

**Ministry of Education  
Early Learning Division**

**Ministère de l'Éducation  
Division de  
l'apprentissage des  
jeunes enfants**



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**2012: EL3**

**MEMORANDUM TO:** Directors of Education  
Consolidated Municipal Service Managers  
District Social Services Administration Boards

**FROM:** Jim Grieve  
Assistant Deputy Minister  
Early Learning Division

**DATE:** July 10, 2012

**SUBJECT:** **Schools-First Child Care Capital Retrofit Policy**

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The purpose of this memorandum is to provide you with context, information and next steps regarding a new Schools-First Child Care Capital Retrofit Policy.

**Context:**

The government recognizes how important it is for Ontario's families to have access to a safe, affordable, high quality early learning and care system for children.

On April 20, 2012, the government announced that, as part of the 2012 Budget, Ontario will provide assistance to child care operators as we move towards full implementation of full-day kindergarten in 2014-15. The total fiscal impact of this action is \$90 million in 2012-13, \$68 million in 2013-14, and \$84 million in 2014-15.

In addition, on June 27<sup>th</sup>, 2012 the Province released a discussion paper, *Modernizing Child Care in Ontario*, to begin a conversation that will help move Ontario towards a higher quality, accessible and co-ordinated early learning and care system for all children. The discussion paper outlines the government's long term vision for child care and seeks feedback on targeted medium-term objectives that will help achieve that vision over the next three years. Among the medium-term objectives is the implementation of the Schools-First Child Care Capital Retrofit Policy, financed by the investments announced on April 20, 2012.

The discussion paper seeks input on the key measures that will make the implementation of the Schools-First Child Care Capital Retrofit Policy a success, such as how to support collaborative planning among child care and school board partners and address child care/instructional program shared space issues in the long-term. At the same, it is important to move ahead with the key policy elements of the schools-first initiative to launch the work needed to help child care adjust to full-day kindergarten (FDK), and create a more seamless early learning system for families.

Additional details regarding the funding allocations and implementation approach will be released in a subsequent memorandum in the coming weeks.

**Overview and Rationale for the Schools-First Child Care Capital Retrofit Policy:**

The evidence is clear that child care, like FDK plays a key role in promoting healthy development during the most critical years of a child's life. We also know that minimizing transitions for young children and providing a single point of access for early childhood services benefits the whole family.

A "schools-first" approach was first introduced through the Best Start initiative, and reinforced again in the Charles Pascal Early Learning Report with a recommendation to develop a comprehensive vision and plan for child care that works with FDK. Capital investment in retrofitting school-based child care spaces is an important component of the vision for modernizing child care and supporting children and families.

The Schools-First Child Care Capital Retrofit Policy is intended to guide the education and child care sectors as they plan for and repurpose school space to transition to serving children 0 to 3.8 years. This investment is a foundational piece of the vision to modernize child care and supports the government decision to build a high-quality, accessible and coordinated early learning and child care system.

As FDK continues to roll out across the province, we know that four and five year olds currently attending child care programs will be transferring to school full-time. The Ministry is committed to supporting child care programs as they adjust to this movement of children and that is why we are providing \$113 million over three years to school boards to convert current school-based licensed child care spaces for four and five year olds to spaces that can be licensed for younger children (e.g., 0 to 3.8 years). These investments will also create opportunities for community-based operators to relocate to schools.

The Schools-First Child Care Capital Retrofit Policy is intended to help guide the planning and implementation process. Although school boards will be responsible for managing capital investments, plans shall be developed and approved jointly by both school boards and Consolidated Municipal Service Managers (CMSMs) or District Social Services Administration Boards (DSSABs). Purposeful planning by both school boards and CMSMs/DSSABs is required as space availability, community needs, and broader child care system planning and transition issues will need to be considered.

Some school boards may be concerned about how this planning process should be reconciled with the Broader Public Service Procurement Directive, including the

requirement for an open and competitive procurement process. For clarity, school boards and CMSMs/DSSABs should both be aware that the directive and its requirements do not apply for the purposes of school boards entering into a contract with a public body (e.g. Crown agency) or a non-profit organization. No public procurement for not-for profit child care operators is required by the Directive in connection with this policy, or with other circumstances where child care services are entering school board facilities.

For further clarity, this does not change a school board's obligation regarding procurement of capital services. The directive and the requirement for public procurement continue to apply to the capital work.

## **Schools-First Child Care Capital Retrofit Policy**

### **Application and Scope of the Policy**

This policy provides direction to school boards and CMSMs/DSSABs to support planning and management of capital investments to repurpose existing child care spaces or space not required for instructional purposes in schools, to serve children aged 0 to 3.8 years. This policy is also intended to create opportunities for child care operators in community-based locations to relocate to schools.

The provision of capital funding to school boards will enable repurposing of space that is currently used to serve four and five year olds in licensed child care, and/or space not required for instructional purposes, by retrofitting the space to serve children 0 to 3.8 years. The repurposed space may be used by an existing on-site child care operator or a non-profit community child care operator that wishes to relocate into a school setting. The policy does not include an expansion of child care system; however, it will significantly increase the number of child care spaces for children 0-3.8 years old in schools..

This capital funding will not be provided for FDK or school-age child care spaces as the Ministry will not fund exclusive space for before and after school child care programs. Before and after school care for these age groups can be provided in shared space in regular classrooms.

### **Expected Outcomes**

School boards and CMSMs/DSSABs will plan and make decisions together that will support the proposed long-term vision for early learning and child care in Ontario as outlined in the discussion paper "*Modernizing Child Care in Ontario: Sharing Conversations, Strengthening Partnerships, Working Together*":

Build a high-quality, accessible and coordinated early learning and child care system for children before they start school and for school-aged children. The system will focus on learning in safe and caring play-based environments, on healthy physical, social, emotional and cognitive development, and on early identification and intervention for children in need of supports. Where possible, services will be located in or linked with schools to enhance seamlessness for children and families.

Capital retrofit investments will support quality child care programs that result in a viable long-term school service base. School boards will initiate discussions with CMSMs/DSSABs and, where applicable, with co-terminous boards to support a collaborative planning process.

The discussion paper and advice on sustaining collaborative planning and implementation to address shared space and similar issues will support the effective implementation of the Schools-First Child Care Capital Retrofit Policy over the long-term.

### **Key Principles**

The Ministry of Education is proposing ten guiding principles to support the policy:

- Schools are the preferred location for capital investments to support child care services for children under age four.
- School boards and CMSMs/DSSABs will plan and make decisions jointly.
- School boards and CMSMs/DSSABs will prioritize the conversion of school-based child care spaces currently licensed for four and five year olds to secure quick wins, support existing school-based operators, and use resources efficiently.
- School boards will have local policies that support child care as a core service available in schools.
- Accommodation costs (e.g., rent, heating, lighting, cleaning, and maintenance) are the responsibility of the child care operator. School boards should recover child care related accommodation costs incurred by the school boards from the child care operators to ensure no school board operating pressures.
- Not-for-profit and municipal operators are the preferred service providers in schools. Existing commercial operators may be grand-parented under certain circumstances.
- Capital investments will not result in a child care operating pressure as CMSMs/DSSABs will leverage their existing operating funding to support the relocation of community-based child care to schools, as well as the amalgamation of programs.
- Capital investments under this policy cannot be supplemented by other school board operating or capital funds, nor can the child care capital retrofit funding be used to address other school board capital needs.
- Capital investments must be made in accordance with sound asset management principles and a long-term service view.
- Repurposed spaces will result in a viable program structure that meets the needs of children as they age.

### **Eligibility Requirements**

Funding can be used if the following conditions are met:

- 1.) The school space identified:
  - a. is existing child care space within the school, or is not required by the school board for instructional purposes; and

- b. there is a capital expenditure to repurpose the school space to child care space for children 0 to 3.8 years of age to meet [Day Nurseries Act](#) (DNA) requirements; and
  - c. the capital project does not result in an expansion of the gross floor area of the school (i.e., no additional space added to the school); and
  - d. meets the requirements of the [Tangible Capital Assets Guide](#) (Revised April 2012).
- 2.) An eligible operator:
- a. is a not-for-profit operator or municipal operator; and,
  - b. has a purchase of service agreement with the CMSM/DSSAB; or,
  - c. is a for-profit operator already located in a school as a result of an agreement and has a purchase of service agreement, both of which were in place as of the date this memorandum was issued; and,
  - d. has not changed ownership or has not terminated the agreement since the date this memorandum was issued.
- 3.) The repurposed space will not create an operating pressure for CMSMs/DSSABs by virtue of:
- a. an amalgamation of operators that both have purchase of service agreements;
  - b. relocation of an existing service, with a purchase of service agreement, from the community (including former/closed schools) to the school site; or,
  - c. reallocation of existing funds made available due to changes to other purchase of service agreements.
- 4.) The school board has consulted with the Ministry's Child Care Quality Assurance and Licensing Branch (CCQALB) regarding the proposed retrofits and has:
- a. provided a floor plan and renovation plan.
  - b. received initial approval from CCQALB that the project will meet provincial standards as set out under the [Day Nurseries Act](#) and its Regulations.
- 5.) Reports have been submitted as per Ministry requirements.
- a. The Ministry will consult with school boards and municipal staff on an appropriate deadline and requirements for boards/municipalities to submit in an initial plan as well as annual updates.
  - b. A final annual report will be due each year.

### **Next Steps**

Further details regarding specific funding allocations, implementation strategies and reporting requirements under the Schools-First Child Care Capital Retrofit Policy will be provided through a follow-up memo in the coming weeks.

The discussion paper and advice on sustaining collaborative planning and implementation to address shared space and similar issues will support the effective implementation of the Schools-First Child Care Capital Retrofit Policy over the long-term.

The paper will be available until September 24, 2012 on Ontario's Regulatory Registry website ([www.ontariocanada.com/registry](http://www.ontariocanada.com/registry)) and on the Ministry of Education's website (<http://www.edu.gov.on.ca>). I encourage you to read the discussion paper and submit your

input. The feedback we receive will help us build a higher-quality, accessible coordinated early learning and child care system for children and their families.

**Ministry Contacts**

If you have any question regarding the Schools-First Child Care Capital Retrofit Policy, please contact Rupert Gordon, Director of the Early Learning Policy and Program Branch, at 416-314-8241 or [Rupert.Gordon@ontario.ca](mailto:Rupert.Gordon@ontario.ca).

Sincerely,

*Original signed by*

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Jim Grieve  
Assistant Deputy Minister  
Early Learning Division

Copy: Superintendents of Business  
Child Care Advisors, Ministry of Education  
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Child Care Quality Assurance and Licensing Offices