

Your worship, members of council. I am here today to request approval to re-open Wildflowers Childcare, both our early learning and Out of School Care programs on June 1.

Wildflowers Childcare programs closed their doors suddenly on March 15 as a result of the COVID-19 pandemic. All fees paid by families between March 16 and 31 were refunded at both programs and regular business costs have continued to accumulate. During the first week of shutdown, 10 casual staff, and 4 full time staff were laid off and one staff began long term leave. Of the remaining 17 staff, 4 were self-isolating and 2 were working in other departments. The rest of the staff were working at the centre to finish up documentation required for our ELCC grant, performing cleaning and minor maintenance, and working to support families in the community. After agreements were made with the union the remaining staff were laid off mid-April. The loss of revenue, together with accumulating costs has led to Child care services expending most of its forecasted municipal contribution for 2020.

While the municipally-operated system offers high quality childcare, it also poses challenges around affordability for residents. For the past three years, residents and the Municipality have been shielded from this reality as a result of the Early Learning and Child Care (ELCC) grant from the province. This grant has supported families in the early learning program by allowing us to offer \$25/day childcare. However, the ELCC grant is coming to an end June 30.

Myself and the childcare administrative assistant are the only staff still employed in Childcare Services. Wages for both our positions from April to June can be paid through our ELCC grant as per our contract with the Alberta Government. This amounts to a small portion of the \$194,000 we received to continue the ELCC grant for the 3 months. The remaining grant money can be used to offset parent fees for June and cover re-opening costs for that month. **We will not fully expend the entire ELCC grant before it expires.** After that for July and the remainder of the year, families will be expected to pay the full registration fee for child care. Following months of unemployment, many families will have less capacity than ever to pay high childcare fees.

Quality childcare is critical to workforce participation throughout Alberta, which is why for the past month, I have been meeting with fellow Child care directors in our region to plan for a successful relaunch of our child care programs. We have listened in on many town halls with the Minister of Children's Services, attended meetings with our regional licensing officer and worked with those centres open as

essential service sites to gain insight on what to expect when we re-open. I have discussed the new rules and regulations for the relaunch with our local health inspector and we have worked together to make sure Wildflowers Childcare meets the new requirements. She will formally inspect the program before we re-open as well. The new safety regulations will ensure that child care programs are set up to mitigate the risk of COVID-19 and these regulations are being updated regularly to adapt to the ever-changing situation. Not only do the new measures bring changes in the way we typically would run our programs, the new regulations will also escalate the cost of providing childcare. The largest cost will be for the increase in staffing levels while reducing the number of children allowed in each program. Additional cleaning requirements and physical distancing measures will require at least two educators for each cohort of eight children. Typically, we would only require 1 educator for a group of 8 children in early learning, and 1 educator for a group of 10 at OOSC.

Now, on to the financial piece....

Two weeks ago, Council voted to reduce the Childcare Services operating budget by \$14,475, which comes after a \$27,000 provincial funding decrease announced in January of 2020. The decrease in provincial funding is the benefit contribution grant previously given to childcare programs to offset the cost of government statutory payroll deductions. Before the recent cut two weeks ago, Wildflowers Childcare programs were already forced to increase their fees due to the provincial funding cuts that came before the pandemic.

In order to reopen, Wildflowers Childcare programs will need additional financial support. With the current limit in occupancy, daily required screening, additional cleaning procedures and restrictions on staff & children per cohort, the programs cannot open with a reasonable cost recovery. Administration anticipates Wildflowers Childcare programs (daycare and out of school care) will need an estimated \$103,000 to re-open safely and operate under the new regulations. (\$88,258.65 in addition to the \$14,475 removed from the operating budget on May 5)

There are many unknown factors in the coming months that will affect the economic viability of Childcare Services, making it impossible to know the exact costs associated with opening the programs. The numbers we have presented give a best guess scenario on current provincial regulations and required expenses.

Provincial directives on staff to children ratios could change without notice, which could decrease or increase operating costs. In addition, provincial or federal grants may become available, which would reduce the municipal funding required

Unless Council directs a significant increase in user fees to cover operating costs, we do not see the possibility of reopening Childcare Services without additional financial support from the municipality. Wildflowers Childcare already had high fees before we received the ELCC Grant 3 years ago, now we run the risk of families in our community not being able to afford childcare. If no safe, appropriate and affordable care for their children is available, parents may not be able to re-enter the workforce, which will negatively impact our community's economic relaunch. Now may not be the appropriate time to be looking at reasonable cost recovery as a benchmark of success.

Thank you for your time and attention today, as noted in the request in front of you, if we are planning to re-open for June 1 we would require waiver of notice and decision at today's meeting. If Council provides notice today and makes a decision next week, we will likely re-open one week later on June 8.

I appreciate being able to bring forward this request for our Wildflower families and happy to answer any questions you may have.