
Subject: Update on Community Based Capital Program and Early Years Capital Program Projects

Report to: Public Health and Social Services Committee

Report date: Tuesday, October 13, 2020

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- On November 16, 2017, the Ministry of Education (MEDU) announced \$157 million in capital funding over two years for purpose-built child care through new construction, renovations, retrofits and additions to promote the creation of up to 5,000 new licensed child care spaces in community-based facilities for children aged 0 to 4 years.
- Locally, Niagara Region Children's Services received \$6.4 million in Community Based Capital Program (CBCP) funding to support six capital projects (five licensed child care centres and one child and family centre).
- A second provincial capital funding program, Early Years Capital Program (EYCP) flowed from the Ministry of Education directly to three local school boards approved for five school-based child care capital build projects and retrofits for care of children aged 0 to 4 years.
- Combined, the provincially funded capital programs will create an additional 475 licensed child care spaces in Niagara, of which 70 spaces will be for the care of infants.
- As the local licensed child care system continues to expand, service managers will be challenged to financially support the operation of the additional spaces within the existing child care budget allocation from the province and continue to strive to ensure affordability for families.

Financial Considerations

The Community-Based Early Years and Child Care Capital Program (CBCP) provides 100% capital funding from the Ministry of Education. Locally, Niagara Region Children's Services received \$6.4 million in funding to support six projects (five licensed child care centres and one child and family centre). The funding has supported the creation of 230

new licensed child care spaces across Niagara, consisting of: 20 infant, 90 toddler, 120 preschool spaces.

The EYCP funding was also flowed directly by the province to three local school boards who were approved for five school-based child care capital build projects. The funding supports the creation of 245 new licensed child care spaces in schools consisting of: 50 infant, 75 toddler, and 120 preschool age spaces.

While the capital funding is 100% provincially funded, no additional operating dollars were provided to the local system and on April 26, 2019, the MEDU asked Niagara Region Children's Services, as the local service system manager, to confirm support for ongoing operations funding within the current provincial base budget allocation for the newly created spaces.

Analysis

On November 16, 2017, the Ministry of Education announced the 2017-18 Community-Based Early Years and Child Care Capital Program, an investment of \$157 million in capital funding over two years for purpose-built licensed child care centres. The funding supported new construction, renovations, retrofits and additions with the goal to create up to 5,000 new licensed child care spaces in community-based facilities for children aged 0 to 4 years across Ontario.

In response to the province's request for capital funding applications, four Niagara service providers applied for child care and/or EarlyON Child and Family Centre capital funding, and Niagara Region additionally submitted an application for the St. Catharines Regional Child Care Centre.

On April 5, 2018, Children's Services received funding of \$6.4 million to support six projects (one service provider received approval for two different projects) to create an additional 230 licensed child care spaces across Niagara, consisting of: 20 infant, 90 toddler, and 120 preschool spaces. To date, four of the capital build projects have been completed, including the project at the St. Catharines Regional Child Care Centre (as per approval of COM 01-2018 Request for Community-Based Child Care Capital Build Funding).

The following table provides more information indicating the municipality, recipient agency, the project type (addition to existing building and/or renovation of an existing space) number of additional licensed child care spaces, and project status.

Municipality	Agency Name	Project Type	Child Care Spaces	Status
Fort Erie	Fort Erie Native Friendship Centre	Addition	72	Complete
		Addition (EarlyON Child and Family Centre)	N/A	Complete
Grimsby	Kidzdome Preschool	Addition/Renovation	78	In progress
Niagara-on-the-Lake	Niagara Nursery School	Addition	15	Pending
Pelham	A Child's World Family Care Services of Niagara	Renovation	25	Complete
St. Catharines	Niagara Region	Addition/Renovation	40	Complete

The construction at Kidzdome Preschool in Grimsby is nearly complete, with an anticipated opening the first week of November, pending a successful MEDU licensing inspection.

The capital build projects are required to be completed by December 31, 2020, however, due to a number of local challenges, including some associated with the COVID-19 pandemic, the Niagara Nursery School project in Niagara-on-the-Lake will not meet the provincial deadline. At this time, the project is awaiting approval from the MEDU for a funding extension, which would allow for the provincial funding to be accessed beyond 2020, until the completion of the project.

In addition to the CBCP, on January 6, 2017, the MEDU launched the EYCP, giving school boards an opportunity to request capital funding to support the creation of new child care spaces or child and family centre projects that are associated with a larger school capital project. Three local school boards were approved for capital funding to support five capital projects in schools. The funding supports the creation of 245 new licensed child care spaces in schools consisting of: 50 infant, 75 toddler and 120 preschool age spaces. To date, one of the five EYCP capital projects was completed in September 2019, and another project is anticipated to be completed in October 2020. Two additional EYCP builds will be completed in 2021, and the last project is anticipated to be completed in 2022.

Combined, the EYCP and CBCP capital funding will support the creation of an additional 475 licensed child care spaces in Niagara, of which 70 spaces will be for infant care. This will help meet a local priority of increasing the total number of licensed infant spaces, to address the critical demand in Niagara. As of August 31, 2020, of the 11,830 licensed child care spaces in Niagara, 258 are available for infants.

Niagara Region Children's Services, in its role as service system manager of the local licensed child care system, has been monitoring the impacts of COVID-19 on the system, working with licensed child care service providers, and developing mitigation strategies to address the following challenges:

No increase in annualized provincial child care funding

While the additional 475 licensed child care spaces are a welcome addition to the current system, Niagara Region Children's Services will be expected to financially support the operation of the additional spaces within the existing child care budget allocation from the province. Because the provincial government is not anticipated to provide any additional child care funding to the existing base budget, as the system grows, the annual child care funding allocated to licensed child care service providers per licensed space will be reduced. While Children's Services is working to mitigate the anticipated budgetary impacts, the lack of increased funding will likely cause some licensed child care service providers to increase parent fees for child care to make up for the reduction in annual funding and to address increasing costs associated with operating a licensed child care centre. However, it should also be noted that the provincial government has also introduced the Ontario Childcare Tax Credit, which is intended to assist low to middle income families with child care costs through the tax return process.

Qualified staff shortage

Prior to the COVID-19 global pandemic, the province was already facing a critical shortage of qualified Registered Early Childhood Educators to care for children attending licensed child care. This staffing crisis has been exacerbated by COVID-19, as some qualified staff have elected not to return to work in these uncertain times, while others are on medical leave due to underlying health issues and their risk to the virus. This means that it is very possible that the newly created licensed child care spaces will be difficult to staff and some could remain vacant for some time, due to insufficient qualified staffing. With the reopening of the child care system, Niagara Region Children's Services is actively monitoring system capacity, family uptake of available

spaces, child care fees and staffing challenges in the system, and commits to providing Council with regular updates in the months ahead.

Alternatives Reviewed

This report is initiated by staff to provide Council with information related to a service enhancement.

Relationship to Council Strategic Priorities

The provision of accessible and quality early learning programs and services supports Council's focus on Supporting Businesses and Economic Growth

Other Pertinent Reports

- COM 1-2018 Request for Community-Based Child Care Capital Build Funding
- CWCD156-2018 Ministry of Education Announcement
- COM 30-2019 School Based Child Care Capital Projects

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