



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

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	June 2, 2022
SUBJECT/REPORT NO:	Canada-Wide Early Learning and Child Care Funding Update (HSC22035) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Jessica Chase Director, Children's and Community Services Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION

- (a) That the City of Hamilton accept the additional 100% funding from the Canada-Wide Early Learning and Child Care (CWELCC) agreement in the amount of \$30,918,741;
- (b) That one Level F vacant position be converted to create one Level 5 non-union position within the Children's and Community Services Division with no net levy impact;
- (c) That one Level K vacant position be converted to create one Level M position within the Children's and Community Services Division with no net levy impact; and,
- (d) That the General Manager of the Healthy and Safe Communities Department, or their designate, be authorized and directed to execute, on behalf of the City, the funding agreement from the Ministry of Education, as well as, any ancillary agreements associated with this funding in a form satisfactory to the City Solicitor.

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.

EXECUTIVE SUMMARY

On March 28, 2022, the Province of Ontario signed the Canada-Wide Early Learning and Child Care agreement with the federal government. The key deliverables of this funding include affordability, accessibility, quality workforce, inclusion and enhanced data and reporting. The CWELCC agreement will provide funding to reduce child care fees for families to an average of \$10/day by September 2025. A graduated approach to fee reductions will begin in Spring 2022 as follows:

- A fee reduction of up to 25% (to a minimum of \$12/day) for eligible children retroactive to April 1, 2022
- A 50% daily fee reduction on average for eligible children by the end of calendar year 2022
- \$10/day average child care fees for eligible children September 2025

The funding will also be utilized to improve wages for Registered Early Childhood Educators (RECE) wages with a wage floor of \$18/hour for RECE's and \$20/hour for Supervisors. Going forward, RECE program staff and supervisors will receive \$1 per hour wage increase each year from 2023 to 2026, up to a maximum of \$25/hour.

The child care and early years sector continues to experience recruitment and retention challenges. A high-quality child care and early years system requires a comprehensive human resources workforce strategy, including fair compensation for Registered Early Childhood Educators (RECEs). Currently, RECEs earn an average of \$22.45/hour in Hamilton, compared to RECEs that work for the school boards which make an average of \$27/hour.

All licensed child care operators who wish to participate in the CWELCC program will be required to express their intention to the City of Hamilton, the Service System Manager (CMSM) for child care and early years by September 1, 2022. In addition to completing the application to opt in, licensed child care operators that wish to participate must:

- Have a funding agreement with the CMSM and/or enter into an agreement;
- Demonstrate financial viability;
- Maintain current parent fees for eligible children unless a fee increase was communicated to families/parents on or before March 27, 2022; and,
- Maintain existing licensed spaces for children ages 0 to 5 years.

All licensed child care programs and licensed home child care agencies will be eligible to participate in the new CWELCC regardless of auspice. The City will review all applications and approve participation based on financial viability.

Child care programs that are enrolled will operate under specific guidelines and will receive funding to reduce child care fees for parents of eligible children and funding to increase compensation for eligible staff. All policies and processes developed to support the implementation of the CWELCC program will be applied consistently to all child care programs regardless of auspice.

CMSMs will continue their critical role as the designated child care and early years' service system managers responsible for planning and managing licensed child care services and EarlyON Child and Family Centres. Staff are currently developing the tools and processes to support implementation. It is anticipated that this will take a few months however families will be eligible for a retroactive payment to April 1, 2022.

The City of Hamilton, in its role as Service System Manager, is ready to partner with the Province of Ontario to implement the new Canada-Wide Early Learning and Child Care funding at a local level. The City plays an important role in ensuring that growth of the child care system is implemented in a sustainable way that focuses on quality and meeting the needs of families.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: A total of \$30,918,741 in new CWELCC funding has been received by the City from the Ministry of Education, which includes \$29,000,451 in fee reduction funding, \$1,189,378 in workforce compensation funding and \$728,912 in administration 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.

All funding received from the CWELCC must be utilized to implement and sustain fee reductions and workforce compensation.

The Salary and Benefits for the two positions totals \$229,417 which will be fully funded by a combination of the new CWELCC administrative fund and existing funding allocation with no Levy Impact.

Staffing: To support the development of the CWELCC team the following two temporary positions will be converted:

- Support Services Clerk will be converted to a Human Services Equity Specialist
- Home Management Worker will be converted to an Early Years Quality Analyst

There are two vacant permanent positions in the Division that are no longer required for various reasons. These vacancies have not impacted service levels therefore in consultation with Human Resources and review of the Budget Complement Control Policy, staff will convert a Level F position to a Level 5 non-union position and convert a Level K to a Level M.

Legal: The Agreement has been reviewed and approved by Legal Services.

HISTORICAL BACKGROUND

Through its 2021 budget, the federal government committed to investing in a national child care system with all provinces and territories, as well as Indigenous First Nations. As part of this agreement Ontario will receive \$13.2 billion over six years beginning in 2021-2022.

On March 28, 2022, the Province of Ontario signed the Canada-Wide Early Learning and Child Care agreement with the federal government.

Hamilton received the CWELCC funding allocation on April 12, 2022.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENT

To support the implementation of CWELCC system amendments have been made to O. Reg 137/15 and O. Reg 138/15 under the *Child Care and Early Years Act, 2014* (CCEYAA) that would establish a clear cost control framework to support long term sustainability of the CWELCC system. Locally the changes in program policy require operators to freeze fees if they wish to participate in the CWELCC program.

The temporary positions are in compliance with the Budgeted Complement Control Policy as outlined in Report FCS16024.

RELEVANT CONSULTATION

Consultation is ongoing by way of the existing early years organizing structure that supports the priorities of Hamilton's Early Years Community Plan. Through these committees' engagement will continue to occur with all relevant stakeholders to support local implementation of the CWELCC.

Human Resources and Finance were consulted and have provided input to this Report.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

The Government of Canada continues to stabilize and transform the Early Years and Child Care system to better meet the needs of families and children. To advance early years system transformation they have identified child care as a national priority to enhance early learning and childhood development, support workforce participation and contribute to economic recovery

Funding under the Canada-Wide Early Learning and Child Care Agreement (CWELCC) will be used to build and leverage the success of Ontario's existing early learning and child care system by increasing quality, accessibility, affordability and inclusivity in early learning and child care, towards achieving the objectives of:

- a) Providing a 25% fee reduction retroactive to April 1st, 2022 building to a 50% reduction in average parent costs (based on 2020 levels) for licensed early learning and child care by the end of calendar year 2022 and reaching an average parent fee of \$10 a day by 2025-26 for licensed child care spaces;
- b) Creating 86,000 new high quality, affordable licensed child care spaces (relative to 2019 levels), predominantly through not-for-profit licensed child care;
- c) Addressing barriers to provide inclusive care; and
- d) Valuing the early childhood workforce and providing them with training and development opportunities.

The City of Hamilton will begin implementation of the CWELCC in 2022. Working with the province the City will take a phased approach to implementing the CWELCC system. The immediate priorities will focus on affordability for families and workforce compensation. As we move forward, we will continue addressing issues of accessibility and inclusion.

This phased approach will allow the City to provide feedback and advice to the Ministry of Education and engage with the early years and child care sector and provide the time for sector partners to align with the terms and conditions of the CWELCC System.

Throughout this implementation phase we will continue engaging with early years stakeholders to ensure that this new program continues to meet the needs of all participants in the early learning and child care system.

The 2022 Canada-Wide Early Learning and Child Care funding will be allocated based on the Ministry of Education's Canada-Wide Early Learning and Funding Guideline 2022.

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All licensed child care operators with programs serving children under the age of 6 (or turning 6 before June 30) in Ontario are eligible to apply to participate in the CWELCC System through their CMSM/DSSAB. Participation in the CWELCC System is optional; however, all child care programs are encouraged to participate.

Licensed child care operators must submit their intent to participate to the CMSM by September 1, 2022. The CMSM will be required to approve all applications and will have the ability to determine what constitutes financial viability as part of the application process. Only applicants who fail to demonstrate financial viability will be denied.

City staff are currently developing the processes and tools to support the implementation of the new CWELCC program, including an application process. It is anticipated that this will take a few months, however families will be eligible for a retroactive payment to April 1, 2022.

In order to support implementation, it is necessary to mobilize a staff team within the Children's and Community Services Division as the existing staff resources do not have the capacity to support the implementation of the CWELCC. Staff resources for this team will have no net levy impact and will be funded through a combination of the new CWELCC administrative funding and existing funding allocations. This team will consist of the following positions:

- Manager, Canada-Wide Early Learning and Child Care
- Senior Project Manager, Canada-Wide Early Learning and Child Care
- Human Services Equity Specialist
- Early Years Quality Analyst
- Program Analyst
- Contract Analyst (2)
- Business Administrator (.5 FTE)
- Communications Officer

The total annual cost of Salary and Benefits for all these positions totals \$903,464 which will be fully funded by a combination of the new CWELCC administrative fund and existing funding allocation with no Levy Impact.

Funding for 2022 will support:

- Fee reduction for families
- Workforce compensation for RECEs

The fee reduction funding will be utilized to reduce fees for families accessing licensed child care to an average of \$10.00/day by September 2025.

The workforce compensation funding will be used to increase hourly wages of RECEs working in licensed child care. The Ministry has established a wage floor of \$18/hour for RECEs and \$20/hour for Supervisors. Going forward, RECE program staff and supervisors will receive \$1 per hour wage increase each year from 2023 to 2026, up to a maximum of \$25/hour.

CMSMs will be required to report back to the ministry in accordance with the ministry's established reporting processes and timelines as set out in the Ontario Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline 2022.

The CWELCC funding aligns with our Divisional priorities; recovery and sustainability of the early years and child care system, affordability for families, retention, recognition, and well-being of the early years work force and a system that considers the needs of all families and children with a focus on equity, diversity and inclusion.

We look forward to working collaboratively with the province and our local early years partners to implement the Canada-Wide Early Learning and Child Care plan and ultimately provide additional high quality, affordable and accessible early years and child care supports to families and children in Hamilton.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community

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