



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

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	March 25, 2021
SUBJECT/REPORT NO:	Child Care and Early Years Funding Update (HSC21010) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Brenda Bax Acting Director, Children's Services and Neighbourhood Development Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION(S)

That the City of Hamilton accept the additional 100% provincial 2021 Child Care and Early Years Reinvestment funding in the amount of \$2,818,886 from the Ministry of Education (attached as Appendix "A" to Report HSC21010).

EXECUTIVE SUMMARY

The COVID-19 pandemic has had a significant impact on the child care and early years system. At this time, all child care centres in Hamilton have reopened however they continue to experience reduced operating capacity and increased vacancy rates. Operators have also implemented enhanced health and safety measures, including screening, personal protective equipment (PPE) and enhanced cleaning. EarlyON Child and Family Centres remain closed at this time and are providing virtual programming to families.

The City of Hamilton and the Ministry of Education have continued to support the sustainability of the child care and early years system throughout both the closure and reopening periods. On February 2, 2021, the Ministry of Education announced that the

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.

City of Hamilton would receive an additional \$2,818,886 in 2021 Child Care and Early Years Reinvestment Funding. This funding must be spent by March 31, 2021 and is intended to support the increased costs of operating child care and EarlyON Child and Family Centres during the pandemic.

The City's continued priority in 2021 is the sustainability and recovery of the child care and early years system.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

A total of \$2,818,886 in new Child Care and Early Years Reinvestment 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. This funding cannot be used to reduce the current municipal contribution. Our budgeted net levy contribution must be maintained as per the provincial service contract requirements to avoid any loss of funding. This additional funding must be spent by March 31, 2021.

This would bring the City's proposed 2021 total gross budget for child care and early years to \$89 M, including both provincial and municipal contributions.

Staffing:

N/A

Legal:

Since 2018, child care funding has been flowed to the City through a five-year Transfer Payment Agreement from the Ministry of Education. It has been reviewed and approved by Legal Services. Each year the schedules are updated to reflect the current year's funding. In 2020, the agreement was amended to include funding for services related to both child care and EarlyON Child and Family Centres. We anticipate that the ministry will provide an updated Schedule D in 2021 that reflects this additional reinvestment funding.

HISTORICAL BACKGROUND

On March 17, 2020, the Province of Ontario declared a state of emergency and issued an order for all licensed child care centres to close in response to the COVID-19 coronavirus, with the exception of licensed home child care. During this closure period, emergency child care was available to healthcare and other essential frontline workers, free of charge. In Hamilton, emergency child care was provided through three licensed home child care agencies, due to the smaller group sizes and reduced risk to children

and providers. A total of 302 children were provided with emergency child care during that period.

On June 12, 2020, the emergency closure order was lifted by the Province and child care centres were permitted to reopen with reduced capacity and additional health and safety measures in place. In Hamilton, all licensed child care centres were required to pass an in-person Public Health inspection and complete staff training prior to reopening.

On September 1, 2020, licensed child care centres were permitted to reopen at their full licensed capacity and EarlyON Child and Family Centres were permitted to reopen. At this time, approximately 94% of child care centres had reopened and 10 EarlyON Child and Family Centres reopened for in-person programming. In addition, 5 new outdoor only EarlyON centres were developed.

On November 23, 2020, a local decision was made to temporarily suspend all indoor EarlyON programming as a result of Hamilton moving into the “red zone”. Virtual programming continued during this period and all existing indoor locations were transitioned to outdoor only locations. On December 21, 2020, all outdoor EarlyON locations were also temporarily suspended due to Hamilton moving into the “grey/lockdown zone”.

On January 4, 2021, following the holiday closure period all schools across Ontario moved to remote learning. As a result of this decision, all child care operators serving school aged children were prohibited from operating and prohibited from charging parental fees. Licensed child care for children aged 0-3.8 years continued to operate. The Ministry of Education also announced that emergency child care would be provided to school aged children for healthcare and other essential frontline workers free of charge. In Hamilton, emergency child care was once again provided by the three licensed home child care agencies due to the smaller group sizes. During this period, approximately 155 children received emergency child care.

On February 8, 2021, schools in Hamilton were permitted to reopen for in-person instruction. All before and after school programs were permitted to reopen and free emergency child care was discontinued. EarlyON Child and Family Centres remain closed for in-person programming and are continuing to offer virtual programming options.

At this time all child care centres in Hamilton are open. However, most child care centres are operating at a reduced capacity and are experiencing higher than normal vacancy rates. Compared to last year, the operating capacity of the child care system has dropped by 13%. In addition, the average vacancy rate has increased by 17%. The primary reasons that families have chosen not to return to child care at this time include concerns about COVID-19, working from home, loss of employment and alternate care

arrangements. As a result, operators are facing reduced revenues from parents and fee subsidies.

The City of Hamilton has continued to support operators during this period to ensure that the child care system remains viable when the system fully recovers. In 2020, the City provided a total of \$35.8 M to operators to sustain the system. This included \$4.3 M from the federal Safe Restart Funding that the Ministry of Education provided to the City of Hamilton to ensure the safe reopening of child care and early years programs. The remaining \$3.2 M in Safe Restart Funding will be used to support operators between January to March 2021, in addition to the new Reinvestment funding.

The City of Hamilton has also continued to provide the affordability grant for families with children aged 0-3.8 years. This affordability grant reduces the cost of child care by \$10/day. We continue to hear from families about the importance of this grant, particularly given the additional financial pressures that many families have faced during the COVID-19 pandemic. In 2020, there were approximately 5,800 children that benefitted from the affordability grant. This grant has been extended until December 31, 2021.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Children's Services and Neighbourhood Development Division staff have worked closely with Public Health to develop local policies and guidelines for all child care and early years operators as a result of the pandemic. These local guidelines are updated on a regular basis to align with the Ministry of Education operating guidance documents and local Medical Officer of Health advice.

RELEVANT CONSULTATION

The investment of the additional funding is reflective of ongoing consultation with the Child Care and Early Years sector and the priorities that have emerged as a result of COVID-19.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The additional 2021 Child Care and Early Years Reinvestment funding will be allocated based on the Ministry of Education's guidelines. This funding will support the increased costs of operating child care and EarlyON Child and Family Centres during the COVID-19 pandemic.

This funding will be provided to child care and early years operators to support COVID-19 related costs including:

- Personal protective equipment (PPE);

- Enhanced cleaning;
- Additional staff to meet health and safety requirements;
- Support for operators with vacancies due to lower enrolment in programs;
- Support for operators to cover child absenteeism;
- Support where there may be short term vacancies locally as child care centres adjust to the health and safety requirements;
- Support for child care staff absenteeism where staff need to stay home because they or their children are sick or need to self isolate; and,
- Minor capital required (less than \$5,000) in accordance with the ministry's reopening operational guidance or local public health requirements.

This funding is also being used to provide time-limited and targeted support to before and after school program operators that were temporarily closed from January 4, 2021 to February 5, 2021 as a result of the school closure period. This funding is to ensure that these programs remained financially sustainable to continue serving school age children upon their return.

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

Appendix "A" to Report HSC21010: Provincial Child Care and Early Years Funding Re-Investment Memo from the Ministry of Education