



Early Years and Child Care

2025–2028 Business Plan
and 2025 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

Plan, support, fund, evaluate, and oversee the system, working with service providers to ensure families have inclusive, affordable, accountable, high quality and accessible early years and child care services.

- **Licensed child care.** We assess and respond to child care service needs, provide funding to offset parent fees, support child care provider viability as well as provide funding enhancements for child care staff.
- **EarlyON child and family centres.** We oversee free programs that help families with children six years and younger to grow and learn together. EarlyON connects families with early childhood professionals who can answer questions about child development.
- **Child care subsidy.** We reduce the amount of money that eligible families pay for child care for children 12 years and younger so that families with lower incomes have access to licensed child care.
- **Special needs resourcing.** Through Peel Inclusion Resource Services (PIRS) we support access, inclusion, participation and belonging of all children in licensed child care by connecting providers and families with special needs resourcing supports.

Interesting Facts About This Service

- Early Years and Child Care has one of Peel's largest program budgets with a total budget over \$540 million.
- 96 per cent of licensed child care sites in Peel participate in the Canada-Wide Early Learning and Child Care (CWELCC) plan which improves affordability by lowering fees to an average of \$10 a day by 2026.
- Even with CWELCC's goal of \$10 a day, 79 per cent of families in receipt of child care subsidy now pay \$10 or less a day for care. In addition, families with children 6 years and older do not qualify for CWELCC. These families will still need ongoing financial support to afford licensed child care.
- Peel has not had a wait list for child care subsidy since 2013; however, many approved families are now waiting for spaces to become available due to higher child care demand since CWELCC implementation.

- CWELCC’s expansion plan will increase child care spaces in Peel by 41 per cent for children five years and younger by 2026.
- 15 per cent of the program’s 2024 budget (\$72.1 million) supported improving wages for early childhood professionals; however, the average base wage of Registered Early Childhood Educators is \$23.86 per hour which is lower than the GTA living wage of \$25.05 per hour.
- In 2023, there were 592,631 visits from children and families to EarlyON programs. This is an 81 per cent increase from 2022.
- 99 per cent of licensed child care programs participate in PIRS.

Highlights of the Business Plan

- Ongoing implementation of CWELCC to improve child care affordability to an average of \$10 a day by 2026.
- We will add 11,980 new child care spaces by 2026. As CWELCC improves affordability, we will still need 9,800 additional spaces to meet the expected demand for care.
- Implementing strategies to attract, hire and keep qualified educators. Peel needs approximately 1,625 additional early years and child care staff to operate the new spaces to be added by 2026.
- Improving EarlyON and child care programs, policies, and practices to ensure that they reflect the diversity of our community and that families feel a sense of belonging when accessing child care and EarlyON programs.

Table 1. Budget Summary

	2025	2026	2027	2028
Operating Net Investment (in \$ thousands)	20,395	19,875	24,787	25,312
Capital Net Investment (in \$ thousands)	901	2,533	991	820
Full Time Equivalent	125.2	125.2	125.2	125.2

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 that support their choice and promote child growth and development.

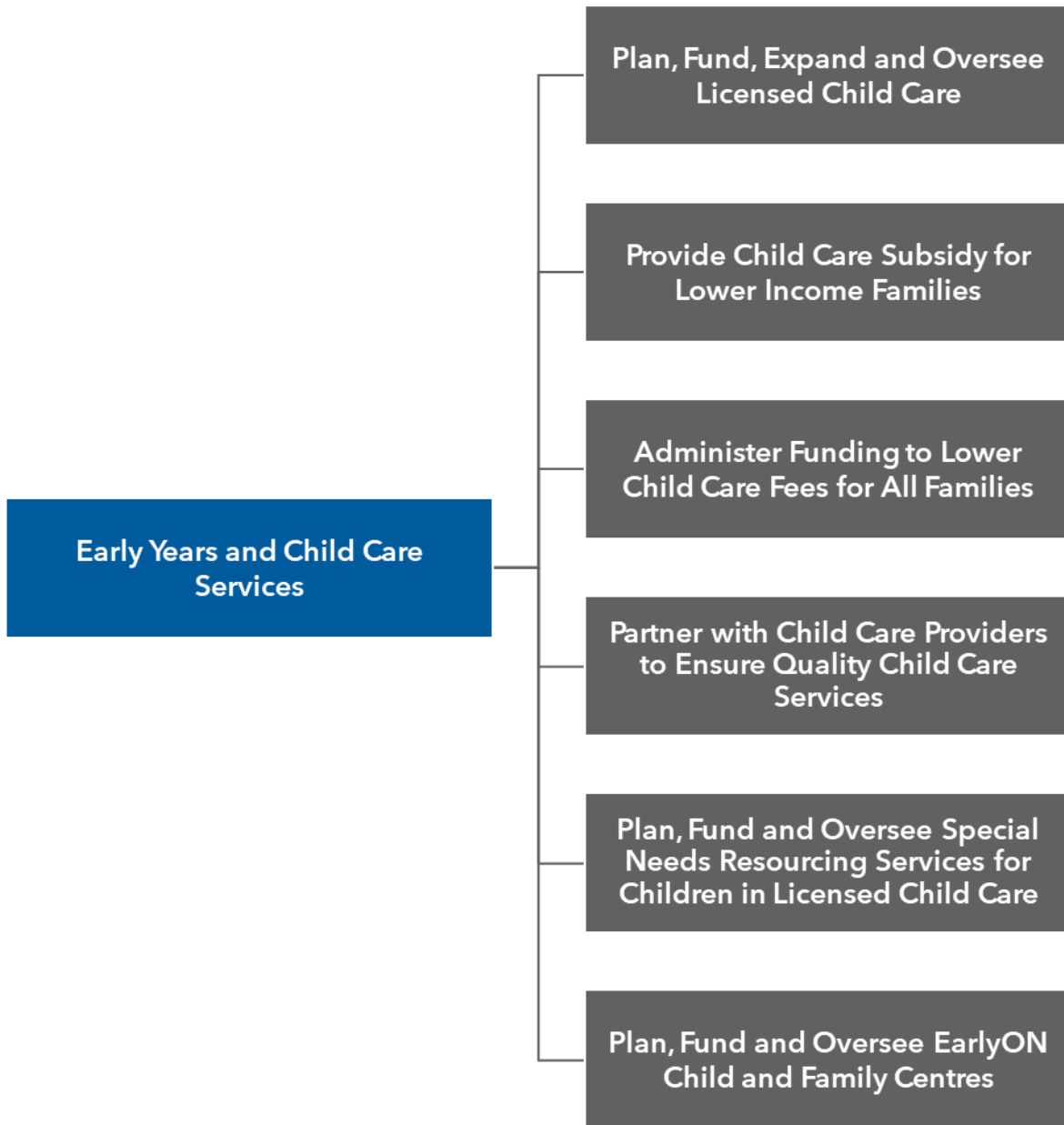
Mission

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 and have accurate, up-to-date information about early years and child care programs.

Service Delivery Model



Service Levels and Trends

Service Levels

In 2023, Early Years and Child Care Services delivered the following services:

Licensed Child Care

Provided funding, support, and oversight to 211 centre-based and licensed home child care providers. This funding supported 558 centre-based sites and 248 home child care sites with a total of 50,401 spaces.

EarlyON

Provided funding, support and oversight to seven EarlyON providers across 58 centres in Peel. We continue to see increases in the number of child and family visits to EarlyON centres, with an 81 per cent increase from 2022–2023. In 2023, there were 592,631 visits from children and families to EarlyON programs. We have increased programming hours by 47 per cent since 2018; from 737 hours in 2018 to 1,081 program hours each week in 2023.

Child Care Subsidy

Supported 9,665 children to access affordable licensed child care. There is currently no wait list for child care subsidy.

Special Needs Resourcing

PIRS supported 2,825 children with special needs to thrive in licensed child care programs.

Trends

Peel is a rapidly growing municipality, with the highest proportion of children in the Greater Toronto Area (42 per cent) according to the latest census. As the child population grows, so will the need for EarlyON and child care services.

Peel will create 11,980 additional licensed child care spaces by 2026. The province requires Peel to maintain a 60/40 ratio of non-profit to for-profit spaces as part of this expansion target (7,170 non-profit and 4,810 for-profit). To date, we have approved 4,793 for-profit and 2,970 non-profit spaces for expansion. In the first year of CWELLC expansion, we have already reached our for-profit space target. This 60/40 ratio requirement has created challenges for Peel as over 2,000 for-profit spaces are waiting for approval to expand, while non-profit providers face financial constraints that impede them from expanding.

In addition, more families are now waiting for child care as demand is increasing as the cost of care becomes more affordable. This means that there is also increased demand for services such as special needs resourcing supports and more reliance from the system on PIRS resource consultants to help all children participate in child care.

We continue to work with our provincial and federal partners to address these challenges and strengthen our child care system.

As we increase child care spaces, Peel needs approximately 1,625 additional early years and child care staff to operate these new spaces.

While we made significant gains in rebuilding our early years and child care workforce following the Covid-19 pandemic, we now face new challenges of increasing this workforce to keep pace with system expansion. A thriving, qualified early years and child care workforce is key to ensuring that families and children in Peel have access to affordable and high-quality child care.

CWELCC continues to reduce child care fees, with a goal to transition to \$10 per day average fees by 2026. Families with children in programs enrolled in CWELCC will have their child care base fees capped at \$22 per day beginning January 1, 2025. This is welcome news for many Peel families who have historically faced some of the highest child care fees across Canada.

While CWELCC will support affordable child care for many families in Peel, families earning less than \$50,000 a year still cannot afford \$10 a day child care, and families with children 6 to 12 years of age who do not qualify for CWELCC will need ongoing financial support to afford licensed child care. Provincial funding will be required to ensure families with lower income and with children 6 to 12 years of age can also access affordable child care.

We continue to see increases in the number of child and family visits to EarlyON Child and Family Centres and are working to understand the distribution of demand for services across Peel.

Performance Measures and Results

Peel's 5-year Early Years and Child Care Services System Plan describes our five system priorities, how we will achieve our goals, and how we measure our success. Our current plan expires at the end of 2024. We are currently developing our new service system plan for 2025–2030.

Inclusive

- 99 per cent of licensed child care programs in Peel participate in Peel Inclusion Resource Services (PIRS). PIRS works with families and licensed child care providers to support children to fully participate in child care programs by focusing on the child's individual needs and strengths and ensuring that a child's experience is positive and inclusive.
- We have introduced a new PIRS model for Licensed Home Child Care where Home Child Care providers are supported through a partnership with PIRS to help them deliver programs where children feel a sense of belonging, engagement and well-being.
- Child care educators have given us positive feedback on their experience with PIRS:
 - 84 per cent agreed or strongly agreed that the strategies, suggestions and support of the PIRS Resource Consultant made during a general classroom consultation had a positive impact on the dynamics of the classroom.
 - 77 per cent agreed or strongly agreed that the strategies, suggestions and support of the Resource Consultant made in a child specific brief consultation had a positive impact on the child's participation in the classroom.
- In EarlyON, teams identified 114 goals across the system with 37 per cent of these goals related to diversity, equity and inclusion (DEI). Through their 2023-year end goal rating reflection, EarlyON staff indicated that 35 per cent of their goal ratings related to DEI and pedagogy showed the highest progressive movement in their practice.

Affordable

- In 2024, CWELCC has lowered fees by almost 53 per cent for children five years and younger. Average daily fees in Peel are now:
 - **Infant:** \$41.
 - **Toddler:** \$32.
 - **Preschool:** \$29.
 - **Before and After School Programs JK and SK:** \$15.
 - **Full Day JK and SK:** \$28.
- This provides an average annual savings of \$16,141 for a family with two children (toddler and preschool aged).

- From September 2023 through December 2024, we implemented a pilot program in before and after school programs to improve the affordability of child care as well as support program enrichment for children 6 to 12 years of age.
- Currently, families enrolled in licensed before and after school care pay an average of \$25.98 a day at centre-based locations and \$31.48 a day at licensed home child care settings.
- This pilot provides families with a 50 per cent fee reduction, which makes care more affordable for those who are not eligible to receive the benefits of the CWELCC program. The pilot is expected to benefit approximately 7,000 children.
- We also supported lower income families to pay for child care by investing \$30.9 million in child care subsidies. In 2023, 9,665 children 12 years and younger benefited from our Child Care Subsidy program.

Accountable

- In 2023, we provided \$403.4 million in funding to 234 providers in child care programs, EarlyON programs, special needs resourcing agencies and on initiatives to enhance the quality of early years and child care programs.
- By implementing our compliance audit mechanisms, staff completed over 2,900 funding reconciliations in 2023 and 2024. Through the funding reconciliation process, staff assist providers with correcting reporting errors and broadening their understanding of funding requirements, thereby increasing accountability for public funds.

High Quality Programs

- 100 per cent of EarlyON providers and 97 per cent of licensed child care programs that we fund participate in the continuous quality enhancement initiatives that assess program quality, identify and support opportunities to improve.
- We offer professional development opportunities throughout the year to support professionals in child care, EarlyON and PIRS programs to deliver high-quality programs. In 2023, we offered development opportunities to 17,976 professionals, and 99 per cent of attendees indicated an increase in knowledge as a result of professional learning.
- Professional learning continues to adapt to sector needs with increased provision of learning opportunities related to special needs resourcing, diversity, equity and inclusion, and instructional supports for new or recently graduated early years professionals.
- In 2023, we continued to invest in tuition grants for ECE diploma programs to recruit more qualified Early Childhood Educators. Since 2022, we have supported 3,500 students through the Early Childhood

Education Diploma Grant Initiative with free or reduced tuition for early childhood education studies.

- Through our Connecting to Careers in Early Childhood Education program, in partnership with Humber and Sheridan Colleges and ACCES Employment, we supported 76 equity-deserving Peel residents by offering a fully funded ECE diploma program. Graduation for these students is expected in 2025.

Accessible

- To meet our ministry directed expansion target of 11,980 new child care spaces by 2026, we have approved 7,763 spaces for expansion, to date, which is 65 per cent of our target.
- To realize the provincial goal of building an affordable child care system that is inclusive and accessible, all new child care providers who are approved to participate in CWELCC are required to accept families in receipt of Child Care Subsidy and children with special needs.
- To improve how families access information on early years and child care, we have enhanced our early years and child care search tool. This search tool helps families to find current and accurate information on EarlyON and child care locations and resources related to licensed child care, EarlyON centers, Child Care Subsidy and PIRS.
- To support equitable access to EarlyON for all families, we are engaged in a system review to guide a data informed process for ongoing planning.
- Since EarlyON was introduced in 2018, EarlyON centres have seen significant increases in visits, with an increase of 82 per cent from 2022 to 2023. Current analysis of utilization data shows that some review areas have demand that consistently exceeds the program hours and space available.
- EarlyON continues to face funding pressures related to increasing costs for services such as lease rates, repairs and maintenance, and wages and benefits for staff that respond to workforce challenges and keep pace with cost-of-living increases year over year.

Awards and Achievements

Awards

In 2024, Early Years and Child Care Services won **the Peel Celebrates, CAO Award for Excellence**. This award recognizes an individual or team who has demonstrated outstanding achievement, exemplary performance, and exhibits excellence in their work involving people, events, programs, operations and/or teams that make an impact in the workplace or community. The Canada-Wide Early Learning and Child Care (CWELCC) Expansion Team received this award for their efforts to create new approaches to achieve the strategic objective of expanding affordable child care spaces in Peel. This exceptional cross-functional team is a sector leader, sharing best practices, policies and reporting resources with other child care service system managers across Ontario. The team's accomplishments have made a considerable impact on Peel's child care system, the families we serve, and the community.

Achievements

Over the past year, the Early Years and Child Care Services team has significantly improved accessibility, affordability, accountability, quality and inclusiveness in Peel.

Improving Access

By 2026 we will add the 11,980 new child care spaces which represents our CWELCC expansion targets in Peel's priority communities or within a 2 km radius of these communities. Our 14 priority areas were determined by reviewing both child care demand and additional well-being indicators in Peel's Neighbourhood Information Tool. The tool includes indicators such as immigration, ethnicity, housing costs and conditions, health, employment, crime, and one-parent status.

In addition, we have improved access for families applying for Child Care Subsidy who can now do so through a secure online portal. The portal is a space where applicants can provide documentation and communicate with Child Care Subsidy staff. We have reduced the number of forms needed to apply by 20 per cent, and the number of documents required for submission by 33 per cent. In addition, we have introduced an expanded reinstatement policy, which means that families can return to the program easier and more quickly without having to complete a new application.

Improving Affordability

We have prioritised making child care affordable for all families with children 12 years of age and younger attending licensed child care through:

- CWELCC fee reductions for children five years and younger by almost 53 per cent.
- Child Care Subsidy to help lower income families access affordable care. Child Care Subsidy and CWELCC together to lower child care costs. Subsidy also helps eligible families with children 12 years and younger pay for child care costs that CWELCC doesn't cover.
- Peel's before and after school program affordability pilot which reduced fees by 50 per cent for children in the 6–12-year age group. Peel is one of only a few jurisdictions that implemented this pilot.

Improving Accountability

We have consolidated six service contracts into one Early Years and Child Care Funding Agreement decreasing administrative burden by reducing the number of signed agreements by 79 per cent.

Our Funding Guidelines and the Service Provider Handbook outline numerous accountability tools and mechanisms, which promotes responsible use of public funds. We use five types of compliance audits and funding review tools with the goal of conducting one of these funding reviews per provider every three to five years. We have completed 35 funding reviews and audits and over 2,900 funding reconciliations in 2023 and 2024. Additionally, we completed an in-depth review of over 185 CWLECC operating budgets to determine child care provider eligibility for financial viability funding.

Improving Quality

Teams engage in a Continuous Quality Improvement (CQI) annual cycle in EarlyON programs to reflect, assess, plan for and monitor their successes and identify areas of growth in their day-to-day practice across five quality elements (relationships, DEI, qualified team, program design and environment, and pedagogy).

In 2023, EarlyON:

- Completed 570 reflections and assessments which highlighted successes related to family impact, relationships, environments, family connection opportunities and professional development.
- Identified 114 goals across the system with 44 per cent of these goals related to diversity, equity and inclusion (DEI).
- Teams reassessed their goal ratings at the end of the 2023 CQI cycle resulting in 67 per cent of ratings being maintained and 33 per cent of ratings increasing to show progression in their practices related to DEI.

Along with our community partner, Child Development Resource Connection Peel (CDRCP), we are developing a new quality enhancement initiative for all licensed child care programs in Peel. This new initiative is based on research and includes feedback from service providers about their needs. It is intended to provide practical supports to enhance the quality of child care programs in Peel.

Improving Inclusiveness

In the fall of 2023, we released the diversity, equity and inclusion report '*Our Intentional Journey of Growth*' which outlined our learnings related to DEI in EarlyON, our progress and our goals.

In 2024 we launched the DEI Community of Learning and Practice for EarlyON. This is a live facilitated program that all staff and leadership who deliver EarlyON must complete. Staff will build their understanding of DEI by working together through key concepts and real scenarios from EarlyON which will help them create programs that are welcoming for all families. The program will continue into 2025.

In addition, in the fall of 2024, we launched our first Indigenous-led EarlyON program, led by The Indigenous Network. This EarlyON program will offer an inclusive space for Indigenous and non-Indigenous families to engage in Indigenous-led programming including explorations of traditional teachings, a sense of self and creative expression in indoor and outdoor settings.

The 2025–2028 Business Plan Outlook

Planning for the Future

Canada-Wide Early Learning and Child Care Program Expansion Plan and Peel’s Non-Profit Strategy

Through the CWELCC Expansion Plan, Peel will create 11,980 new licensed child care spaces by 2026. The Ministry of Education has directed Peel Region to maintain a ratio of 60 per cent non-profit and 40 per cent for-profit spaces. Through consultation with non-profit sector providers, we have learned that there are several challenges with expanding their services. These include a lack of capital funding, impacts of the CWELCC funding approach on operational funding and provider viability, workforce shortages, and lack of expertise to plan and manage an expansion project. In response to these sector challenges, we have established a strategy to promote expansion of non-profit child care. The strategy will focus on:

- Strengthening our partnerships with lower-tier municipal partners to address any policy and/or by-law barriers, and to prioritize child care expansion in land-use planning including identifying surplus municipal buildings suitable for child care operations.
- Maximizing available funding streams to encourage expansion by supporting costs for providers.
- Providing capacity building support to build competency within the non-profit sector to manage expansion projects.
- Engaging non-profit organizations in and outside of Peel to raise awareness and interest in expanding in Peel.

We will also continue to advocate to the provincial and federal governments for consistent multi-year funding and capital infrastructure financing to ensure an increasing number of Peel families have access to stable and affordable child care.

Workforce Strategy

Peel is currently experiencing a significant shortage in the Early Years and Child Care Workforce. Expansion under the CWELCC program will not be possible if these workforce shortages are not addressed. We have established a comprehensive workforce strategy with tangible actions to attract, recruit and retain qualified professionals in the sector.

Peel’s Professional Advancement of Careers in Early Childhood Education (ECE-PACE) program is one of our initiatives already in progress. Under this program, Peel has partnered with Niagara College to offer a 2-year online, self-guided diploma program to eligible early years and child care staff.

This makes it possible for them to earn an Early Childhood Education (ECE) diploma while staying in their current jobs creating a more qualified and stable workforce. It is expected to run until the fall of 2026.

In the coming years, Peel will focus initiatives and advocacy efforts on:

- Creating immigration pathways that attract highly qualified RECE immigrants and offers incentives for them to remain in Ontario's EYCCS system.
- Providing funding and flexible training options to those already working in the sector looking to advance into ECE roles.
- Creating retention incentives for those currently working in the sector.

Supporting Inclusiveness in Programs

Creating inclusive spaces for all families and children is important. This means that early years and child care programs need to be accessible and welcoming for all families in Peel.

In our EarlyON journey we heard that not all families feel like they belong in EarlyON, and we are taking meaningful action to create more inclusive programs across Peel. We are committed to ensuring inclusiveness and quality in EarlyON and child care programs. We are building on our journey by engaging SMD Consulting to review DEI in the licensed child care sector.

The goal of this work is to identify systemic barriers and opportunities that impact a child's ability to fully participate and benefit from high-quality child care programs.

We will explore barriers related to DEI in the delivery of licensed child care including:

- Child and family experience.
- Early years and child care workforce.
- Special Needs Resourcing (SNR) services.
- Child Care Subsidy.
- Child Care Quality Initiatives.
- Access to child care under the CWELCC program.

We will establish a diversity, equity, and inclusion framework to guide Peel Region and early years and child care providers in delivering services where families and children of all abilities and socio-economic backgrounds feel welcome, actively engaged, and form real, caring relationships.

We hold the sector and ourselves responsible for developing and delivering programs through a diversity, equity and inclusion lens to improve the experiences of families and children who use the programs and services.

Over the next four years, Peel will continue to support inclusion in early learning experiences for children and their families by:

- Working with providers to address and remove any inequities that exist related to EarlyON and child care access and inclusion for families.
- Reviewing our policies and procedures with a DEI lens and updating them to ensure they reflect best practices and appropriate language.

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



Finding Efficiencies

Continuous Improvement

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

Highlights of projects and improvements include:

Data Governance and Reporting

We are introducing new processes to reduce the volume of reporting we ask from providers and will only ask for them for information that we need. These improvements will result in reducing both their administrative costs and workload as well as ours. In addition, we are making sure that our technology is easy for providers to use and supports the needs of their business operations.



Implementation of one consolidated Service Agreement

Early Years and Child Care Services has merged all child care provider agreements into one consolidated service agreement. The merging has reduced administrative burden by decreasing the number of agreements for child care providers to sign and manage. The consolidated service agreement maintains consistency and has enhanced the flexibility for the delivery of funds. Previously, most child care providers had to sign 6 different

agreements and now, through the GovGrants technology, they only have to sign one consolidated service agreement.

Introducing Artificial Intelligence into our Work

Early Years and Child Care Services is exploring the use of Artificial Intelligence (AI) to provide better access to and improve the navigation of our supports and services.

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.

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 manual processes, such as applying for funding and developing and implementing contracts. This creates greater cost savings, productivity, and oversight for Peel. Automated features also eliminate manual cheque processing and increase accountability.

Enhancements to the GovGrants system have helped to reduce the number of contracts providers must sign by 79 per cent. We are continuing to improve the technology to support efficiencies in our business as well as for our providers.

Ontario Child Care Management System (OCCMS)

We continued our journey to modernize services for families in Peel. In May 2023, the child care subsidy team launched a new portal that allows families to send messages to their children's services workers (CSW) and upload personal documents. This new way for families to communicate will replace emails between CSWs and families and provides a secure, safe and confidential way to exchange information. Any documents sent using a children's services account are stored directly in OCCMS, replacing the need to scan and store documents in our internal document management system. Currently, 98 per cent of ongoing subsidy families have a children's services account.

Maintaining Our Infrastructure

Peel leases several spaces in buildings to help service providers deliver affordable child care to families. Leases currently exist at Brampton West, Collegesside, Ernest Majury and Streetsville, and were recently renewed with service providers to maintain access to care for families.

The 2025 Capital Budget provides \$901,000 to invest in the properties to ensure they are properly and safely maintained and running smoothly in a reasonable state of good repair.



Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2025–2028 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 2024 was \$21.8 million and the proposed budget for 2025 is \$20.4 million.

Net Expenditures: \$20.4 million (**Total Expenditures:** \$540.3 million)

Description (in \$ thousands)	2023 Actuals	2024 Approved Budget	2025 Proposed Budget	\$ Change Over 2024	% Change Over 2024
Operating Costs	1,376	2,025	2,017	(9)	(0.4)%
Labour Costs	14,262	16,169	17,144	975	6.0%
Reserve Contributions	196	143	263	120	83.6%
Debt Charges	–	–	–	–	–
Grant Payments	392,351	447,112	517,976	70,863	15.8%
Facility, IT, HR and Other Support Costs	9,330	9,765	9,956	191	2.0%
Recoveries	(6,240)	(6,992)	(7,045)	(53)	0.8%
Total Expenditures	411,275	468,222	540,309	72,087	15.4%
Grants and Subsidies	(392,116)	(446,012)	(517,210)	(71,197)	16.0%
Supplementary Taxes	–	–	–	–	–
Fees and Services Charges	(421)	(407)	(504)	(98)	24.0%
Transfer from Development Charges	–	–	–	–	–
Contributions from Reserves	–	–	(2,200)	(2,200)	100.0%
Total Revenues	(392,537)	(446,419)	(519,914)	(73,495)	16.5%
Total Net Expenditure	\$18,738	\$21,803	\$20,395	(\$1,408)	(6.5)%

Note: May not add up due to rounding.

2025 Operating Budget Pressures

Service (in \$ thousands)	Total Expenditures	Total Revenue	Net Cost 2025 vs 2024	
2024 Revised Cost of Service	\$468,222	\$446,419	\$21,803	%
Cost of Living Inflation¹				
Labour Costs	971	—	971	
Goods and Services	5	—	5	
Base Subsidy/Recoveries²				
Leased Child Care Centers	98	98	—	
Cost Containment³				
Department realignment savings	(184)	—	(184)	
Base Budget Changes Subtotal	890	98	792	
Service Level Demand⁴				
CWELCC subsidy increase	86,165	86,165	—	
CWELCC-reduction in start-up based on reduced spaces	(4,603)	(4,603)	—	
CWELCC-emerging Issues ceased for 2025 and beyond	(10,365)	(10,365)	—	
Reduction in Regional requirement for fee subsidy	(4,400)	—	(4,400)	
Reduction in funding for administration due to change in administration cap	4,400	—	4,400	
50 per cent of funding shortfall funded through Tax Rate Stabilization reserve draw	—	2,200	(2,200)	
Service Level Changes Subtotal	71,197	73,397	(2,200)	
Total 2025 Budget Change	72,087	73,495	(1,408)	
2025 Proposed Budget	\$540,309	\$519,914	\$20,395	(6.5)%

Note: may not add up due to rounding.

Operating Budget Pressure Notes

¹Cost of Living/Inflation:

- Cost of living increase in staffing costs.

²Base Subsidy/Recoveries:

- Increase in property rental revenue, offset by an increase in contribution to working fund reserves.

³Cost Containment

- Miscellaneous savings of \$184 thousand resulting from the ongoing review of budgets; these reductions will not impact service levels.

⁴Service Level Demand:

- Increase of \$86 million in Canada-Wide Early Learning and Child Care (CWELCC) to increase subsidy from 52.75 per cent to 61.5 per cent coverage and enhance wages for Early Childhood Educators (ECEs).
- Reduction in Start-up due to reduced spaces with net zero impact
- The CWELCC funding for Emerging Issues will cease for 2025 and beyond with net zero impact
- Draw from tax rate stabilization Reserve fund to mitigate the reallocation of previously approved funding to administration.

Staffing Resources

Table 2 provides a summary of the staffing resources by Sub-Service (as identified in the Core Services) for the budget year, forecast years and the prior year. The prior year reflects FTE changes approved by Council during the prior year.

Table 2. Staffing Resources to Achieve Level of Service

Sub-Service	2024	2025	2026	2027	2028
Plan, Fund, Expand and Oversee Licensed Child Care	25.0	25.0	25.0	25.0	25.0
Provide Child Care Subsidy for Lower Income Families	36.0	36.0	36.0	36.0	36.0
Administer Funding to Reduce Child Care Fees for all Families	29.2	29.2	29.2	29.2	29.2
Partner with Child Care Providers to Ensure Quality Child Care Services	17.0	17.0	17.0	17.0	17.0
Plan, Fund, and Oversee Services for Children with Special Needs in Licensed Child Care	10.0	10.0	10.0	10.0	10.0
Plan, Fund, and Oversee EarlyON Child and Family Centres	8.0	8.0	8.0	8.0	8.0
Total	125.2	125.2	125.2	125.2	125.2

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

2025 Total Expenditures and Funding Source

Figure 1. 2025 Total Expenditures (in \$ millions)

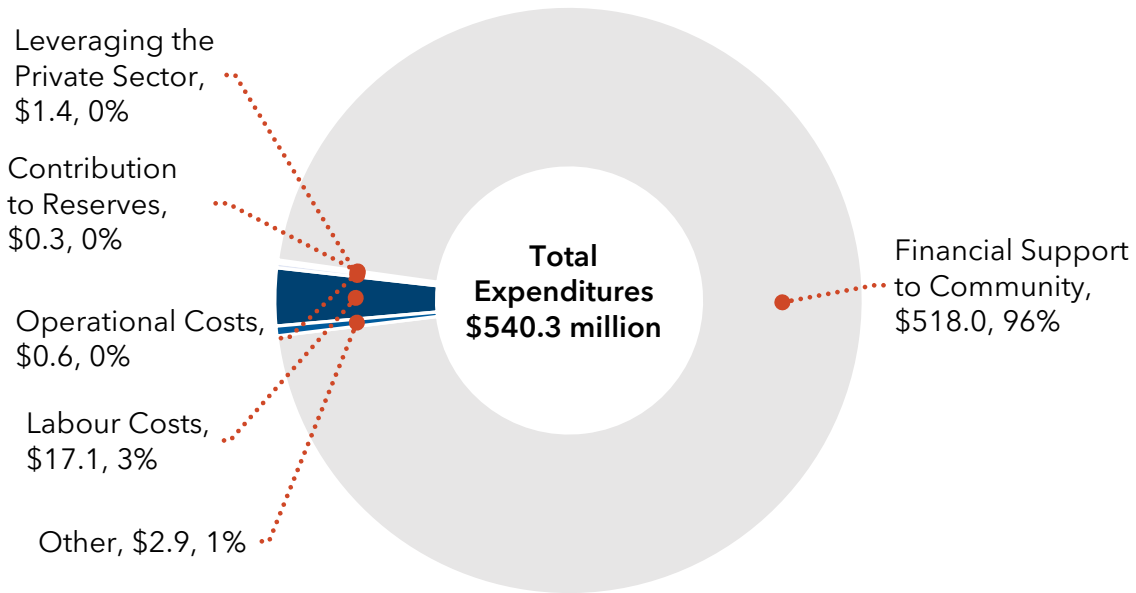
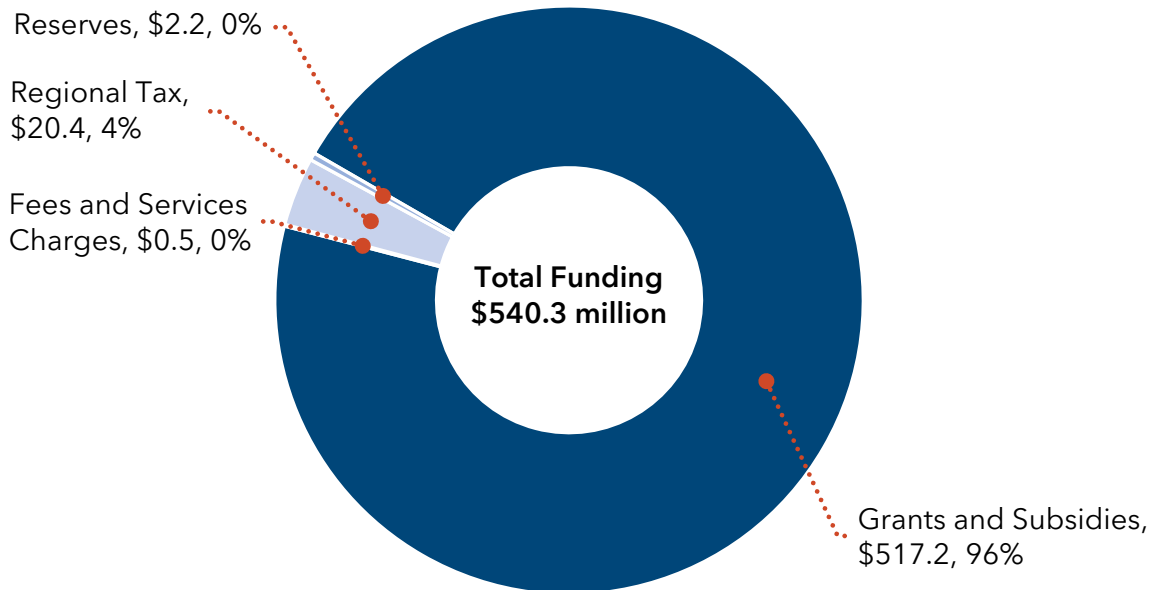


Figure 2. 2025 Total Funding Sources (in \$ millions)



2025 Budget Risks

Additional resource pressures related to the Canada-Wide Early Learning and Child Care Plan in addition to the implementation of the new provincial funding formula.

2026–2028 Operating Forecast

Table 3. Budget (in \$ thousands)

	2024	2025	
Total Expenditure	468,222	540,309	15.4%
Total Revenue	(446,419)	(519,914)	16.5%
Net Expenditure	21,803	20,395	(6.5)%

Table 4. Forecast (in \$ thousands)

	2026		2027		2028	
Total Expenditure	647,084	19.8%	641,778	(0.8)%	652,991	1.7%
Total Revenue	(627,208)	20.6%	(616,991)	(1.6)%	(627,679)	1.7%
Net Expenditure	19,875	(2.5)%	24,787	24.7%	25,312	2.1%

Note: May not add up due to rounding.

- The three years forecast reflects inflationary changes.
- The increase in CWELCC reflects the next parent fee reduction to move child care fees towards an average of \$10-a-day has zero net impact. The program is 100 per cent Federal funded.
- The Ministry shared that there will be a new CWELCC Cost-Based Funding Guideline, effective January 1, 2025. Licensees not participating in CWELCC may continue to run their operations under the existing provincial licensing and regulatory framework. The remaining funding guidelines will come later in 2024.
- The transition to \$10 per day average fees is expected by March 2026.
- Draw from tax rate stabilization Reserve fund in 2026 to mitigate the reallocation of previously approved funding to administration.
- The forecast includes \$4.4 million draw from tax rate stabilization Reserve in 2026 to mitigate the reduction in provincial administration funding.
- The forecast includes increase of \$1 million in Peel region contribution to the Early On program starting from 2026.

Proposed Capital Budget

Capital Budget: \$0.9 million (**Ten Year Plan:** \$10.4 million)

2025 Capital Budget Overview

Table 5 provides a summary of Early Years and Child Care’s planned capital project activity for 2025, including funding sources for both new capital project requests in 2025 and projects carried forward to 2025.

Table 5. Capital Plan by Funding Source (in \$ thousands)

	Carry-forward from Prior Years (WIP)	2025 Capital Budget	Total Capital in 2025
DC Growth	–	–	–
Externally Funded	–	–	–
Non-DC Internal	430	901	1,331
Total Expenditures	\$430	\$901	\$1,331
# of Projects	1	1	2

Existing Capital Projects – \$0.4 million

Key Highlights:

- \$0.4 million for GovGrants, and enterprise technology.

2025 Capital Budget – \$0.9 million

Key Highlights:

- \$0.9 million for Child Care facilities capital projects (Brampton West, Chinguacousy, Collegeside, Ernest Majury and Streetsville).

See Appendix I for details.

2025 Budget Risks

- None.

Operating Impact of 2025 Capital Budget

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

Proposed Capital Plan

2025–2034 10-Year Capital Plan: \$10.4 million

By Project Classification

State of Good Repair
\$10.1 million

DC Funded Growth
\$0.0 million

Non-DC Funded Growth
and Other
\$0.3 million

Key Highlights

- \$10.1 million for Child Care facilities state of good repair capital projects.
- \$0.3 million for Child Care regular operation and maintenance capital projects.

See Appendix II for details.

Appendix I

Table 6. 2025 Financing Sources and Funding Status (in \$ thousands)

Project	Name	Description	Total Expense	Development Charges	Reserve Funds	External Funding	Debt Funding
250302	CPPM-Construction Capital	Child Care Centre renovations	601	–	601	–	–
250303	FOS-Facilities Capital	Child Care Centre renovations	300	–	300	–	–
Early Years and Child Care Total			\$901	–	\$901	–	–

Appendix II

Table 7. 2025 10-Year Combined Capital Program (in \$ thousands)

Project	Name	Description	2025	2026	2027	2028	2029	Yrs 6-10	Gross
250302	CPM-Construction Capital	Child Care Centre renovations	601	2,533	991	820	1,023	4,109	10,076
250303	FOS-Facilities Capital	Child Care Centre renovations	300	—	—	—	—	—	300
Early Years and Child Care Total			\$901	\$2,533	\$991	\$820	\$1,023	\$4,109	\$10,376