

Early Years and Child Care

2023 – 2026 Business Plan
and 2023 Budget

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Executive Summary

Mission: To build and support an Early Years and Child Care system that is responsive to current and future needs of children and families in Peel.

Services We Provide:

Early Years and Child Care Services does not directly operate licensed child care programs or EarlyON programs. We work with service providers to fund programs and to ensure families have access to them.

Licensed Child Care: We support child care providers so that families and children can access inclusive, affordable, accountable, high quality and accessible child care.

EarlyON Program: We provide free programs that help families with children six years and younger to grow and learn, and we connect families with early childhood professionals who can answer questions about child development.

Child Care Subsidy: We provide money and support so that families with lower incomes can afford licensed child care.

Special Needs Resourcing: We support children with special needs to thrive in licensed child care.

Interesting Facts about this Service:

- Peel has some of the most expensive child care costs in Canada. Before 2022, the average monthly cost for a family with two children was almost \$2,560.
- The Canada-Wide Early Learning and Child Care plan will significantly improve the affordability of child care by reducing fees for children six years and younger by 50% in 2023 to an average of \$10 a day by 2025.
- Early Years and Child Care projected 2023 revenues of \$398M is 45.3% higher than 2022 and is expected to grow by half a billion dollars by 2024, making it one of the largest program budgets in Peel.

- To meet the expected demand and avoid a waitlist, Peel Region will need to create approximately 40,000 more licensed child care spaces in the next four years.
- The child care sector will need to hire more than 2,200 Early Childhood Educators to meet current and future demand for child care resulting from the Canada-Wide Early Learning and Child Care plan.
- Families earning less than \$50,000 a year still cannot afford \$10-a-day child care, and families with children ages 6-12 who do not qualify for the Canada-Wide Early Learning and Child Care Plan will need ongoing financial support to afford licensed child care.

Highlights of the Business Plan:

- The current shortage of qualified Early Childhood Educators will negatively impact families. A comprehensive workforce strategy will support the child care sector to attract, hire and keep qualified staff to address the current staffing shortage. If this issue is not addressed there will be a waitlist.
- Racism, unconscious biases, and different cultures exist in many systems and can impact families who access programs. We are taking steps to ensure that EarlyON programs, policies and practices reflect the diverse needs in Peel.

Net Investment (\$000s)	2023	2024	2025	2026
Operating	21,206	21,704	22,141	22,590
Capital	125	1,992	740	934
Full Time Equivalents	123.5	123.5	123.5	123.5

Core Services

Vision, Mission, Goals of Service and Service Delivery Model

Vision

Families have access to inclusive, affordable, accountable, high quality, accessible Early Years and Child Care services.

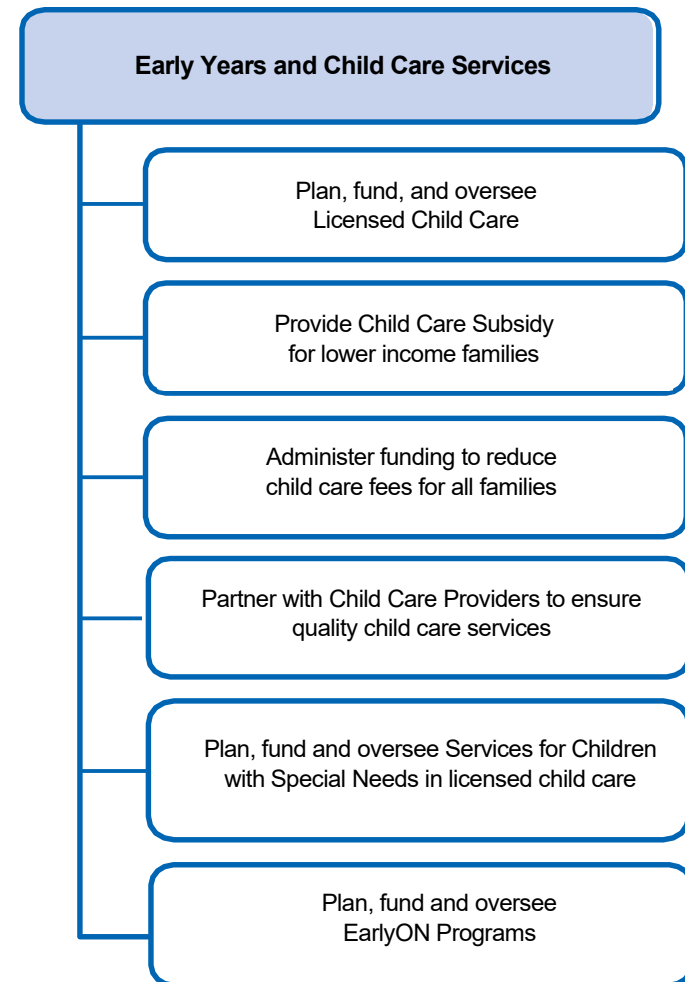
Mission

To build and support an Early Years and Child Care system that is responsive to current and future needs of children and families in Peel.

Goals of Service

1. Inclusive: Early Years and Child Care programs are welcoming and inclusive of all children and families.
2. Affordable: Public funds are used to improve the affordability of licensed child care.
3. Accountable: Early Years and Child Care system management is future-oriented, responsive, and accountable.
4. High Quality: Service providers continuously improve Early Years and Child Care program quality.
5. Accessible: Families have access to Early Years and Child Care programs that meet their specific needs. Families have access to accurate and up-to-date information about Early Years and Child Care programs.

Service Delivery Model



Service Levels and Trends

Service Levels

In 2021, Early Years and Child Care Services delivered the following services:

Licensed Child Care: Provided funding, advice, and oversight to 191 providers who operate more than 47,000 licensed child care spaces. Early Childhood Educators were supported with learning and development opportunities to ensure families with children 12 years and younger can access quality child care

EarlyON: Provided funding and oversight to EarlyON providers so they can offer more than 1,000 hours of EarlyON programming each week. Over 17,000 children and their families participate in EarlyON programs across Peel. These programs help children six years and younger and their caregivers to grow, learn and connect with each other and their community. EarlyON also connects families with Early Childhood professionals who can answer questions about their child's development.

Child Care Subsidy: Supported more than 8,000 children to access affordable licensed child care. There is currently no wait list for families who need help to pay for licensed child care.

Special Needs Resourcing: Supported over 2,400 children with special needs to fully participate in licensed child care programs.

Trends

Peel has some of the most expensive child care costs in Canada where before 2022 the average monthly cost for a family with two children was almost \$2,560.

The Canada-Wide Early Learning and Child Care affordability plan has already reduced child care fees for children six years and younger by 50 per cent and the goal is to deliver an average of \$10-a-day child care across Ontario by 2025. This is welcomed news for many Peel families. However, the new plan only applies to children six years and younger. Families earning less than \$50,000 a year still cannot afford \$10-a-day child care, and families with children ages 6-12 who do not qualify for this initiative will need ongoing financial support to afford licensed child care. To continue to support families, provincial funding will need to adapt to this trend.

In Peel, the shortage of Early Childhood Educators was made worse by the pandemic. In 2020, we saw a 63 per cent reduction in staff compared to 2019. This means that the sector needs more than 2,200 staff in licensed child care centres to return to pre-pandemic levels. In addition, even more staff will be needed to meet the growing demand. The Workforce Strategy that the Region introduced in 2022 is an essential initiative to support, grow and attract a diverse workforce to address current staff shortages and meet current and future child care needs.

Over the past 20 years, Peel has become one of Canada's most diverse municipalities; more than half of the population was not born in Canada. Peel's Early Years and Child Care sector strives to reflect the community's rich diversity. To align with the Region of Peel's commitment to address systemic discrimination and ensure that programs, policies, and services are inclusive and supportive of all residents, Early Years and Child Care Services is taking steps to ensure that programs, policies, and practices reflect the diversity and needs of Peel communities. This includes data collection, community engagement, training, and implementing action plans and measurement systems that hold service providers accountable for offering welcoming and inclusive programs and services.

Performance Measures and Results

The Region's performance measures help assess how well we are doing at achieving our goals and where we need to improve. The results also inform decision-making and strengthen accountability. The Region's five-year Early Years and Child Care Services System Plan describes how we will achieve our goals and how our success will be measured.

Financial Measures:

Early Years and Child Care Services provided over \$151.8M in funding to support the viability of approximately 90% of licensed child care programs in Peel in 2021.

- In addition \$800K was invested to provide professional development opportunities to over 3,600 Early Years and Child Care professionals to support quality programs for children and their families.
- Over \$13.5M was invested in the delivery of EarlyON services to deliver quality supports for families.

Customer Measures:

Early Years and Child Care Services regularly measures how well Peel is meeting families' needs. This includes surveys and focus groups that inform planning for programs and services. In 2021 a small subset of families was surveyed. Here's what they said:

- 64 per cent of families reported having a positive experience at licensed child care programs
- 73 per cent of families reported having a positive experience at their EarlyON programs.

In addition, surveys that collected the opinions of Peel residents showed the following:

- In the spring of 2022, 64 per cent of respondents were familiar with the child care services in Peel
- In the fall of 2021, 82 per cent of respondents agreed that the Region should spend at least the same or more on child care services.

To ensure Early Years and Child Care programs continue to meet the needs of children and their families, we will continue to engage with residents who use our services to learn from their experiences with programs and policies, and the impact these have on their families.

Employee Measures:

In 2022, the Region of Peel conducted an organization-wide employee survey. Here are some highlights from the Early Years and Child Care Services team:

- 90 per cent said they are proud to work for the Region of Peel
- 92 per cent said they have the flexibility they need
- 85 per cent said they are provided with clear leadership and expectations.

The Early Years and Child Care Services team will continue to create a workplace that values diverse experiences and supports professional growth while balancing staff needs and business expectations.



Quality licensed child care supports children's brain development, readiness for school, and lifelong success.

Business Process Measures:

Peel's Child Care Subsidy program is continuously improving the process for families who apply for financial help to pay for child care.

Recent improvements include reducing document requirements to make the program more accessible and the introduction of an application portal for secure document upload and automation of manual processes. This resulted in

- 85 per cent of families being able to access services more quickly
- Families who need an appointment during peak times can get one within 10 calendar days instead of 30 calendar days.
- More than 17 hours of manual work saved each month so staff could redirect that time to supporting families.

Early Years and Child Care Services has automated numerous processes within its GovGrants technology resulting in business process improvements such as:

- Over 200 service providers can now manage their funding applications and reporting requirements online and communicate easily with Regional staff. This saves time and means that providers can access their funding faster, so families get services sooner.
- A new online referral portal that makes it more convenient for families to request special needs supports directly for children with special needs who are in licensed child care.

Awards and Achievements

Awards

In 2022, Early Years and Child Care Services used provincial and federal funding to design and implement an innovative Workforce Strategy to address the shortage of qualified educators in the early years and child care sector. The strategy includes new ways to attract, hire and keep staff along with opportunities for them to enjoy better working conditions. The Region is partnering with select Greater Toronto Area colleges to offer fast-track Early Childhood Education programs and tuition grants for residents. This will help to produce more qualified educators to fill current shortages and meet current and future demands. This innovative work has resulted in the Region winning the 2022 Ontario Municipal Social Services Association (OMSSA) for a Local Municipal Champion Award.

Achievements

Over the past year, the Early Years and Child Care Services team has made significant achievements in improving accessibility, affordability, and inclusiveness of children’s services in Peel.

Improving Accessibility

The Peel Infant-Parent Program (PIPP) helps parents and caregivers understand their young child’s needs, behaviour, and development. In 2021, this program was integrated into the EarlyON services so families can access help more easily. Two EarlyON locations in Brampton and one in Mississauga now deliver this important program to families across Peel.

Improving Affordability

The new Canada-Wide Early Learning and Child Care plan has reduced child care fees for children six years and younger.

Although the new plan is in place, Early Years and Child Care Services continues to improve support to help lower-income families pay for child care costs, ensuring that child care is accessible and affordable to vulnerable families across Peel.

Improving Inclusiveness

Racism, unconscious biases, and beliefs about different cultures exist in many systems and can impact families who access programs. To address this, Early Years and Child Care Services has made it a priority to better understand Diversity, Equity, and Inclusion (DEI) practices and apply them in the sector. EarlyON is the first service to undertake this important work which will allow programs to reflect and adapt to the needs of the communities they serve.



Safe and affordable licensed child care is important for families as many parents rely on child care to be able to go to work or school.

The 2023-2026 Business Plan Outlook

Planning for the Future

Canada-Wide Early Learning and Child Care Plan 2023-2025

In 2022, the new Canada-Wide Early Learning and Child Care funding reduced child care fees by 50 per cent for families with children six years and younger. More reductions will happen over the next three years with a goal to reach an average of \$10-a-day child care across Ontario by 2025.

Implementing the Canada-Wide Early Learning and Child Care plan in Peel will require enough:

- Provincial funding for Peel, where child care costs more
- Capital funding to create more child care spaces
- Early Childhood Educators to meet current and future demand for child care
- Funding and priority access for low-income families.

Regional Council continues to advocate to provincial and federal governments for these requirements to ensure Peel families have access to affordable child care.

The Canada-Wide Early Learning and Child Care plan is expected to result in a significant increase in demand. To meet this demand Peel will need approximately 40,000 more spaces for children six years and younger over the next four years. To avoid a shortage the Region is working with local municipalities, school boards and child care providers to find opportunities to increase licensed child care spaces.

Workforce Strategy

Early Childhood Educators and other Early Years staff across Ontario have been feeling undervalued and underpaid. In Peel, Early Years and Child Care Services is addressing this issue with a comprehensive workforce strategy to attract, hire and keep qualified staff within the sector. The work includes creating long-term strategies to:

- Value those who work in Early Years and Child Care through public recognition and increasing the professionalism of the workforce
- Help child care service providers to attract qualified staff
- Nurture the workforce through providing professional learning opportunities and improved working conditions
- Strengthen local partnerships with other levels of government and community agencies to grow the workforce

Child care programs need qualified staff to meet the growing demand. To continue to address the child care staffing shortage and avoid waitlists for families who wish to access affordable child care, we will need ongoing provincial funding.

Supporting Quality and Inclusiveness in Programs

High-quality Child Care and Early Years programs benefit children by providing enriching early learning experiences that promote future well-being. Early Years and Child Care Services works with service providers to continuously improve the experiences of families and children who use these programs and services. Over the next four years the Region will continue to support quality early learning experiences for children by implementing:

- A new quality enhancement program that will support child care providers to continuously improve the quality of care they deliver to ensure that children have access to healthy, safe, welcoming, and nurturing spaces.
- A comprehensive Diversity Equity and Inclusion (DEI) strategy to ensure all programs and services are inclusive and welcoming for Peel's diverse population.

We will continue to engage with residents to understand their experiences using the services we provide, as well as the impact on their children and families. We will use this information to inform and enhance our work within the sector.



A growing child care sector needs a growing skilled workforce.

Finding Efficiencies

Continuous Improvement

The goal of the Region's Continuous Improvement Program is to optimize service delivery and maximize value for tax dollars spent. The completion of continuous improvement initiatives positively impacts client experience, employee engagement, cost savings and cost avoidance.

Highlights of projects and improvements completed include:

- **Special Needs Resourcing** – Early Years and Child Care Services asked service providers for their input on how to better deliver special needs services for families. Based on clear feedback from service providers who asked for more flexibility, we no longer deliver this service through a third party. The savings from this change were redirected to child care providers so they could hire more staff to deliver the same service more efficiently. This improvement gave providers the supports they needed to welcome and better support children with special needs in a timely manner.
- **Child Care Subsidy** – Early Years and Child Care Services has streamlined the child care subsidy program and updated policies to better support families. Improvements include revising policies to make it easier for parents who are temporary or part-time workers to access child care subsidy and making it possible to update the amount parents have to pay if their income decreases before their regularly scheduled annual review. Families who leave child care and want to reapply can now reapply to the program after one month instead of six. This makes it much easier for families to access child care during changing and uncertain times.

- **EarlyON programs** – With the rising demand for and cost of delivering EarlyON programs, we found innovative ways to cut costs while ensuring that there was no negative impact on programs or families. EarlyON moved programs from costly commercial spaces to centrally located schools and municipal buildings. We also increased online programs that families found to be more convenient during the pandemic. The savings were reinvested to add more program hours and improve wages to attract and keep staff. By bringing families into these types of community spaces, this model helped create community hubs. Families made stronger connections to their local schools, libraries, and community centres.



EarlyON Child and Family Centres offer engaging experiences for families with young children to learn, play and grow.

Transforming Our Business with Technology

GovGrants Technology

GovGrants technology is an innovative, cloud-based technology solution that allows service providers to manage their contracts, funding applications and reporting requirements using an online tool.

Through this integrated system, more than 500 licensed child care and EarlyON providers, as well as agencies that serve children with special needs, can apply for funding, update information, and communicate directly with Early Years and Child Care Services staff. This reduces administrative costs while improving productivity with fewer manual processes and more accountability for Peel. In 2021, there were 1,151 grants valued at \$160.6M issued through GovGrants to over 200 different agencies in Peel.

GovGrants also supports Early Years and Child Care Services to access data on providers and to help us all work more efficiently. It automates and streamlines many manual processes, such as applying for funding and developing and implementing contracts. This creates greater cost savings, productivity, and oversight for the Region. Automated features also eliminate manual cheque processing and increase accountability. In May 2022, \$3.7M was automatically recovered from 68 providers, all without having to process a single cheque.

Ontario Child Care Management System (OCCMS)

Early Years and Child Care Services is updating the Online Child Care Management System online portal to allow families who receive child care subsidy to better manage their records. This includes updating and accessing information online at their convenience and communicating directly with Regional staff. The improvements will end the need to fax and email documents. This will result in less paperwork and shorter processing times for families while making it easier for them to see the status of their application.

Maintaining our Infrastructure

The Region leases several spaces in buildings to help service providers to deliver affordable child care to families. These facilities are being leased from 2019-2024. They are Brampton West, Chinguacousy, Collegedale, Ernest Majury and Streetsville.

The 2023 Capital Budget includes \$25,000 for each of the five properties for a total of \$125,000. This investment ensures that these buildings are properly and safely maintained and running smoothly in a reasonable state of good repair.



The Region of Peel leases facilities to service providers to ensure safe licensed child care is accessible to families across the region.

Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2023-2026 Business Plan. Information is provided by major expenditures and revenue. The costs to maintain existing service levels and operationalize prior decisions are identified in the base budget changes separately from proposed changes. The net cost for the service in 2022 was \$23.4 million and the proposed budget for 2023 is \$21.2 million

Net Expenditures: \$21.2 million (Total Expenditures: \$420.0 million)

Description	Proposed 2023 Budget	Approved 2022 Budget	\$ Change Over 2022	% Change Over 2022
Operating Costs	977	968	8	0.9%
Labour Costs	15,285	15,012	273	1.8%
Reserve Contributions	191	173	17	10.0%
Debt Charges	-	-	-	-
Grant Payments	401,570	280,141	121,429	43.3%
Facility, IT, HR and other support costs	8,545	7,387	1,159	15.7%
Recoveries	(6,564)	(5,786)	(778)	13.4%
Total Expenditures	420,004	297,895	122,109	41.0%
Grants and Subsidies	(398,403)	(274,158)	(124,246)	45.3%
Supplementary Taxes	-	-	-	-
Fees and Service Charges	(395)	(349)	(46)	13.2%
Transfer from Development Charges				-
Contributions from Reserves				0%
Total Revenues	(398,798)	(274,506)	(124,292)	45.3%
Total Net Expenditure	\$21,206	23,389	(2,183)	(9.3%)

Note: May not add up due rounding

2023 Operating Budget Pressures

\$'000	Total Expenditures	Total Revenue	Net Cost 2023 vs 2022	
2022 Revised Cost of Service	297,895	274,506	23,389	%
Annualization¹				
Early Learning and Child Care (ELCC)-Federal Funded	935	935	-	
EarlyON Child and Family Centres–Federal Funded portion	294	294	-	
Cost of Living/ Inflation²				
Labour & Goods and Services	646	-	646	
Base Subsidy/Recoveries³				
Reallocation of existing budget to offset inflation	(646)	-	(646)	
Leased Day Care Centres	46	46	-	
Cost Mitigation⁴				
Cost containment	(12)	-	(12)	
Other Pressures⁵				
One-time grants to support COVID-19	(2,170)	-	(2,170)	
Base Budget Changes Subtotal	(907)	1,275	(2,183)	
Service Level Demand				
• Canada-Wide Early Learning and Child Care	131,643	131,643	-	
• Child Care and Early Years Workforce Funding	(8,627)	(8,627)	-	
Service Level Changes Subtotal	123,016	123,016	-	
New/Discontinued Services Subtotal	-	-	-	
Total 2023 Budget Change	122,109	124,292	(2,183)	
2023 Proposed Budget	\$420,004	398,798	21,206	(9.3)%

Note: May not add up due to rounding

Operating budget pressure notes:

Annualization¹

- Annualization for Early Learning and Child Care (ELCC), and EarlyON Child and Family Centres-Federal portion. Agreements were renewed for another four years starting April 2022 and will end on March 31,2025

Cost of Living/Inflation²

- Cost of living increase in staffing costs

Base Subsidy/Recoveries³

- Reallocation of \$0.6M within existing funds to offset inflation
- Increase in property rental revenue due to YMCA expanding their rental space in Kennedy Road facility, offset by increase in contribution to working fund reserves

Cost Mitigation⁴

- Miscellaneous savings of \$0.1M resulting from the ongoing review of budgets; these reductions will not impact service levels

Other Pressures⁵

- One-time COVID-19 grants reduction to providers that was funded from the Region of Peel

Service Level Demand

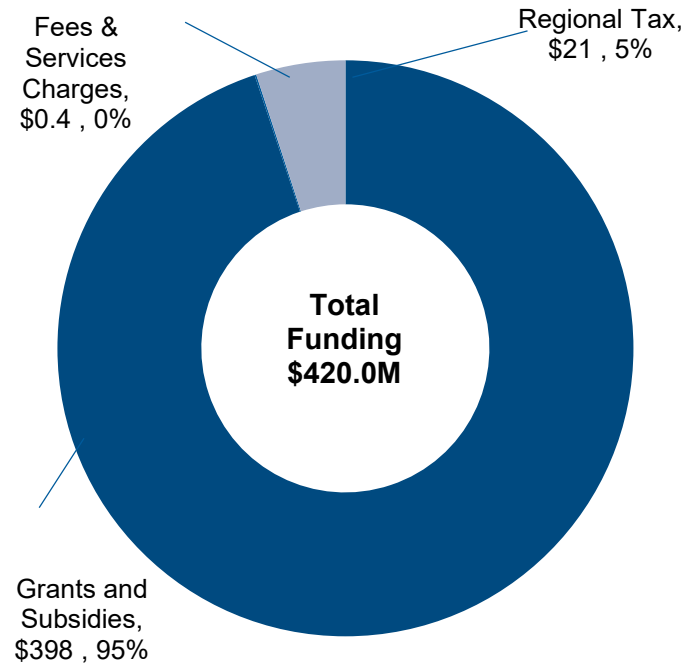
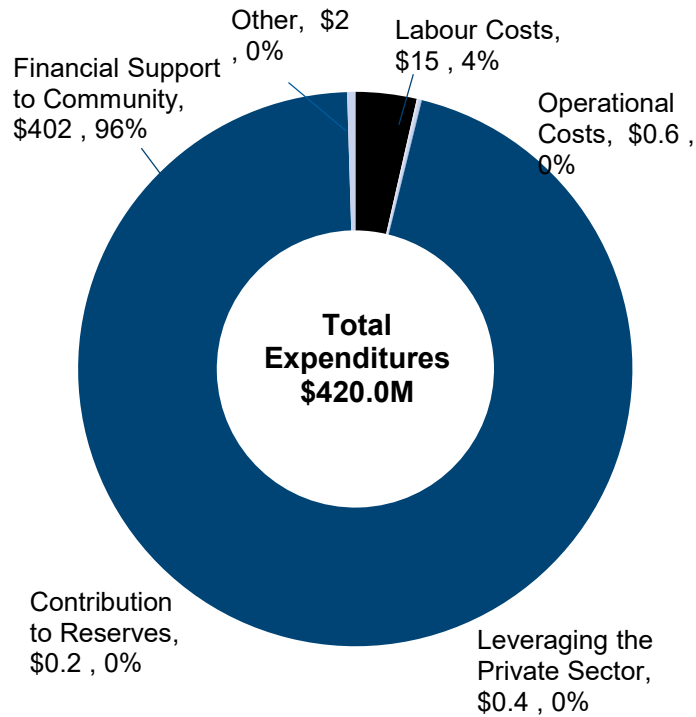
- Funding increase in Canada-Wide Early Learning and Child Care (CWELCC) to reduce fee subsidy by additional 25%, and enhance wages for Early Childhood Educators (ECEs)
- One-time Child Care and Early Year Workforce Federal funding reduction, program will be completed in 2023 with net zero impact

Staffing Resources to Achieve Level of Service

2022	2023	2024	2025	2026
123.5	123.5	123.5	123.5	123.5

Note: Staffing resources are regular positions (Full Time Equivalent, FTE)

2023 Total Expenditures & Funding Source (In \$M)



2023 Budget Risks

- Additional resource pressures in preparing for the potential implementation of the Canada-Wide Early Learning and Child Care Plan

2024 - 2026 Operating Forecast

	Budget			Forecast					
	2022	2023		2024		2025		2026	
	\$'000	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Total Expenditure	297,895	420,004	41.0%	526,957	25.5%	537,882	2.1%	548,929	2.1%
Total Revenue	(274,506)	(398,798)	45.3%	(505,253)	26.7%	(515,741)	2.1%	(526,339)	2.1%
Net Expenditure	23,389	21,206	(9.3%)	21,704	2.3%	22,141	2.0%	22,590	2.0%

Note: May not add up due to rounding

- In 2024
 - Increase in CWELLC to move child care fees towards an average of \$10-a-day
 - Reduce \$2.9M balance of one-time Child Care and Early Year Workforce Federal funding
- In 2025 the forecast only reflects inflationary changes
- In 2026 the forecast only reflects inflationary changes

Proposed Capital Budget

Capital Budget: \$0.1 million (Ten Year Plan: \$9.1 million)

2023 Capital Budget Overview

The following table provides a summary of Early Years and Child Care’s planned capital project activity for 2023, including funding sources for both new capital project requests in 2023 and projects carried forward to 2023.

Capital Plan By Funding Source	Carry-forward from Prior Years (WIP) (\$'000)	2023 Capital Budget (\$'000)	Total Capital in 2023 (\$'000)
DC Growth	-	-	-
Externally Funded	-	-	-
Non-DC Internal	1,055	125	1,180
Total Expenditures	1,055	125	1,180
# of Projects	3	1	4

Existing Capital Projects - \$1.1M

- \$0.9 million for Early Learning and Child Care for GovGrants, an enterprise technology system
- \$0.2 million for Child Care facilities repairs capital projects (Brampton West, Chinguacousy, Collegeseide, Ernest Majury and Streetsville)

2023 Capital Budget - \$0.1M

Key highlights:

- \$0.1 million for Child Care facilities capital projects (Brampton West, Chinguacousy, Collegeseide, Ernest Majury and Streetsville)

See Appendix I for details.

2023 Budget Risks

- None

Operating Impact of 2023 Capital Budget

No operating impact since the Early Years and Child Care facilities expenses are covered by the property rental income.

Proposed Capital Plan

2023 - 2032 10-Year Capital Plan - \$9.1M

By Project Classification:

State of Good Repair \$9.1M	DC Funded Growth \$-M	Non-DC Funded Growth & Other \$-M
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Key Highlights:

- \$9.1 million for Child Care facilities state of good repair capital projects

See Appendix II for details.

Appendix I

Service : Early Years and Child Care

2023 Financing Sources and Funding Status (\$'000)

2023				
<i>Total Expense</i>	<i>Development Charges</i>	<i>Reserves & Reserve Funds</i>	<i>External Funding</i>	<i>Debt Funding</i>

<u>Project</u>	<u>Name</u>	<u>Description</u>		
230302	Renovations to Child Care Centre	Child Care Centre Renovations	125	125
Early Years and Child Care			125	125

Appendix II

Service: Early Years and Child Care

2023 Ten Year Combined Capital Program (\$'000)

			2023	2024	2025	2026	2027	Yrs 6-10	Gross
<u>Project</u>	<u>Name</u>	<u>Description</u>							
230302	Renovations to Child Care Centre	Child Care Centre Renovations	125	1,992	740	934	1,021	4,277	9,089
Early Years and Child Care			125	1,992	740	934	1,021	4,277	9,089