

# More information on the Affordability Grant

(as at Dec. 19 2025)



## START OF THE PROGRAM

Childcare in Canada has historically been managed at a Provincial level. Each Province has their own child-to-adult ratios for supervision, has different arrangements for educator wage support, and different subsidy systems for families who cannot afford childcare.

The Government of Alberta and the Federal Government implemented a national program in 2021 to decrease the up-front payable amounts by families for children attending childcare. The program, called the Affordability Grant, was intended to operate between January 2021 and March 2026. It was initially put in place as a COVID-recovery engine to help Canadians out of the economic slump and encourage people to return to work.

The Province's current information about the Grant can be found at <https://www.alberta.ca/federal-provincial-child-care-agreement.aspx>. The program is mostly funded by the Federal Government, and all Provinces had to sign on to the same terms set out by the Federal Government in order to participate. All Provinces signed on in 2021, with Alberta being the last to agree. Alberta was up front about stating publicly that they did not like the idea of the Federal Government controlling a Provincially-administrated industry.

Starting January 2021, the government paid 20% of the existing list price of all operating and licensed Alberta childcare centre fees directly to the centre, and parents paid 80% (2021-2022). As part of signing the agreement to participate in the Grant, Centres had to agree not to raise their tuition fees. *However, most centres had also not raised fees since 2019, due to COVID and scarcity of children registering for childcare in the 2020-2021 period (fees were kept low to attract registrations).*

A program called Childcare Subsidy was available up to 2024 in Alberta to low-income families. This was available in addition to the Affordability Grant. Families applied for this directly with the Province, and had to submit tax proof of low income. Funds were then disbursed to centres, and centres passed the subsidy to parents as a refund.

## THE PROGRAM DEVELOPS

In April 2023, the split of fees paid by the Federal Government changed to 60% paid by them, and 40% paid by parents. The number of new centres opening increased significantly, as operators were incentivized by the availability of government funding.

The government put caps on the number of private centres opening in 2023 and again in 2025, as the funds for the program were depleting faster than anticipated. However, non-profit centres were still allowed to receive funding. This caused issues for centres already in construction, and many moved to not-for-profit to remain funded. Existing funded centres were still not allowed to raise tuition fees, and inflation continued to rise for costs of operating childcare.

In April 2024, the split of fees moved to 80% Federal funds paid to the centres, and 20% out of parent pockets. At the same time, the Provincial childcare subsidy program to assist low-income families was discontinued. A flat-fee payable by all parents was introduced (\$326.25 per month) regardless of income. This resulted in some families seeing a jump in their fees from \$0 to \$326.25 per child, and other families saw their fees drastically decrease.

Providers were still not allowed to increase core tuition fees. However, programs were allowed to charge extra fees for things not part of core program and for things like lates / registration / etc.



## THE PROGRAM TODAY

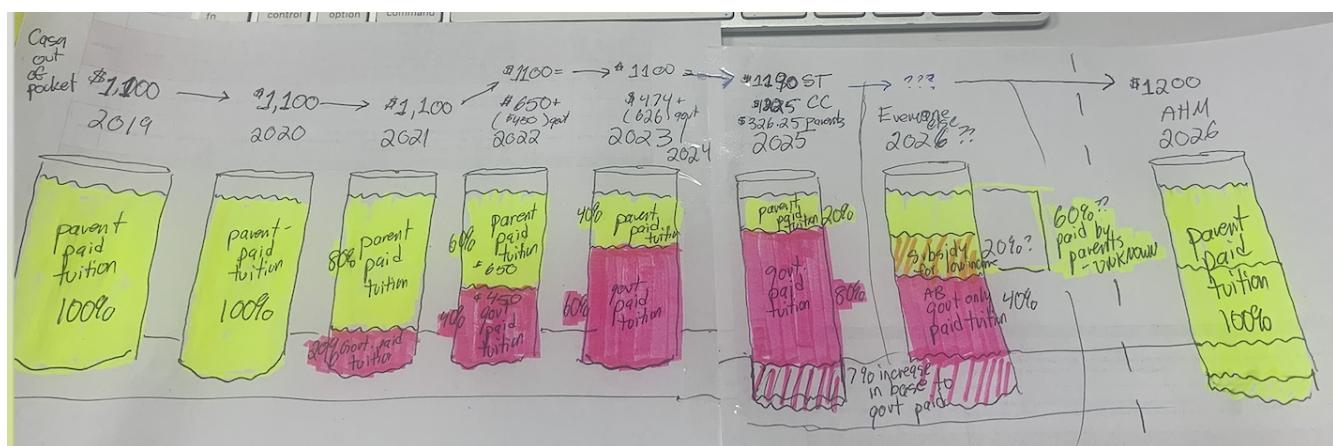
The current Affordability Grant agreement with Alberta expires on March 31 2026. The Province announced in October 2025 that they would not be renewing for another 5 year term with the Federal government, as they wanted to administer the funding in their own way.

Due to the uncertainty being created by the potential lack of agreement, on Dec. 12 2025, the Province announced a decision to extend the agreement by a year to March 31 2027, as they have not been able to negotiate a revised agreement with the Federal Government.

The Province has identified that they still intend to develop a Provincially-managed agreement before the 2027 renewal period.

Aspen Hill Montessori has signed on to participate in the Grant extension.

## HOW YOUR CHILDCARE FEES HAVE BEEN PAID OVER THE LIFE OF THE GRANT AGREEMENT



## AHM's POSITION

Aspen Hill Montessori is signed on to participate in the Affordability Grant through Mar. 31 2027. Although the Affordability Grant program decreases the up-front costs payable by families, the program has increasingly challenged the quality of childcare that is able to be provided by centres. This is due to:

1. Grant agreement restrictions on what educational materials we can purchase and how much of each
2. Grant agreement freezes on early childhood educators' Provincial wage support
3. Grant agreement mandatory tuition fee freezes since 2021
4. Childcare centres are required to complete a significant amount of ongoing administration work in order to participate, decreasing the staff and funding available to care for children.

AHM is an active lobbyist for increased pay to early childhood educators, and a return to valuing high quality care in Alberta instead of the lowest price.

*The information in this summary is to educate parents considering AHM for the 2026-2027 seasons. We encourage parents new to our program to be engaged with ongoing news related to the Affordability Grant released from the Province.*