

TO: Consolidated Municipal Service Managers and District Social Services Administration Boards (CMSMs and DSSABs)

FROM: Holly Moran
Assistant Deputy Minister
Early Years and Child Care Division

DATE: December 2, 2021

SUBJECT: 2022 Early Years and Child Care Funding Approach

Thank you for your continued partnership and commitment toward a stable and accessible early years and child care system across Ontario. In addition to supporting the well-being and healthy development of children, we know that a strong early years and child care sector is also a critical support for families and the broader efforts to reopen Ontario's economy. That is why the province is investing up to \$1 billion in the creation of up to 30,000 new licensed child care spaces over five years. To date, nearly 24,000 new spaces have been approved, which will support families and ensure a strong and accessible child care system. In addition, as part of its efforts to support working families, the province is providing a 20 per cent enhancement of the Childcare Access and Relief from Expenses (CARE) tax credit for 2021. For parents, this means an increase in support from \$1,250 to \$1,500 per family, on average.

The Ministry of Education recognizes the continued importance of a stable funding approach in 2022 for early years and child care, particularly as the child care system works through our reopening process in response to the COVID-19 pandemic. In support of that, I am pleased to provide you with information in advance of the municipal funding year on the 2022 allocations for early years and child care.

2022 Early Years and Child Care Funding Approach

We have heard and acknowledge the concerns expressed by our CMSM and DSSAB partners regarding service system management capacity to prepare for the third of three planned funding changes, and the additional administrative burden municipalities continue to take on as they respond to the evolving COVID-19 pandemic. We also recognize the need for municipalities to have time to plan in advance of the 2022 funding year.

To this end, I am pleased to inform you that details on the 2022 funding allocations for Consolidated Municipal Service Managers (CMSMs) and District Social Services

Administration Boards (DSSABs) are being made available to you shortly. This funding is intended to continue to support high quality, accessible, safe and affordable child care and early years services and programs.

The funding methodology and associated data elements used to determine allocations will continue to remain unchanged from 2021. This decision is based on sector feedback, including consultation with the Provincial-Municipal Technical Working Group on Early Years and Child Care. The ministry will continue to work with the sector to develop and implement a new Child Care Funding Formula in the future.

In 2022, the Ministry of Education will be investing more than \$2 billion in child care and early years programs. This investment includes \$113.3M in new funding from the Canada-Ontario Early Childhood Workforce Agreement, for the retention and recruitment of high-quality child care and early years workforce. Also included is an additional \$36.4M from the renewed Canada-Ontario Early Learning and Child Care (ELCC) Agreement, to support child care and early years program delivery.

We are also pleased to let you know that in 2022, the ministry will provide a one-time transitional grant of \$85.5M to help offset and assist with the new 5% administration threshold, set to take effect on January 1, 2022, and to continue to help offset a portion of the 50/50 administration cost share that was introduced in 2021. This one-time grant may also be used to assist with the provision of child care programs and services as well as other COVID-19 related operating costs such as, but not limited to support for reduced capacity, enhanced cleaning and personal protective equipment (PPE).

This one-time transitional grant will help to mitigate the impact of the previously communicated funding changes and allow our partners additional time to transition and plan for the upcoming funding changes so they can effectively serve their communities with the critical services they need during and beyond the pandemic. The ministry has worked to eliminate redundant or duplicate reporting requirements and will continue to engage with the sector on ways to reduce administration burden, where possible.

As a reminder, CMSMs and DSSABs will continue to cost share Expansion Plan operating funding at a rate of 80/20 provincial/municipal. The Expansion Plan cost share remains voluntary and is not required. CMSMs and DSSABs are encouraged to continue finding opportunities to reduce administrative costs through process improvements and other means.

Please note that due to the continuing impacts on the child care and early years sector related to COVID-19 in 2021, the ministry will not levy any penalties related to underachieved contractual service targets for the 2021 calendar year.

Canada-Ontario Early Learning and Child Care Agreement (ELCC)

The 2022 budget schedule includes ELCC funding for the entire 2022 calendar year. The ELCC funding has been allocated in two parts:

- The first reflects funds from January 1, 2022 to December 31, 2022, and
- The second reflects the additional investment above 2021 ELCC funding from

April 1, 2022 to December 31, 2022. This stems from the renewed ELCC Agreement with the federal government, for four additional years, from April 1, 2021 until March 31, 2025. The increased funding associated with the 2022 calendar year is \$36.4M for child care and EarlyON Child and Family Centres.

Federal Early Childhood Workforce Agreement

The Child Care and Early Years Workforce Funding supports the retention and recruitment of a high-quality child care and early years workforce with the objectives of sustaining the workforce, enhancing access to professional development, growing the number of qualified staff, and attracting an increasingly diverse workforce. In 2022, CMSMs and DSSABs will be receiving \$113.3M in one-time Child Care and Early Years Workforce Funding. This funding has been provided through the Canada-Ontario Early Childhood Workforce Agreement with the federal government and will also be provided to CMSMs/DSSABs in 2023.

With the one-time transitional grant, the additional federal funding through the Ontario-Canada Early Learning and Child Care Agreement and the Federal Early Childhood Workforce Agreement, CMSMs' and DSSABs' total 2022 annual allocation will increase by \$149.7M for the 2022 funding year for both Child Care and EarlyON programs and services. (Please see Appendix A Funding Allocations Chart).

Next Steps

The ministry remains committed to providing the 2022 Child Care and EarlyON Child and Family Centres Service Management and Funding Guideline shortly, as we understand that these documents are instrumental in the planning process. The Agreements will be made available on the Transfer Payment Ontario (TPON) online platform, which provides one-window access to funding information.

Thank you for your ongoing collaboration and partnership as we work to support the child care sector in 2022. I look forward to working together to continue to strengthen the early years and child care system throughout Ontario.

Thank you,

Holly Moran

APPENDIX A – 2022 ALLOCATIONS

2022 Child Care Allocations

CMSM/DSSAB	General & Expansion Plan	Base Funding for LHCC	ELCC	ELCC Increased Investment (Apr - Dec)	Wage Enhancement/ HCCEG Allocation	Wage Enhancement/ HCCEG Administration	One-Time Transitional Grant	2022 Total Funding
Corporation of the City of Brantford	9,126,763	276,000	814,224	211,206	1,693,976	37,715	646,567	12,806,451
City of Cornwall	8,708,005	82,800	774,265	200,840	923,745	28,688	597,915	11,316,258
City of Greater Sudbury	17,273,496	82,800	1,272,900	330,184	2,453,982	74,227	1,198,090	22,685,679
The City of Hamilton	52,846,466	1,062,600	4,532,030	1,175,585	8,043,346	173,244	3,663,993	71,497,264
Corporation of the City of Kawartha Lakes	5,592,631	0	508,148	131,811	782,322	12,787	374,924	7,402,623
Corporation of the City of Kingston	9,796,154	124,200	862,094	223,623	2,051,745	48,969	691,338	13,798,123
Corporation of the City of London	36,333,311	503,700	3,045,232	789,917	7,433,193	138,538	2,523,827	50,767,718
City of Ottawa	89,056,946	5,637,300	6,978,626	1,810,219	17,315,818	427,663	6,559,356	127,785,928
Corporation of the City of Peterborough	9,413,247	420,900	792,960	205,689	1,617,246	35,467	672,252	13,157,761
Corporation of the City of St. Thomas	6,813,722	124,200	612,468	158,871	1,039,792	23,484	472,731	9,245,268
Corporation of the City of Stratford	4,801,979	55,200	403,390	104,637	574,255	16,300	330,814	6,286,575
City of Toronto	352,916,564	5,927,100	28,671,036	7,437,116	42,629,943	1,026,399	24,262,441	462,870,599
Corporation of the City of Windsor	33,057,378	255,300	2,898,295	751,803	5,132,145	120,513	2,277,593	44,493,027
Corporation of the County of Bruce	4,521,375	165,600	367,754	95,394	813,338	19,882	323,374	6,306,717
Corporation of the County of Dufferin	3,759,359	69,000	312,808	81,141	793,783	15,082	262,978	5,294,151
Corporation of the County of Grey	6,137,923	262,200	524,127	135,955	1,241,082	26,853	441,277	8,769,417
Corporation of the County of Hastings	9,448,337	289,800	850,081	220,506	1,457,072	30,635	661,204	12,957,635
Corporation of the County of Huron	3,935,532	103,500	331,673	86,035	639,342	14,097	275,634	5,385,813
Corporation of the County of Lambton	13,158,792	262,200	785,434	203,737	1,596,663	39,848	908,892	16,955,566
County of Lanark	4,644,761	269,100	415,906	107,884	825,900	19,385	337,569	6,620,505
County of Lennox & Addington	4,100,333	138,000	356,493	92,473	481,237	12,413	286,856	5,467,805
County of Northumberland	4,965,276	62,100	413,322	107,214	821,020	16,098	341,633	6,726,663
County of Oxford	6,513,824	110,400	583,299	151,304	683,980	25,458	454,393	8,522,658
County of Renfrew	6,511,697	110,400	553,768	143,644	946,049	20,157	448,954	8,734,669
County of Simcoe	29,210,741	434,700	2,516,655	652,807	5,737,618	129,548	2,049,165	40,731,234
County of Wellington	15,095,994	262,200	1,144,194	296,798	2,269,753	47,707	1,042,190	20,158,836
District Municipality of Muskoka	4,032,912	103,500	364,130	94,454	487,107	12,932	280,774	5,375,809

CMSM/DSSAB	General & Expansion Plan	Base Funding for LHCC	ELCC	ELCC Increased Investment (Apr - Dec)	Wage Enhancement/ HCCEG Allocation	Wage Enhancement/ HCCEG Administration	One-Time Transitional Grant	2022 Total Funding
Corporation of the Municipality of Chatham-Kent	12,633,111	0	753,654	195,494	1,272,777	27,809	845,834	15,728,679
The Corporation of Norfolk County	6,582,196	103,500	595,908	154,575	813,007	14,523	447,439	8,711,148
Regional Municipality of Durham	45,688,270	565,800	3,557,033	922,676	11,384,624	206,003	3,201,072	65,525,478
Regional Municipality of Halton	34,588,450	552,000	2,696,403	699,433	11,771,714	264,648	2,540,081	53,112,729
Regional Municipality of Niagara	31,963,872	476,100	2,526,240	655,293	4,648,461	125,170	2,225,742	42,620,878
Regional Municipality of Peel	127,844,409	2,277,000	10,816,011	2,805,616	18,953,608	358,473	8,784,165	171,839,282
Regional Municipality of Waterloo	38,613,750	2,566,800	3,058,723	793,417	6,625,142	168,830	2,835,376	54,662,038
Regional Municipality of York	95,807,207	662,400	7,766,486	2,014,585	23,694,245	477,074	6,723,726	137,145,723
United Counties of Leeds & Grenville	5,842,227	75,900	521,362	135,239	1,241,599	27,590	410,803	8,254,720
United Counties of Prescott & Russell	6,726,103	186,300	593,348	153,911	1,439,107	33,790	481,386	9,613,945
Algoma District Services Administration Board	4,515,682	0	353,961	91,816	383,196	14,300	300,595	5,659,550
District of Cochrane Social Service Administration Board	8,972,668	117,300	746,570	193,656	905,394	24,432	592,711	11,552,731
District of Nipissing Social Services Administration Board	8,668,803	248,400	727,364	188,674	1,444,375	31,692	605,748	11,915,056
District of Parry Sound Social Services Administration Board	4,854,482	165,600	407,842	105,792	220,112	10,358	332,469	6,096,655
District of Sault Ste Marie Social Services Administration Board	6,436,864	165,600	527,757	136,897	869,126	20,671	438,449	8,595,364
District of Timiskaming Social Services Administration Board	6,229,165	131,100	441,638	114,559	604,506	12,679	421,811	7,955,458
Kenora District Services Board	6,697,964	0	494,973	128,393	192,051	14,935	432,293	7,960,609
Manitoulin-Sudbury District Social Services Administration Board	6,378,476	27,600	420,859	109,169	341,882	6,767	414,902	7,699,655
Rainy River District Social Services Administration Board	3,497,313	0	262,983	68,216	182,358	3,058	228,702	4,242,630
District of Thunder Bay Social Services Administration Board	12,699,898	82,800	1,045,572	271,216	1,218,236	34,705	849,964	16,202,391
PROVINCIAL TOTAL	1,227,014,428	25,599,000	100,000,000	25,939,474	198,690,972	4,471,596	85,500,000	1,667,215,471

2022 EarlyON Allocations

CMSM/DSSAB	EarlyON (Provincial)	EarlyON ELCC	ELCC Increased Investment (Apr - Dec)	2022 Total Funding
Corporation of the City of Brantford	1,432,827	570,356	147,947	2,151,130
City of Cornwall	1,163,873	463,295	120,176	1,747,344
City of Greater Sudbury	2,334,900	929,437	241,091	3,505,428
The City of Hamilton	4,164,475	1,657,723	430,005	6,252,203
Corporation of the City of Kawartha Lakes	779,879	310,441	80,527	1,170,847
Corporation of the City of Kingston	2,002,192	796,999	206,737	3,005,928
Corporation of the City of London	2,736,837	1,089,433	282,593	4,108,863
City of Ottawa	6,984,799	2,780,389	721,218	10,486,406
Corporation of the City of Peterborough	903,198	359,529	93,260	1,355,987
Corporation of the City of St. Thomas	792,933	315,637	81,875	1,190,445
Corporation of the City of Stratford	645,691	257,025	66,671	969,387
City of Toronto	19,211,462	7,647,369	1,983,687	28,842,518
Corporation of the City of Windsor	2,520,651	1,003,377	260,271	3,784,299
Corporation of the County of Bruce	658,488	262,120	67,992	988,600
Corporation of the County of Dufferin	556,069	221,351	57,417	834,837
Corporation of the County of Grey	748,878	298,100	77,326	1,124,304
Corporation of the County of Hastings	1,023,529	407,429	105,685	1,536,643
Corporation of the County of Huron	594,068	236,476	61,341	891,885
Corporation of the County of Lambton	1,610,950	641,260	166,339	2,418,549
County of Lanark	657,601	261,767	67,901	987,269
County of Lennox & Addington	596,599	237,484	61,602	895,685
County of Northumberland	606,732	241,517	62,648	910,897
County of Oxford	765,754	304,819	79,068	1,149,641
County of Renfrew	957,858	381,288	98,904	1,438,050
County of Simcoe	2,727,528	1,085,728	281,632	4,094,888
County of Wellington	1,429,141	568,888	147,567	2,145,596
District Municipality of Muskoka	593,558	236,273	61,288	891,119
Corporation of the Municipality of Chatham-Kent	931,366	370,743	96,169	1,398,278
The Corporation of Norfolk County	759,467	302,316	78,419	1,140,202
Regional Municipality of Durham	3,215,086	1,279,807	331,975	4,826,868

CMSM/DSSAB	EarlyON (Provincial)	EarlyON ELCC	ELCC Increased Investment (Apr - Dec)	2022 Total Funding
Regional Municipality of Halton	2,986,367	1,188,761	308,359	4,483,487
Regional Municipality of Niagara	2,872,468	1,143,423	296,598	4,312,489
Regional Municipality of Peel	8,541,154	3,399,916	881,920	12,822,990
Regional Municipality of Waterloo	2,968,255	1,181,552	306,488	4,456,295
Regional Municipality of York	6,661,019	2,651,504	687,786	10,000,309
United Counties of Leeds & Grenville	718,874	286,157	74,228	1,079,259
United Counties of Prescott & Russell	1,314,350	523,195	135,714	1,973,259
Algoma District Services Administration Board	805,037	320,455	83,124	1,208,616
District of Cochrane Social Service Administration Board	1,464,873	583,112	151,256	2,199,241
District of Nipissing Social Services Administration Board	1,480,481	589,324	152,868	2,222,673
District of Parry Sound Social Services Administration Board	799,262	318,156	82,528	1,199,946
District of Sault Ste Marie Social Services Administration Board	1,120,716	446,115	115,720	1,682,551
District of Timiskaming Social Services Administration Board	753,552	299,961	77,808	1,131,321
Kenora District Services Board	1,130,027	449,821	116,681	1,696,529
Manitoulin-Sudbury District Social Services Administration Board	1,058,489	421,345	109,295	1,589,129
Rainy River District Social Services Administration Board	778,552	309,913	80,390	1,168,855
District of Thunder Bay Social Services Administration Board	1,665,104	662,816	171,931	2,499,851
PROVINCIAL TOTAL	101,224,969	40,293,902	10,452,025	151,970,896

2022 Child Care and Early Years Workforce Allocations

CMSM/DSSAB	Allocation Jan to Mar 2022	Allocation Apr to Dec 2022	Total 2022 Allocation
Corporation of the City of Brantford	579,905	347,943	927,848
City of Cornwall	506,184	303,710	809,894
City of Greater Sudbury	1,017,717	610,630	1,628,347
The City of Hamilton	3,024,723	1,814,834	4,839,557
Corporation of the City of Kawartha Lakes	332,136	199,281	531,417
Corporation of the City of Kingston	650,425	390,255	1,040,680
Corporation of the City of London	2,137,301	1,282,381	3,419,682
City of Ottawa	5,392,142	3,235,285	8,627,427
Corporation of the City of Peterborough	564,666	338,799	903,465
Corporation of the City of St. Thomas	404,983	242,990	647,973
Corporation of the City of Stratford	281,429	168,858	450,287
City of Toronto	19,158,476	11,495,085	30,653,561
Corporation of the City of Windsor	1,877,555	1,126,533	3,004,088
Corporation of the County of Bruce	283,307	169,984	453,291
Corporation of the County of Dufferin	237,963	142,778	380,741
Corporation of the County of Grey	384,544	230,726	615,270
Corporation of the County of Hastings	562,810	337,686	900,496
Corporation of the County of Huron	243,520	146,112	389,632
Corporation of the County of Lambton	754,912	452,947	1,207,859
County of Lanark	295,227	177,136	472,363
County of Lennox & Addington	246,661	147,997	394,658
County of Northumberland	296,645	177,987	474,632
County of Oxford	375,069	225,041	600,110
County of Renfrew	394,464	236,678	631,142
County of Simcoe	1,743,544	1,046,126	2,789,670
County of Wellington	868,365	521,019	1,389,384
District Municipality of Muskoka	242,759	145,656	388,415
Corporation of the Municipality of Chatham-Kent	668,762	401,257	1,070,019
The Corporation of Norfolk County	382,077	229,246	611,323
Regional Municipality of Durham	2,744,822	1,646,893	4,391,715
Regional Municipality of Halton	2,247,906	1,348,744	3,596,650
Regional Municipality of Niagara	1,826,558	1,095,935	2,922,493
Regional Municipality of Peel	7,189,001	4,313,401	11,502,402
Regional Municipality of Waterloo	2,304,712	1,382,827	3,687,539
Regional Municipality of York	5,737,849	3,442,709	9,180,558
United Counties of Leeds & Grenville	362,460	217,476	579,936
United Counties of Prescott & Russell	448,783	269,270	718,053
Algoma District Services Administration Board	265,880	159,528	425,408
District of Cochrane Social Service Administration Board	532,579	319,547	852,126
District of Nipissing Social Services Administration Board	548,037	328,822	876,859
District of Parry Sound Social Services Administration Board	282,368	169,421	451,789

CMSM/DSSAB	Allocation Jan to Mar 2022	Allocation Apr to Dec 2022	Total 2022 Allocation
District of Sault Ste Marie Social Services Administration Board	398,243	238,946	637,189
District of Timiskaming Social Services Administration Board	353,320	211,992	565,312
Kenora District Services Board	373,883	224,330	598,213
Manitoulin-Sudbury District Social Services Administration Board	360,307	216,184	576,491
Rainy River District Social Services Administration Board	209,061	125,437	334,498
District of Thunder Bay Social Services Administration Board	725,320	435,192	1,160,512
Provincial Total	70,819,360	42,491,614	113,310,974