



**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>	July 12, 2017
<b>SUBJECT/REPORT NO:</b>	2017 Provincial Child Care and Early Years Funding Allocation for the City of Hamilton (CES17033) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Dawn Meitz (905) 546-2424 ext. 3587 Jessica Chase (905) 546-2424 ext. 3590
<b>SUBMITTED BY:</b>	Grace Mater Director, Children's & Home Management Services Division Community & Emergency Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATION**

- (a) That the City of Hamilton accept the additional 100% provincial 2017 Child Care and Early Years funding in the amount of \$9,938,458 from the Ministry of Education; and,
- (b) That an increase in staff complement of 1.0 Full-Time Equivalent (FTE) Early Years Strategy Specialist, to meet the additional provincial and federal obligations, funded 100% through the Ministry of Education in the amount of \$110,775, be approved.

**EXECUTIVE SUMMARY**

The Province continues its multi-year reform of the Child Care and Early Years systems in Ontario. In keeping with this reform, the Ministry of Education has recently announced increased funding in 2017 in the amount of \$6,539,435 to the City of Hamilton for child care and early years services.

The increased 2017 funding consists of:

- An increase of \$820,820 in the base child care funding allocation;
- A new funding allocation of \$5,439,321 for child care expansion for children aged 0-4 years;
- A new funding allocation of \$2,719,661 for increased subsidies and access to licensed child care for children aged 0-6 years under the Canada-Ontario Early Learning and Child Care Agreement (ELCC);

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

- A new funding allocation of \$679,362 for increased subsidies and access to licensed child care for children aged 0-12 years under the ELCC agreement;
- An increase of \$253,315 for child care wage enhancement funding to support the wages of staff working in licensed child care; and,
- An increase of \$25,979 for data analysis services.

This new funding builds on the provincial government's increasing expectation for municipalities to play a strong leadership role in planning and managing the Child Care and Early Years systems. The City of Hamilton has embraced this increased leadership role by actively engaging community partners in planning for the Child Care and Early Years systems, through our Early Years Community Plan, 2016-2020 process and by consulting with our partners to ensure that Child Care and Early Years funds are maximized to best meet the needs of our community.

In 2017, the City will have responsibility for this major expansion of licensed child care and ensuring that we meet expansion targets as set out by the Ministry of Education. In addition, beginning in 2018, the City of Hamilton will also have service system management responsibilities for the Early Years sector with the creation of the new Ontario Early Years Child and Family Centres. With this new funding and service system management responsibilities, also comes an increased level of accountability, reporting, and an expectation to create a Child Care and Early Years system that is responsive to community and family needs.

In order to effectively manage the Child Care system, the City of Hamilton will also implement a policy that limits the creation of new service agreements with new for-profit Child Care organizations. Existing service agreements will remain in effect and the policy will be reviewed after two years. This policy change aligns with the Ministry of Education's direction to prioritize funding to the not-for-profit child care sector. New service agreements with for-profit organizations will only be considered when the needs of the community cannot be met by licensed Child Care organizations that already have a service agreement in place with the City of Hamilton or by a new not-for-profit organization.

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

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

**Financial:**

A total of \$ 9,938,458 in new Child Care and Early Years funding has been received by the City from the Ministry of Education. These are 100% Provincial funds with no cost sharing requirements for the City. The current municipal contribution must remain unchanged as per the provincial service contract requirements. This cost share component must be maintained at the existing level to avoid any loss of funds.

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

**Staffing:**

The Ministry of Education permits up to 10% of the Child Care and Early Years allocation to be used for administrative purposes. Given the significant increase in the City's responsibilities, additional staffing resources will be required in order to meet the Ministry of Education targets and all contractual and legislative obligations.

CHMS has identified the need for one additional permanent FTE to support the immediate work and additional obligations. Staff are currently analysing the additional staffing needs that will be required and will bring forward a subsequent report to Emergency & Community Services Committee at a later date outlining the additional staffing request. It is anticipated that approximately six additional FTEs may be required in order to meet these increasing expectations. All staffing costs will be covered by 100% provincial funding.

**Legal:**

The 2017 Child Care and Child and Family Support Program Service Agreement has been received from the Ministry of Education. It has been reviewed and approved by Legal Services.

**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:

- Ontario's Renewed Early Years and Child Care Policy Framework;
- The new funding formula to allocate child care funding to municipalities;
- The 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;
- School-First Child Care Capital Retrofit Policy; and,
- How Does Learning Happen? Ontario's Pedagogy for the Early Years.

In September 2016, the provincial government announced a Child Care Expansion Plan. This plan will create access to licensed child care for 100,000 more children aged 0-4 years old over the next five years across the province. To support this commitment, the provincial government is making a provincial investment of \$170 million in the current fiscal year, growing to \$200 million in 2018/19.

In May 2017, the Ministry of Education announced the 2017 Child Care and Early Years Funding Allocations. As a result, the City of Hamilton has received an increase of \$6,539,435 in 100% provincial funding for 2017, which includes \$5,439,321 for a major expansion of child care.

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

The new Child Care expansion funding will support new Child Care fee subsidies, expand access to affordable licensed Child Care spaces and reduce fee subsidy waitlists to help parents access quality child care for children aged 0 to 4 years. The City of Hamilton will be required to meet ministry-set expansion targets to align with this new funding investment. The City of Hamilton will be required to serve an additional 760 children in 2017 and 2018 as a result of the funding increase. The increased funding also includes an increase to the base child care allocation, an increase in wage enhancement funding and an increase in data analysis services funding.

In June 2017, the Ministry of Education announced an additional \$3,399,023 in 100% Provincial funding for 2017, as part of the shared commitment by the Ontario and Federal governments to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility and inclusivity. Additional expansion targets will be set to align with the ELCC funding, however these targets have not yet been negotiated with the ministry.

The following chart shows the total Child Care and Early Years allocations over the past three years.

	<b>Total Gross Budget</b>	<b>Provincial Share</b>	<b>Municipal Share</b>
2015*	\$54,830,277	\$49,075,853	\$5,754,424
2016	\$59,415,714	\$53,661,290	\$5,754,424
2017	\$69,354,172	\$63,599,748	\$5,754,424

\* Includes Best Start Demonstration site funding from the Ministry of Children and Youth Services which was discontinued in 2016/17.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

Beginning in 2018, the City of Hamilton will become the Service System Manager for the Early Years System as required by the Child Care and Early Years Act, 2014 (CCEYA).

The *Ontario Child Care and Child and Family Program Service Management and Funding Guideline 2017* indicates that the Ministry of Education is taking further steps to prioritize provincial funding to the not-for-profit child care sector. Beginning in 2017, a “For Profit Auspice Threshold” has been added to the City’s service agreement with the Ministry of Education. This threshold supports maintaining funding to for-profit entities at or below the previous years expenditure levels. The City of Hamilton’s recommendation to prioritize new service agreements with not-for-profit child care organizations is aligned with provincial priorities and policy direction from the Ministry of Education.

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

## **RELEVANT CONSULTATION**

The investment of the additional Ministry funding and new service contracting policy aligns with the Early Years Community Plan, 2016-2020 and is reflective of extensive ongoing consultation with the Child Care and Early Years sector.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The additional 2017 Child Care and Early Years funding will be allocated based on the Ministry of Education's *Ontario Child Care and Child and Family Program Service Management and Funding Guideline 2017* and prescribed funding allocations as shown below.

<b>Distribution of 2017 Funding</b>	<b>100% Provincial Funding Increase</b>
Child Care Allocation Base Funding	\$ 820,820
Child Care Expansion Plan	\$ 5,439,321
Provincial Wage Enhancement Grant	\$ 253,315
Data Analysis Services	\$ 25,979
ELCC Funding – 0-6 years	\$ 2,719,661
ELCC Funding – 0-12 years	\$ 679,362
<b>Total 2017 Increased Funding</b>	<b>\$ 9,938,458</b>

The additional Child Care base funds will support:

- System priorities and capacity building;
- Stabilizing the Child Care system by supporting operating costs.; and,
- Access to Child Care fee subsidies for families.

The new Child Care expansion plan funding allocation is part of the provincial government's commitment to a Child Care Expansion Plan for children aged 0-4 years old. The expansion funding will support:

- New Child Care fee subsidies.
- Expanded access to affordable licensed Child Care spaces.
- Reduced fee subsidy waitlists to help parents access quality child care.

The new Child Care wage enhancement funding will be available to eligible Child Care program staff working in licensed Child Care centres, as well as licensed Private Home Day Care home visitors and providers whose positions can be counted towards adult to child ratios under the Child Care and Early Years Act, 2014. Child Care operators will be required to complete an application and funds will be allocated based on the number of eligible staff positions. The wage enhancement funding will support an increase of up to \$2.00/hour, to a cap of \$26.68/hour, plus 17.5% benefits. Home Child Care providers are eligible for up to a \$20/day increase.

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

The increase to the data analysis services funding allocation will be used to further support service system planning for the City of Hamilton and to support initial planning efforts for the new Ontario Early Years Child and Family Centres in 2018.

The new ELCC funding is part of Ontario's Action Plan under the Canada-Ontario Early Learning and Child Care Agreement. This funding consists of two components; \$2,719,661 to support children aged 0-6 years and \$679,362 to support children aged 0-12 years. This funding will support:

- Additional fee subsidies;
- Increased access to licensed child care; and,
- The creation of new not-for-profit community-based capital projects for children aged 0-6 only.

## **ALTERNATIVES FOR CONSIDERATION**

None

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Economic Prosperity and Growth**

*Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.*

### **Healthy and Safe Communities**

*Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.*

## **APPENDICES AND SCHEDULES ATTACHED**

None

---

*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*