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**Subject:** Managing the Licensed Child Care System During the COVID-19 Pandemic

**Report to:** Public Health and Social Service Committee

**Report date:** Tuesday, April 13, 2021

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## Recommendations

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

## Key Facts

- On March 17, 2020 the provincial government declared a state of emergency due to the COVID-19 pandemic, and all licensed child care centres were, at that time, ordered to cease operations, and remained closed until June 12, 2020.
- Further to changing provincial direction, licensed child care centres have been operating since June 2020, however service providers are facing fiscal challenges, due to increased costs associated with enhanced COVID related operating requirements, and reduced revenues with parents not working or opting not to access care.
- The province wide shortage of qualified Registered Early Childhood Educators (RECE) has been exacerbated by COVID-19, with some staff electing not to return to work in a licensed child care centre; some seeking higher paying employment, while others are on infectious disease leave further to risks associated with the virus.
- Because of legislated staffing ratios, a reduction of qualified staff means a reduction in the operating capacity of licensed child care centres, and fewer licensed child care spaces accessible to families. Currently, the Niagara licensed child care system is operating at approximately 42 percent of the pre-COVID system operating capacity.
- Niagara Region Children's Services used core provincial funding, federal Safe Restart funding (SRF), and reallocated funds to offset pressures and stabilize licensed child care service providers throughout the challenging and rapidly evolving COVID-19 pandemic in 2020.
- Niagara Region Children's Services is closely monitoring the licensed child care system and continues to use core funding to stabilize service delivery as much as possible, to ensure access to reliable care for parents currently utilizing child care, and in the future when more parents can return to the workplace.

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## Financial Considerations

In accordance with its role as a provincially designated municipal service manager, Niagara Region Children's Services receives a child care allocation from the provincial government, which includes funding that supports the operation and expansion of licensed child care and early years services across Niagara.

The Ministry of Education (MEDU) has consistently supported Children's Services' approach to be flexible with the child care allocation, as well as federal Safe Restart funding throughout 2020, to direct funds to stabilize licensed child care service providers throughout the challenging and rapidly evolving COVID-19 pandemic.

In addition, Children's Services has regularly provided information regarding federal programs, available through the Canada Economic Response Plan, which licensed child care service providers should continue to maximize in 2021.

## Analysis

Children's Services is responsible for planning and management of the local licensed child care system, operating under guidelines established by the Ministry of Education, and the legislative requirements of the *Child Care and Early Years Act, 2014*.

On March 16, 2020, the licensed child care system across Niagara had the following capacity:

Total number of licensed child care service providers contracted with Niagara Region	61
Total number of licensed child care centres (Note: many providers have more than one centre)	175
Total number of licensed child care spaces (infants, toddlers, preschoolers, and school age children)	11,595
Number of children in receipt of financial assistance for child care fees for the month of March 2020 (Note: the monthly average is approximately 2,500 children)	2,620

On March 17, 2020, the provincial government declared a state of emergency due to the COVID-19 global pandemic. As such, all licensed child care centres were ordered to

cease operations, and remain closed until further notice. While not mandated by the provincial government, out of an abundance of caution, the Niagara Region Home Child Care Program was also temporarily closed.

On March 22, 2020, the provincial government announced that it would exempt certain licensed child care centres from the closure order to provide emergency child care, free of charge, to provincially identified health care and essential services workers.

Niagara Region Children's Services submitted a local emergency child care plan, approved by the Ministry of Education, to reopen four Niagara Region directly operated licensed child care centres, as needed, based on demand. Because Niagara Region provides essential services, and directly operates licensed child care centres, this allowed Children's Services to quickly pivot and reopen centres to provide emergency child care. Over the course of 12 weeks, from April 1<sup>st</sup>, until June 26, 2020, 186 children from 127 families received emergency child care at one of these four directly operated centres. As well, the licensed Home Child Care Program operated by Niagara Region, and a third party home child care agency, provided emergency child care to 66 children from 43 families during this time.

Only one other licensed child care service provider was able to reopen beginning in May 2020. Other service providers were unable to reopen because of their location in schools (unable to access the centre due to school closures), and/or an insufficient number of qualified staff willing to return to provide emergency child care in order to meet legislated staffing ratios.

For the duration of the closure period, the provincial government prohibited licensed child care service providers from charging child care fees to parents, and mandated that parents could not lose their child care spaces or be otherwise penalized as a result of fees not being paid during the closure period.

On June 9, 2020, the provincial government announced that the licensed child care system may begin to reopen commencing June 12, 2020 and emergency child care would end on June 26, 2020. As part of the reopening of licensed child care, the Ministry of Education announced regulatory changes to the *Child Care and Early Years Act*, to be in alignment with the "Operational Guidance During COVID-19 Outbreak" document.

The regulatory changes and the operational guidance document outline health and safety requirements necessary in order to operate a licensed child care centre during

the pandemic. More specifically, it details enhanced cleaning and disinfecting protocols, use of masks and other personal protective equipment, daily screening of children and staff, and protocols when a staff or child present with symptoms. While critical to the safe operation of a licensed child care centre during the pandemic, the added health and safety requirements has meant additional costs to service providers.

To ensure licensed child care service providers remain viable, Children’s Services has used the flexibility in Niagara’s child care allocation, in addition to the federal Safe Restart Fund, to financially stabilize service providers throughout the challenging and rapidly evolving COVID-19 pandemic.

In December 2020, the licensed child care system across Niagara had the following capacity:

Total number of licensed child care service providers contracted with Niagara Region	60
Total number of licensed child care centres	172
Total number of licensed child care spaces (infants, toddlers, preschoolers, and school age children)	11,787
Total number of licensed child care spaces in operation (based on qualified staffing ratios)	4,910
Number of children in receipt of financial assistance for child care fees for the month of December 2020  (Note: the pre-pandemic monthly average was approximately 2,500 children)	1,553

As the licensed child care system continues to operate during the global pandemic, and because of the importance licensed child care will play in the economic recovery as parents return to work, Children’s Services is closely monitoring the system, due of the following factors:

**Reduced revenues**

A factor affecting operations of licensed child care centres is the reduced parent fee revenue due to parents opting not to access child care at this time, or parents currently not working during the pandemic. With the increased costs to operate during the pandemic and reduced revenue, some licensed child care centres may have to increase parent fees in the future or risk permanent closure.

### **Shortage of qualified staff**

Prior to the COVID-19 global pandemic, the province faced a critical shortage of qualified Registered Early Childhood Educators (RECE) to care for children attending a licensed child care centre. This staffing crisis has been exacerbated by COVID-19, as some staff have elected not to return to work in a licensed child care centre, but rather are seeking higher paying employment, while others are on infectious disease leave further to risks associated with the virus. It should be noted, prior to the pandemic many RECEs were earning less than a living wage, and had no benefits, further contributing to recruitment and retention challenges.

Because of legislated staffing ratios, a reduction of qualified staff means a reduction in the operating capacity of licensed child care centres, and fewer licensed child care spaces accessible to families when they can return to the workplace. Currently, the Niagara licensed child care system is operating at approximately 42 percent of the pre-pandemic system operating capacity.

In order to support recruitment and retention of qualified staff for local licensed child care centres, Children's Services is in discussion with the Ministry of Labour, Training and Skills Development and Niagara College to create a long-term path to support individuals interested in pursuing a career as a RECE.

Niagara Region Children's Services is closely monitoring the licensed child care system and using core funding to stabilize service delivery, to ensure access to reliable care for parents currently utilizing child care, and in the future, when more parents can return to the workplace.

It should be noted that provincial funding that supports affordability in the licensed child care system is now, and will be in the future, critical to the ability of a community to support access to care. As the provincial government moves to redirect its funding to a CARE Credit approach, and potentially reducing municipal funding, system access and affordability will need to be monitored carefully.

### **Alternatives Reviewed**

Not applicable.

## **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**

- CWCD 219-2020 New Child Care EarlyON Provincial Announcement

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