
Subject: School Based Child Care Capital Projects

Report to: Public Health and Social Services Committee

Report date: Tuesday, July 9, 2019

Recommendations

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

Key Facts

- In June 2017, the Ministry of Education (MEDU) announced the Early Years Capital Program, to provide school boards with capital funding to support school-based licensed child care centre builds and retrofits with the goal to create new licensed child care spaces for children ages 0-4 years.
- In Niagara, three local school boards each submitted a capital build proposal and were approved by the MEDU. The capital funding will help the school boards create 100 new licensed child care spaces within schools in Niagara.
- In April 2019 Niagara Region Children's Services was asked by the Ministry of Education to confirm support for ongoing operating funding within the existing child care allocation, for the additional licensed child care spaces, as a result of the school based capital builds.
- In 2020, should there be no additional increase in operating funding from the province, and with the addition of new spaces, licensed child care service providers will see a decrease in their general operating grant funding, and as a result parent fees will likely increase.
- Operating grant funding is intended to assist with increased access and affordability to licensed childcare. With these additional builds Niagara is on track to achieve its ministry directed expansion targets.

Financial Considerations

The Early Years Capital Program (EYCP) provides 100% capital funding for school boards from the Ministry of Education. Three local school boards were approved for capital funding to support three capital projects. The funding will support the creation of 100 new licensed child care spaces in schools consisting of 30 infant spaces, 30 toddler spaces and 40 preschool age spaces.

While the capital funding is 100% provincially funded, the MEDU has asked Niagara Region Children's Services, as the local service system manager, to confirm support for ongoing operating funding for the additional 100 spaces.

It is planned that operating grant funding will be provided from Niagara's current provincial funding allocation. It should be noted that it is anticipated that fees may rise as our allocation is distributed to accommodate not only these three builds but also six additional previously approved builds. Currently, the average daily child care fees in Niagara (\$43.10)¹ are below the provincial average and staff commit to continue monitoring local fees and provide a future report to committee as these new builds come into operation.

There are no financial implications for 2019 (as the builds will not be completed until 2020).

Analysis

On June 12, 2017 the Ministry of Education announced the 2017-18 Early Years Capital Program. The EYCP is an investment of \$1.6 billion in capital funding for school boards across Ontario to support school-based "stand-alone" child care capital builds and retrofits to create new licensed child care spaces for children aged 0 to 4 years. The EYCP supports the MEDU vision for child care and early years under the *Renewed Early Years and Child Care Policy Framework*, as well as the commitments made in Ontario's Action Plan under the Canada-Ontario Early Learning and Child Care Agreement (ELCC).

Further to the province's request for capital funding applications, Children's Services supported local school boards by reviewing each submission to ensure alignment with local and provincial priorities, resulting in three school board submissions for EYCP funding.

In December 2017, the MEDU announced three local school boards were approved for three school-based child care capital build projects. When complete, the three school-based capital build projects will provide a total of 100 new licensed child care spaces consisting of 30 infant spaces, 30 toddler spaces and 40 preschool age spaces.

The following table provides more information regarding the municipality, recipient school board, and the number of new licensed child care spaces.

Municipality	School Board	Infant spaces	Toddler spaces	Preschool Spaces	Total # of new spaces
St. Catharines	Conseil scolaire Viamonde	10	15	16	41

¹ Ministry of Education 2018 Licensed Child Care Operations Survey, from April 1 2018 to June 30 2018

Municipality	School Board	Infant spaces	Toddler spaces	Preschool Spaces	Total # of new spaces
St. Catharines	DSBN	10	-	-	10
Niagara Falls	NCDSB	10	15	24	49

The additional spaces supports Children's Services in meeting a local expansion target established by the MEDU as a requirement to fulfill the funding obligations associated with both the Child Care Expansion Plan and the federal-provincial Early Learning and Child Care Agreement.

While the new licensed child care spaces are a welcome addition to the system, it is understood that operating grant funding will come from Niagara's current provincial funding allocation. On April 26, 2019 the MEDU asked Niagara Region Children's Services, as the local service system manager, to confirm it will financially support the operation of the 100 new licensed child care spaces within the existing child care budget from the province.

The 100 new licensed child care spaces increase Niagara's licensed child care space capacity to meet the increasing demand for licensed child care. As of June 17, 2019 there were just over 5,200 unique children listed on the centralized registry waiting for a space within a licensed child care centre. As well, because the provincial child care budget allocation is based on licensed child care space capacity, additional spaces created through the three school-based "stand-alone" child care capital builds will help maximize Niagara's potential provincial operating funding.

The Children's Services 2019 child care budget will not be impacted as the capital builds have not yet started/completed. The potential impact will occur upon completion of the capital build projects and Ministry licensing expected in 2020. As Niagara on boards the spaces associated with these new builds, it is understood that grant funding may be slightly reduced to all operators. As a result, this will likely result in an increase in local child care fees.

With the new provincial approach to child care, announced in the 2019 provincial budget, families not in receipt of financial support for their child care costs may benefit from the new CARE tax credit, as this may help to offset some of the increased child care costs. As well, some hope that the tax credit may prove to be an incentive for families to participate in the licensed child care system.

Children's Services will continue to monitor and analyze impacts from forthcoming provincial policy announcements, and, as needed, develop strategies to minimize any negative impacts to the system to maintain access to quality child care for Niagara residents.

Alternatives Reviewed

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

Relationship to Council Strategic Priorities

Not applicable.

Other Pertinent Reports

COM 24-2017 Licensed Child Care Expansion Plan

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