, contributing to reporting delays: 13% of sampled facilities submitted interim reports late, 33% submitted final reports late, and two facilities failed to submit final reports altogether. Final reports were to be submitted by March 31, 2025.

While the Department indicated that it was planning to ensure that facilities used the funding for eligible expenses, it had not performed any verification as of September 2025. This lack of oversight means the Department cannot determine whether any ineligible expenses were claimed or whether the full grant amounts were used appropriately. These gaps raise concerns about the accountability and effectiveness of the grant administration process.



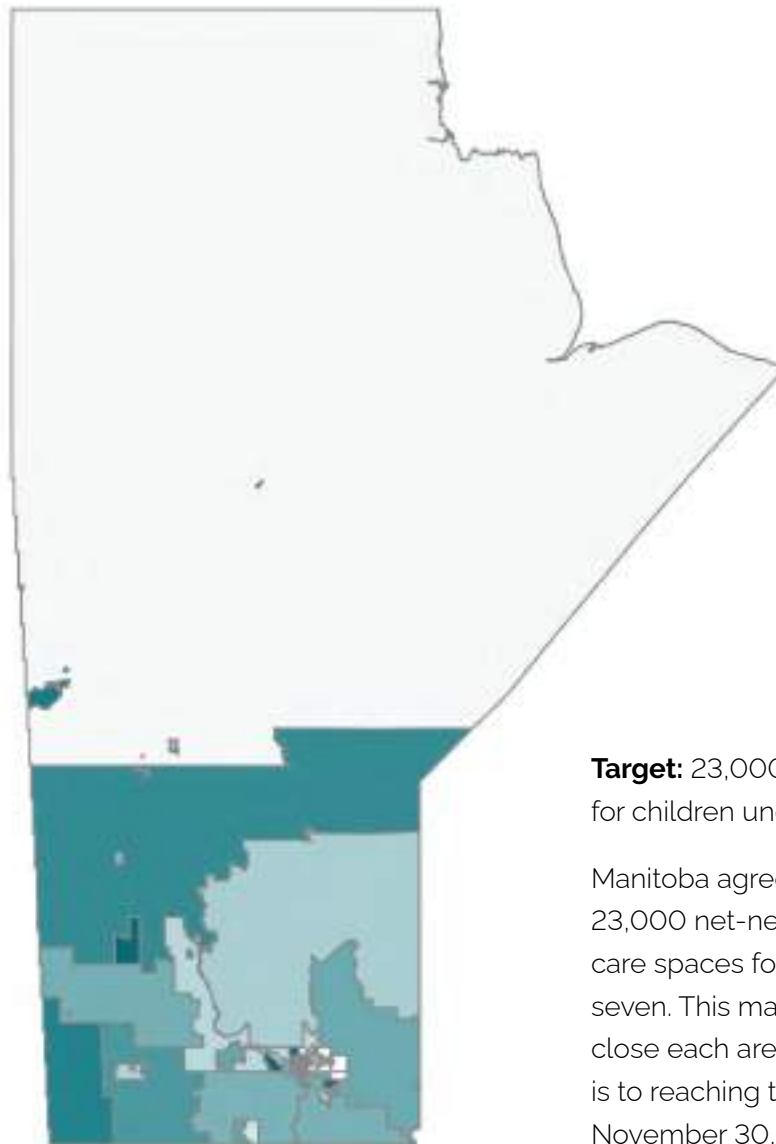
Recommendation 7

We recommend the Department establish clear actions and timelines for verifying that expenses were eligible for the EDI grant, and addressing any ineligible expenses identified.

This page is intentionally left blank.

Appendix 1

Heat map of Manitoba's child care coverage – November 30, 2025 23,000 spaces



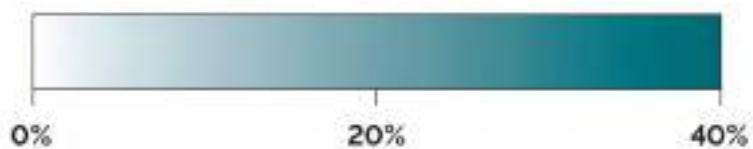
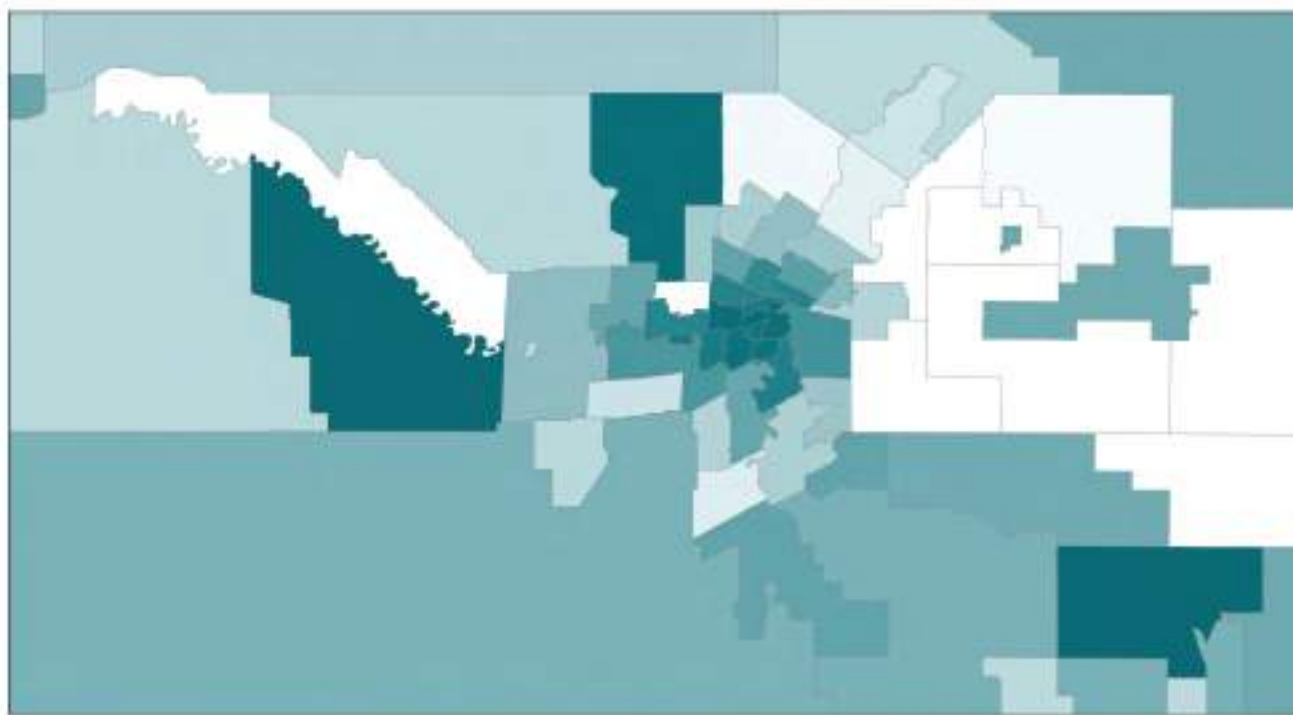
Target: 23,000 spaces (38%)
for children under 7

Manitoba agreed to create 23,000 net-new licensed child care spaces for children under seven. This map illustrates how close each area in Manitoba is to reaching that target as of November 30, 2025.



WEBSITE VERSION

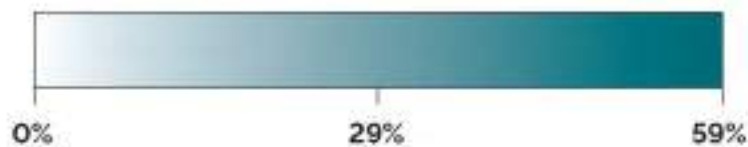
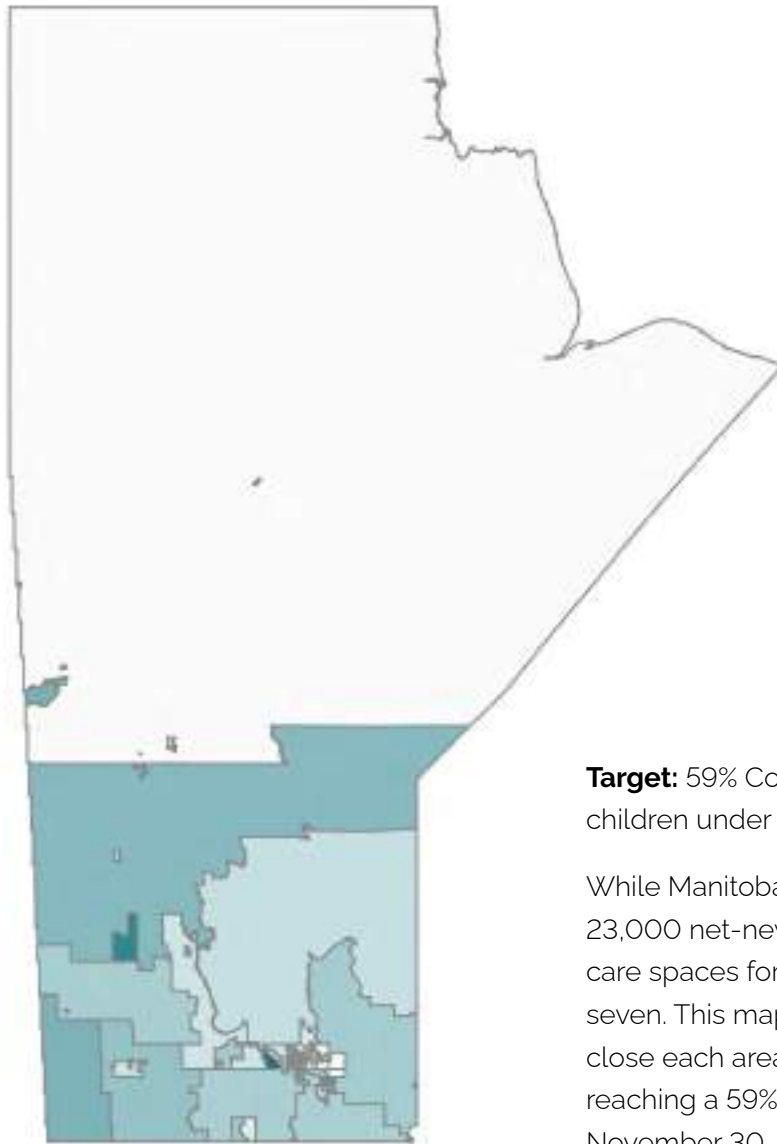
Winnipeg and surrounding areas



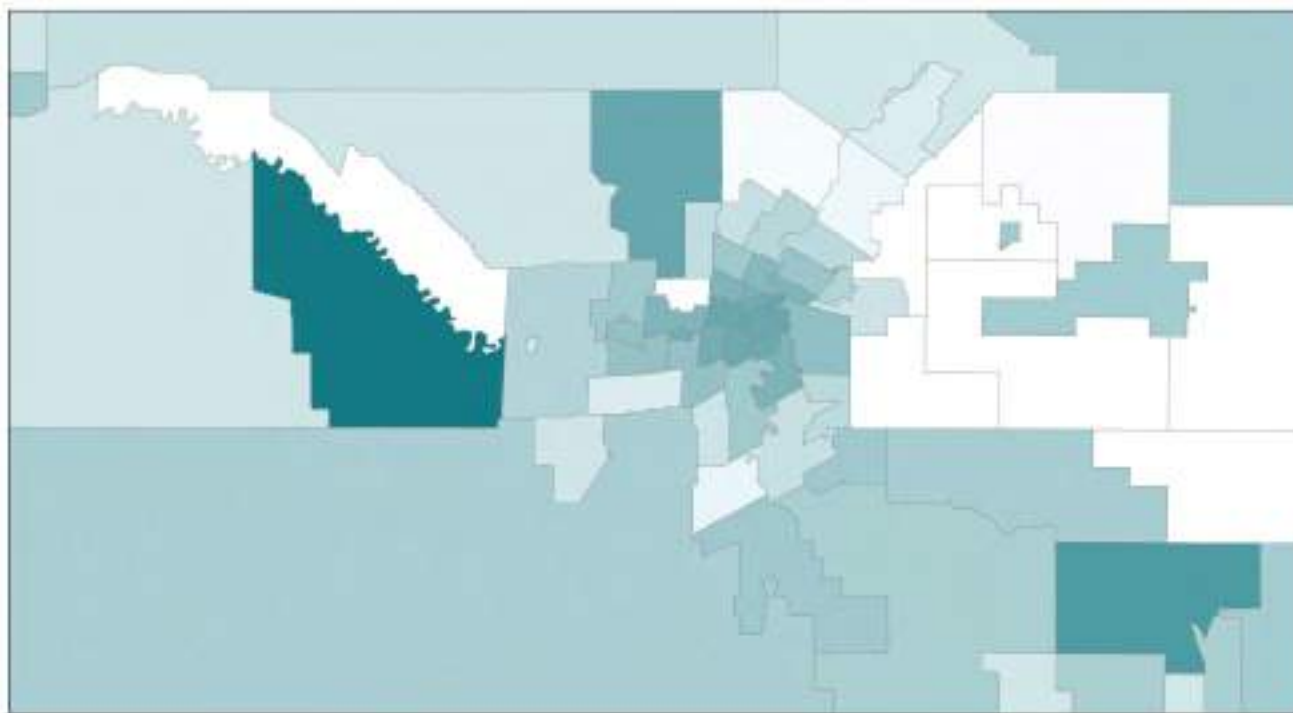
WEBSITE VERSION

Appendix 2

Heat map of Manitoba's child care coverage – November 30, 2025 59% coverage



Winnipeg and surrounding areas



WEBSITE VERSION

Sampling methodology

We conducted our review of the Department of Education and Early Childhood Learning's (the Department) practices using a sampling methodology based on a 90% confidence level and a margin of error of $\pm 10\%$. Representative samples were selected to provide reasonable assurance over the effectiveness, compliance, and oversight of key program areas.

Capital projects: We examined a representative sample of 55 capital projects to assess the geographic distribution and rationale for approval or denial. Our review also evaluated whether the Department identified and supported a documented community need.

Inclusion Support Program: We reviewed a representative sample of 63 children supported by the Inclusion Support Program to assess eligibility against criteria, review decision communication and whether the applications clearly identified the child's needs, facility requirements, and any barriers to support. We also evaluated the timeliness of the Department's review and support process.

Enhancing Diversity and Inclusion Grants: We examined a representative sample of 64 Enhancing Diversity and Inclusion grants to evaluate the processes used by the Department to determine eligibility, allocate funding, and exercise oversight over program administration.

OAG dashboards for Early Learning and Child Care

This appendix explains how OAG modeled child care accessibility and space allocation in Manitoba. It consolidates facility-level licensing and capacity, population estimation by age and geography, spatial access modeling, and validation steps. The methodology ensures that planning for new spaces aligns with demographic trends and geographic realities, using official data sources and advanced forecasting techniques. While the model focuses on distance and population, it excludes socioeconomic variables and assumes continuity in historical trends.

Assumptions

- **Population trends:** Migration, birth rates, and aging will continue following historical patterns from 2001 to 2024. No major policy or economic changes are anticipated.
- **Government programs:** No new provincial or federal initiatives are expected to significantly increase childbirth rates.
- **Geographic behavior:** Areas within the same Forward Sortation Area (FSA) behave similarly. Rural FSAs in the same region share comparable trends, but patterns differ between Northern and Southern Manitoba.
- **FSA similarity:** FSAs with similar socioeconomic, cultural, and demographic characteristics are assumed to exhibit similar population changes. Urban and rural areas differ significantly.

- **Facility choice:** Parents can enroll children at any facility regardless of catchment boundaries. Urban families typically travel up to 10 km; rural families may travel farther.
- **Long-term planning:** No facility closures are assumed when projecting long-term coverage.
- **Data integrity:** Facility addresses and geocoded coordinates are accurate. The Department's space tracker database (current and committed projects) is complete and up to date.
- **Model scope:** Variables such as immigration rates, financial well-being, and socioeconomic status are excluded from allocation calculations.

Data sources and integration

- **Population:** Manitoba Bureau of Statistics (ages 0–14, 2001–2024); 2016 & 2021 census by Forward Sortation Area (FSA); Statistics Canada projections (Medium Growth, Scenario 6).
- **Facilities:** The Department space tracker (publicly announced, approved, completed, committed projects, Nov 2025); current centre list (Apr 2025) with addresses and capacities.
- **Geocoding:** Facility addresses geocoded via Python/Google Maps; FSA centroids verified.
- **Captured attributes:** Facility ID, name, address, FSA, coordinates, capacity (ages 0–6, school age), program status (current vs. committed), ownership (descriptive only).
- **Notes on gaps / handling:**
 - Some records lacked reliable coordinates; we corrected with reverse-geocoding and manual checks.
 - School-age catchments and part day kindergarten are out of scope for allocation (see Limitations).

Defining target population

Non-school age children were defined as ages 0–6, adjusted for Manitoba's part-day kindergarten structure. Population estimates were projected using historical trends and validated against official Statistics Canada medium-growth scenario forecasts.

Spatial accessibility model

- **Distance measurement**
 - Haversine distance between **facility** and **FSA centroid**:
 - »
$$d = r \cdot 2 \cdot \arcsin \left(\sqrt{\sin^2 \left(\frac{\Delta\phi}{2} \right) + \cos\phi_1 \cdot \cos\phi_2 \cdot \sin^2 \left(\frac{\Delta\lambda}{2} \right)} \right)$$
 - » Use $r = 6,371$ km; angles in **radians**.
- **Catchments (urban vs rural)**
 - **Urban:** 10 km maximum; normalized decay goes to zero at threshold.
 - **Rural:** No strict cutoff; decay can approach near zero but not negative.
- **Distance decay (Gaussian)**
 - We incorporated a Gaussian decay function to reflect the declining likelihood of enrollment with increasing distance. Use d = Haversine distance and d_0 = max travel threshold (10 km urban, uncapped rural).

» Urban

$$D_n = \frac{e^{-0.5\left(\frac{d}{d_0}\right)^2} - e^{-0.5}}{1 - e^{-0.5}}$$

» Rural

$$D_n = e^{-0.5\left(\frac{d}{d_0}\right)^2}$$

- **Urban normalized** variant ensures the weight hits zero at d_0 .
- **Rural** variant uses the non normalized form; negatives set to zero.

- **Population weighted accessibility**

- Accessibility scores were weighted by local child population and distance between facility and FSA to ensure proportional allocation of spaces.
- Multiply decay by FSA child population (ages 0–6):
 - » $D_{adj,ij} = D_n \times P_{FSA}$

- **Facility weight sum and share**

- Sum weights per facility j :
 - » $W_j = \sum_i D_{adj,ij}$
- Share of facility capacity for FSA i :
 - » $S_{ij} = \frac{D_{adj,ij}}{W_j}$

- **Seat allocation**

- Seats to **FSA** i from **facility** j :
 - » $N_{ij} = S_{ij} \times C_j$
- Aggregate N_{ij} across facilities to compute FSA-level seats and coverage:
 - » Coverage = $\frac{\text{Allocated seats}_{0-6}}{\text{Population}_{0-6}}$

Forecasting and validation

Population projections for 2025–2035 were generated using **FORECAST.ETS** in Excel, then adjusted to align with official StatCan projections. We analyzed all space commitments recorded as of November 2025 and projected their opening dates using information from the Department's Master Space Tracker. Spaces scheduled to open after March 2031 were excluded because they fall outside the extended agreement period.

Limitations

- **Scope:** Socioeconomic and quality variables are not included in allocation; model is driven by distance + population.
- **School-age nuance:** Manitoba part day kindergarten affects demand patterns, but school age care is excluded from allocation and coverage metrics.
- **Travel behavior:** Work proximate enrollment and cross urban commuting are acknowledged but not explicitly modeled.

- **Data gaps:** Historical latitude and longitude data required correction; some facility attributes may be incomplete.
- **Synthetic averaging:** Mapping CSD → FSA relies on averaged percent change across linked geographies; introduces smoothing.
- **Forecasting risk:** Exponential Triple Smoothing (ETS) and Scenario-6 alignment assume continuity in trends; long-term policy shifts could change totals.

Additional information about the audit

This independent assurance report was prepared by the Office of the Auditor General of Manitoba on Early Learning and Child Care: Accessibility and Inclusivity in Manitoba. Our responsibility was to provide objective information, advice and assurance to assist the Legislature in its scrutiny of the government's management of resources and programs, and to conclude on whether the Department of Education and Early Childhood Learning complies in all significant respects with the applicable criteria.

All work in this audit was performed to a reasonable level of assurance in accordance with the Canadian Standard on Assurance Engagements (CSAE) 3001—Direct Engagements set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook — Assurance.

The Office applies Canadian Standard on Quality Management 1, which requires the Office to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct of the Chartered Professional Accountants of Manitoba, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

In accordance with our regular audit process, we obtained the following from management:

- confirmation of management's responsibility for the subject under audit
- acknowledgement of the suitability of the criteria used in the audit
- confirmation that all known information that has been requested, or that could affect the findings or audit conclusion, has been provided

Period covered by the audit

The audit covered the period between April 1, 2021, and November 30, 2025. This is the period to which the audit conclusion applies. However, to gain a more complete understanding of the subject matter of the audit, we also examined certain matters that preceded the audit coverage period.

Date of the audit report

We obtained sufficient and appropriate audit evidence on which to base our conclusion on March 2, 2026, in Winnipeg, Manitoba.

This page is intentionally left blank.

Summary of recommendations and response from officials

This section provides a summary of all the recommendations we made, along with the responses from the Department Education and Early Childhood Learning.

Recommendation 1

We recommend the Department obtain improved data (such as waitlist numbers) to identify areas with high demand and integrate this information into child care space planning.

➤ Response of officials:

The department accepts this recommendation. The department is exploring methods of further enhancing its assessment of child care demand, including opportunities for greater alignment with kindergarten-to-grade 12 enrolment modelling. In doing so, the department remains mindful of minimizing the administrative burden on the over 1,100 licensed child care facilities across the province. The department has also initiated the replacement of its legacy Child Care Online system, with planned integration with Manitoba Child Care Search. The new system is expected to improve the timeliness of data and to increase the department's analytical capacity.

Recommendation 2

We recommend the Department strengthen its Child Care Demand Model to plan for new and long-term child care spaces by area through incorporating:

- a. Waitlist information.
- b. Space closures.
- c. Space creation targets.
- d. Historical information.

➤ Response of officials:

The department accepts the recommendation to enhance the suite of tools used to plan for new and long-term child care spaces. The department will continue to enhance its Child Care Demand Model (CCDM) as one of several tools used to analyze and prioritize child care capital projects for government's consideration. CCDM data is assessed alongside information from Child Care Online, the department's Space Tracker, and applications from capital project proponents to support accountability for public investment in child care space creation in both the short and long term.

Developed in 2022/23 in partnership with the Manitoba Bureau of Statistics, the CCDM draws on census data, Statistics Canada, Child Care Online, and datasets from partner departments. The model incorporates weighted demographic and socio-economic variables aligned with

underserved populations identified in the CWELCC agreement. The CCDM was not intended to be the sole determinant of project viability or impact. The department also considers proponents' capacity to meet program requirements, organizational financial health, business and staffing plans, and local waitlist or community demand information. In addition, the department assesses opportunities to advance broader public outcomes through strategic investments, including alignment with regional economic development initiatives, healthcare workforce needs, and post-secondary training opportunities for parents.

As a result of these factors, the department will work toward improved integration across data sources rather than expanding the CCDM to capture all elements independently.

Recommendation 3

We recommend the Department develop a comprehensive action plan that addresses barriers and improves equity of access in all Manitoba communities.

➤ **Response of officials:**

The department accepts this recommendation. Since 2021, the department's child care expansion plan has included 16,800 non-profit spaces opened and committed, with more than 11,400 eligible under the CWELCC agreement. The department acknowledges the complexity of building non-profit and public child care and appreciates the significant partnership of non-profit community-based organizations, public bodies and Indigenous governments in advancing the progress to date. Through its capital program, the department has structured partnerships with public bodies to ensure investments remain publicly owned and dedicated exclusively for child care for the life of the asset, supporting long-term stability for families and communities.

The department is developing a strategy to meet remaining space creation commitments under the CWELCC agreement and to continue advancing provincial child care priorities for Manitoba families in need of school-age care. The strategy is expected to be finalized in the coming months and will focus increasing access to child care in the highest-need communities across Manitoba and in consideration of underserved populations identified in the agreement. Targets will be set for annual space creation under these capital and expansion initiatives.

Recommendation 4

We recommend the Department improve its tracking of staffing levels needed to keep pace with space expansion by obtaining data to monitor child care staffing retention, employee satisfaction, and reasons for departures.

» Response of officials:

The department accepts this recommendation and has already completed a provincial Workforce Satisfaction Survey, to better understand staffing retention, employee satisfaction, and reasons child care professionals may consider leaving the field. The department has existing systems to track staffing levels in child care facilities and to project future need based on planned space expansion. A number of initiatives to grow the workforce alongside the expansion of spaces have already been implemented, and additional actions have been identified in the recently released comprehensive workforce strategy.

Recommendation 5

We recommend the Department improve its internal analytical capacity by developing forecasting tools and processes that identify child care demand and workforce pressures to inform management's assessment of risks associated with meeting current child care commitments and support future planning and resource allocation.

» Response of officials:

The department accepts this recommendation. The department has been exploring opportunities to align its approach in assessing child care demand, including forecasted demand, with enrolment models in the kindergarten-to-grade 12 system. As the Department of Education and Early Childhood Learning, we recognize the need for our systems and data to support planning along the continuum of learning. The department also anticipates greater analytical capacity as a result of modernizing its legacy IT system, both in respect of child care spaces and workforce patterns.

Recommendation 6

We recommend the Department collect and analyze information on applicants who do not complete the eligibility process or who are approved but do not proceed with ISP supports.

➤ Response of officials:

The department accepts this recommendation. Collecting and analyzing information on applicants who do not complete the eligibility process or who are approved but do not proceed with ISP supports may provide the department with insight to inform future improvements in service delivery.

Foundational work to gather this information has begun. The department has updated its internal processes to track all applications received, including those that do not move forward with supports through the Inclusion Support Program or the department's Child Development Services. This includes capturing the rationale for an application not moving forward, with the goal of identifying barriers and improving the process. The department has also established a centralized system to collect and analyze this data at regular intervals.

Recommendation 7

We recommend the Department establish clear actions and timelines for verifying that expenses were eligible for the EDI grant, and addressing any ineligible expenses identified.

➤ Response of officials:

The department accepts this recommendation. The EDI grant was a one-time investment available to all non-profit child care centres and homes to support diversity and inclusion for children, staff and families. The grant was designed in consultation with child care stakeholders, and provided flexibility for the purchase of equipment, materials, minor renovations and professional development. Participation was voluntary, and all recipients were required to agree to the grant conditions, including reporting requirements.

To date, the department has focused on supporting facilities to complete reporting and ensure funds were used appropriately. Some facilities experienced delays due to supply chain challenges, limited administrative capacity, and the time required to coordinate renovations with landlords. The department continues to follow up with facilities that have outstanding reports and will implement a review process to verify compliance with grant conditions and outcomes. This may include requests for additional information, supporting documentation, or repayment of ineligible expenses.

» Vision

Government accountability and public administration excellence for Manitobans.

» Mission

To provide independent information, advice and assurance on government operations and the management of public funds.

» Values

Independence – We are independent from government and our work is objective and unbiased.

Integrity – We act with honesty and uphold high ethical standards.

Innovation – We promote innovation and creativity in what we do and how we do it.

Teamwork – We work as a team by sharing each other's knowledge and skills to reach our goals.

Auditor General

Tyson Shtykalo, FCPA, FCA

Assistant Auditor General

Wade Bo-Maguire

Principal

Marcia Vogt

Manager

Grant Voakes

Data Analytics, Manager

Gabriel Nazario

Auditor

Esther Adelodun

Communications Manager

Frank Landry

Admin Support

Abisoye Adebayo

Tara MacKay

Ivanna Romero

Graphic Design

Waterloo Design House

The Office of the Auditor General of Manitoba acknowledges with respect that we conduct our work on the ancestral lands of Anishinaabeg, Anishinewuk, Dakota Oyate, Denesuline, and Nehethowuk Nations, and on the National Homeland of the Red River Métis. We respect the Treaties that were made on these territories, we acknowledge the harms and mistakes of the past, and we dedicate ourselves to move forward in partnership with Indigenous communities in a spirit of reconciliation and collaboration.



Auditor General
MANITOBA

For more information, please contact our office at:

Office of the Auditor General
500-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4
Phone: 204-945-3790
contact@oag.mb.ca | www.oag.mb.ca

 @AuditorGenMB

 @AuditorGenMB

 [company/manitoba-auditor-general](https://www.linkedin.com/company/manitoba-auditor-general)