

Clause 19 in Report No. 12 of Committee of the Whole was adopted, without amendment, by the Council of The Regional Municipality of York at its meeting held on September 21, 2017.

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Early Learning and Child Care Agreement 2017 Funding

Committee of the Whole recommends adoption of the following recommendations contained in the report dated August 10, 2017 from the Commissioner of Community and Health Services:

1. Council authorize an additional expenditure of up to \$5,824,865 gross (\$0 net) in 2017 to support increased access and affordability of the licensed child care system with no new tax levy impact.
 2. Council request that the Province extend the deadline for expenditure from December 31, 2017 to December 31, 2018 to more effectively and responsibly use the new funding.
 3. The Commissioner of Community and Health Services be authorized to execute agreements with the Ministry of Education and individual early learning and child care service centres for the provision of early learning and child care services in 2017.
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Report dated August 10, 2017 from the Commissioner of Community and Health Services now follows:

1. Recommendations

It is recommended that:

1. Council authorize an additional expenditure of up to \$5,824,865 gross (\$0 net) in 2017 to support increased access and affordability of the licensed child care system with no new tax levy impact.
2. Council request that the Province extend the deadline for expenditure from December 31, 2017 to December 31, 2018 to more effectively and responsibly use the new funding.

3. The Commissioner of Community and Health Services be authorized to execute agreements with the Ministry of Education and individual early learning and child care service centres for the provision of early learning and child care services in 2017.

2. Purpose

This report recommends that Council accept new 100% federal-provincial funding and associated responsibilities to increase quality, accessibility, affordability, flexibility and inclusivity of the early learning and child care system.

As stated in the June 29, 2017 Council report on [New Expansion of the Children's Services System and Increased Funding Allocations from the Province](#) both the federal and provincial governments are increasing funding and expanding municipal mandates for system oversight. This most recent allocation represents this ongoing commitment.

3. Background

York Region Social Services manages and delivers children's services through Council-identified priorities and provincial legislation

York Region Social Services is one of 47 Service System Managers across Ontario responsible for the planning, development, administration and delivery of children's services for children aged 0-12 years old. Mandated by provincial legislation and rules established by the Ministry of Education (the "Ministry"), York Region Social Services has multiple roles in the delivery of children's services. These include:

- Overseeing and administering child care fee subsidies to assist families with low income to afford licensed child care while working or pursuing education.
- Providing direct services for children with special needs as well as enhanced funding and supports to child care operators serving children with special needs.
- Managing and allocating provincial funding to enhance wages of Registered Early Childhood Educators.
- Facilitating and supporting local planning and capacity building.

Since 2013, the Region has received \$31 million in new 100% ongoing provincial funding to invest in children's services

The provincial government continues to modernize and expand the licensed child care system to better support children and families and build operators' capacity to enhance quality and manage operations. Provincial investments have been used to:

- Decrease the waitlist for child care fee assistance by 65% and for Early Intervention Services by 69% between 2012 and 2016.
- Ensure families with incomes below \$36,000 receive child care fee assistance with no wait time.
- Increase the number of child care centres receiving Early Intervention Services by 58% from 2015 to 2016 to better support children with special needs.
- Build licensed child care operators' capacity by providing free professional development, funding for toys and equipment and to promote healthy environments, and distributing specialized equipment to support the inclusion of children with special needs.
- Administer wage enhancements to better attract and retain quality Registered Early Childhood Educators in the licensed child care sector.

On June 29, 2017, through the report *New Expansion of the Children's Services System and Increased Funding Allocations* from the Province Council authorized gross expenditures of \$12,680,652 of 100% provincial child care funding to be used towards maintaining and increasing child care subsidies, inclusion support services, wage enhancement, child care expansion, general operating costs, and administration. The report also provided information about recent service enhancements in the licensed child care sector in York Region in response to provincial modernization.

4. Analysis and Implications

New Funding Allocations for 2017 and 2018

The Federal and Provincial Governments are jointly investing in children's future well-being and the unique early learning and child care needs across Ontario

High-quality early childhood education positively contributes to a child's overall health and well-being. In recognition of this, on June 16, 2017 the Governments of Canada and Ontario signed the Canada-Ontario Early Learning and Child Care Agreement (ELCC). This agreement reflects a shared commitment to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility and inclusivity. Across Ontario, the ELCC provides \$100M in new funding to help parents, families and communities in their efforts to ensure the best possible future for their children. There are two components to this investment:

- \$80M for children aged 0-6 years old.
- \$20M to support broader system priorities for children aged 0-12.

The new investments under the ELCC align with previous provincial commitments, including the Child Care Expansion Plan to create access to licensed child care for 100,000 more children aged 0-4 years old. The ELCC is also aligned with Ontario's Renewed Early Years and Child Care Policy Framework and reflects the next step in ensuring all children and families have access to a range of high-quality, inclusive and affordable early years and child care programs.

New funding allocated to York Region targets key priorities related to access and affordability while allowing flexibility to meet local needs, however, provincial timelines limit utility

In 2017, in addition to the \$107,742,182 in 100% provincial funding York Region had been allocated, a further \$5,824,865 in 100% federal-provincial funding was allocated to support increased subsidies and access for children aged 0-6 years old and broader system priorities for children aged 0-12 year old. As a Service System Manager, York Region has been given flexibility to use two-thirds of the 2017 allocation by December 31, 2017, and the remaining funds by December 31, 2018. ELCC funds are to be tracked separately from other funding, and any unused funds will be recovered by the Ministry. Child Care operators have been engaged in round table discussions to identify reasons for vacancies and

individual phone follow ups are underway. The capacity of the many municipalities, including York Region, to absorb this amount of funding in a limited amount of time will be challenging for several reasons. It takes time to create new child spaces particularly if it involves a capital retrofit or capital expansion, as each space needs to undergo licensing inspection. It also takes time to reach new families who may be eligible for fee assistance through a media campaign and then place them into suitable and accessible child care. Therefore this report recommends requesting that the Province extend its timelines.

York Region has also been notified of an additional allocation of \$1,941,622 which will be received in Q1 2018 to continue to support access and affordability in licenced child care and support local planning.

York Region Social Services is expected to use the ELCC funding to address three Provincial priorities:

1. Additional fee subsidies;
2. Increased access to licensed child care; and/or
3. For children aged 0-6 years old, to create and support new not-for-profit community-based capital projects, excluding capital projects for child care programs that run during school hours for kindergarten and school-age children.

If these three priorities cannot be met due to local constraints, such as not having children on the waitlist who do not require child care immediately, children who cannot be accommodated immediately due to lack of operator capacity, and operators who are unable to use the capital project opportunity in such a short time, York Region Social Services may use this funding to broadly reduce licensed child care fees and increase affordability; i.e., create General Operating Grant incentives to child care providers to ensure child care rates do not increase. An attempt to meet the three priorities above must be demonstrated before exploring this option. York Region will be developing an advertising campaign to ensure families who may be eligible for fee assistance are aware and can apply. In addition to having more subsidies, increased access to child care will be achieved by increasing the number of Enhanced Funding hours for children with special needs and providing hours to any children on the waitlist for this funding, as well as by reviewing challenges child care operators have in appropriately filling or adding child care spaces, and exploring options to mitigate these challenges.

In recognition of the resources required to plan, support and administer increased responsibilities including local planning and implementation, the Province permits up to 10% of the ELCC allocation to be used for administration.

There will be no tax levy impact as the new funding does not require municipal cost sharing.

Enhanced reporting requirements are being mandated by the Province

As a key component of the ELCC, new reporting requirements will be added to Service System Managers' provincial service agreement. York Region Social Services will be required to analyze and report on the several additional new indicators including average monthly children served with additional fee subsidies, the number of children served through increased access, the number of children served through increased affordability and/or the estimated number of new not-for-profit community-based capital spaces for children aged 0-6 years old as a result of this funding. As this funding is brand new and the age groups we are being asked to report on are also new there are no base metrics from previous years to report on.

York Region Social Services is committed to cost effective client-focused and evidence-based planning and design that meets the new administrative and reporting requirements and that supports increased access and affordability of licensed child care in York Region.

5. Financial Considerations

In 2017, York Region has been allocated \$5,824,865 in ELCC funding and notified of an additional allocation of \$1,941,622 in ELCC funding in Q1 2018 which will be included in the 2018 budget request. This funding is to be used towards increasing access and affordability of licensed child care, as well as creating and supporting new not-for-profit community-based capital projects for children aged 0-6. This is new funding above and beyond core funding. If at the end of the expansion funding timeframe this money is not rolled into core funding by the Province, then the waitlist for receiving fee assistance may increase. To mitigate the impact on children in child care who may be affected if this does not become core funding, discretionary funding can be redirected to maintain fee assistance.

Table 1 shows funding details under the two components of the ELCC

Table 1
2017 Early Learning and Child Care Funding Allocation

	2017 ELCC Allocation	Q1 2018 ELCC Allocation
Allocation for 0-6 year olds	\$4,653,568	\$1,551,189
Allocation for 0-12 year olds	\$1,171,297	\$390,432
Allocation – Total	\$5,824,865	\$1,941,622

This is 100% provincial funding, with no tax levy cost share required.

6. Local Municipal Impact

The provincial modernization of childcare and additional funding has allowed York Region to develop a service model that is responsive, high-quality and tailored to meet local needs. With increased funding dedicated to access and affordability of the licensed child care system, York Region can enhance the service model to benefit children and families in all local municipalities who use licensed child care and early intervention services.

7. Conclusion

According to Ontario's Renewed Early Years and Child Care Policy Framework, for every dollar spent on a child's early years, there is an immediate \$2 return on investment, and over the child's lifespan this investment can return up to \$7. In recognition of this, the Governments of Canada and Ontario are providing additional funding for early years and child care across the province. While this is needed and very welcome, the pace and the capacity of the system to absorb and invest in an effective, sustainable manner is being strained by increasingly narrow spending envelope rules and tight spending deadlines. However, these investments are crucial and allow York Region to provide additional subsidies and supports so more families can participate in training, education or employment. York Region Social Services will continue to direct strategic investments to increase access and affordability as an important step in building a strong, high-quality early years and child care system for all families in York Region.

Early Learning and Child Care Agreement 2017 Funding

For more information on this report, please contact Cordelia Abankwa, General Manager, Social Services at 1-877-464-9675, Extension 72150.

The Senior Management Group has reviewed this report.

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