

TO: Consolidated Municipal Service Managers and District
Social Service Administration Boards

FROM: Phil Graham
Assistant Deputy Minister
Early Years and Child Care Division

DATE: June 2, 2021

SUBJECT: **Financial Flexibility to Support Early Years and Child Care**

The Ministry of Education (EDU) values the role that Consolidated Municipal Service Managers and District Social Service Administration Boards (CMSMs/DSSABs) have been playing to keep children and families safe during the COVID-19 pandemic. We are committed to keeping you updated on important information on how we can support Ontario's early years and child care sector during this unprecedented time.

As follow-up to today's communication on the child care impacts associated with the decision to continue with teacher-led remote learning through to the end of the school year, the purpose of this memo is to provide you with an update on funding flexibility in support of sector sustainability.

As you know, before and after school programs (BASPs) have been directed to close for the period of teacher-led remote learning and have been prohibited from charging parent fees. These and other child care closures have raised sustainability concerns with the ability of some child care operators to continue to provide children and families with access to high quality, safe and affordable early years and child care programs following directed closures.

The purpose of this memo is to provide further clarity on how CMSMs and DSSABs can continue to support early years and child care, including licensed child care providers who offer before and after school programs, school board-operated extended day programs, and other licensed programs, that have been subject to provincial and public health directed closures.

Flexibility within Existing Child Care Funding Allocation

In 2021, CMSMs and DSSABs have continued to receive their regular monthly child care funding allocation. The consistent monthly child care funding provides CMSMs/DSSABs with the flexibility to determine how to best use child care funds to help the sector adapt to the current environment. Furthermore, the child care funding guideline allows for financial flexibility between fee subsidy and general operating funding in order for CMSMs/DSSABs to best respond to the local needs of their communities.

CMSMs/DSSABs may leverage this funding flexibility between fee subsidy and general operating funding to provide time-limited and targeted support to licensed child care providers who offer before and after school programs, school board-operated extended day programs, and other licensed programs¹ that have been subject to provincial and public health directed closures with the intention of providing financial relief to assist with sustainability during this time. Our mutual and long-term goal is to continue serving school-aged children once the closure is lifted.

Funding parameters with respect to closed licensed child care providers who offer before and after school programs, school board-operated extended day programs, and other licensed programs are as follows:

A. Net of Federal Supports and Net of Provincial Supports for Businesses

Funding support must only be provided after all other support programs have been exhausted for which the provider is eligible. This includes federal support programs under the Canada Economic Response Plan and provincial programs available to businesses.

B. Participation in Emergency Child Care

Revenues that before and after school providers may generate from potential participation in emergency child care must be considered. In particular, additional funding support should not be provided if before and after school providers fully mitigate revenue loss by participating in emergency child care.

C. Risks to On-Going Viability

Funding should be prioritized to those before and after school providers who demonstrate that the financial impact from the school-aged closure period will impact their ability to deliver programs following the school-aged closure period.

It is expected that CMSMs/DSSABs will continue to manage and budget accordingly, within their 2021 allocation.

¹ Note, authorized recreation is not eligible for time-limited sustainability supports

As noted above, funding flexibility can be used to support closed centres where viability is a concern. For centres that are open or reopening, supports to operators continues to be, but is not limited to, costs associated with the following:

- Personal protective equipment;
- Enhanced cleaning;
- Additional staff to meet health and safety requirements;
- Support for operators with vacancies due to lower enrolment in programs;
- Support for operators to cover child absenteeism;
- Support where there may be short term vacancies locally as child care centres adjust to the health and safety requirements;
- Support for child care staff absenteeism where staff need to stay home because they or their children are sick or need to self-isolate; and
- Minor capital required (less than \$5,000) in accordance with the ministry's reopening operational guidance or local public health requirements.

In addition, the Province is negotiating the renewed Early Learning and Child Care Agreement with the Federal government, which expired March 31, 2021. Communication will be forthcoming on the results of this process.

Thank you for your continued leadership and support for children and families in the communities you serve.

Sincerely,

Phil Graham