

Ministry of Education

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Ministère de l'Éducation

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2020:B25

Date: December 16, 2020

Memorandum to: Directors of Education
District School Authorities

Children's Service Leads, Consolidated Municipal Service
Managers (CMSMs) and District Social Services Administration
Boards (DSSABs)

From: Didem Proulx
Assistant Deputy Minister
Capital and Business Support Division

Phil Graham
Assistant Deputy Minister
Early Years and Child Care Division

Subject: **Request for Early Years Capital Program (EYCP) Funding**

We are writing to announce details of the 2020-21 Early Years Capital Program (EYCP). This program supports the government's child care plan, which focuses on making child care more affordable, creating more choice and availability for families, reducing red tape and administrative burden, improving quality, and delivering high standards of care. As part of this plan, Ontario has committed to creating up to 10,000 new child care spaces in schools over five years.

This memo provides details, eligibility criteria, and submission requirements for the EYCP that focus on school-based 'child care centre only' projects that are not part of a larger school capital project (also referred to as 'stand-alone' child care projects).

The EYCP will serve as the primary means for capital funding requests associated with school-based child care centre capital projects not associated with a larger school capital project that address school boards' and CMSMs'/DSSABs' child care capital needs. School boards and

CMSMs/DSSABs are invited to submit requests for capital funding to support capital costs associated with child care centre additions and/or renovation projects in schools.

Highlights/Summary Points

- CMSMs/DSSABs will need to confirm that the proposed new child care space will not result in an operating pressure.
- School boards may submit up to **five** child care centre capital funding projects to the Ministry of Education for consideration.
- School boards should submit their most urgent child care capital projects for consideration.
- It is optional for school boards and CMSMs/DSSABs to provide a priority ranking for each child care capital funding request being submitted for consideration.
- The construction of child care centre rooms is funded using the current elementary school construction benchmarks (for both elementary and secondary schools), including the site-specific geographic adjustment factor (GAF).
- When submitting a request for child care capital funding, school boards should consider the cost effectiveness of the project, including the facility condition of the school, the long-term viability of the school, location, topography, and any other extraordinary circumstances that may impact the cost of construction such as room displacement, site, and/or municipal costs.
- Child care capital projects that are estimated to meet ministry benchmark will be considered a higher priority. Projects where initial cost estimates exceed ministry benchmark for child care construction will be considered on a case-by-case basis.
- School boards and CMSMs/DSSABs are required to provide the ministry with a floor plan approval letter issued by the Ministry of Education's Child Care Quality Assurance and Licensing Branch as part of their Approval to Proceed (ATP) request. (See Appendix A for the Capital Approval Process Chart.)
- Child care centre requests for capital funding must be signed by both the school board and the CMSM/DSSAB and submitted to EYCU@ontario.ca, with e-copies to their school board's Early Years Advisor/Early Years Education Officer and Capital Analyst.
- School boards and CMSMs/DSSABs are encouraged to consider regional system-wide planning across coterminous school boards and multi-CMSM/DSSAB areas, where appropriate, to ensure operational viability, and prioritization.
- All approved child care capital funding will be reduced by any remaining Schools-First Child Care Capital Retrofit Policy (SFCCCRP) funding as of the issuance of this

memorandum as Schools-First capital funds should be fully expended prior to additional child care capital funding being provided.

- The submission deadline for all EYCP capital funding requests is **January 29, 2021**.

Project Submissions

The ministry will be accepting capital funding requests for school-based ‘child care centre only’ projects not associated with a larger school project.

School boards, in conjunction with their CMSMs/DSSABs, have an opportunity to request capital funding for school-based child care centre capital projects. (See Appendix B for details on child care capital project submission requirements.)

School boards and CMSMs/DSSABs are required to complete an *Early Years Joint Submission - Capital Funding for Child Care* template to request EYCP funding. Requests for capital funding must be signed by both the school board and the CMSM/DSSAB and submitted to EYCU@ontario.ca, with e-copies to school board’s Early Years Advisor/Early Years Education Officer and Capital Analyst.

School boards are required to submit their completed Early Years Joint Submission template by **January 29, 2021**. The ministry will not accept Early Years Joint Submission templates after this date.

Communications Protocol Requirements for Public Communications and Events

All public announcements regarding capital investments in child care centres are joint communications opportunities for the provincial government and organizations involved in the projects. (See Appendix C for the communications protocol related to these opportunities.)

Ministry Contacts

Child Care Capital

If you have any child care centre capital funding project questions, or require additional information, please contact the Capital Analyst or Early Years Advisor/Early Years Education Officer assigned to your school board or Jeff O’Grady, Manager, Capital Policy Branch at 416-325-2027 or at Jeff.OGrady@ontario.ca.

Communications Protocol

Should you have any questions related to this communications protocol, please send your questions via email to MinistryofEducation@ontario.ca.

Note: This communications protocol does not replace school boards' existing partnership with the Ministry of Education's regional offices. Regional offices should still be regarded as school boards' primary point of contact for events and should be given updates in accordance to existing processes.

We look forward to working with you to identify and develop your future child care capital projects.

Original signed by

Didem Proulx
Assistant Deputy Minister
Capital and Business Support Division

Original signed by

Phil Graham
Assistant Deputy Minister
Early Years and Child Care Division

Appendices:

Appendix A: Capital Approval Process Chart

Appendix B: Child Care Capital Projects Submission Requirements

Appendix C: Communications Protocol Requirements for Public Communications and Events

Appendix D: Joint Submission – Capital Funding for Child Care template

Appendix E: Supplemental Project Information Form

- c. Senior Business Officials
 - Superintendents and Managers of Facilities
 - Early Years Leads
 - CAOs of CMSMs
 - CAOs of DSSABs
 - Dr. Parm Bhatthal, Director, Field Services Branch, Ministry of Education

Appendix A: Capital Approval Process Chart

Capital Construction Approval Process Updated Spring 2019		New Schools*		All Additions* (incl. Early Years)		All Major Retrofits* (incl. Early Years)		Small Early Years* (Child Care, EarlyON)
		Repeat Design	New Design	>50% or >\$3.0M	<50% and <\$3.0M	>50% or >\$3.0M	<50% and <\$3.0M	Individual Projects <\$250K
Pre-Design	Facility Space Template	Complete template with most recent adaptation (<5 years)	Board to submit template before hiring architect	Board to submit template before hiring architect	Not Required	Board to submit template before hiring architect	Not Required	Not Required
	Project Manager	Board to appoint a Project Manager (either internal staff or external resource). Board to notify Ministry of name and contact info.						
	Ministry Approval	Ministry must approve scope of project based upon submitted Space Template	Ministry must approve scope of project based upon submitted Space Template	Ministry must approve scope of project based upon submitted Space Template	Not Required	Ministry must approve scope of project based upon submitted Space Template	Not Required	Not Required
	GOAL	Board to retain an architect.						
Pre-Tender	Independent Cost Consultant Report	Board to submit final cost of recent adaptation (<5 years)	Board to submit an Independent Cost Consultant Report before issuing tender	Board to submit an Independent Cost Consultant Report before issuing tender	Not Required	Board to submit an Independent Cost Consultant Report before issuing tender	Not Required	Not Required
	Approval to Proceed (ATP) Request	Board's senior business official to submit the ATP Request Form confirming total estimated project costs does not exceed board's identified funding, including a floor plan approval letter for the child care component.						Not Required
	Capital Analysis & Planning Tool (CAPT)	Board to confirm that data entered in the CAPT for the requested project is in line with the data provided through the ATP Request Form.						Not Required
	Ministry Approval	Ministry's approval required before proceeding to tender. Approval based on identification of sufficient funding.						Not Required
	GOAL	Board to proceed to tender.						
Post-Tender	Tender exceeds approved funding	Board to either identify additional funding available or make design changes to reduce the project cost. In either case, the board must demonstrate to the Ministry that sufficient funding is available to complete the project.						
	Tender meets approved funding	Board to accept tender bid. Important to ensure all project costs are identified and considered.						
Notes:	<ul style="list-style-type: none"> Ministry approvals are not required for retrofits that are 100% funded through School Condition Improvement and Early Years Funding less than \$250K. Consultant to review the design, provide costing analysis and advice, and report on options to ensure cost containment. To be based on drawings that are at least 80% complete. 50% determined by the following: (Estimated project cost / Latest construction benchmark value of the existing OTG (pre-construction) of the facility). If a child care component is included as part of the project, a floor plan approval letter issued by the Child Care Quality Assurance and Licensing Branch of the Ministry of Education must be submitted as part of the ATP request. 							
Definitions:	Addition: Expansion of the gross floor area of a facility, including child care and child and family program rooms. Major Retrofit: Major structural renovation or reconstruction of the existing building envelop, including child care and child and family program rooms. It does not include expansion of the existing gross floor area. Any project that does expand the gross floor area, but is funded with Ministry funds or >\$1M in Accumulated Surplus is treated as a Major Retrofit.							

Appendix B: Child Care Capital Project Submission Requirements

Child Care Eligibility

The ministry will consider funding child care centre capital projects in schools where there is a need for new child care construction and/or renovations to existing child care spaces for children 0 to 3.8 years of age. School boards will need to have the support of the corresponding Consolidated Municipal Service Manager/District Social Services Administration Board (CMSM/DSSAB) regarding the eligibility and viability requirements to build or renovate child care rooms in the identified school.

When selecting a school for child care centre capital, school boards and CMSMs/DSSABs should consider available operating funding, cost effectiveness of the capital project, school capacity, location, long-term viability, age groups, accommodation pressures/service gaps, demand, local child care plan, etc. prior to signing the Early Years Joint Submission.

When considering long-term school viability, school board planners and CMSMs/DSSABs must consider at least the next five years and use population projections as well as other local data to inform submission decisions including an assessment of:

- Cost effectiveness of the project, including anticipated additional site, construction, labour/material or municipal costs associated with the project.
- Whether the school has existing child care centre space.
- The average daily enrollment and the on-the-ground capacity of the school.
- Current utilization rates, and historical/forward trend analysis.
- Whether the board expects the proposed school to be part of a request for pupil accommodation funding within the next three years (such schools should wait and apply for Child Care Capital funding through the Capital Priorities program)
- School board capacity to support cost overages and implementation.

Joint Planning and Local Prioritization of Child Care Capital Projects

The ministry expects school boards and CMSMs/DSSABs to work together to identify the need for dedicated child care space to support children ages 0 to 3.8 years in schools.

School boards and CMSMs/DSSABs are not required to separately provide a priority ranking for each child care capital funding request being submitted for consideration. However, if the school board chooses to provide a priority ranking, they should rank against its other child care capital projects on the Early Years Joint Submission.

If the CMSM/DSSAB chooses to prioritize the child care capital projects they are being asked to sign-off on, they have the two choices for priority ranking:

- 1) By all school boards (e.g., if the English public school board, the English Catholic school board, and the French Catholic school board all request CMSM/DSSAB approval on their Early Years Joint Submission, the CMSM/DSSAB may prioritize them all together).

This option will require active communication between CMSMs/DSSABs and coterminous school boards to prioritize child care capital projects being submitted by all school boards in the service area of the CMSM/DSSAB.

- 2) By individual school board.

Ministry Prioritization of Eligible Child Care Capital Projects

The ministry will continue to use the following factors to prioritize child care capital projects under this policy should the number of eligible submissions surpass available funding:

- cost effectiveness and school viability
- age groupings (programs serving infants are a priority);
- child care replacement due to school closure/accommodation review;
- accommodation pressures/service gaps; and
- equitable geographic disbursement of new child care spaces.

Child Care Operational and Accountability Requirements

Approved new construction of child care rooms must meet the following operational and accountability requirements:

- The child care centre rooms are viable within existing CMSM/DSSAB operating funding.
- The physical space will be owned by the school board and leased to the child care operator or CMSM/DSSAB. School boards are not to charge operators beyond a cost-recovery level.
- School boards should operate on a cost-recovery basis and recover their accommodation costs (e.g., rent, heating, lighting, cleaning, maintenance, and repair costs) directly from child care operators and/or CMSMs/DSSABs as per the school board's usual leasing process. School boards should not 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. School boards are not expected to take on additional costs to support facility partnerships, although school boards will continue to use their discretion in supporting partnerships based on their student achievement strategy.

- School boards are required to follow the capital construction approval process for the new construction and/or renovations of child care centre rooms as per the ministry's Capital Accountability Requirements.
- School boards will require an Approval to Proceed (ATP) before the child care capital project can be tendered.
- School boards, CMSMs/DSSABs and/or child care operators should contact their child care licensing representative as soon as possible as all child care centre capital projects require a floor plan approval letter issued by the Ministry of Education's Child Care Quality Assurance and Licensing Branch prior to receiving an ATP or starting construction. In order to streamline the floor plan approval process, school boards, CMSMs/DSSABs and/or child care operators should note to their child care licensing representative if the child care floor plan has been used in the past (i.e., a repeat child care floor plan design) or if the child care floor plan will be used for multiple child care sites in the near future.
- Child care centre space will not count as loaded space.
- School boards will be held accountable for implementing appropriate measures to ensure that the cost and scope of approved child care centre capital projects are within the approved project funding.
- Rooms must be built in accordance with the *Child Care and Early Years Act, 2014* (CCEYA).
- It is expected that all new child care centre rooms funded under this policy will be built to accommodate a maximum group size (at 2.8m² per child, as per the CCEYA) for each age grouping for children 0 to 3.8 years (e.g., 10 infant spaces, 15 toddler spaces, 24 preschool spaces, and 15 family age grouping spaces), and that child care centre rooms will be for exclusive use during the core school day. Although unobstructed space requirements are per child, infant, toddler and family age group sizes require additional space for separate sleep areas, change area, etc. these should be considered when developing child care floor plans. Consideration should also include the long-term use of the room, including the ability to convert to serve other child care age groups in future.
- It is important that school boards and CMSMs/DSSABs are taking into consideration licensed child care operator viability, and flexibility where appropriate, when determining appropriate mix of age groupings. Programs created will support continuity of services for children and families in order to accommodate children as they age out of programs. For example, if a toddler room is included in the child care capital project proposal a preschool room should also be available, unless a family age grouping room is in place.
- For the purpose of this policy, an eligible child care operator:

- has a purchase of service agreement with the CMSM/DSSAB; or
- is a licensed child care centre that is eligible to receive fee subsidy payments from the CMSM/DSSAB.
- Capital funding for a child care centre cannot be used to address other school board capital needs. Funding will not be provided for school-age child care spaces (except spaces within a family age grouping room) as the ministry will not fund exclusive space for before and after school child care programs.

Child Care Capital Funding Calculation and Eligible Expenses

The construction of child care centre rooms is funded using the current elementary school construction benchmarks (for both elementary and secondary schools under this policy), including the site-specific geographic adjustment factor (GAF).

For this policy, the loading factor used to calculate the capital funding will be 26 pupil places per room regardless of age groupings (e.g., infant, toddler, preschool, and family age grouping rooms will all be funded based on 26 pupil places per room). This approach allows school boards to build child care rooms, and ancillary spaces (kitchens, washrooms, storage) at maximum group size and allows flexibility to address potential changes under the CCEYA.

This funding formula will apply to all new construction of child care, including the replacement of existing child care due to school closure or accommodation review:

$$\begin{array}{r}
 \text{Capital Funding for} \\
 \text{New Construction of} \\
 \text{Child Care Rooms}
 \end{array}
 =
 \begin{array}{r}
 26 \\
 \text{Pupil} \\
 \text{Places}
 \end{array}
 \times
 \begin{array}{r}
 \text{Elementary} \\
 \text{Construction} \\
 \text{Cost} \\
 \text{Benchmark}
 \end{array}
 \times
 \begin{array}{r}
 \text{Elementary} \\
 \text{Area Benchmark}
 \end{array}
 \times
 \begin{array}{r}
 \text{Site} \\
 \text{Specific} \\
 \text{GAF}
 \end{array}$$

Note: The capital funding for renovation projects for child care will be a maximum of 50 percent of the capital funding for new construction projects.

Eligible expenses include:

- first-time equipping; and
- expenses incurred to meet CCEYA and Ontario Building Code standards, which qualify under the Tangible Capital Assets Guideline (TCA), revised April 2020.

The recommended cost benchmark provides for indoor mechanical, air conditioning throughout, and efficient energy management systems, including sustainable facility environmental features.

Child care capital funding benchmarks do not include costs to acquire land or for exceptional circumstances and additional fees (e.g., site restrictions, municipal site costs) sometimes

incurred by school boards for child care projects. Anticipated costs of this nature should be noted when a project proposal is submitted.

The cost per area identified reflects both construction costs and soft costs including architectural fees and disbursements, other professional fees, application fees, and furniture and equipment.

Note that the normal range of school site expenditures are included in the cost per area. These would typically include final grading, back-filling, landscaping, parking and curbs, hard and soft play areas, and on-site services.

Renovations

The ministry recognizes the complexity of requirements associated with creating licensed child care spaces in schools through renovations and major retrofits.

Renovations and major retrofits often present challenges due to the variation in school board infrastructure. The ministry recommends that:

- School boards, CMSMs/DSSABs, and early years service providers are encouraged to work together to ensure the suitability of a site for a school-based child care renovation.
- School site selection and decision-making for renovations should be a collaborative, inclusive process.
- Consideration should be given to the existing school site configuration, including drop-off and pick-up areas, and existing outdoor play areas.
- School boards and CMSMs/DSSABs should work together to find the most economically viable school site that meets community child care needs.

Application Process – Early Years Joint Submission

The Early Years Joint Submission includes project details and confirms that the child care centre program meets all eligibility and viability requirements.

In order to be considered for funding for the construction of new or renovated child care centre rooms, school boards must work with their CMSM/DSSAB to submit a jointly signed Early Years Joint Submission. School boards must submit an Early Years Joint Submission signed by both the CMSM/DSSAB Manager of Child Care and Early Years System, the school board Early Years Lead, Capital Lead, and Director of Education.

Child care centre requests for capital funding must be signed by both the school board and the CMSM/DSSAB and submitted to the ministry's EYCU@ontario.ca account, with e-copies to their school board's Early Years Advisor/Early Years Education Officer and Capital Analyst.

Early Years Joint Submissions must be received by the ministry by **January 29, 2021**.

As part of your submission, the ministry requires school boards and CMSM/DSSABs to complete a supplemental information form that provides project details for each child care centre request (Appendix E).