

2012: B3

MEMORANDUM TO: Directors of Education

FROM: Gabriel F. Sekaly
Assistant Deputy Minister
Business and Finance Division

Jim Grieve
Assistant Deputy Minister Early Learning Division

DATE: February 24, 2012

SUBJECT: Interim Policy Regarding Capital Funding to Replace
Child Care Spaces in Replacement Schools

We are writing today to inform you of a new Ministry interim policy to fund the replacement of child care spaces for children aged 0 to 3.8 years old located in schools that are scheduled to close or to be rebuilt.

Policy for Child Care Spaces

The Ministry of Education and school boards fund new schools and additions/major retrofits to replace schools in poor condition or to support the consolidation of two or more schools. The Ministry recognizes that in some cases, the schools scheduled to close or to be rebuilt contain existing licensed 0 to 3.8 years of age child care spaces. The Ministry is willing to fund the capital costs associated with replacing these child care spaces at replacement schools that meet the eligibility requirements outlined below.

Eligibility Requirements:

The Ministry will fund the replacement of child care space in schools, under the following conditions:

1. The existing child care spaces are within a school that the school board has decided to close and the students are being accommodated at a new school or a school

undergoing an addition/major retrofit with funding from the Ministry of Education and/or school board funds.

2. The school board must not have started capital construction or obtained Approval to Proceed from the Ministry for the replacement school or addition/major retrofit, prior to the date of this memo.
3. The child care spaces to be replaced are licensed, as of today, for 0 to 3.8 years of age.
4. There is support that the existing child care spaces being replaced are associated with a child care operator that is viable to provide services for the 0 to 3.8 age group.
5. The child care operator identified to operate a child care program in the new facility must be a not-for-profit corporation or municipality. However, if the school board had a written agreement with a for-profit child care operator to operate a child care program in the space that is being replaced, that operator can be considered for the new space. This written agreement must have been in place at the time this memo was issued.
6. The Ministry capital funding is only for the replacement of existing licensed child care spaces for children ages 0 to 3.8 years.
7. The replacement space will be built in accordance with the *Day Nurseries Act* licensing requirements.

This capital funding will not be provided to replace junior kindergarten, senior kindergarten or school-age child care spaces as the Ministry will not fund exclusive space for before and after school child care programs. Also, with the implementation of full-day kindergarten, there is no need for dedicated child care space for children of this age because it can be provided in shared space in regular school rooms (i.e., kindergarten rooms) for before and after school care.

This interim policy does not include capital funding for child care spaces in new schools or additions/major retrofits that do not meet the eligibility requirements outlined above, including new schools or additions/major retrofits resulting from growth (i.e., new or expanded schools planned for growth areas).

Criteria for Business Case

For the Ministry of Education to consider child care capital funding in a replacement school, the school board and Consolidated Municipal Services Manager (CMSM)/District Social Services Administration Board (DSSAB) must collaboratively address the following:

Viability

- The applicable child care space in the replacement school is required to meet existing demand and, considering child population, if not replaced would result in service gaps in the community/neighbourhood .
- The child care operator must be eligible to enter into an agreement with the CMSM/DSSAB for subsidies and special needs resourcing.
- The child care operator under consideration must demonstrate that it is financially viable.

Strong partnership between the school board and the CMSM/OSSAB

- The replacement of the applicable child care space is aligned with the local child care system planning.
- The CMSM/DSSAB has approved the proposal to replace the applicable child care space and has been consulted by the school board to determine the number of child care spaces required for existing licensed child care spaces being offered for 0 to 3.8 years of age and not growth.

Partnership with a child care operator

- School boards must ensure that a child care operator is committed to providing the child care program in the replacement school.

Affirmation on Letter:

Before school boards undertake required capital construction and Approval to Proceed from the Ministry of Education for replacement schools including eligible replacement child care space for 0 to 3.8 age groupings, the Ministry will require confirmation of the eligibility requirements and business case criteria through an affirmation letter (see Appendix A) signed by both the

Manager of Children's Services of their CMSM/DSSAB and the Director of Education. The affirmation letter confirms that the child care program meets the eligibility requirements and business case criteria listed above, and identifies the child care spaces required (note the Ministry capital funding is only for existing licensed spaces offered for 0 to 3.8 year olds and not growth) and capital needs.

The Ministry of Education may request supporting documentation following a review of the affirmation letter.

How Child Care Capital Funding Will be Calculated

Child care rooms in replacement schools will be funded using the current elementary school construction benchmarks, including the site-specific geographic adjustment factor (GAF). For calculation purposes, the number of child care rooms will be based on a loading factor

of 26 pupil places and the number of existing licensed 0 to 3.8 years of age child care spaces.

Funding Formula or Child Care Spaces in Replacement Schools	=	No. of child care rooms (number of existing licensed child care spaces for ages 0 to 3.8 divided by 26 pupil places)	X	26 Pupil Places	X	Elementary Construction Cost Benchmark	X	Average Elementary Area Benchmark	X	Site Specific GAF
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For this interim policy, the space benchmark used to calculate the child care capital funding will be same as the space benchmark used to calculate the funding for the school construction project. In the case of a child care space funded as part of a new school, the space benchmark would be based on the total number of pupil places being created in the new school, not including child care spaces being replaced. In the case of a child care being added as part of a school addition, the space benchmark would be based on the total number of pupil places, not including replacement child care spaces.

School boards that qualify for the child care capital funding through this interim policy will be allocated funding under the Capital Priority Grant program to construct the child care space in accordance with the *Day Nurseries Act* requirements. Regional licensing staff from the Ministry's Child Care Quality Assurance and Licensing Branch can assist school boards with respect to the licensing requirements for child care space in replacement schools (see Appendix C for contact information).

Capital Approval Process

School facility capital projects that include replacement child care spaces will be required to go through the regular capital approval process before the project can be tendered (see Appendix B of Memorandum SB:15, dated May 11, 2011, for the latest update on the capital approval process). One difference with the approval process for these projects is related to the facility space template.

School boards are required to submit a facility space template as part of the Ministry's pre-design approval of a project to ensure the total area of the project is at or below the funded space. For projects with Ministry funded child care space, the total area of the space funded for child care purposes will be added to the area of the project funded under the Capital Priority Grant program approval. The total area of the project (school space plus child care space) must not exceed the total Ministry funded space for the project. As always, even if a school board is within the funded space, the school board will still be required to construct the project within the overall funding allocated for the project.

It should also be noted that the child care space will be unloaded space for the purposes of the facility space template.

Information on Leases for Child Care Centres in Replacement Schools

Where a child care centre has been funded through this interim policy, the physical space will be owned by the school board and leased to the child care operator or CMSM/DSSAB. School boards are expected to recover their heating, lighting, cleaning, and repair costs directly from child care operators and/or CMSMs/DSSABs as per the school board's usual leasing process. School boards are not permitted to absorb additional school board facility costs (e.g., custodial, heat, and lighting) and renewal costs (e.g., windows) through Ministry funding, such as the School Facility Operations or Renewal Grant.

Ministry Contacts

The Ministry of Education will continue to work with school boards, CMSMs/DSSABs, and child care operators to consider options regarding the best use of space in schools.

If you have any question regarding the child care replacement eligibility requirements and business case criteria, please contact Rupert Gordon, Director of the Early Learning Policy and Program Branch, at 416-314-8241 or Rupert.Gordon@ontario.ca.

If you have any questions regarding the capital funding, please contact Fiona Menzies, Director (A) of the Capital Policy Branch, at 416-212-4444 or Fiona.Menzies@ontario.ca.

Original Signed By

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Early Learning Division

Appendices:

Appendix A: Template -Affirmation Letter for Child Care Space in Replacement School(s)

Appendix B: List of Ministry of Education Regional Officers

Appendix C: List of Ministry of Education Regional Child Care Licensing Staff

cc: Superintendents of Business
Consolidated Municipal Service Managers
District Social Services Administration Boards