

Early Years and Child Care

2024 – 2027 Business Plan
and 2024 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 child care.

Licensed Child Care: We assess and respond to child care service needs and provide funding to offset parent fees, support provider viability as well as enhancements for staff.

EarlyON Child and Family Centres: We oversee free programs that help families with children six years and younger to grow and learn while connecting 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: Through Peel Inclusion Resource Services (PIRS) we support all children to participate in licensed child care by connecting providers and families with special needs resourcing supports.

Interesting Facts about this Service:

- Projected 2024 revenues of \$451.3M, both provincially and regionally funded, is 12.2 per cent higher than 2023 and is expected to grow by \$61.1M by 2025. This makes Early Years and Child Care one of Peel's largest program budgets.
- 95 per cent of existing licensed child care sites in Peel participate in the Canada-Wide Early Learning and Child Care (CWELCC) plan which improves affordability by lowering fees by 53 per cent in 2023 with a goal to reach an average of \$10 a day by 2025.

- Even with CWELCC's goal of \$10 a day, 78 per cent of children receiving subsidy who now pay \$10 or less a day for child care, and children 6 years of age and older who do not qualify for the program will still need ongoing financial support to afford licensed child care.
- Since 2013 Peel has not had a waitlist for subsidy.
- CWELCC's expansion plan will increase child care spaces in Peel by 41 per cent for children five years and younger by 2026.
- 13.2 per cent of the program's 2023 budget supported wage enhancement for early childhood professionals, however, the average base wage of Registered Early Childhood Educators remains \$6.22/hr below those employed by school boards.
- In 2022, EarlyON programs had 326,000 visits by families.
- 95 per cent of licensed child care programs participate in PIRS.

Highlights of the Business Plan:

- Continued implementation of CWELCC to reduce costs to reach the goal of an average of \$10 a day by 2025.
- We will add 11,980 new child care spaces by 2026, but we still need 9,800 more spaces to meet the expected demand for care.
- Implementing strategies to attract, hire and keep qualified educators.
- Improving EarlyON and child care programs, policies, and practices to reflect the diverse needs in Peel.

Net Investment (\$000s)	2024	2025	2026	2027
Operating	21,803	22,343	22,877	23,426
Capital	338	1,976	1,005	1,021
Full Time Equivalents	125.1	125.1	125.1	125.1

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.

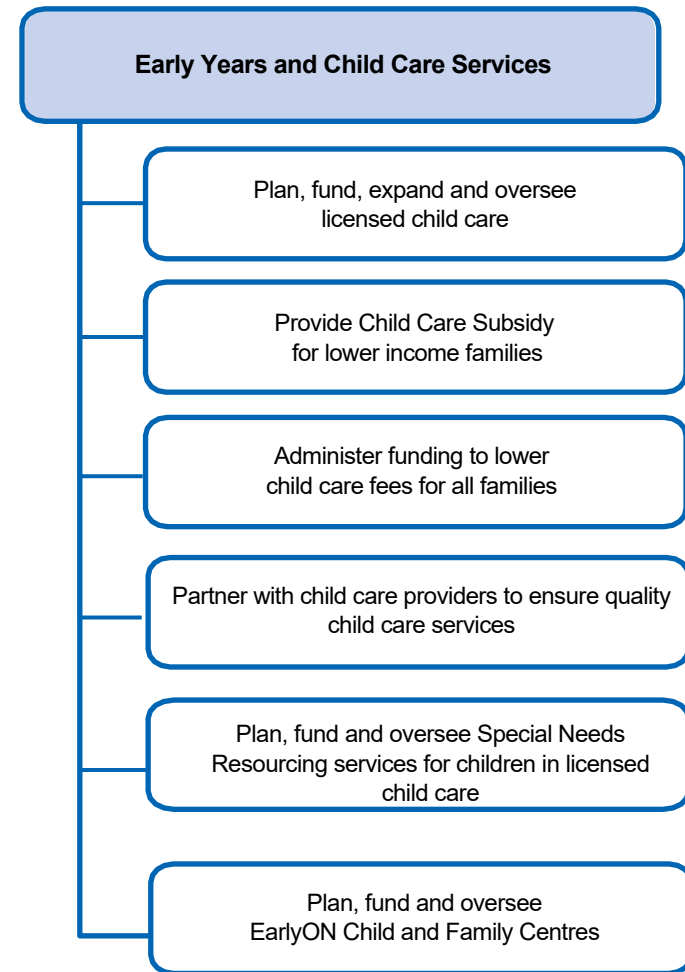
Mission

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 2022, Early Years and Child Care Services delivered the following services:

Licensed Child Care: Provided funding, support, and oversight to 206 providers who operate 558 sites containing 48,759 spaces.

EarlyON: Provided funding and oversight to seven EarlyON providers across 58 centres in Peel which families visited approximately 326,000 times in 2022. We have increased programming hours by 47 per cent since 2018; from 735 hours in 2018 to 1,081 program hours each week in 2023.

Child Care Subsidy: Supported 9,783 children to access affordable licensed child care. This is a 55 per cent increase compared to 2021. There is currently no wait list for child care subsidy.

Special Needs Resourcing: Supported 3,153 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 child care. Peel will increase child care by 11,980 licensed spaces by 2026 (1,145 spaces school-based and 10,835 community-based).

The Canada-Wide Early Learning and Child Care (CWELCC) affordability plan has already lowered child care fees for children five years and younger by 53 per cent. The goal is to deliver an average of \$10 a day across Ontario by 2025. This is welcome news for many Peel families however, this plan only applies to children five 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 plan will need ongoing financial support to afford licensed child care. Provincial funding will be required to ensure families with lower income and with children ages 6-12 can also access affordable child care.

The shortage of Early Childhood Educators (ECEs) was worsened by the pandemic. Although the workforce has returned to 95.3 per cent of pre-pandemic staffing levels, we will need approximately 1,749 more qualified staff to deliver programs in the new spaces under the CWELCC expansion plan.

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 Peel's commitment to address systemic discrimination Early Years and Child Care Services is taking steps to ensure that EarlyON and child care programs, policies, and practices reflect the diversity and needs of Peel communities. This includes data collection, community engagement, training, and measurement systems that hold service providers accountable for offering welcoming and inclusive programs and services.

Performance Measures and Results

Peel's five-year Early Years and Child Care Services System Plan describes our five system priorities, how we will achieve our goals and measure our success.

Inclusive: Early Years and Child Care programs are welcoming and inclusive of all children and families.

- Through participant engagement in our EarlyON programs we heard that 59 per cent of survey respondents felt they were treated differently based on their ethnicity or other factors. We are using this feedback to inform program enhancements to improve the experience of all families.
- 95% of licensed child care programs in Peel participate in PIRS.

Affordable: Public funds are used to improve the affordability of licensed child care.

- The Canada-Wide Early Learning and Child Care plan has lowered fees by 53 per cent for children five years and younger. Average daily fees in Peel are now:
 - Infant - \$40
 - Toddler - \$31
 - Preschool - \$28
 - Before and After School Programs JK and SK - \$16
 - Full Day JK and SK - \$25

This provides an average annual savings of \$15,660 for a family with two children (toddler and preschool aged).

- We supported lower income families to pay for child care. In 2022, 9,783 children 12 years and younger received this child care subsidy.

Accountable: Early years and child care system management is future-oriented, responsive, and accountable.

- In 2022, we provided \$229.9M in funding to 234 providers in child care programs, EarlyON programs, special needs resourcing agencies and initiatives to enhance the quality of early years and child care programs.

High Quality: Service providers continuously improve early years and child care program quality.

- 100 per cent of EarlyON and child care programs that we fund participate in the continuous quality enhancement initiatives that assess program quality and identify 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 2022, 771 we offered development opportunities to a total of 18,482 professionals, including those who attended more than one event.
- In 2022, we invested \$2.4M in tuition grants for ECE Diploma programs to recruit more qualified Early Childhood Educators.

Accessible: Families have access to early years and child care programs that meet their specific needs and accurate, up-to-date information about early years and child care programs.

- With the expansion target of 11,980 spaces, we are prioritizing spaces for underserved communities, considering factors such as immigration, ethnicity, income, housing costs and conditions, health, employment, education, crime, and one-parent status. We are working to make 2,948 new spaces available by the end of 2023.
- We are working with Child Development Resource Connection Peel (CDRCP) to improve how families access up-to-date information on early years and child care in Peel. This includes a new licensed child care search tool to help families find care that meets their needs.

Awards and Achievements

Awards

In 2023, Early Years and Child Care Services won the Peel Celebrates, Commissioner's Values in Action Award for Human Services. This award recognizes a team or individual for going above and beyond to ensure that Peel's operations are run effectively and efficiently, using new approaches to achieve strategic objectives, and promoting a productive, respectful, and supportive work environment. Early Years and Child Care Services child care subsidy team received this award for collaborating to place 334 children in Emergency Child Care and implementing the Canada-Wide Early Learning and Child Care plan by reducing fees and calculating refunds for families. The team also transformed its operations and improved services resulting in quicker applications, less paperwork, more equitable access, and better outcomes for clients.

Achievements

Over the past year, the Early Years and Child Care Services team has made significant achievements in improving accessibility, affordability, quality and inclusiveness in Peel.

Improving Access

Families applying for child care subsidy now have fewer forms and documents to submit with their application. They can complete forms through a secure online portal to upload applications and documents. The portal also provides a space for ongoing communication with families.

Improving Affordability

The new Canada-Wide Early Learning and Child Care plan has lowered child care fees for children five years and younger. In 2022, 29,612 child care spaces benefited from this plan.

Although the new plan is in place, Early Years and Child Care Services ensures that child care is accessible and affordable to vulnerable families across Peel. We continue to provide subsidy to help lower income families and those with children ages 6-12 to also access affordable child care.

Improving Quality

The Workforce Strategy that Peel introduced in 2022 is essential to support, grow and attract a diverse workforce to address current staff shortages and meet future early years and child care needs. In 2022, we provided opportunities for free and reduced tuition for ECE diploma programs where approximately 270 Peel students enrolled. In 2023 we also co-hosted a job fair that allowed 144 early years professionals who are job seekers to connect with 13 early years and child care providers who were hiring. These investments, along with ongoing professional development opportunities for early childhood professionals will help providers to attract qualified staff to deliver high quality care to children in Peel.

Improving Inclusiveness

To enhance diversity, equity, and inclusion (DEI) in EarlyON centres, information was collected about staff and family experiences. Based on our findings, EarlyON agencies are implementing actions to review human resources practices from an inclusive and equitable lens. Agencies are using what they have learned to make programs more accessible with enhanced diverse experiences for families. In 2024, EarlyON staff and leadership will participate in professional learning that connects DEI to quality programs. We will also begin this work in our child care system in 2024.

The 2024-2027 Business Plan Outlook

Planning for the Future

Canada-Wide Early Learning and Child Care Program and Expansion Plan

Early Years and Child Care Services will continue to increase affordability by implementing the Canada-Wide Early Learning and Child Care plan over the next two years to reach the provincial goal of an average of \$10-a-day child care across Ontario by 2025. While reducing fees, we will also increase accessibility by expanding our child care spaces by adding 11,980 new spaces in underserved communities by 2026. 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 9,800 more spaces for children five years and younger.

Successfully implementing Canada-Wide Early Learning and Child Care plan and its expansion in Peel will also require:

- Capital funding to create more child care spaces.
- Special Needs Resourcing to support all children to participate in child care.
- Fee subsidy funding and priority access for low-income families.
- Early Childhood Educators to meet current and future demand for child care.

We continue to advocate to provincial and federal governments for these requirements to ensure Peel families have accessible and affordable child care.

Workforce Strategy

The expansion of child care will increase the demand for Registered Early Childhood Educators (RECEs) workforce. CWELCC expansion in Peel region will not be possible if workforce shortages are not addressed. Early Years and Child Care Services continues to address this issue with a comprehensive workforce strategy to attract, hire and keep qualified staff within the sector. The work includes strategies to:

- Value those who work in early years and child care through public recognition and increasing the professionalism of the workforce.
- Help early years and 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.

We also continue to advocate to the province to address staff compensation which is the main challenge to successful recruitment and retention in the child care sector.

Supporting Quality and Inclusiveness in Programs

High-quality early years and child care programs help 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 Peel 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 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. The information will help to inform and improve our work within the sector.



A growing early years and child care sector needs a growing and skilled workforce.

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 completed include:

- **Automating Manual Processes** – Early Years and Child Care Services has streamlined the way we work with providers by fully automating the process for Special Needs Resourcing and EarlyON agencies to submit documents of us. We also moved Before and After School Programs (BASP) requests for resource consultation supports into our online tool, GovGrants. Educators working in BASP can now request supports online.
- **Capital Program Processes** – To deliver on the expansion of child care spaces under the Canada-Wide Early Learning and Child Care plan, we reviewed and enhanced our capital projects process to ensure strong cross departmental planning, better teamwork and higher production to reach our child care expansion goals.
- **Digitized Annual Case Reviews** – Families who receive child care subsidy must have their file reviewed once a year to maintain eligibility. This process has moved from monthly paper mailed letters to monthly emails. Moving to email improved efficiency, created a better service experience for families, reduced costs and increased staff time for more valuable work.

- **Launched Child Care Subsidy Portal** – Early Years and Child Care Services introduced an online portal to allow families who receive child care subsidy to securely exchange information with the program and better manage their records. This includes updating and accessing information online at their convenience and communicating directly with Peel staff. The improvements secure the transmission of information and end the need to fax and email documents. The result is less paperwork and shorter processing times for families while making it easier for them to see the status of their information. This has eliminated manual administration, resulting in easier retrieval of information and better and quicker communication between families and our staff.



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

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 2022, there were 1,013 grants valued at \$184.4M issued through GovGrants to over 200 different service providers 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 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. In July 2023, \$15.9M was automatically recovered from 176 providers, all without having to process a single cheque.

Ontario Child Care Management System (OCCMS)

We wish to better understand the social and demographic background of families accessing child care subsidy and attending EarlyON centres. In fall 2022 the OCCMS EarlyON registration process began to ask key questions such as gender, sexual orientation, ethnicity or race, language spoken, religion, household income level and immigration. These questions are voluntary and do not impact a family's ability to use EarlyON services. However, they will support our strategic planning for programs.



As Peel's community changes the early years and child care sector should reflect the evolving and varied needs of children and families.

Maintaining our Infrastructure

Peel 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 2024 Capital Budget provides \$338,000 between the five properties. This investment ensures that these buildings are properly and safely maintained and running smoothly in a reasonable state of good repair.



Providing safe licensed child care facilities is important as many parents rely on child care to be able to go to work or school.

Proposed Operating Budget

This part of the Business Plan sets out the financial resources required to deliver the proposed 2024-2027 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 2023 was \$21.2 million and the proposed budget for 2024 is \$21.8 million.

Net Expenditures: \$21.8 million (Total Expenditures: \$473.5 million)

Description	2022 Actuals	2023 Approved Budget	2024 Proposed Budget	\$ Change Over 2023	% Change Over 2023
Operating Costs	927	980	979	(1)	(0.1)%
Labour Costs	12,589	15,491	16,168	676	4.4%
Reserve Contributions	147	191	143	(48)	(25.0)%
Debt Charges	-	-	-	-	-
Grant Payments	234,412	405,012	453,447	48,435	12.0%
Facility, IT, HR and other support costs	8,078	9,288	9,280	(8)	(0.1)%
Recoveries	(5,533)	(7,035)	(6,508)	527	(7.5)%
Total Expenditures	250,620	423,927	473,509	49,583	11.7%
Grants and Subsidies	(239,754)	(402,346)	(451,299)	(48,954)	12.2%
Supplementary Taxes	-	-	-	-	-
Fees and Services Charges	(346)	(395)	(407)	(12)	3.0%
Transfer from Development Charges	-	-	-	-	-
Contributions from Reserves	-	-	-	-	-
Total Revenues	(240,100)	(402,740)	(451,706)	(48,966)	12.2%
Total Net Expenditure	10,520	21,187	21,803	617	2.9%

Note: May not add up due rounding

2024 Operating Budget Pressures

\$'000	Total Expenditures	Total Revenue	Net Cost 2024 vs 2023	
2023 Revised Cost of Service	423,927	402,740	21,187	%
Cost of Living/ Inflation¹				
Labour & Goods and Services	629	-	629	
Base Subsidy/Recoveries²				
Leased Day Care Centres	12	12	-	
Cost Mitigation³				
Department realignment savings	(12)	-	(12)	
Base Budget Changes Subtotal	629	12	617	
Service Level Demand⁴				
Canada-Wide Early Learning and Child Care	60,614	60,614	-	
One-time transitional Funds	(8,784)	(8,784)	-	
Child Care and Early Years Workforce Funding	(2,876)	(2,876)	-	
Service Level Changes Subtotal	48,954	48,954	-	
Total 2024 Budget Change	49,583	48,966	617	
2024 Proposed Budget	473,509	451,706	21,803	2.9%

Note: May not add up due to rounding

Operating budget pressure notes:

Cost of Living/Inflation¹

- Cost of living increase in staffing costs.

Base Subsidy/Recoveries²

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

Cost Mitigation³

- Savings due to department realignment.

Service Level Demand⁴

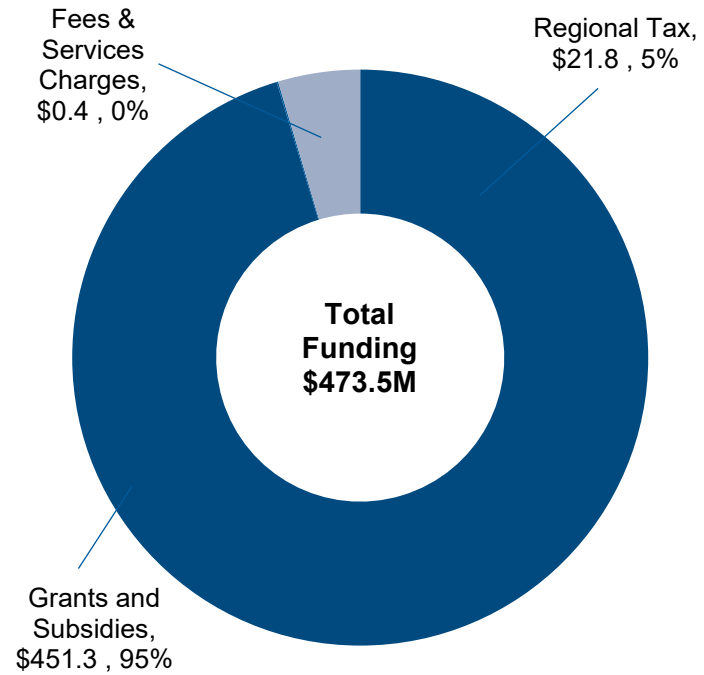
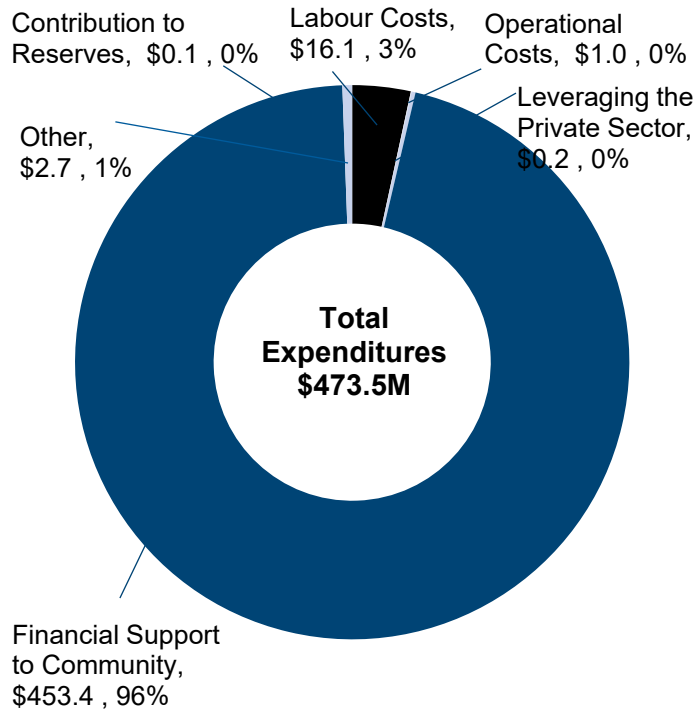
- Funding increase in Canada-Wide Early Learning and Child Care (CWELCC) to reduce fee subsidy by 52.75% and enhance wages for Early Childhood Educators (ECEs).
- The Ministry of Education provided one-time transitional funding during 2023 to help with the administrative funding reduction and extra cost for Covid-19.
- One-time Child Care and Early Year Workforce Federal funding reduction, the program completed in 2023 with net zero impact.

Staffing Resources to Achieve Level of Service

Sub Service	2023	2024	2025	2026	2027
Plan, Fund, Expand and Oversee Licensed Child Care	23.0	23.0	23.0	2.03	23.0
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	29.21	29.14	29.14	29.14	29.14
Partner with Child Care Providers to Ensure Quality Child Care Services	19.0	19.0	19.0	19.0	19.0
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	125.21	125.14	125.14	125.14	125.14

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

2024 Total Expenditures & Funding Source (In \$M)



2024 Budget Risks

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

2025 - 2027 Operating Forecast

	Budget			Forecast					
	2023	2024		2025		2026		2027	
	\$'000	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Total Expenditure	423,927	473,509	11.7%	535,185	13.0%	565,514	5.7%	577,529	2.1%
Total Revenue	(402,740)	(451,706)	12.2%	(512,842)	13.5%	(542,637)	5.8%	(554,103)	2.1%
Net Expenditure	21,187	21,803	2.9%	22,343	2.5%	22,877	2.4%	23,426	2.4%

Note: May not add up due to rounding

- The three years forecast only reflects inflationary changes. The increase in CWELCC to move child care fees towards an average of \$10-a-day has zero net impact. The program is 100% Federal funded.

Proposed Capital Budget

Capital Budget: \$0.3 million (Ten Year Plan: \$8.8 million)

2024 Capital Budget Overview

The following table provides a summary of Early Years and Child Care’s planned capital project activity for 2024, including funding sources for both new capital project requests in 2024 and projects carried forward to 2024.

Capital Plan By Funding Source	Carry-forward from Prior Years (WIP) (\$'000)	2024 Capital Budget (\$'000)	Total Capital in 2024 (\$'000)
DC Growth	-	-	-
Externally Funded	-	-	-
Non-DC Internal	1,281	338	1,619
Total Expenditures	1,281	338	1,619
# of Projects	1	1	2

Existing Capital Projects - \$1.3M

- \$1.3 million for Early Learning and Child Care for GovGrants, an enterprise technology system

2024 Capital Budget - \$0.3M

Key highlights:

- \$0.3 million for Child Care facilities capital projects (Brampton West, Chinguacousy, Collegesside, Ernest Majury and Streetsville)

See Appendix I for details.

2024 Budget Risks

- None

Operating Impact of 2024 Capital Budget

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

Proposed Capital Plan

2024 - 2033 10-Year Capital Plan - \$8.8M

By Project Classification:

State of Good Repair \$8.8M	DC Funded Growth \$-M	Non-DC Funded Growth & Other \$-M
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Key Highlights:

- \$8.8 million for Child Care facilities state of good repair capital projects

See Appendix II for details.

2024 Financing Sources and Funding Status (\$'000)

			2024				
<u>Project</u>	<u>Name</u>	<u>Description</u>	<i>Total Expense</i>	<i>Development Charges</i>	<i>Reserves & Reserve Funds</i>	<i>External Funding</i>	<i>Debt Funding</i>
240302	Renovations to Child Care Centre	Child Care Centre Renovations	338		338		
Early Years and Child Care			338		338		

2024 Ten Year Combined Capital Program (\$'000)

			<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Yrs 6-10</u>	<u>Gross</u>
<u>Project</u>	<u>Name</u>	<u>Description</u>							
240302	Renovations to Child Care Centre	Child Care Centre Renovations	338	1,976	1,005	1,021	820	3,662	8,821
Early Years and Child Care			338	1,976	1,005	1,021	820	3,662	8,821