
2021 OPERATING BUDGET BRIEFING NOTE

Impacts of 2020 One-Time Funding and Updates to 2021 Service Measures and Capital Projects for Children's Services

Issue/Background:

- This briefing note responds to a request from Budget Committee (Motion 1) for the General Manager, Children's Services to prepare a briefing note on:
 - a) Provincial and Federal one-time funding that flowed to Children's Service in 2020 and the impact of these funds on any change to the year-over-year budget for the division;
 - b) the change in the number of child care subsidies, children with extra support needs served and children served in EarlyON Child and Family Centres between the 2020 approved budget and the proposed 2021 budget; and
 - c) the change in capital funding from the 2020 to proposed 2021 budgets for new child care centres.
- Children's Services' 2021 Budget Request reflects confirmed provincial and federal funding, and assumes a gradual resumption of services to pre-pandemic levels. The resurgence in the pandemic has required the closure of school-age child care programs beginning in January and reintroduced a new emergency child care program in Toronto. Prior to these closures, over 94% of Toronto's licensed child care centres had reopened, operating at approximately 57% enrolment compared to pre-COVID-19 levels
- On August 14, the Ministry of Education released details of the Safe Restart Funding for the child care and early years' sector, including approximately \$47.5 million of one-time funds allocated to the City of Toronto, to be used for additional personal protective equipment, enhanced cleaning, additional staff to meet health and safety requirements, and support for short-term vacancies
 - City Council approved an in-year increase to the Children's Services 2020 Operating Budget by \$47.5 million gross and \$0.0 net, funded from the City of Toronto's allocation of Safe Restart Funding for the Child Care and Early Years' Sector ([2020.CC24.2](#))
- Children's Services continues its partnerships with the provincial and federal governments, school boards, and the child care community to increase the number of licensed child care spaces through building new child care centres, expanding existing centres, and retrofitting other spaces for child care programs

Key Points:

- Despite the pandemic, the 2021 Budget Request preserves the number of available child care fee subsidies for families, and sets targets to serve approximately the same number of families and children through its Every Child Belongs programming and through EarlyON Child and Family Centres
- One-time Safe Restart Funding of \$47.5 million received in 2020 was specifically targeted for early years and child care operators and designed to help mitigate COVID-19 related financial pressures, while also allowing operators to make use of these funds until March 2021. These one-time funds were flowed to the sector at the end of 2020 to support the financial viability of operators
- While approximately \$3.1 million to support health and safety and PPE costs has been included in the Phase 2 Safe Restart provincial request, there has been no commitment to 2021 funding to date
- Children's Services' 2021 Budget Request includes the impacts of the ending of this one-time funding, contributing to a \$47.5 million decrease in gross expenditures and revenues from the 2020 Approved Operating Budget
- A key component of Children's Services' response to the pandemic was to leverage its ongoing investments in service delivery transformation to reduce administrative burden, improve customer experience, and to respond to demand for enhanced online services from families and operators
- Children's Services has continued to support initiatives that enable families to access virtual services through online channels, including:
 - Delivery of caseworker services including eligibility assessments, placements and system navigation through My Child Care Account
 - Assisting children with extra support needs by delivering Every Child Belongs' services through virtual consultations
 - Virtual and telephone-based programming to support families' basic needs through EarlyON organizations
- Table 1 below summarizes the year-over-year impact to key service measures

Table 1: Impacts to Service Measures

Description	2020 Approved Budget	2021 Budget Request	Percent Change
Number of Child Care Fee Subsidies	30,700	30,700	0
Number of Children with Extra Support Needs Served	4,200	4,300	2.4
Number of Children Served at EarlyON Child and Family Centres	97,500	97,500	0

- To date, the pandemic has not significantly impacted ongoing expansion through the development of new child care spaces. Children's Services' 2021-2030 Capital Budget and

Plan Request includes funding for 16 new child care centres, adding more than 1,000 spaces over the next three years

- The 2021 Capital Budget Request of \$11.983 million for new child care centres reflects a decrease of \$4.249 million from 2020 Approved cash flows of \$16.232 million, driven primarily by a capacity to spend review and the completion of two projects
 - As Children's Services relies primarily on third party partners to deliver projects, cash flow requirements are developed in consultation with these partners, and reflect current cost estimates

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