

DATE: April 30, 2012

REPORT TITLE: **ADDITIONAL 2012 FUNDING FOR THE EARLY LEARNING AND CHILD CARE SYSTEM IN PEEL**

FROM: Janet Menard, Commissioner of Human Services

## RECOMMENDATION

**That the Human Services budget be increased by \$1.3 million to reflect an additional one-time funding allocation from the Ministry of Education (MEDU), to support Non-Profit Early Learning and Child Care Agencies in retrofitting centres to serve the younger 0-3.8 year old age group, including some subsidy and transitional operating dollars.**

### REPORT HIGHLIGHTS

- The Province, through the Ministry of Education, has responsibility for providing funding support to the Early Learning and Child Care (ELCC) system. Funding is provided to municipalities on a cost shared or 100 per cent basis by the Province.
- The Region of Peel has received 100 per cent one-time transitional funding in the amount of \$1,316,142 for the 2012 calendar year, to support the sustainability of ELCC system with the transition to Full-Day Kindergarten.
- As of March 31, 2012, the fee subsidy child care wait list in Peel has 4,865 children, which is made up of 3,020, or 62.1 per cent, who are eligible and qualify to receive child care fee subsidy at this time; over 2,000 of these children are aged 0-5 years.
- The Child Care Fee Subsidy/Extended Day Program funding will primarily be used to increase fee subsidy levels. The Child Care Transition Operating funding will support retrofitting facilities to accommodate younger age groups in non-profit centres.

## DISCUSSION

### 1. Background

The Region of Peel has been the Service System Manager (SSM) for Early Learning and Child Care (ELCC) since 2000, administering funding received through the Ministry of Children and Youth Services. On January 1, 2011, the responsibility for ELCC system in Ontario was transferred to the Ministry of Education (MEDU) as part of the provincial vision for children and families, which includes the implementation of Full Day Kindergarten (FDK). This transfer includes the responsibility for policy, legislation, funding, contract management, quality and licensing.

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## **ADDITIONAL 2012 FUNDING FOR THE EARLY LEARNING AND CHILD CARE SYSTEM IN PEEL**

The Region of Peel budget cycle (based on the calendar fiscal year) is typically completed before the Province releases its program budgets to service managers (based on an April – March fiscal year). As a result, unanticipated additional provincial funding is periodically allocated to the SSM after the approval of the Regional budget. In February 2012, MEDU advised the SSM that it had been allocated an additional \$1.3 Million in transitional funding to help stabilize the impact of FDK on the ELCC system in Peel.

### **2. 2012 In-Year Funding for the Early Learning and Child Care System**

September 2012 is the third year of a five-year FDK implementation plan being rolled out by the province. The MEDU is providing a total of \$1,316,142 in one-time funding in three areas to support the sustainability of the ELCC system for children 0-3.8 years as the total system transitions. Two of the three funding streams are for:

- Fee subsidies for extended day programs for children who are four and five years old; this funding can be used for other age groups if additional extended day funding is not required; the funding may also be used for health and safety (\$378,686)
- Transitional operating funding for fee subsidies for children 0-3.8 years old, or for one-time start-up grants to address costs related to impact of FDK, such as toys and equipment purchases for younger age groups and lease/moving expenses (\$586,666)

As of March 31, 2012, there were 4,865 children currently on the fee subsidy child care wait list in Peel. Of those children, 62 per cent have immediate need for placement, including over 2,000 children aged 0-5 years. The combined funding total of \$965,352 is able to purchase the equivalent of 73 full-time fee subsidy spaces and 63 extended day program (before and/or after FDK) spaces for this age group for one year.

The third funding stream (\$350,790) for child care transition minor capital is designated for non-profit licensed child care agencies to retrofit centres to meet the needs of younger age groups. The Region of Peel has distributed \$215,000 over the last two years to 34 non-profit agencies in accordance with set criteria. Compared to previous allocations, the 2012 funding is substantially larger and may only be used for facility retrofits (e.g., washroom renovations, playgrounds, etc). Staff expect that similar funding may be forthcoming over the final two years of the FDK transition to further assist with retrofitting centres for younger age groups. In response to these changes, Peel's transition minor capital application process is being revised to facilitate continuous intake and to require detailed business cases that outline transitional plans that address the viability of the agency and site.

On April 24, 2012, the Provincial Budget included \$242 million in additional funding for the ELCC system to be shared across Ontario over the next three years commencing in 2012-13. The purpose of this funding is to begin the process of modernizing the early learning and child care system to achieve the full provincial vision for early learning and child care. There will be \$90 million in 2012-13, \$68 million in 2013-14 and \$84 million in 2014-15 to help ensure that the child care sector remains strong and will help families experience a seamless transition to full-day learning. The Province will be holding broad consultations to inform municipal allocation and direction for use of the funds. Details are not expected until the fall of 2012.

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For fiscal 2012, MEDU has allocated the Region of Peel \$1,316,142 in one-time funding to support the sustainability of the ELCC system for 0-3.8 year olds as four and five year olds move into FDK. Should this funding stream be discontinued in subsequent years, staff will manage this risk through the gradual reduction of spaces through normal attrition and the use of Best Start reserves to ensure spending is within the approved funding envelope with no tax impact.

**CONCLUSION**

As 2012 is the mid-point of the transition to FDK, the additional \$1.3 million in MEDU one-time transitional funding for fee subsidy and transition minor capital in 2012 is a welcomed signal of the importance the Province has placed on increasing support to sustain the ELCC system for the younger age groups. Added to this, the recent Provincial budget announcement has indicated that further financial support to modernize the ELCC system will be distributed over the next three years commencing in 2012-13. The Region of Peel, as the SSM for ELCC, recognizes the commitment of the Province and is committed to working with all stakeholders to increase access to quality licensed child care for families in Peel.



Janet Menard  
Commissioner of Human Services

**Approved for Submission:**



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