

TO: Child Care Operators without a Purchase of Service Agreement with CMSMs/DSSABs

FROM: Shannon Fuller
Assistant Deputy Minister
Early Years and Child Care Division

DATE: June 11, 2020

SUBJECT: Child Care Sector Funding – Reopening Plan

Thank you again for your continued partnership during this unprecedented, and evolving time. The health and safety of Ontario's children and families is our mutual priority.

We know that the COVID-19 outbreak is having significant impacts on families and on the child care sector. Further to the memo sent on June 9 with operational guidance, I am happy to provide you with the details of the funding support available for Ontario's child care reopening plan. This support will be in place during the reopening period until the end of August.

The objective of the funding support is to build upon the principles set out in the closure period, and to support the child care sector financially as it transitions to reopening and serving families.

Funding Guidance for Reopening Child Care

The government has announced that, starting June 12, child care centres are able to reopen throughout the province to support parents returning to work. Centres are required to follow strict operational requirements to support the health and safety of children, families and staff. The operational guidance document can be accessed at the following link:

<http://www.edu.gov.on.ca/childcare/child-care-re-opening-operational-guidance.pdf>

The funding parameters for the reopening period can be summarized by the following points:

- Available federal supports in Canada's COVID-19 Economic Response Plan must continue to be maximized

- Funding will be provided to assist with reduced capacity in child care centres that reopen and increased personal protective equipment (PPE) and cleaning costs (over and above regular cleaning costs prior to COVID-19)
- Funding continues to be provided following the sustainability plan principles (i.e. funding parameters during the closure period) for child care centres that remain closed in the reopening phase to support eligible fixed overhead costs

Provincial funding to support reopening child care will be contingent on operators not increasing parent fees. Operators will need to maintain parent fees at a pre-closure level (i.e. in March 2020) until the end of August. As part of the application process, operators must attest that parent fees will not be higher than the fees charged prior to the closure period in order to receive provincial funding to support reopening child care.

For licenced child care centres that reopen, provincial funding will be provided to support required PPE and enhanced cleaning costs in child care centres (over and above regular cleaning costs prior to COVID-19). After operators have maximized federal supports, operators can apply for provincial funding to assist with fixed overhead costs that are not covered due to reduced capacity (i.e. reduced parent fee revenue).

For licenced child care centres that remain closed, operators can continue to receive funding for eligible fixed overhead costs based on the approved closure period application form.

Similar to the closure period, the province will continue to directly fund child care operators who do not have a purchase of service agreement with a CMSM/DSSAB. Not having a purchase of service agreement is defined as not having a purchase of service agreement for general operating and/or fee subsidy funding with a CMSM/DSSAB.

Closure Period Funding - Update

We thank those who have inquired about and submitted their application forms to the Ministry for funding during the closure period. Information about the closure period funding, including how to apply, continues to be available at the following website: <http://www.edu.gov.on.ca/childcare/childCareSupport.html>

Funding applications for the closure period need to be submitted to the Ministry by June 30, 2020.

Canada Emergency Commercial Rent Assistance (CECRA) Update

On May 11, the government announced that provincial funding will be provided by the Ministry of Education for eligible child care operators who benefit from the CECRA to

pay the tenant portion (25%) of rent as outlined in CECRA.

We have heard from you that many landlords were not eligible or did not apply for the CECRA, and as a result, these operators are still struggling with rent costs. I am pleased to let you know that provincial funding will now be provided for child care operators whose landlords were not eligible for the CECRA program during the closure period. Operators whose landlords are not eligible for CECRA can receive 75% of their rent for the closure period from the Province. For operators with landlords that are unwilling to apply for CECRA, the ministry will fund the 25% tenant portion of rent for the closure period.

These supports are being provided in conjunction with the recent change to temporarily suspend commercial tenancy evictions by landlords that have small business tenants that would be eligible for rent support through the *Canada Emergency Commercial Rent Assistance (CECRA)* program.

Ontario Child Care Tax Credit

In 2019, the government introduced the Ontario child care tax credit, which is a support available to parents to assist with parent fees. Eligible families can claim up to 75% of their eligible child care expenses, including services provided by child care centres, homes and camps.

For more information, please visit the child care tax credit website:

<https://www.ontario.ca/page/ontario-child-care-tax-credit>

Next Steps

Further details and instructions on the application process for the reopening period until the end of August, will be provided as it becomes available at the following website:

<http://www.edu.gov.on.ca/childcare/childCareSupport.html>

Funding applications for the reopening period will need to be submitted to the Ministry by July 31, 2020.

In closing, the Ministry is committed to working closely with all of its partners during the reopening phase to ensure a safe and healthy environment for families and centre staff.

Thank you,
Shannon Fuller