



**CITY OF HAMILTON**  
**COMMUNITY & EMERGENCY SERVICES DEPARTMENT**  
**Children's & Home Management Services Division**

<b>TO:</b>	Chair and Members Emergency & Community Services Committee
<b>COMMITTEE DATE:</b>	April 13, 2015
<b>SUBJECT/REPORT NO:</b>	2015 Provincial Child Care Funding Allocation for the City of Hamilton (CES15015) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Grace Mater (905) 546-2424 ext. 4979 Jessica Bryson (905) 546-2424 ext. 3587
<b>SUBMITTED BY:</b>	Joe-Anne Priel General Manager Community & Emergency Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City of Hamilton accept the additional 2015 Child Care base funding in the amount of \$2,071,389 (100% Provincial) from the Ministry of Education; and,
- (b) That the General Manager of Community & Emergency Services Department be authorized to execute the 2015 Child Care Service Agreement with the Ministry of Education in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

The Province continues its multi-year reform of the child care system in Ontario. To support a system of responsive, high-quality, accessible and increasingly integrated early years services and programs, the Ministry of Education has increased funding in 2015 to the City of Hamilton as the Consolidated Municipal Service Manager (CMSM) for children's services.

The City of Hamilton has received an additional \$2,071,389 (100%) funding from the Ministry of Education in its 2015 allocation.

The additional funds will be allocated across the local system using a balanced approach much like that taken with the additional funding received in 2014. The additional funding will support:

- a) System priorities and capacity building;
- b) Access to child care fee subsidies for families; and,
- c) Stabilizing the child care system by supporting operating costs.

The investment of the additional Ministry funding aligns with the Early Years Community Plan 2012-2015 and is reflective of extensive consultation with the child care sector in 2013 and 2014.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:**

A total of \$2,071,389 in new child care funding has been received by the City from the Ministry of Education. These are 100% Provincial funds and there are no cost sharing requirements for the City.

**Staffing:**

There are no staffing implications associated with Report CES15015.

**Legal:**

The 2015 Child Care Service Agreement has been received from the Ministry of Education and has been forwarded to Legal Services for review. Once approval is received from Legal Services the agreement will be executed.

**HISTORICAL BACKGROUND**

The Government of Ontario continues to stabilize and transform the early years and child care systems to better meet the needs of children aged 0-12 years. The Ministry of Education has supported this transformation through the introduction of:

- a) Early Years Policy Framework;
- b) New Funding Formula to allocate child care funding to municipalities;
- c) New Funding Framework and Guidelines to support municipalities in managing the local child care system through the transformation process and development of local funding models;
- d) School-First Child Care Capital Retrofit Policy; and,
- e) How Does Learning Happen? Ontario's Pedagogy for the Early Years.

In January 2015, the Ministry of Education announced the 2015 Child Care Funding Allocations, including an increase of \$44.5 million province-wide, to support the government's vision for a responsive, high-quality, accessible and increasingly integrated early years system. As a result, the City of Hamilton has received an increase of \$2,071,389 (100% Provincial) in funding for 2015.

**SUBJECT: 2015 Provincial Child Care Funding Allocation for the City of Hamilton  
(CES15015) (City Wide) - Page 3 of 5**

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The overall impact of the addition of this funding for Hamilton is summarized below:

**City of Hamilton Child Care Budget**

<b>Budget Year</b>	<b>Total Gross Budget</b>	<b>Provincial Share</b>	<b>Municipal Share</b>
2013	\$44,971,122	\$39,377,556	\$5,593,566
2014	\$47,773,659	\$42,180,093	\$5,593,566
2015*	\$49,845,048	\$44,251,482	\$5,593,566

\* Excludes new wage enhancement allocation (please refer to Report CES15003(a))

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Ontario Early Years Policy Framework, the Funding Framework, and the 2015 Ontario Child Care Service Management and Funding Guideline for Consolidated Municipal Service Managers (CMSMs) and District Social Services Administration Boards (DSABs) provide the policy context, accountabilities, and reporting requirements related to provincial funding for child care.

**RELEVANT CONSULTATION**

Extensive input from community stakeholders to the City of Hamilton Early Years Community Plan (2012-15), as well as targeted consultation with Hamilton child care operators in 2013 and 2014, informed the investment of the additional \$3.3 million in 2013 and \$2.8 million in 2014. Feedback from the early years community continues to support the following approaches and principles related to how funding is allocated:

- The City should take a balanced approach to allocating new investments, rather than focusing on only one area or pressure;
- Funding should help to build system capacity;
- Funding allocations need to be flexible enough to address unique challenges identified by operators; and,
- Investments should support increased access to service by removing some children from the Child Care Fee Subsidy waitlist.

Feedback received from child care operators since the infusion of the additional investments has been positive and confirms that the approach taken to the investment of additional funding in 2013 and 2014 is having the intended outcome of supporting programs through this transition period. The investments have also increased access to service for families by reducing the Child Care Fee Subsidy waitlist which had been at 1,748 children as of January 2013 to 758 children waiting for subsidy as of February 28, 2015.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

Child care is still a system in transition. In December 2012, the Ministry of Education announced new child care funding guidelines, which provided CMSMs with increased flexibility to manage local child care systems in a way that best meets their community needs. As a result of this announcement, the City of Hamilton underwent extensive community consultations in 2013 and 2014 in order to develop a new funding framework. The new funding framework will be implemented in January 2016. A subsequent report will be brought forward to Council at a later date providing additional details of the new funding framework and work completed to-date.

Additionally, full day kindergarten was fully implemented in September 2014. The transition of this system and addressing the impacts on child care staff retention continues to be a priority in order to maintain a stable child care system.

In light of these system changes, staff have continued to monitor and assess the overall stability of the child care system to determine how any new funding could be best utilized to address system priorities and needs.

The additional 2015 funds will be allocated across the child care system using a 'balanced' approach, much like 2014, with a focus on:

*a) System priorities and capacity building*

Based on community consultations, it was determined that the four system priorities are quality, sustainability, integration, and accessibility. A portion of the new funding will be allocated to address these priorities through the issuance of a general operating grant. The general operating grant provides some flexibility to operators to address these priorities based on their identified needs. Some examples of how funds can be used include staff professional development and play-based toys and equipment to improve quality and support the growth and development of children.

*b) Access to child care fee subsidies for families;*

Although there has been a significant reduction in the number of families on the waitlist for fee subsidy since 2013, there continues to be a waitlist. Therefore, a portion of the new funding will be allocated to reduce the waitlist, with the goal of eliminating the wait time for families whose household income is less than the Low Income Cut Off (LICO).

*c) Stabilizing the child care system by supporting operating costs*

Community consultations have continued to indicate that there is a need to stabilize child care fees, mitigate the higher costs for younger age groups, and stabilize and transform the child care system to enable higher quality services. A portion of the new funds will be allocated to support the operating costs of child care providers.

**ALTERNATIVES FOR CONSIDERATION**

None

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

**Strategic Priority #1**

A Prosperous & Healthy Community

*WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.*

**Strategic Objective**

- 1.5 Support the development and implementation of neighbourhood and City wide strategies that will improve the health and well-being of residents.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

**Strategic Priority #2**

Valued & Sustainable Services

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.2 Improve the City's approach to engaging and informing citizens and stakeholders.
- 2.3 Enhance customer service satisfaction.

**Strategic Priority #3**

Leadership & Governance

*WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.*

**Strategic Objective**

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.
- 3.4 Enhance opportunities for administrative and operational efficiencies.

**APPENDICES AND SCHEDULES ATTACHED**

None