



Report To:	Manitoulin-Sudbury DSB Board
From:	Lori Clark, Director of Integrated Social Services (A) Amy Ingram, Children's Program Supervisor (A)
Date:	September 23, 2021
Re:	Early Years Funding and the National System

In a [letter](#) dated July 27, 2021, AMO asked the province to reverse its decision on administrative changes to the Child Care Funding.

The Ministry of Education plans to proceed with phasing in changes to the administrative cost-sharing arrangements. This will have funding implications which, as a result, will likely lead to a reduction of some childcare services. The rationale for the change has never been provided. It is simply not appropriate, especially during this time as the pandemic continues. Now is not the time for reductions.

### **Background:**

On September 26, 2019, an [Issue Report](#) was presented to the Board with respect to Child Care funding implementation changes. CMSMs/DSSABS were to be required to cost share the operating portion of Expansion Plan funding at a rate of 80/20 provincial/municipal and all administration funding, including Wage Enhancement administration funding at a rate of 50/50. The threshold for allowable administration funding municipalities can spend on Child Care will be reduced from 10% to 5%.

### **Implementation:**

On January 1, 2021, CMSMs and DSSABS were required to cost share all administrative funding at a rate of 50/50.

On January 1, 2022, the threshold for allowable administrative funding CMSMs and DSSABS can spend on Child Care will be reduced from 10% to 5% in addition to the ongoing cost sharing requirement previously introduced.

**Conclusion:**

Reducing the administrative cost threshold from 10% to 5% in 2022 will place added pressure on municipalities and DSSABs to fill gaps and/or reduce services to children and their families.

Staff are recommending that the Board support the AMO request that the administrative changes be reversed in recognition of the detrimental impacts to those served by the childcare system.