SUBJECT: Continuation of Provincial Best Start Funding March 31, 2010 (CS09042(b)) (City Wide)

RECOMMENDATION:

That the moratorium on the City of Hamilton, entering into any amended or new service agreements for expanding or newly opened child care programs, be removed immediately.

Joe-Anne Priel
General Manager,
Community Services Department

EXECUTIVE SUMMARY:

Staff recently advised the Emergency & Community Services Committee of the potential loss of Provincial Best Start funding and the impact that would have on the City of Hamilton, children and families, early years service providers and the community as a whole, (Refer to Reports CS09042 and CS09042(a), Continuation of Provincial Best Start Funding March 31, 2010).

The purpose of Report CS09042(b) is to provide updated timely information regarding the:

a. continuation of Provincial Best Start funding beyond March 31, 2010; and,
b. impact of the recently released report of Dr. Charles Pascal, Special Advisor on Early Learning, has on this issue.
Staff have now received assurances from the MCYS that 100% Best Start funding will continue at the current level for Hamilton, until at least June 30, 2010.

Additionally, Dr. Pascal’s compelling recommendation in his report *With Our Best Future in Mind: Implementing Early Learning in Ontario* that the Best Start funding currently at risk be maintained either through federal or provincial funding, and the Premier’s endorsement of the report send strong signals that the Province is committed to ensuring stability across the system while implementation of full-day learning proceeds. It is highly probable therefore that funding will be secured by the Province between now and next June to replace the full $63.5 million at risk province-wide. Therefore, staff feel that it is premature at this time to identify other funding sources, and alternatively, will continue to monitor the situation and provide further information to the Emergency & Community Services Committee as it becomes available.

As a result of provincial funding being secured until June 2010, staff, as directed, have developed a plan with child care operators to ensure the continuation of the Early Learning (Preschool Universal) Program for the 2009/10 school year. Further, with the continuation of Best Start Funding beyond March 31, 2010 staff are recommending that the temporary moratorium that was placed on the City entering into any amended or new service agreements for expanding or newly opened child care programs (see Recommendation (f) of Report CS09042), be removed immediately.

**BACKGROUND:**

On June 3, 2009, staff advised the Emergency and Community Services Committee of the termination of $63.5 million (province-wide) Provincial Best Start funding, effective March 31, 2010, and made a number of recommendations related to the potential impact of the loss of this funding on Hamilton (refer to Reports CS09042 and CS09042(a), Continuation of Provincial Best Start Funding March 31, 2010). Reports CS09042 and CS09042(a) and the amended recommendations were approved by Council on June 10, 2009.

New information has subsequently been received from the Province and staff are now able to report back to Committee on two of the recommendations approved by Council on June 10, 2009. Report CS09042(b) specifically responds to the following directions provided to staff:

- That staff be directed to develop and implement a Transition Plan with respect to the ongoing provision of the Early Learning Program (Preschool Universal) no later than June 30, 2009, which includes the following: (i) the continuation of the Early Learning (Preschool Universal) program for the 2009/10 school year at a service level that is supported by the provision of 100% funding from the Province of Ontario, (ii) that staff be directed to investigate internal/external funding sources in an attempt to continue to provide the Best Start Program subsequent to March 2010, as promised by the Federal and Provincial governments. Thereby, allowing the Hamilton City Council in a manner
conducive to Hamilton City Council’s founding Term principle of being the “Best City to Raise a Child”, and report back to the Emergency & Community Services Committee as soon as possible.

- That the City of Hamilton place a moratorium on entering into any amended or new service agreements for expanding or newly opened child care programs, until such time as additional information regarding Hamilton’s Best Start funding is received.

**ANALYSIS/RATIONALE:**

**Provincial Investment of $18 Million One-Time Funding:**

In May 2009, Minister Deb Matthews corresponded with Mayor Eisenberger and other Mayors across the province to advise them that the Province’s commitment to early learning and child care remains ‘strong’ and that it was ‘stepping in’ to provide a one time investment of $18 million, province-wide in 2010, while it continues to work closely with the federal government to replace the $63.5 million lost as a result of the cancellation of the federal-provincial bi-lateral agreement on early learning and child care (refer to Report CS09042(a), Continuation of Provincial Best Start Funding March 31, 2010). The Minister indicated that this announcement would extend the funding that was scheduled to end March 31, 2010, until the end of June 2010. No details regarding what portion of the $18 million Hamilton would be receiving were available when the report was presented to the Emergency & Community Services Committee on June 3, 2009.

A representative of the Ministry of Children and Youth Services (MCYS) advised staff on June 16, 2009, that Hamilton should expect to receive the same level of Best Start funding for the period April 1, 2010 to June 30, 2010, as it did for the same period in 2009. This funding is intended to stabilize and sustain the child care system (including the Best Start Demonstration Sites’ Early Learning Program (Preschool Universal) and ensure the status quo of services through the upcoming school year (2009/10).

Confirmation by the MCYS of continuation of the current level of Best Start funding for Hamilton through to June 30, 2010, provides the necessary assurances to support the continuation of the Early Learning (Preschool Universal) program for the 2009/10 school year. As a result, staff have met with the child care operators who provide the program to advise them that the program will be supported for the upcoming school year. In turn, operators will be advising parents that the program will be available for their children beginning in September.

Since Best Start funding has been secured for the foreseeable future and child care fee subsidy spaces will not be reduced as a result, staff are recommending that the temporary moratorium that was placed on the City entering into any amended or new service agreements for expanding or newly opened child care programs be removed immediately.
Implementation of Full Day Learning for Four and Five Year Olds:

During the last election, the current provincial government committed to implement full day learning for four and five year olds, beginning in 2010. The Province believes this initiative will compliment and build on work already undertaken through Best Start and will improve children’s readiness for success in Grade-One and beyond, while freeing up important early learning resources.

Minister Matthew’s recent correspondence to city mayors announcing the $18 million province-wide one-time funding identified the need to provide stability in the child care system as the Province undertakes implementation of full-day learning for four and five year olds in September 2010.

Dr. Charles Pascal, Early Learning Special Advisor to the Premier, was engaged to develop a framework and implementation plan to advance this significant policy initiative. Dr. Pascal’s report was released on June 15, 2009. The report, *With Our Best Future in Mind: Implementing Early Learning in Ontario*, is supported by years of evidence based research provided by leading educators, health professionals, community roundtables, public servants and more than 1,000 parent submissions and discussions with families across Ontario. Hamilton and the Best Start community contributed to the report through focus groups and roundtable discussions with Dr. Pascal.

Staff will undertake further analysis of the report and discussion with provincial colleagues and others in order to prepare a comprehensive committee report in the fall outlining the impacts of Dr. Pascal’s report as they pertain specifically to the City of Hamilton and our community.

In advance of the full analysis of the report, there are a number of key messages and recommendations from Dr. Pascal’s report that relate to the continuation of funding of Best Start:

- While it was initially anticipated that the report would focus exclusively on full-day learning for four and five year olds, the scope has broadened considerably and includes a new framework for the planning, regulation, governance and delivery of a comprehensive early years system for families and children zero – 12 years of age.

- The report recommends the creation of an Early Learning Division in the Ministry of Education to lead and oversee this new Child and Family Service System – birth to 12 years of age.

- Municipal government is recognized in the report as “a leader among leaders” and viewed as being uniquely positioned to take on an enhanced (lead) role in early years system management of the community network of Best Start Child and Family Centres. The report recommends the transfer to municipal authorities funding for Best Start Child and Family Centres in a single envelope
that includes all existing transfers for programs/resources that will be consolidated under the Best Start and Family Centres, resources associated with regulation and oversight, plus all child care savings generated from the implementation of the Early Learning Program. This will result in bringing the various early childhood services (for children from birth up to age three), under a single system manager (municipalities). This direction is consistent with the Provincial-Municipal Fiscal and Service Delivery Review recommendations. The report further recommends that municipalities would maintain their current funding contribution levels.

- The report includes a recommendation that Best Start funding, currently at risk ($63.5 million Federal funding that is scheduled to end in early 2010), be maintained either through federal or provincial funding to ensure stability across the system while implementation of full-day learning proceeds.

Premier McGuinty has indicated his support of the report and is committed to investing $200 million in 2010/11 and $300 million in 2011/12 to launch full-day learning for four and five year olds. Dr. Pascal has recommended that implementation begin first in lower income neighborhoods. The Premier has indicated that this approach to implementation will help address the government’s anti-poverty strategy and give children a stronger start to their education.

**ALTERNATIVES FOR CONSIDERATION:**

None.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial:

The 2009 City of Hamilton Best Start budget is $14,785,600 (100% Provincial). The MCYS has recently confirmed that Best Start funding will continue at its current level until at least June 30, 2010. There is also a very strong indication at this time that the Province is committed to stabilizing the current child care system as it undertakes implementation of full-day learning for four and five year olds in September 2010.

Staffing:

There are no staffing implications associated with the recommendation of Report CS09042(b).
Legal:

There are no legal implications associated with the recommendation of Report CS09042(b).

POLICIES AFFECTING PROPOSAL:

Dr. Charles Pascal's report *With Our Best Future in Mind: Implementing Early Learning in Ontario* sets out a new, bold and far reaching policy framework for a child and family system that closes the gaps in the existing systems and provides a continuum of services for children from birth to age 12. This policy framework further builds on the Provincial vision and goals of the Best Start Initiative introduced in 2005.

RELEVANT CONSULTATION:

While preparing Report CS09042(b), staff have sought information from and consulted with the Regional office of the MCYS, and from City of Hamilton, Corporate Services Department, Budgets & Finance Division, Finance & Administration Section.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No

A high-quality early learning and child care system contributes to the healthy development of children and partially ameliorates the negative effects of poverty. Children entering Grade-One are ready to learn and are much more likely to succeed.

Environmental Well-Being is enhanced. ☐ Yes ☑ No

Economic Well-Being is enhanced. ☑ Yes ☐ No

Research has demonstrated the positive long-term economic impact benefit of investment in children in the early years. Further, ongoing funding of the Best Start Initiative continues to protect staff salaries, prevents job loss and potential program closures.
Does the option you are recommending create value across all three bottom lines?  
☐ Yes  ☑ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants?  
☐ Yes  ☑ No