




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
COMMITTEE DATE:	August 19, 2024
SUBJECT/REPORT NO:	Canada-Wide Early Learning and Child Care – New Funding Approach (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Brenda Bax, Acting Director, Children's and Community Services Division Healthy and Safe Communities Department
SIGNATURE:	

Background Information

Ontario is in its third year of implementing the Canada-Wide Early Learning and Child Care plan. The goal of this initiative is to provide more families across the province with access to safe, affordable, and high-quality child care. The plan will be fully phased in by March 2026, reducing the average cost of child care for eligible children aged 0 to 5 years to approximately \$12 per day. Under the *Child Care and Early Years Act*, the City of Hamilton is one of 47 Service System Managers responsible for planning and funding the licensed child care system for children aged 0 to 12 years.

New Funding Approach

The purpose of this Communication Update is to inform Council that on August 15, 2024, Ontario's Ministry of Education announced a new funding formula for licensed child care operators that will take effect in January 2025.

In January 2025, the Ministry of Education will switch to a cost-based funding model to cover the operating costs of licensed child care providers who serve children aged 0 to 5 years and are part of the Canada-Wide Early Learning and Child Care plan. Cost-based funding allocations to licensees will include benchmark-based amounts, with adjustments for geographic differences, growth top-ups for new spaces, and additional top-ups for existing licensees whose costs exceed their benchmark allocations. There will also be provisions for amounts in lieu of profit and surplus.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

The cost-based funding approach is guided by the following principles:

- **Transparency:** A clear and consistent approach across the province, ensuring that licensees understand what to expect from the funding provided by service system managers.
- **Representativeness:** Funding reflects how child care is delivered in Ontario and is based on the actual costs of providing care to eligible children.
- **Simplicity:** The process is easy to understand and minimizes the administrative burden on licensees.
- **Accountability:** Cost-control measures and safeguards ensure that public funding is distributed equitably and responsibly.

Starting in 2025, as part of the new child care funding approach, the City of Hamilton will receive funding for local priorities to support child care licensees in the following areas:

- **General Operating Grants:** For children aged 6-12
- **Wage Enhancement Grants (WEG)/Home Child Care Enhancement Grants (HCCEG):** Including wage enhancements under the Canada-Wide Early Learning and Child Care Workforce Strategy for children aged 6-12
- **Workforce Strategy – Professional Learning:** For children aged 0-12
- **Fee Subsidies:** For children aged 0-12
- **Special Needs Resourcing:** For children aged 0-12
- **Capacity-Building:** For children aged 0-12
- **Claims-Based Funding:** For small water works for children aged 0-12

Staff are currently reviewing the Ministry of Education's guidelines and will communicate these changes to Hamilton's early years community accordingly. Staff will encourage all licensees to email questions to cwelcc@hamilton.ca and host information sessions in the coming weeks to support them through this change.

Staff will report to the Emergency and Community Services Committee with a full analysis of impacts to child care operators and the City in its role as Service System Manager once the Ministry of Education releases all guidelines and funding details for the full Early Years System, including children 6 to 12 years old.

Should you require further information, please contact Brenda Bax, Acting Director Children's Services and Community Services Division at 905-973-4463 or via email at Brenda.Bax@hamilton.ca.