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Date March 3, 2021 **Report No.** 2021-153

To Chair and Members
Social Services Committee

From Aaron Wallace
Acting General Manager, Community Services and Social Development

1.0 Type of Report

Consent Item ☐
Item For Consideration ☒

2.0 Topic Children's Services and Early Years Funding Update [Financial Impact: No Municipal Impact in 2021]

3.0 Recommendation

- A. THAT Children's Services and Early Years Funding Update Report 2021-153 BE RECEIVED; and
- B. THAT Staff BE DIRECTED to consult with childcare providers and community stakeholders regarding anticipated funding changes, and provide a report to Social Services Committee by October 31, 2021 summarizing recommendations for future funding allocations to the childcare sector.

4.0 Executive Summary

The child care and early learning sector will be impacted by a number of anticipated changes in 2022 including: 1) a change in provincial funding that may decrease the amount of funding available to the local childcare sector 2) a reduction in administration funding provided to Consolidated Municipal Service Managers 3) the long-term impacts of the COVID-19 Pandemic in relation to the

demand and provision of licensed childcare and 4) a forthcoming National Childcare Strategy.

The specific impacts of these changes is not yet fully known, however they may result in changes to service levels and funding allocations within the childcare sector. This report recommends that staff consult with stakeholders to advise of these anticipated changes and provide a report to Council prior to October 31, 2021 with recommendation for Council's consideration.

5.0 Purpose and Overview

This report provides an overview of Children's Services and Early Years services and information related to anticipated funding and program changes in 2022.

6.0 Background

The City of Brantford is the Consolidated Municipal Services Manager (CMSM) for Child Care and Early Learning programs for the City of Brantford and the County of Brant.

Responsibilities of the CMSM

Fee Subsidy Program

The City of Brantford coordinates and administers the delivery of Ontario's Child Care Fee Subsidy program to approximately 750 children per month.

Since 2016, there has been a 14% increase to the average monthly number of children served. Child Care Fee Subsidy allows families of lower income to participate in the workforce or educational opportunities.

Child Care Waitlist (OneList)

Through a contract with OneHSN, an online child care application system "OneList" is available to parents to connect with local child cares and apply for child care space at up to 10 child cares of their choice. As of February 8, 2021, there were 374 unique children waiting for child care, with a preferred start date between November 8, 2020 and May 8, 2021. Prior to COVID-19, there were approximately 800 children on OneList waiting for child care. The decrease in number of children waiting can be attributed to the pandemic, but continues to demonstrate an ongoing need for an increase of licensed child care spaces to support both local families and the economy.

Special Needs Resourcing (SNR)

Childcares with a fee subsidy service agreement are required to demonstrate inclusivity, accepting and providing services to all children, including those with special or extra needs. The City contracts with Lansdowne Children's Services, to support the childcares, and trained Resource Coordinators work in childcares alongside Early Childhood Educators (ECEs) to demonstrate and implement strategies that ensure children can participate in learning and programs, providing specialized toys and equipment as may be required. Families are supported through education, resources and connection to other community supports. Resource Coordinators play an integral part in transitioning children with special needs from child care into school. An average of 175 children are served each month by special needs resourcing.

EarlyOn Child and Family Centres

The City coordinates, manages, and administers funding to EarlyON Centres to support early learning and development, engage parents and caregivers and make service connections for families.

The City provides program oversight through service agreements with Community Living Brant, Brant Family and Children's Services and Six Nations of the Grand River who cooperatively offer programming at 35 sites (25 in City and 10 in county). In the first six months of 2020, 1342 unique children collectively visited an EarlyON site 6035 times. Virtual services continue to be offered during COVID-19.

Journey Together

In 2017 City staff facilitated the development of a plan for Indigenous Led Early Learning in our community. The *Brantford-Brant Ontario Early Years Child and Family Centre Community Needs Assessment and Initial Plan* was completed in September 2017 (PHSSSS-2017-088), followed by the development of an Indigenous Led EarlyON program and cultural facilitation, provided by Six Nations of the Grand River through a service agreement. Indigenous Led programming is available at EarlyON sites and in child care centres, at their request. In February of 2020, the Indigenous Led Child Care, also operated by Six Nations of the Grand River, opened at 220 Clarence Street. The Child Care operates in tandem with Conestoga College's Early Childhood Educator program, providing on site learning opportunities for the ECE students.

Partnership Building

The City coordinates the Best Start Network, which operates as a networking and planning table for early years programs in the community. The Network includes both the public and Catholic school boards, the French language school board, Lansdowne Children's Centre, Woodview Children's Centre and Autism Services, the Brant County Health Unit, Conestoga College, both Brantford and County of Brant Public Libraries, the County of Brant Recreation department, local child care and EarlyON operators, and the Ministry of Education.

The Network provides opportunities for collaboration and input into planning, both provincial and local. Through the Network, the City supports community efforts regarding the recruitment and retention of Early Childhood Educators, community events to market early learning activities and community collaboration to support children and their parents.

Planning and Program Oversight

CMSM's are responsible for service system planning on behalf of the community, to meet the provincial goals of affordability, accessibility, parental choice and reduction of administration burdren. Data analysis and community consultation is used to plan for programming to meet the communities' long-term needs, taking advantage of local and provincial opportunities, such as capital and expansion investments.

Local service agreements are enacted with licensed child care operators to support families in receipt of child care fee subsidy. Service agreements require child cares to: 1) have policies related to each centres' provision of early learning and child care supports to children with special needs 2) participation in a designated quality assessment and improvement program 3) serious occurance, complaint or compliance issues 4) compliance with the policies and practices for the use of OneList and 5) staff training related to health and safety measures according to the Ministry of Education and the local and provincial Medical Officers of Health. City oversight includes the receipt and analysis of financial and service data and subsequent Ministry reporting.

Support to Licensed Child Care

Locally, 18 child care operators, through service agreements with the City, provide 3962 child care spaces (2833 in the City and 1129 in the County). The

City further supports 37 licensed child care homes (32 in the City and 5 in the County) with approximately 163 spaces.

As seen below, the City provides funding based on Ministry of Education criteria to support child care operators.

Child Care General Operating Funds

General operating funds support the costs of operating licensed child care programs, such as rent, utilities, food, supplies and maintenance. By supporting the sustainability of child care operations, wait times and fees for services are able to be reduced, improving access to high quality affordable early learning and child care services for children and their families.

Child care operators understand that Ministry funding is subject to change, but many rely on the general operating funds provided in order to maintain affordable parent costs.

Licensed Home Child Care 'base funding' supports the provision of stable, predictable funding to assist licensed home child care providers with forecasting, planning, and actively recruiting more providers. Base funding is determined by the Ministry of Education based on a per-home formula.

Capacity Building

Capacity building funds support professional learning and development opportunities for child care licensees, supervisors, staff and caregivers, in areas such as governance, finance, operations and service planning. Locally, capacity building funding supports this goal in two ways:

1. Through their service agreements, funds are provided to each child care based on number of staff to accomodate any specific training required.
2. The City contracts with Community Living Brant and Lansdowne Children's Centre to provide or facilitate free workshops related to the *How Does Learning Happen* pedagogy that is the basis for all interaction with children in care, as well as related to the business of child care. In the past year, child care staff participated in free training by renowned pedagogy experts Jean Clinton and Daine Kashin.

Within that mandate, Community Living Brant also facilitates the 'child care supervisor's network' to support the sharing of resources and ideas. Most recently, Brant County Health Unit staff have attended a number of meetings to provide health and safety direction during the pandemic and OneHSN provided training regarding updates to the OneList platform.

Special Purpose Funds

Special purpose funding supports specific costs related to business transformation activities, small water systems testing and system maintenance, purchasing or replacing play-based material and equipment and repairs and maintenance to ensure compliance with licensing requirements under the Child Care and Early Years Act, 2014.

Wage Enhancement and Home Child Care Enhancement Grants

Wage enhancement funds are used to to close the wage gap between Registered Early Childhood Educators ("RECEs") working in the publicly funded education system and those in the licensed child care sector. Two dollars per hour is provided to each educator earning less than the Ministry determined benchmark of \$28.31 (2021).

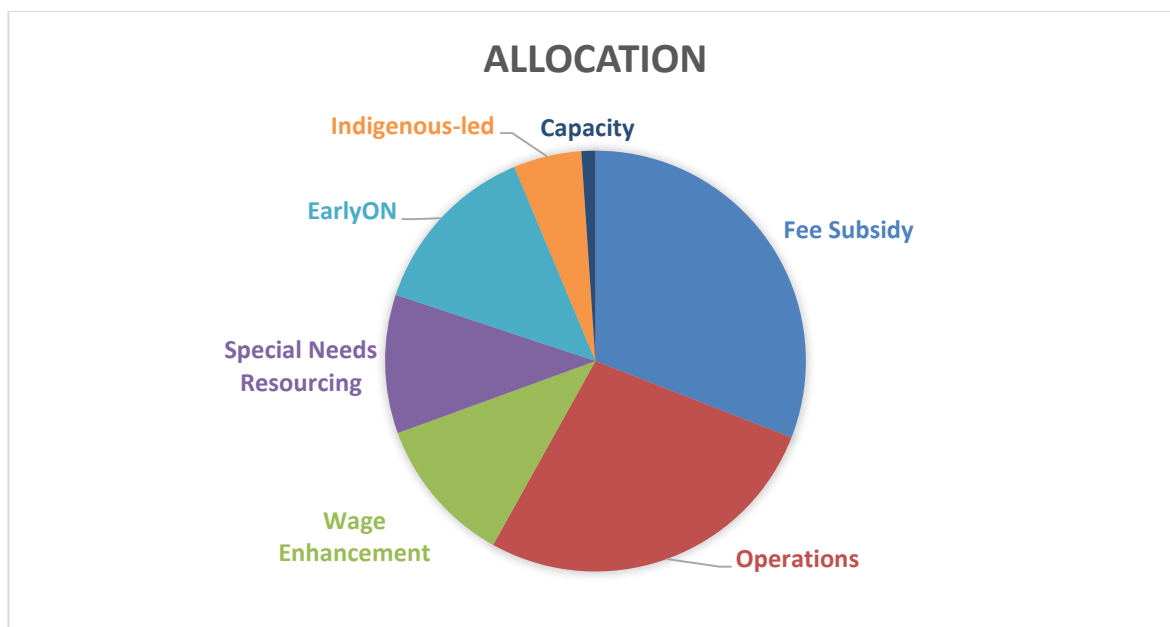


Figure 1 - Child Care Funding Allocation

Child Care Expansion

Child care spaces increase through 1) new operators opening a licensed child care, and 2) current operators expanding existing rooms or locations.

The City works closely with the Boards of Education to support opportunities for provincially funded capital builds of new / expanded child care attached to schools. The City provides an analysis of local service and wait list data as well as information from community consultations to inform decision making for additional child care spaces. Results of these efforts to date are summarized in Table 1: Child Care Expansion In Schools.

Table 1

Child Care Expansion In Schools

Location	Type	Stat Date	# of Spaces
Central Public School	New Centre	April 12, 2021	64 spaces
Our Lady of Providence	New Centre	September 2021	49 spaces
West Brant School	New Centre	Approved – Date TBD	49 spaces
École élémentaire Catholique Sainte-Marguerite-Bourgeoys	Expansion	Application submitted	24 spaces
Cobblestone School Paris	New Centre	Application submitted	49 spaces
Banbury Public School	Expansion	Application submitted	49 spaces

Figure 2 - Child Care Expansion in Schools

Responsibilities of the Child Care Operator

Child Care operators are independently operated as either profit or non-profit businesses. All licensed child care operators are required to maintain their regulatory obligations to the Province, as well as health and safety requirements directed by the provincial or local Medical Officer of Health.

New or potential child care operators, prior to initiating a license, are advised by the Ministry of Education to contact the CMSM to determine community need and available supports. Approximately three to six operators make contact with the CMSM each year. Each are provided with statistics regarding need in their proposed location and, since 2018, have been advised that additional service agreements are not being entered into due to a lack of available funding.

Licensed childcare operators that have existing service agreements with the CMSM receive financial subsidies from the Province that allow for reduced parent fees, opportunities to support special needs children and some staff training at no cost. These operators are advised that Ministry funding is subject to change.

Response to the COVID-19 Pandemic

As noted by the Mayor's Economic Recovery Task Force, Brantford's economic recovery plan must balance social, economic and health effects as the community transitions into the next phase(s) of reopening.

EarlyON Child and Family Centres have recognized the need for family supports during times of increased isolation. As a result of the COVID-19 Pandemic, providers have broadened their services to include virtual programming for children, virtual parent support opportunities, an EarlyON YouTube video channel and the provision of activity kits to families through existing community distribution systems.

Special needs resources have continued to be available during COVID-19. Lansdowne staff continue to attend child cares in person to support centres in providing services to children identified with special needs.

Child care centres were closed under s7.0.1(1) the Emergency Management and Civil Protection Act, from March 17th to June 12th 2020. In keeping with provincial direction, the City provided sustainability and reopening funding to support child cares with service agreements. The Province provided similar funding directly to centres without municipal service agreements.

Child care operators are expected to maximize all available federal support in Canada's COVID-19 Economic Response Plan, as well as any other new federal initiatives that may support the child care sector. At this time, supports are expected to expire by mid-2021.

In keeping with the actions identified by the Mayors' Economic Recovery Task Force, the City leveraged the knowledge of the Business Resource Centre to provide knowledge support to child care businesses. The BRC was able to share information, provide guidance and opportunities for local grants.

The City of Brantford has facilitated Emergency Child Care at the request of the Province for two periods during the COVID-19 Pandemic. Sixty-six (66) unique children were served by Emergency child care between March 17th and June 12th 2020 and eighty-one (81) unique children were served by Emergency Child Care between January 4 and February 5, 2021.

The Province has provided additional Safe Restart and Reinvestment Funds to help the sector adapt to the current environment and address needs stemming from the pandemic. Funds can be used for additional personal protective equipment (PPE such as gloves, gowns, etc.), enhanced cleaning, additional staff to meet health and safety requirements, support for short term vacancies as operators transition to full capacity, and minor capital (under \$5,000) in accordance with Ministry's reopening operational guidance or local public health requirements. Locally, \$1,835,654 was distributed to child care operators to be expended by March 31, 2021.

Since reopening, operators have experienced revenue loss while service levels gradually return to pre-pandemic levels. The decreased enrollment may be a result of parent apprehension to send children to group care settings, vacancies resulting from illness, and parents no longer in need of child care due to loss of employment or work from home arrangements. This financial pressure has been exacerbated by increased expenses due to increased health and safety requirements, fluctuating eligibility for federal and provincial support programs, and site closures due to illness (i.e. declared outbreak).

CMSMs, including the City of Brantford is working closely with the Ontario Municipal Social Services Association (OMSSA) to highlight the need for additional funding to the child care system to prevent business failures during the ongoing pandemic and recovery period.

While the ongoing financial impact of the pandemic on local child care providers is unknown, the sustainability of the existing child care system continues to be a critical component to supporting the safe restart of the economy. Prior to the pandemic, the child care system was characterized by high demand and insufficient access to spaces. The pandemic caused a temporary reversal, where spaces and subsidies were available, and insufficient demand to fill them. Looking ahead, there continues to be a need to grow access to an affordable, high-quality system that supports all families and recognizes the importance of a strong workforce of child care professionals.

7.0 Corporate Policy Context

2. Social services support is provided to Brantford residents in need.
4. There is high trust in the City through demonstrated progress in taxpayer affordability and value for money.

8.0 Input From Other Sources

Ministry of Education

9.0 Analysis

Anticipated Changes to the Children's Services and Early Years Sector

There are a number of changes anticipated in 2022 that will affect service to families and supports to the child care sector.

Child Care Funding Formula

As referenced in HHS 2019-462, *Update to Child Care funding and Services System Plan for Children's Services and Early Years*, the Ministry is anticipated to release an updated Child Care Funding Formula in 2021. This is the basis of distribution of child care funding across Ontario and is anticipated to be implemented in 2022. The financial impact of the new funding formula is unknown at this time, however any reduction in the child care funding formula could result in the following:

- A decrease in the number of children supported by Fee Subsidy
- A decrease in special needs supports to licensed child care
- A decrease in funding support to licensed child care centres
- An inability to enter into service agreements with new child care operators

Expansion Funding

Expansion funding was been provided to CMSMs to increase access to licensed child care for children aged 0-4. Locally, these funds initially supported expansion of spaces in our local child care system and subsequently to support sustainability of that growth and increase access to care for families through lower parental fees.

In January 2020, CMSMs were requested to cost share 'Expansion' funds at a rate of 80/20 provincial / municipal. While the cost sharing was encouraged, the Ministry committed to provide 80 percent of this funding regardless of the CMSM contribution. This funding status has been maintained for 2021, and staff will continue to monitor for further provincial funding changes in this area.

Administration Funding

Administration funding has historically been calculated as 10% of the provincial funding budget. Administration funding supports the costs of staff salaries and benefits, including for those staff who work directly with families and child care operators to facilitate Fee Subsidies, purchased professional services, accommodation, education and training, travel, technology and general office expenses.

Effective January 1, 2021, CMSMs are required to cost share provincial child care administration funding at a rate of 50/50 provincial / municipal. Due to the unique circumstances resulting from the COVID-19 outbreak, the Ministry provided a one-time Transitional Grant to CMSM's in 2021 to offset this municipal pressure and assist with the new required 50/50 cost share for provincial child care administration. This one-time funding offset a projected 29.27% increase to the municipal share of the 2021 CSEY budget. In 2022, a similar pressure is anticipated. To date, the CMSM has not been advised of any transitional grant funding for 2022.

On January 1, 2022, the threshold for allowable administration funding CMSMs can spend on child care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirements noted above. A 50% reduction in administration funding may result in the following:

- A reduction in specialized programs (e.g. special needs supports)

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- The elimination of the coordinated EarlyON program calendar and EarlyON social media marketing

Delays in service to families in need of Child Care Fee Subsidy for work, school or therapeutic needs

- Delayed ability to respond to unforeseen community needs, such as Emergency Child Care and grant opportunities
- The elimination of OneList
- Increased municipal costs

National Child Care Strategy

The current Canada-Ontario Early Learning and Child Care Agreement (ELCC) invests in child care to increase quality, accessibility, affordability, flexibility and inclusivity with prioritization for children aged 0-6 years old. ELCC funds are used for all facets of child care support including general operating, fee subsidy, special needs resourcing.

The development of a National Child Care Strategy was announced in September 2020, advising of a significant, long-term, sustained investment to create a Canada-wide early learning and child care system to ensure accessible, high-quality care.

While details of the National Child Care Strategy are yet to be released, this may result in a low-fee universal child care model (currently being used in Quebec and some areas of British Columbia). The model is premised on the idea that if child care is accessible and affordable, more women will join the workforce, increasing childhood development and social skills, ultimately raising revenue for government through increased payroll taxes.

Next Steps

Given the complexity of the system, and the pending changes summarized above, it is critical the CMSM begin to consult with the child care and early years sector to fully understand how a reduced allocation would impact the child care sector. The funding changes coupled with the changing needs of families during, and post pandemic provide a unique opportunity to re-envision what the sector, and the role of the CMSM in supporting this transition looks like. Upon approval of this report, staff will begin stakeholder consultation, while monitoring for

additional information from the Ministry of Education. Council will be provided with an update and recommendations prior to October 31, 2021.

10.0 Financial Implications

There are no direct financial implications associated with this report.

While details of potential funding reductions in both overall funding and administration funding are unknown, the City has not been advised of any reductions in services to be provided. Maintaining current service levels with the administration funding reductions could result in a 2022 municipal pressure of approximately \$460,000.

11.0 Conclusion

The child care and early learning sector will be impacted by a number of anticipated changes in 2022 due to the announcement of a National Child Care Strategy, a change in provincial funding allocation, a reduction in administration funding and the effects of the COVID-19 Pandemic. While full information is not yet available, reductions in funding may result in reductions in service to families and reductions in supports to child care and early learning agencies.

Staff will consult with key stakeholders and provide recommendations to Council by October 31, 2021.



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In adopting this report, is a by-law or agreement required? If so, it should be referenced in the recommendation section.

By-law required

☐ yes ☒ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk ☐ yes ☒ no

Is the necessary by-law or agreement being sent concurrently to Council? ☐ yes ☒ no