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**Subject:** Child Care and Early Years 2024 Budget Adjustment

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

**Report date:** Tuesday, November 5, 2024

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## Recommendations

1. That a gross operating budget adjustment in the amount of \$3,043,856 gross and \$0 net, to be fully funded through the Ministry of Education (MEDU), **BE APPROVED** to support Niagara Region's early years and child care system.

## Key Facts

- The purpose of this report is to inform Council of the 2024 funding announcement received from the MEDU for Children's Services (in accordance with its municipal service manager responsibilities) and obtain approval of the related budget adjustment. An in-year receipt of funding must comply with By-law 2017-63, Budget Control, items 6.6(a) and 6.6(b), requiring Council's approval for any amounts received in excess of \$1.0M for operating programs.
- The MEDU confirmed additional funding of \$3.0M for Niagara Region's early years and child care system, resulting in a new total funding allocation for 2024 of \$117.7M.
- This increase is attributed to \$2.2M in the Canada Wide Early Learning and Child Care (CWELCC) emerging issues funding, and 0.8M in CWELCC administration funding.

## Financial Considerations

Niagara Region received additional funding of \$3.0M from the MEDU resulting in a new total funding allocation for 2024 of \$117.3M. These are 100% MEDU funding dollars with no additional investments required from the regional tax levy. The revised 2024 Children's Services budget is summarized in the following table:

	2024 Regional Budget	2024 MEDU Budget Adjustment	Revised 2024 Regional Budget
2024 MEDU Funding	\$114.7M	\$3.0M	\$117.7M
2024 Gross Expenses	\$124.2M	\$3.0M	\$127.2M
2024 Niagara Region Levy*	\$9.5M	\$0	\$9.5M

\*Includes indirect allocations

The Region’s Children’s Services division will invest the funding into the delivery of early years and child care services as per the MEDU direction.

## Analysis

### Canada Wide Early Learning Child Care Emerging Issues funding increase

Emerging issues funding was introduced in 2024 by the MEDU to address non-discretionary cost pressures of child care centres enrolled in CWELCC. Niagara Region’s Children’s Services originally received \$2.5M in emerging issues funding.

Over the summer of 2024, the MEDU requested information on system pressures. Niagara Region’s Children’s Services identified a \$2.2M pressure in the CWELCC system for Niagara Region. On September 13, 2024, the MEDU announced \$2.2M in additional emerging issues funding to Niagara Region to be spent in accordance with the 2024 CWELCC guidelines. This funding will provide stability to the sector for the remainder of 2024 and help offset any non-discretionary costs currently not supported with CWELCC funding.

### Incremental 2024 CWELCC Administrative Funding

On August 1, 2024, the MEDU released a new cost-based funding model for child care centres enrolled in the CWELCC program. The new funding formula will result in a significant transformation to how operators are currently funded.

To support these costs, MEDU has provided \$0.8M in CWELCC administration funding to be used in accordance with the MEDU administrative spending guidelines to support the transformation to a cost-based funding model.

## Alternatives Reviewed

Should the budget adjustment not be approved, the unspent funds would have to be returned to the provincial government, resulting in less funding to the local licensed child care system and threaten the on-going successful implementation of CWELCC.

## Relationship to Council Strategic Priorities

Allocating CWELCC emerging issues funding, in accordance with local system pressures, aligns with Council's strategic priority of an **Effective Region** by ensuring child care spaces are delivered in an fiscally responsible and sustainable manner (Objective 1.3) to support Niagara families and child care demand within the region.

## Other Pertinent Reports

[COM 10-2024 Canada-Wide Early Learning and Child Care Program Update \(escribemeetings.com\)](https://pub-niagararegion.escribemeetings.com/filestream.ashx?DocumentId=36981)

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