Early Learning and Child Care 'What's Changing' Fact Sheet

For Daycare Facilities

Overview

On April 1, 2025, Alberta is introducing three unique Affordability Funding approaches for daycare providers, preschools and family day homes to enable the continued delivery of high-quality child care across the province and further implement the Canada-Alberta Canada-Wide Early Learning and Child Care (CACWELCC) Agreement. With these new funding approaches, funding will be more streamlined and equitable, with about 85 per cent of daycare providers and the majority of family day homes seeing increases. These changes ensure that high-quality child care remains affordable and sustainable for families across Alberta.

In conjunction with the introduction of the new Affordability Funding approaches, starting April 1, 2025, the Child Care Subsidy Program for children up to kindergarten age (attending child care during school hours) will be replaced with a flat and predictable monthly parent fee of \$326.25 per month for full-time licensed child care for all families with children attending daycare and family day homes. This is equivalent to \$15 a day. A flat monthly part-time parent fee of \$230 per month will also be introduced. As opposed to a flat monthly parent fee, parents with children in preschools will instead have a reduction of up to \$100 off their preschool program's stated monthly child care fees.

Starting this spring, the Child Care Accountability Program will be introduced which will require all licensed programs to register enrolled children into a provincial child care registration system which will generate a Child Care Participant Number. This will be followed by a new claims system in summer 2025. The Child Care Participant Number will enable a more streamlined claims process that reduces red tape for programs.

Child Care Subsidy Program

Over the coming months, the transition to the flat monthly parent fee from the Child Care Subsidy Program will occur for children up to kindergarten age registered in full or part-time licensed daycare and family day homes across Alberta. This means the Child Care Subsidy Program is ending March 31, 2025 for children up to kindergarten age (attending during school hours), and will be replaced by the flat monthly parent fee in daycares and family day homes starting April 1, 2025.

As part of the transition, new applications for Child Care Subsidy taking effect on or after February 1, 2025 will not be processed for children up to kindergarten age (attending child care during school hours). This means subsidy applications will only be processed for children registered to start child care on or before January 31, 2025. Renewals will continue to be accepted for children that already received Child Care Subsidy. All payments for daycare subsidy, except for out-of-school care (OSC), will end by March 31, 2025.

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

Child Care Participant Number

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

Starting this spring, all licensed child care programs will be required to register children enrolled in their program into the Child Care Licensing Portal which will generate a Child Care Participant Number. While it will require programs to undertake some up-front administrative work, it will lead to a more streamlined claims process and less red tape. More information on the registration process will be shared in the coming weeks.

New Affordability Funding Approaches

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

The Affordability Funding approaches take into account the costs of delivering high-quality child care in different regions of the province and for different age

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Classification: Public

groups. These approaches give child care programs the flexibility they need to deliver high-quality child care that meets the needs of the families they serve. Funding is to cover the reasonable costs associated with staffing, facilities, operations, programming and administration.

In addition to Affordability Funding, the Wage Top-Up Grant, which includes funding for wage top-up, professional development, release time and employer contribution for certified early childhood educators is not changing at this time. Total government child care funding is comprised of Affordability Funding and Wage Top-Up Grant Funding combined (Figure 1 in the Appendix).

Daycare Program Affordability Funding

To streamline the administration of Affordability Funding in daycares, a program's 2024/2025 Affordability Grant Schedule A Child Care Fees will be combined with their existing Cost Increase Replacement Funding (CIRF) rate, the \$150 infant care incentive (for age groups 18 months and younger) and an additional two per cent inflationary increase. This new comprehensive Child Care Fee will be assessed against 13 new regional minimum and maximum benchmarks for each age group to determine a program's 2025/2026 Child Care Fees.

- Child Care Fees below the regional benchmark will be brought up to the minimum benchmark.
- Child Care Fees above the maximum regional benchmark will be brought down to the maximum benchmark.

The full-time Affordability Funding rate a program will receive per enrolled child each month will be calculated by subtracting the monthly parent fee of \$326.25 from the 2025/2026 Child Care Fee.

Part-time Child Care Fees will be calculated at 65 per cent of a program's 2025/2026 full-time Child Care Fee for each age group. The part-time Affordability Funding rate will be calculated by subtracting the parttime monthly parent fee of \$230 from the part-time Child Care Fee.

Funding will continue to be based on the number of hours a child is registered to attend each month. Children registered to attend less than 50 hours per month are not eligible for funding under the Affordability Grant.

Registered-hour categories will continue to be defined as:

- *Full-time care:* children receiving 100 or more hours of care per month; and
- *Part-time care:* children receiving between 50 and 99 hours per month.

Daycare programs will continue to collect the monthly parent fee directly from parents.

Calculating 2025/2026 Full-Time Child Care Fees and Affordability Funding

Starting in February, licensed daycares can view their final 2025/2026 Child Care Fees in the Child Care Licensing Portal under Schedule A of the new Affordability Grant.

The following steps were applied to calculate each daycare program's unique 2025/2026 Child Care Fees and were repeated for each age group for which they are licensed to provide care. The 2025/2026 Child Care Fees will come into effect on April 1, 2025, following the signing of the 2025/2026 Affordability Grant Agreement. Refer to Figure 2 in the Appendix for a visual of how Affordability Funding is calculated.

Step 1: Calculate Child Care Fees

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

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

Step 2: Compare to Regional Benchmarks

Each age group's Child Care Fee calculated in Step 1 is compared against the minimum and maximum benchmarks for that age group based on the geographic region of the program. Refer to Figure 3 and Table 1 and 2 in the Appendix for a map of the child care regions, a list of municipalities within each region and the minimum and maximum regional benchmarks.

- A) If the fee calculated in Step 1 is above the maximum regional benchmark, the fee will move down to the maximum benchmark fee listed in Table 2. This becomes the final 2025/2026 Child Care Fee.
- B) If the fee calculated in Step 1 is below the minimum regional benchmark, the fee will move up to the minimum benchmark listed in

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Table 2. This becomes the final 2025/2026 Child Care Fee.

C) If the fee calculated in Step 1 is between the region's minimum benchmark and maximum benchmark, then this fee is the final 2025/2026 Child Care Fee.

Step 3: Calculate Affordability Funding Rate

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

Calculating 2025/2026 Part-Time Child Care Fees and Affordability Funding

Starting April 1, 2025, parents accessing part-time care (between 50 and 99 hours a month) in daycares will pay a flat part-time parent fee of \$230 per month.

Part-time Child Care Fees will be calculated at 65 per cent of a program's 2025/2026 full-time Child Care Fee for each age group.

The Affordability Funding rate a program will receive per child registered for part-time care is calculated by taking the 2025/2026 part-time Child Care Fee (65 per cent of full-time 2025/2026 Child Care Fee) minus the monthly \$230 parent fee for all children enrolled in part-time care.

Infant Care Incentive

To reduce red tape, the Infant Care Incentive has been automatically incorporated into 2025/2026 Child Care Fees and is no longer a separate program that requires application for infants less than 19 months of age.

Optional Services and Supplemental Fees

A program's Child Care Fees are intended to enable the continued delivery of high-quality child care and to cover reasonable costs associated with staffing, facilities, operations, programming and administration.

Understanding that programs require flexibility to meet the needs of the families they serve, programs will be permitted to charge supplemental parent fees for services that are optional for parents.

Examples of optional services where a supplemental parent fee may be charged include transportation, field trips, meals, extracurricular activities or diapers. A supplemental parent fee may be charged for overnight care and extended hours care. These supplemental fees may be charged directly to parents and are in addition to the monthly parent fee. Supplemental fees are <u>not</u> required to be charged to parents for optional services. Child care providers may choose to provide optional services for no additional supplemental fee.

Programs must provide parents a choice as to whether they will participate in and pay for an optional service, and preferential access to programs cannot be granted to families willing or able to pay for these optional services. Any non-optional supplemental fees currently being charged to parents must be optional as of April 1, 2025. Programs will be required to report to the Ministry of Jobs, Economy and Trade on the optional services they provide for a supplemental fee.

Programs will continue to be prohibited from charging additional general administrative, operational and equipment fees to parents. However, targeted fees for late pickup, late payments or other punitive fees are permitted. Refer to Table 4 in the Appendix for the Optional Services and Supplemental Parent Fee Guideline.

Overnight and Extended Care

Starting April 1, 2025, programs offering overnight care will receive the same Affordability Funding rate and monthly parent fee as daytime care and will be permitted to charge parents a supplemental fee for optional overnight services.

The Extended Hours Child Care Subsidy will be discontinued as of March 31, 2025, for children up to kindergarten age (attending child care during school hours). Programs will be permitted to offer extended hours care as an option to parents and charge a supplemental fee for those parents who choose to receive extended hours care. Extended child care hours are those which fall outside the hours of 6 a.m. to 6 p.m. Monday to Friday.

Programs are still required to be approved to provide overnight care and extended care by the Licensing Office.

New Programs and Increases to Licensed Spaces in Existing Programs

Starting April 1, 2025, newly licensed programs are required to set Child Care Fees at or below new maximum regional benchmarks that are approximately the mid-point of the minimum and maximum benchmarks set for existing daycare child care spaces in each region (refer to Table 3 in the Appendix for New Daycare Maximum Regional Benchmarks).

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Starting April 1, 2025 existing programs that are newly licensed for an age group for which they did not previously provide care for (i.e. do not have a 2024/2025 Schedule A Child Care Fee) must also set their Child Care Fees for the new age group, at or below the maximum regional benchmark set out for new daycares (refer to Table 3 in the Appendix for Daycare Maximum Regional Benchmarks).

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

Existing programs approved for additional spaces through variance requests for current age groups they already serve will have their 2024/2025 Child Care Fees applied to the additional spaces. Starting April 1, 2025, 2025/2026 Child Care Fees will apply.

In accordance with the CACWELCC Agreement, there are limits on spaces eligible for Affordability Funding.

Affordability Grant Agreement

A 2025/2026 Affordability Grant Agreement that reflects the new Affordability Funding approach for daycares will be available in the Child Care Licensing Portal for programs to review prior to signing. Each program will also be able to review their Child Care Fees in the portal. Schedule A of the Affordability Grant Agreement will automatically be populated with each program's 2025/2026 Child Care Fees and the Affordability Funding rate for each eligible age group.

The deadline for signing the 2025/2026 Affordability Grant Agreement is March 31, 2025. The "Claim Advance" section provides additional deadlines that affect the timing of the claim advance.

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

professional development, release time and employer contribution funding for certified early childhood educators. This includes all early childhood educators associated with the OSC program.

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

Claim Advance

To receive a claim advance for the month of April 2025, eligible programs will need to sign the new Affordability Grant Agreement by March 31, 2025. To avoid delays in receiving the claim advance, earlier deadlines apply:

- Programs that submit their February claim by March 20, 2025, and sign the 2025/2026 Affordability Grant Agreement before March 28, 2025, will receive a claim advance payment within the first week of April 2025.
- Eligible programs that sign the Affordability Grant Agreement between March 28 and March 31, 2025, may have their claim advance payment delayed.

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

New Claims System

Claims for April and May 2025 will continue to be made through the existing Child Care Claims Processing (C3P) system.

Starting summer 2025, providers will claim for registered children enrolled in their program using the Child Care Participant Number in the new claims system.

The new claims system will be rolled out in phases:

March to June 2025 – Training will be available to help programs learn about the new Child Care Participant Number and claims submission processes within the Child Care Licensing Portal.

April to June 2025 - Providers will be asked to register all children enrolled in their programs into the

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new child registration system within the Child Care Licensing Portal.

Summer 2025 – Providers will be able to submit their June 2025 claim through the new claims system in the Child Care Licensing Portal.

Wage Top-Up Grant

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

The current Wage Top-Up Grant Agreement, which provides wage top-up, professional development, release time and employer contribution funding, expires March 31, 2025. A new Wage Top-Up Grant Agreement will be available in the Child Care Licensing Portal to sign in early March at the same time as the Affordability Grant Agreement. To be eligible for the Wage Top-Up Grant Agreement, daycares and preschools must sign the Affordability Grant.

Questions?

For questions not addressed in this Fact Sheet, please contact <u>childcare@gov.ab.ca</u> or visit <u>www.alberta.ca/child-care</u>.

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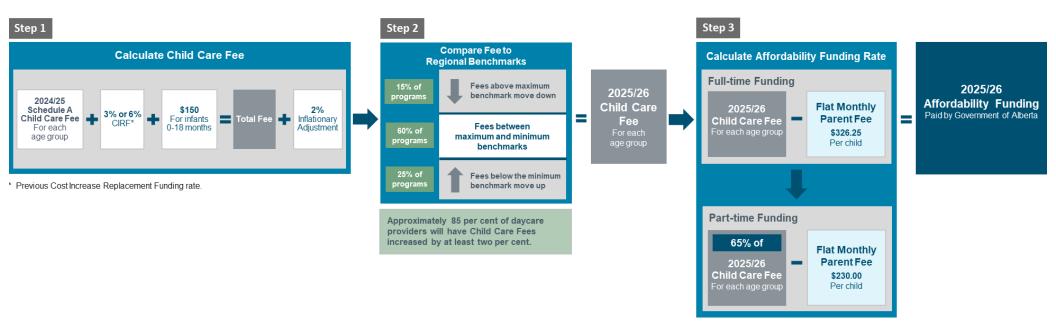
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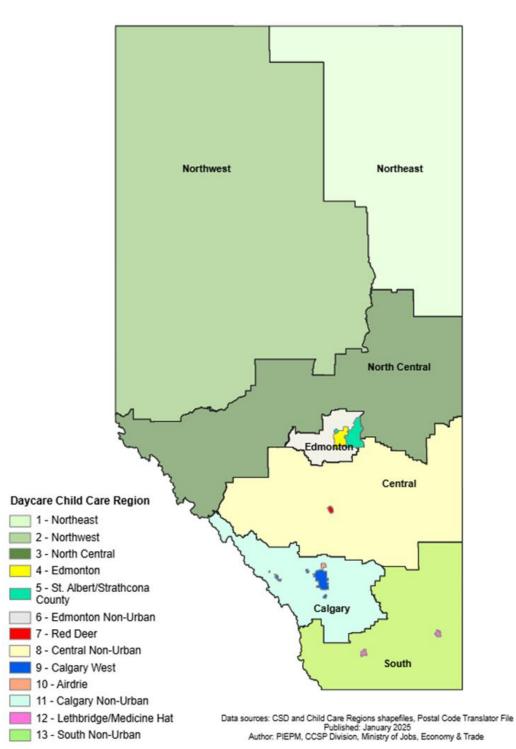
Figure 1 – Daycare Total Government Child Care Funding



Figure 2 – Daycare Affordability Funding Calculation

For existing programs, determine monthly funding by applying the steps outlined below and multiplying by the number of children enrolled in each age group separately.





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Table 1 – Daycare Regions

Daycare Regions										
	REGIONS	MUNICIPALITIES								
1	Northeast	REGIONAL MUNICIPALITY of WOOD BUFFALO	FORT CHIPEWYAN	FORT McKAY	FORT McMURRAY					
2	Northwest	BEAVERLODGE BIG LAKES COUNTY BIRCH HILLS COUNTY COUNTY of CLEAR HILLS FAIRVIEW	GRANDE PRAIRIE GRANDE PRAIRIE COUNTY MD of GREENVIEW HIGH LEVEL	HIGH PRAIRIE LA CRETE MACKENZIE COUNTY MANNING	NORTHERN LIGHTS COUNTY NORTHERN SUNRISE COUNTY MD of OPPORTUNITY MD of PEACE RIVER	PEACE RIVER RAINBOW LAKE SADDLE HILLS COUNTY SEXSMITH	SLAVE LAKE SPIRIT RIVER VALLEYVIEW WORSLEY			
3	North Central	ATHABASCA ATHABASCA COUNTY BARRHEAD BARRHEAD COUNTY BONNYVILLE	MD of BONNYVILLE BOYLE BRUDERHEIM COLD LAKE COUNTY of TWO HILLS	EDSON ELK POINT HINTON JASPER LAC STE. ANNE COUNTY	LAMONT COUNTY LAC LA BICHE COUNTY MINBURN COUNTY SMOKY LAKE COUNTY ST. PAUL	ST. PAUL COUNTY SWAN HILLS THORHILD COUNTY VEGREVILLE WESTLOCK	WESTLOCK COUNTY WHITECOURT WOODLANDS COUNTY YELLOWHEAD COUNTY			
4	Edmonton	EDMONTON								
5	St. Albert / Strathcona County	ST. ALBERT	STRATHCONA COUNTY							
6	Edmonton Non-Urban	BEAUMONT CALMAR DEVON	FORT SASKATCHEWAN GIBBONS LEDUC	LEDUC COUNTY LEGAL MORINVILLE	PARKLAND COUNTY REDWATER	SPRUCE GROVE STONY PLAIN	STURGEON COUNTY THORSBY			
7	Red Deer	RED DEER								
8	Central Non-Urban	BASHAW BEAVER COUNTY BLACKFALDS BOWDEN BRAZEAU COUNTY CAMROSE CAMROSE CAMROSE COUNTY CARSTAIRS	CLEARWATER COUNTY COUNTY of WETASKIWIN DAYSLAND DIDSBURY DRAYTON VALLEY DRUMHELLER FLAGSTAFF COUNTY HANNA	INNISFAIL KILLAM KNEEHILL COUNTY LACOMBE LACOMBE COUNTY LLOYDMINSTER (AB PART) MOUNTAIN VIEW COUNTY MD of PROVOST	MD of WAINWRIGHT OLDS PAINTEARTH COUNTY PONOKA PONOKA COUNTY PROVOST RED DEER COUNTY RIMBEY	ROCKY MOUNTAIN HOUSE SEDGEWICK STARLAND COUNTY STETTLER STETTLER COUNTY SUNDRE	Sylvan lake Three Hills Tofield Vermilion County of Vermilion River Wainwright Wetaskiwin			
9	Calgary West	BANFF	CALGARY	CANMORE	COCHRANE	OKOTOKS				
10	Airdrie	AIRDRIE								
11	Calgary Non-urban	BEISEKER MD of BIGHORN DIAMOND VALLEY	CHESTERMERE CLARESHOLM CROSSFIELD	FOOTHILLS COUNTY HIGH RIVER IMPROVEMENT DISTRICT NO. 9	IRRICANA KANANASKIS LONGVIEW	NANTON ROCKY VIEW COUNTY STRATHMORE	VULCAN VULCAN COUNTY WHEATLAND COUNTY			
12	Lethbridge / Medicine Hat	LETHBRIDGE	MEDICINE HAT							
13	South Non-Urban	BASSANO BOW ISLAND BROOKS CARDSTON CARDSTON COUNTY COALHURST	COUNTY of FORTY MILE COUNTY of WARNER COUTTS CROWSNEST PASS CYPRESS COUNTY	FOREMOST FORT MACLEOD LETHBRIDGE COUNTY MAGRATH MD of ACADIA	MD of PINCHER CREEK MILK RIVER COUNTY of NEWELL NOBLEFORD OYEN	PICTURE BUTTE PINCHER CREEK RAYMOND REDCLIFF SPECIAL AREA NO. 2	SPECIAL AREA NO. 3 TABER VAUXHALL WATERTON YOUNGSTOWN			

Table 2 – Daycare Minimum and Maximum Regional Benchmarks (used to determine final full-time 2025/2026 Child Care Fees)

This table is for programs that have a signed 2024/2025 Affordability Grant Agreement before January 30, 2025 to calculate their 2025/2026 Child Care Fees. For programs, signing on or after April 1, 2025, please refer to Table 3 – Daycare Maximum Regional Benchmarks.

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

Step 2: Daycare Minimum and Maximum Regional Benchmarks used to determine final full-time 2025/2026 Child Care Fees

Region	Infants (less than 12 months)		Infants (12 months to less than 19 months)		19 months to less than 3 years		3 years to less than 4 years		4 years to not yet attending kindergarten		Kindergarten-age requiring child care during school hours	
	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max	Min	Max
1 Northeast	\$1,690	\$1,974	\$1,653	\$1,861	\$1,392	\$1,631	\$1,392	\$1,556	\$1,392	\$1,551	\$1,285	\$1,568
2 Northwest	\$1,325	\$1,738	\$1,307	\$1,504	\$1,080	\$1,232	\$995	\$1,188	\$992	\$1,181	\$838	\$1,189
3 North Central	\$1,258	\$1,526	\$1,245	\$1,549	\$1,017	\$1,261	\$932	\$1,219	\$895	\$1,219	\$835	\$1,101
4 Edmonton	\$1,439	\$1,768	\$1,378	\$1,704	\$1,087	\$1,389	\$1,027	\$1,307	\$1,025	\$1,287	\$947	\$1,194
5 St. Albert / Strathcona County	\$1,481	\$1,807	\$1,448	\$1,774	\$1,130	\$1,471	\$1,081	\$1,352	\$1,058	\$1,351	\$974	\$1,225
6 Edmonton Non-Urban	\$1,392	\$1,659	\$1,322	\$1,524	\$1,058	\$1,245	\$1,002	\$1,180	\$991	\$1,162	\$915	\$1,105
7 Red Deer	\$1,450	\$1,823	\$1,369	\$1,711	\$1,140	\$1,462	\$1,114	\$1,446	\$1,114	\$1,446	\$1,092	\$1,439
8 Central	\$1,180	\$1,462	\$1,180	\$1,480	\$947	\$1,261	\$930	\$1,209	\$924	\$1,210	\$823	\$1,205
9 Calgary West	\$1,669	\$2,212	\$1,600	\$2,048	\$1,281	\$1,720	\$1,203	\$1,611	\$1,190	\$1,606	\$1,125	\$1,587
10 Airdrie	\$1,545	\$1,713	\$1,504	\$1,693	\$1,147	\$1,362	\$1,109	\$1,276	\$1,109	\$1,276	\$1,087	\$1,265
11 Calgary Non-Urban	\$1,396	\$1,926	\$1,283	\$1,905	\$1,106	\$1,554	\$1,020	\$1,529	\$1,020	\$1,486	\$863	\$1,334
12 Lethbridge / Medicine Hat	\$1,331	\$1,595	\$1,311	\$1,509	\$1,027	\$1,248	\$1,000	\$1,175	\$991	\$1,175	\$966	\$1,144
13 South Non-Urban	\$1,134	\$1,433	\$1,152	\$1,434	\$955	\$1,209	\$860	\$1,114	\$860	\$1,114	\$823	\$1,098

* For programs licensed before January 30, 2025

Daycare Maximum Regional Benchmarks – For programs licensed or adding a new age group to their license after April 1, 2025*

Region	Infants (less than 12 months)	I (12 months to		3 years to less than 4 years	4 years to not yet attending kindergarten	Kindergarten-age requiring child care during school hours	
1 Northeast	\$1,832	\$1,757	\$1,512	\$1,474	\$1,472	\$1,427	
2 Northwest	\$1,532	\$1,406	\$1,156	\$1,092	\$1,087	\$1,014	
3 North Central	\$1,392	\$1,397	\$1,139	\$1,076	\$1,057	\$968	
4 Edmonton	\$1,604	\$1,541	\$1,238	\$1,167	\$1,156	\$1,071	
5 St. Albert / Strathcona County	\$1,644	\$1,611	\$1,301	\$1,217	\$1,205	\$1,100	
6 Edmonton Non-Urban	\$1,526	\$1,423	\$1,152	\$1,091	\$1,077	\$1,010	
7 Red Deer	\$1,637	\$1,540	\$1,301	\$1,280	\$1,280	\$1,266	
8 Central	\$1,321	\$1,330	\$1,104	\$1,070	\$1,067	\$1,014	
9 Calgary West	\$1,941	\$1,824	\$1,501	\$1,407	\$1,398	\$1,356	
10 Airdrie	\$1,629	\$1,599	\$1,255	\$1,193	\$1,193	\$1,176	
11 Calgary Non-Urban	\$1,661	\$1,594	\$1,330	\$1,275	\$1,253	\$1,099	
12 Lethbridge / Medicine Hat	\$1,463	\$1,410	\$1,138	\$1,088	\$1,083	\$1,055	
13 South Non-Urban	\$1,284	\$1,293	\$1,082	\$987	\$987	\$961	

* Effective April 1, 2025, new licensed programs and existing programs adding a new age group to their license must set full-time (100+ hours) 2025/26 Child Care Fees at or below their maximum regional benchmark.

