



CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Children's Services and Neighbourhood Development Division

TO:	Chair and Members Healthy and Safe Communities Committee
COMMITTEE DATE:	August 15, 2018
SUBJECT/REPORT NO:	2018 Provincial Child Care Funding Allocation (HSC18044) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jessica Chase (905) 546-2424 Ext. 3590 Dawn Meitz (905) 546-2424 Ext. 3587
SUBMITTED BY:	Grace Mater Director, Children's Services and Neighbourhood Development Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton accept the additional 100% provincial 2018 Child Care and Early Years funding in the amount of \$12,137,336 from the Ministry of Education; and,
- (b) That the General Manager of Healthy and Safe Communities Department be authorized and directed to execute the service agreement from 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 and Early Years systems in Ontario. In keeping with this reform, the Ministry of Education has made a number of recent announcements resulting in increased child care and early years funding in the amount of \$12,137,336 in 2018.

The increased 2018 funding consists of:

- A new Fee Stabilization Support funding allocation of \$2,002,280 for increased wages for staff working in licensed child care earning less than \$14 per hour;
- New Journey Together funding of \$1,297,215 (\$1,222,215 operating plus \$75,000 capital) for the development of an integrated and enhanced early years service model for Indigenous families

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- New community-based capital funding of \$4,590,000 to support three EarlyON Child and Family Centres and two child care centres located at three unique sites;
- An additional \$2,124,875 for child care expansion for children aged 0-4 years (year 2);
- A new Licensed Home Child Care Base funding allocation of \$890,100 to increase compensation for licensed home child care providers and reduce parent fees;
- An increase of \$585,955 in Wage Enhancement funding to support the wages of staff working in licensed child care; and,
- An increase of \$646,911 in the base child care funding allocation.

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.

Alternatives for Consideration –Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

A total of \$12,137,336 in new Child Care and Early Years funding has been received by the City from the Ministry of Education, which includes \$4,665,000 in capital funding and \$7,472,336 in operating funding. These are 100% Provincial funds with no cost sharing requirements for the City. The current municipal contribution must be maintained as per the provincial service contract requirements to avoid any loss of funding.

Since 2016 the City's total gross budget for child care and early years has increased from \$59,415,714 to \$86,219,683 with the municipal share remaining at \$5,754,424.

The increased funding will be allocated based on the prescribed funding allocations as shown below.

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Distribution of 2018 Funding	100% Provincial Funding Increase
Child Care Allocation Base Funding	\$ 646,911
Child Care Expansion Plan – Year 2	\$ 2,124,875
Fee Stabilization Support Funding	\$ 2,002,280
Licensed Home Child Care Base Funding	\$ 890,100
Wage Enhancement Funding	\$ 585,955
Community Based Capital Funding	\$ 4,590,000
Journey Together Operating Funding	\$ 1,222,215
Journey Together Capital Funding	\$ 75,000
Total 2018 Increased Funding	\$ 12,137,336

Staffing:

There are no staffing implications associated with Report HSC18044.

Legal:

The 2018 Child Care and Child and Family Support Program Transfer Payment 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 families and children aged 0-12 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 made a provincial investment of \$170 million in 2017/18, growing to \$200 million in 2018/19.

In October 2017, the Ministry of Education announced Fee Stabilization Support Funding. The intent of this funding is increase the hourly wages of staff in licensed child care centres and licensed home child care agencies earning less than \$14 per hour. In February 2018, the provincial government announced that this new investment would increase to \$50.8 million in 2018. As a result, the City of Hamilton received \$2,002,280 in 2018 for Fee Stabilization Support and will be distributed to only those programs that are eligible.

In December 2017, the provincial government announced approval of The Journey Together proposal submitted in partnership with the City of Hamilton and Niwasa Kendaaswin Teg (Report CES17039). The Journey Together is Ontario's commitment to reconciliation with Indigenous Peoples. The Hamilton Indigenous-Led Integrated Early

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Years Model was approved for \$1,222,215 in operating funding and \$75,000 in capital funding for 2018.

In May 2018, the Ministry of Education announced the successful Community-Based Capital Project submissions for licensed child care and EarlyON Child and Family Centres. As a result of this announcement, Hamilton was approved for \$4,590,000 to support five capital projects, located at three unique sites.

In May 2018, the Ministry of Education announced the 2018 Final Child Care Funding Allocations. Included in this announcement was an additional investment of \$48 million to support an additional 4,200 children aged 0-4 and \$19.5 million to support licensed home child care agencies. As a result, the City of Hamilton has received an increase of \$2,124,875 for Child Care expansion, \$890,100 to support licensed home child care, \$585,955 for Wage Enhancement, and \$646,911 to support an increase to the base child care allocation.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Beginning in 2018, the City of Hamilton became the Service System Manager for the Early Years System as required by the *Child Care and Early Years Act, 2014 (CCEYA)*. All new child care rooms being built as a result of new funding must be built in accordance with the *CCEYA*.

RELEVANT CONSULTATION

The investment of the additional Ministry funding 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 2018 Child Care and Early Years funding will be allocated based on the Ministry of Education's *Ontario Child Care Service Management and Funding Guideline 2018* and *Ontario Early Years Child and Family Centres Business Practices and Funding Guidelines for Service System Managers 2018*.

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 Year two 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.
- Support expanded access to affordable licensed Child Care spaces.
- Continue to reduce fee subsidy waitlists to help parents access quality child care.

The City of Hamilton will be required to meet ministry-set expansion targets to align with this new funding investment.

The Fee Stabilization Support Funding will be used to increase the hourly wages of staff in licensed child care centres and licensed home child care agencies earning less than \$14 per hour (excluding wage enhancement), as of December 31, 2017. In Hamilton, only 37 child care staff at 10 child care centres are eligible for this funding given the City's historical commitment to working with child care organizations to pay staff a living wage. As a result, the full allocation is not expected to be utilized.

The intent of the Licensed Home Child Care Base Funding allocation is to provide stable and predictable funding to assist licensed home child care agencies. The funding will be used to reduce per diem charges. These reductions will result in increased compensation for home child care providers and reduced fees for parents.

The Wage Enhancement Funding is provided to eligible child care program staff working in licensed child care, as well as licensed home child care home visitors and providers, whose positions can be counted towards adult to child ratios under the *Child Care and Early Years Act, 2014*. The funding supports an increase of up to \$2.00/hour, to a cap of \$26.68/hour, plus 17.5% benefits. Licensed home child care providers are eligible for up to a \$20/day increase.

The Community-Based Capital Funding will support two child care projects and three EarlyON Child and Family Centre projects in Hamilton. The project sites include the Riverdale Community Hub, the Biindigen Community Hub, and the former King George school. All projects must be completed by December 31, 2020.

The Journey Together funding will support the development of an integrated and enhanced early years service model for Indigenous families in Hamilton. It includes an enhanced licensed child care program, an EarlyON Child and Family Centre program, targeted outreach, transportation and system-wide training to improve cultural awareness and safety across the early years system.

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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.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

APPENDICES AND SCHEDULES ATTACHED

None