

**Ministry of Education
Early Years Division**

900 Bay Street
24th Floor, Mowat Block
Queen's Park
Toronto ON M7A 1L2

**Ministère de l'Éducation
Division de la petite enfance**

900, rue Bay
Édifice Mowat, 24 étage
Queen's Park
Toronto ON M7A 1L2



2013: ELCC17

MEMORANDUM TO: Chief Administrative Officers, CMSMs/DSSABs
General Managers/Commissioners, CMSMs/DSSABs
Children's Service Managers, CMSMs/DSSABs

FROM: Pam Musson
Director, Early Years Implementation Branch
Early Years Division
Ministry of Education

Andrew Davis
Executive Director, Fiscal & Financial Planning
Elementary/Secondary Business and Finance Division
Ministry of Education

DATE: November 19, 2013

SUBJECT: 2014 Child Care Funding Allocations

Thank you for your ongoing commitment and leadership as we move towards a more responsive and high-quality early years system for children and families. We are pleased to provide 2014 child care funding allocations for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSSABs).

On January 23, 2013 the provincial government released the Ontario Early Years Policy Framework (OEYPF) which sets out a vision, guiding principles and strategic direction for early years programs and services for children, from birth to age six, and families. Building on *Modernizing Child Care in Ontario Discussion Paper*, the OEYPF outlines priority areas for action, including stabilizing and transforming the sector. It has been almost one year since the ministry took its first steps towards modernizing child care in Ontario with the release of the new child care funding formula and framework.

The funding formula better meets the needs of children and families, while supporting child care operators, by responding to changing population and demographics across the province. The funding formula is a more equitable, evidence-based and streamlined approach to allocating provincial funds. This funding approach provides increased flexibility for CMSMs/DSSABs to use funding to meet provincial objectives and better manage their child care systems at a local level.

The Ministry of Education has taken a status quo approach to the 2014 child care allocations, recognizing that this is a period of transition for the child care sector. Although the funding formula is status-quo; consistent with the commitment to keep the funding formula current, all data elements in the funding formula have been updated for the 2014 allocations based on the 2011 census information, except for Low Income Cut Off (LICO) as this information is not available yet.

In 2014, the Province is allocating an additional **\$67 million** in child care funding through the funding formula to support the child care sector. This means that in 2014 approximately \$989 million in funding is being allocated to CMSMs and DSSABs for child care, compared to \$972 million in funding in 2013, which included \$50 million in one-time mitigation funding. An overview of provincial child care allocations for 2014 is included as Table A of this memorandum.

The ministry recognizes that this is a time of transition for the child care sector as it transforms to align with the implementation of full day kindergarten. To support this transformation the 2014 allocation of \$989 million provides:

- \$774 million in Core Service Delivery;
- \$208 million in Special Purpose Grants; and
- \$7 million in Capital funding.

Allocation Components

- ***Capping Mechanism***

The *ten percent cap* on reductions to ongoing CMSMs and DSSABs allocations compared to 2012 allocations will continue to apply in 2014. This strategy is intended to minimize redistributive impacts and recognize that it takes time to transition service delivery to reflect changes to allocations. In addition, no CMSM or DSSAB will experience an increase to their cost-share requirement in 2014, as the \$67 million in additional funding has been provided as *100 percent* provincial funding.

- ***Utilization Allocation***

For those municipalities that have contributed above their minimum required cost share, the Utilization Allocation approach is status quo and will continue to apply in 2014, based on prior year (2012) spending patterns. For those that underspent their allocation in 2012, fifty percent of the underspending is reinvested through this allocation. Similar to last year, the additional contributions and under-spending is used as a proxy of the demand for child care services and changes in child population. Further details will be available in the 2014 Technical Paper.

- ***Territory without Municipal Organization (TWOMO) and Small Water Works (SWW)***

Allocations for both SWW and TWOMO have been established based on the greater of 2013 allocations or projected expenditures as reported in 2013 Revised Estimates.

Expenditure Benchmarks

▪ ***Administration Expense – NEW APPROACH***

For 2014, the expenditure benchmark for administration will be a maximum ceiling of ten percent of the total CMSMs/DSSABs allocation, less funding for Territory without Municipal Organization (TWOMO). The ten percent maximum now applies for all CMSMs/DSSABs as the cap to prior expenditures has been removed. This change responds to feedback from CMSMs/DSSABs over the past year with regards to pressures related to the 2013 administration benchmark and is based on additional information regarding administration expenses.

▪ ***Special Needs Resourcing (SNR)***

As in 2013, the expenditure benchmark for Special Needs Resourcing is a minimum of 4.1 percent of the CMSMs or DSSABs total allocation. CMSMs or DSSABs may spend over and above the 4.1 percent minimum on SNR to meet local demand for SNR services. The minimum expenditure requirement will be noted in the budget schedule in the 2014 Service Agreement.

2014 Child Care Service Agreement and Guidelines

Your 2014 allocation will be forwarded in a separate memo, along with the 2014 Child Care Service Management and Funding Guideline and Technical Paper, which have been updated to reflect the changes noted in this memo.

We look forward to a continued collaborative relationship with our municipal child care partners in the coming year.

Sincerely,

Original signed by:

Pam Musson
Director,
Early Years Implementation Branch
Early Years Division

Original signed by:

Andrew Davis
Executive Director, Fiscal and Financial Planning
Elementary/Secondary Business and Finance
Division

Enclosure
Table A: 2014 Child Care Funding Details

Copy: Jim Grieve, Assistant Deputy Minister, Early Years Division, Ministry of Education
Rupert Gordon, Director, Early Years Policy and Program Branch, Early Years Division
Marie Li, Director (A), Financial Analysis & Accountability Branch, Elementary/Secondary
Business and Finance Division
Child Care Advisors
Financial Analysts

Table A: 2014 Child Care Allocations

CMSM DSSAB	Core	Capital Retrofits	Repairs and Maintenance	Rural	Cost of Living	FDK Transition	Transformation	Language	Aboriginal	Capacity Building	TWOMO	Small Water Works Allocation	Utilization	Capping	2014 Total Allocation
City of Brantford	6,967,980	77,973	25,031	142,720	237,158	446,577	61,398	101,991	48,885	59,130	-	7,434	(3,819)	(285,726)	7,886,733
City of Cornwall	6,181,799	55,728	17,889	448,097	188,850	325,368	43,804	547,718	42,775	42,462	-	-	-	(553,499)	7,340,991
City of Greater Sudbury	8,785,521	80,482	25,836	320,010	272,518	472,530	63,874	1,967,654	83,173	59,343	-	-	-	3,627,311	15,758,251
City of Hamilton	37,908,359	276,475	88,753	53,777	957,783	1,652,411	217,907	1,216,216	111,690	209,834	-	5,510	-	(518,621)	42,180,093
City of Kawartha Lakes	4,144,553	37,755	12,120	738,752	145,970	208,789	29,490	34,537	10,524	29,406	-	2,805	(19,694)	(159,082)	5,215,926
City of Kingston	7,262,767	72,777	23,363	259,873	264,357	445,499	57,561	177,014	42,096	54,713	-	11,657	(1,932)	-	8,669,746
City of London	24,520,748	237,792	76,335	104,104	819,561	1,434,228	187,879	709,842	74,686	179,168	-	-	-	-	28,344,343
City of Ottawa	50,783,002	486,042	156,027	62,871	2,808,711	2,946,013	384,086	9,937,297	205,047	366,173	-	77,803	6,032,699	-	74,245,772
City of Peterborough	6,806,085	60,060	19,280	318,737	236,151	365,589	47,238	64,070	33,609	46,055	-	13,585	-	-	8,010,459
City of St. Thomas	4,113,473	52,171	16,748	377,841	140,194	305,520	40,849	109,382	11,542	40,554	-	-	(58,705)	(217,006)	4,932,563
City of Stratford	2,847,550	41,987	13,479	468,382	117,226	240,276	32,867	62,691	10,184	32,557	-	2,670	-	-	3,869,869
City of Toronto	241,456,147	1,403,284	450,476	692	8,719,893	8,938,285	1,112,425	17,580,205	168,383	1,049,711	-	-	15,659,574	(521,098)	296,017,976
City of Windsor	22,870,853	211,478	67,888	127,129	700,651	1,173,694	166,409	1,092,648	61,107	160,173	-	-	(524,883)	-	26,107,146
County of Bruce	2,653,807	33,361	10,709	827,385	103,425	201,156	26,248	48,364	11,203	25,521	-	44,729	-	(51,222)	3,934,686
County of Dufferin	2,169,375	33,268	10,680	377,356	92,340	180,265	26,114	29,970	9,166	25,395	-	4,000	12,309	(69,743)	2,900,496
County of Grey	4,094,932	44,910	14,417	630,548	148,219	248,900	35,381	62,008	15,616	33,932	-	12,815	(115,126)	-	5,226,551
County of Hastings	7,162,706	66,844	21,458	449,132	222,593	377,262	52,745	96,316	46,509	50,276	-	9,043	-	(50,817)	8,504,067
County of Huron	2,175,967	33,927	10,891	814,994	91,952	193,716	26,958	59,424	-	24,830	-	-	-	(19,753)	3,412,906
County of Lambton	5,566,131	65,321	20,969	310,704	216,842	378,689	51,575	90,927	29,195	49,042	-	-	160,150	5,188,974	12,128,519
County of Lanark	2,684,590	31,384	10,075	782,492	100,831	183,641	24,732	58,715	24,443	23,729	-	20,000	(107,315)	-	3,837,316
County of Lennox & Addington	2,878,292	28,637	9,193	747,302	106,015	161,816	22,506	31,283	14,598	21,912	-	-	(29,794)	(178,168)	3,479,417
County of Northumberland	3,244,466	34,407	11,045	469,581	130,779	198,565	26,996	38,853	10,184	26,432	-	2,750	21,139	-	4,215,198
County of Oxford	4,195,211	59,392	19,066	322,448	181,861	344,822	46,836	67,709	10,524	44,852	-	-	(196,473)	-	5,096,247
County of Renfrew	4,083,738	51,003	16,373	737,299	170,487	310,862	40,331	120,910	37,343	38,270	-	-	(20,965)	-	5,585,651
County of Simcoe	19,861,357	240,055	77,061	250,562	833,216	1,374,756	189,146	447,262	142,582	181,621	-	22,147	-	(809,210)	22,810,555
County of Wellington	8,551,493	119,613	38,398	242,819	374,191	720,257	94,112	277,317	34,967	91,521	-	9,748	589,478	(98,802)	11,045,112
District Municipality of Muskoka	2,335,244	24,533	7,875	844,599	94,563	148,465	19,360	22,340	15,616	18,544	-	8,800	-	(60,523)	3,479,417
Municipality of Chatham-Kent	5,708,533	52,332	16,799	406,871	179,404	299,188	40,772	137,269	26,819	41,289	-	-	-	4,747,205	11,656,481
Norfolk County	4,587,312	54,875	17,616	638,463	183,665	314,612	43,228	122,029	19,350	41,531	-	-	(14,046)	(393,643)	5,614,993
Regional Municipality of Durham	27,912,036	357,780	114,853	102,928	1,132,685	2,042,096	281,934	641,516	87,926	270,279	-	52,242	-	(53,746)	32,942,528
Regional Municipality of Halton	20,776,803	324,412	104,141	42,271	951,501	1,790,971	255,245	785,563	52,280	246,078	-	-	5,594,679	(189,698)	30,734,246
Regional Municipality of Niagara	21,554,766	205,994	66,127	96,991	783,100	1,189,587	162,149	629,981	83,513	156,636	-	1,100	1,663,133	-	26,593,078
Regional Municipality of Peel	80,003,229	829,351	266,235	20,361	4,725,934	4,839,378	651,841	6,160,910	78,760	635,497	-	-	-	(6,696,639)	91,514,857
Regional Municipality of Waterloo	23,885,519	306,921	98,526	64,285	957,174	1,806,772	242,102	1,072,627	71,970	231,975	-	2,648	3,864,935	(276,597)	32,328,856
Regional Municipality of York	56,186,873	630,864	202,517	42,241	3,644,059	3,481,972	497,327	5,894,900	43,793	474,901	-	23,463	-	(4,070,304)	67,052,606
United Counties of Leeds & Grenville	4,187,354	46,130	14,808	592,960	172,212	248,958	36,206	84,946	22,406	35,200	-	34,882	-	(64,736)	5,411,326
United Counties of Prescott & Russell	3,412,057	47,590	15,277	480,086	134,119	260,089	37,645	1,224,081	24,443	35,246	-	-	-	-	5,670,634
Algoma District Services Administration Board	1,611,330	15,178	4,872	1,787,509	55,181	89,644	11,884	110,450	6,252	11,785	120,039	4,125	312,702	(55,226)	4,085,725
District of Cochrane Social Service Administration Board	4,123,396	46,440	14,908	1,337,953	127,259	271,500	37,012	813,847	53,638	33,674	231,703	-	(358,920)	164,566	6,896,977
District of Nipissing Social Services Administration Board	4,914,900	43,176	13,860	934,843	134,654	251,556	34,345	455,161	43,454	31,497	69,828	1,320	16,482	44,423	6,989,499
District of Parry Sound Social Services Administration Board	1,616,240	14,785	4,746	2,339,598	64,178	87,627	11,378	31,633	2,376	12,194	37,083	4,869	-	-	4,226,707
District of Sault Ste Marie Social Services Administration Board	4,469,067	33,783	10,845	240,556	122,823	199,529	26,452	103,494	51,460	26,232	134,352	-	6,021	156,978	5,581,592
District of Timiskaming Social Services Administration Board	1,462,564	16,754	5,378	2,221,280	50,615	90,937	13,316	175,001	16,635	12,180	79,949	-	-	1,614,728	5,759,339
Kenora District Services Board	2,398,074	47,290	15,181	1,934,353	104,296	295,659	37,376	67,336	52,280	35,646	351,435	-	(31,120)	-	5,307,806
Manitowlin-Sudbury District Social Services Administration Board	1,180,441	14,556	4,673	2,597,410	51,303	87,244	11,570	131,616	14,937	10,660	106,342	2,750	35,634	(226,873)	4,022,263
Rainy River District Social Services Administration Board	823,574	11,044	3,545	2,432,047	32,506	67,212	8,615	8,694	11,203	8,708	57,050	-	(46,830)	(287,280)	3,130,089
Thunder Bay District Social Services Administration Board	7,168,489	70,583	22,658	636,728	252,650	410,921	55,777	189,038	86,568	52,911	144,728	14,080	(242,422)	528,393	9,391,102
Provincial Total	774,288,706	7,130,500	2,289,000	30,179,943	32,335,653	42,103,400	5,625,000	53,892,755	2,155,710	5,389,276	1,332,509	396,975	32,196,890	-	989,480,884