
REPORT TITLE: Additional Child Care Sector Funding for COVID-19 Expenses

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the 2021 Early Years and Child Care gross revenues and expenditures be increased by \$6,669,780 to reflect the receipt of additional funding from the Ministry of Education.

REPORT HIGHLIGHTS

- The Region of Peel has received \$6.7 million from the Ministry of Education to offset the negative financial impacts of COVID-19 on the early years and child care sector.
 - This one-time funding must be spent by March 31, 2021.
 - The funding is to be issued to early years and child care providers and can only be used on specific COVID-19 related expenses. It cannot be used to offset financial pressures in 2021, such as the provincial administrative cost download.
 - Staff will update Regional Council on how these funds were utilized and the ongoing needs of the Early Years and Child Care sector in a future report.
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DISCUSSION

1. Background

On February 2, 2021, the Ministry of Education issued a memorandum to all Service System Managers advising that the reconciliation of 2020 costs related to last year's closures had resulted in \$66 million in province-wide underspending and that these funds were available for redistribution. As a result, the Region of Peel (Region) will receive \$6.7 million in one-time funding. The objective of this funding is to offset the negative financial impacts that the COVID-19 pandemic has had on the early years and child care sector, especially the impact of the closure of before and after school programs that has been in effect since January 4, 2021.

This additional funding must be flowed to providers by March 31, 2021 and may not be used by the Region for other purposes such as offsetting 2021 costs or future funding cuts from the province, including the administrative cost download of approximately \$5 million in 2021.

2. Discussion

The additional funding provided by the Ministry of Education acknowledges that a safe and viable child care system will be a critical component of the Province's economic recovery. It supports a shared commitment to ensure that an adequate supply of child-care is available despite the current challenges many providers face. This one-time funding will be flowed through the Region, as Service System Manager, to child-care providers for a variety of

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expenses outlined by the Ministry of Education. The Ministry has said that Service System Managers will have flexibility in how to use this funding to best support the needs of the community. The Region will prioritize this funding to provide targeted support to ensure that centres that offer before/after school programs can remain financially viable and can continue serving Peel families once the closure is lifted. The allocation will be calculated based on lost revenue during the closure and will provide assistance with fixed costs. The remainder of the funding will support providers with other COVID-19 related expenses including:

- 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, and
- Support for child care staff absenteeism where staff need to stay home because they or their children are sick or need to self-isolate.

NEXT STEPS

Staff will distribute the funds to providers in advance of the March 31, 2021 deadline. Staff will report to Regional Council and the Government Relations Committee by the summer of 2021 to inform as to how the funds have been distributed and used, and to outline the current challenges and proposed efforts to ensure that the early years and child care sector remains viable so that families and children can receive the services they need.

RISK CONSIDERATIONS

Without the timely approval of this additional funding, the Region would not be able to support the early years and child care sector in Peel and would need to return this money to the Province.

FINANCIAL IMPLICATIONS

There is no net impact to the budget as a result of this report. The new funding amount of \$6,669,780 requires matching expenditures. Any funding not spent according to the criteria by March 31, 2021 must be returned to the Province.

Staff will keep Council updated on the expenditures through the Chief Financial Officer's updates on the management of the financial impacts of COVID-19 and through the regular triannual reporting process.

CONCLUSION

The Region of Peel has received a total of \$6.7 million from the Ministry of Education to support the early years and child care sector to offset financial pressures related to COVID-19 and the accompanying closure of before and after school programs in early 2021. The funding must be spent by March 31, 2021. Staff will report to Regional Council and the Government Relations Committee by the summer of 2021 to inform as to how the funds have been distributed and used, and to outline the current challenges and proposed strategies to ensure that the early years and child care sector in Peel remains viable so that families and children can receive the services they need.

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For further information regarding this report, please contact Suzanne Finn, Executive Director, Community Access, Human Services, Ext. 7242, suzanne.finn@peelregion.ca.

Authored By: Alexandra Walsh, Advisor, Human Services

Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.