

Consolidated Clause in Policy and Finance Committee Report 9, which was considered by City Council on October 26, 27, 28 and 31, 2005.

21**Approval of the Best Start Service and Transition Plan as Amendments to the 2005-2009 Toronto Child Care Service Plan**

City Council on October 26, 27, 28 and 31, 2005, amended this Clause by adding the following:

“That:

- (1) Council adopt the following staff recommendations contained in the Recommendations Section of the supplementary report (October 19, 2005) from the General Manager, Children’s Services Division, subject to amending Appendix 1, entitled ‘The Best Start Transition Infrastructure Plan’, by:*
 - (a) including St. Jude’s Catholic School in Appendix ‘D’, entitled ‘Best Start Phase 1 Proposed Capital Projects - Approved’; and*
 - (b) including St. Conrad’s School in Appendix ‘E’, entitled ‘Best Start Phase 2 Proposed Capital Projects’, subject to the Toronto District Catholic School Board requesting it:*

‘It is recommended that:

- (1) the proposed Best Start Transition Infrastructure Plan attached as Appendix 1 [as amended] be approved as a companion document to the Best Start Service and Transition Plan and forwarded to the Ministry of Children and Youth Services;*
- (2) subject to provincial approval of the Best Start Transition Infrastructure Plan, the General Manager, Children’s Services Division be delegated authority to execute agreements on behalf of the City with the Toronto District School Board, the Toronto Catholic District School Board, the Conseil Scolaire de District Du Centre-Sud-Ouest and the Conseil Scolaire de District Catholique Centre Sud to fund the construction and or renovation costs associated with Phase 1 child care expansion sites named in Appendix 1, in an amount determined in accordance with provincial infrastructure guidelines which amount shall not exceed an average cost of \$10,000.00 per child care space and provided that the total Best Start Funds payable under all four agreements shall not exceed \$89.08 million, such agreements to be on terms*

- and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor;*
- (3) the agreements noted in Recommendation 2 provide funding for Phase 2 child care sites listed in Appendix 1 of up to \$10,000.00 per site to support feasibility and design costs;*
 - (4) the agreements with the Toronto District School Board and Toronto Catholic District School Board include funds previously approved by Council for capital project development funding;*
 - (5) the General Manager, Children's Services Division provide status reports twice annually detailing the status of construction and/or renovation of new licensed child care spaces;*
 - (6) \$18.5125 million from the 2005 Children's Services Capital Budget be transferred to the 2005 Children's Services Operating budget;*
 - (7) in order to maximize the value of capital funding under Best Start, the City advocate with the Province to extend the deadlines for spending Best Start capital beyond March 31, 2006;*
 - (8) the General Manager, Children's Services Division report on strategies to address the occupancy costs for child care centres in schools;*
 - (9) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.';*
- (2) the proposed Best Start Transition Infrastructure Plan be further shaped by the learnings of the Toronto First Duty project to ensure that early learning and care environments are well integrated and seamless, take full advantage of opportunities to share space and resources, and enhance program quality and parent participation through the development of an integrated education program and curriculum that would be planned and delivered by an early childhood teaching team, which would include teachers, Early Childhood Educators (ECE), and parenting workers;*
 - (3) the Toronto Best Start Network contain representation from the Toronto First Duty research and development team;*
 - (4) top priority be given to integrating new Best Start spaces with existing school spaces to facilitate early childhood program integration and maximize capital resources;*

- (5) *the General Manager, Children's Services be requested to report to the Community Services Committee, in February 2006, on:*
- (i) *how the Best Start initiative can best incorporate First Duty program directions; and*
 - (ii) *the form by which the City will remain involved with the First Duty prototype at Bruce School, which is funded until 2008 through the Atkinson Charitable Foundation; and*
- (6) *the General Manager, Children's Services Division be requested to meet with Rabbi Joseph Saltzman of the Canadian Jewish Russian Community, as soon as possible, to determine if the City can assist that community in benefiting from the Best Start program."*

This Clause, as amended, was adopted by City Council.

Council also considered additional material, which is noted at the end of this Clause.

The Policy and Finance Committee recommends that Council adopt the recommendations of the Community Services Committee contained in the communication (October 11, 2005) from the Community Services Committee, subject to amending Recommendation (8) by deleting the words "the General Manager of Children Services" and inserting the words "the Chair of the Mayor's Roundtable on Children, Youth and Education" so that Recommendation (8) shall now read as follows:

"(8) the Chair of the Mayor's Roundtable on Children, Youth and Education write to the Premier of Ontario giving notice that child care spaces in Toronto may have to be reduced by approximately 700 spaces per year as of 2006 due to there not being an inflationary increase in provincial funding for the current child care services and requesting that the Premier respond to the City in regard to this ongoing funding crisis, and that a copy of this letter be sent to the leaders of both Opposition Parties;"

The Policy and Finance Committee submits the communication (October 11, 2005) from the Community Services Committee:

Recommendations:

The Community Services Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (September 26, 2005) from the General Manager, Children's Services, subject to adding the following new Recommendations (8), (9) and (10) and renumbering the existing Recommendation (8) to (11):

- “(8) the General Manager of Children’s Services write to the Premier of Ontario giving notice that child care spaces in Toronto may have to be reduced by approximately 700 spaces per year as of 2006 due to there not being an inflationary increase in provincial funding for the current child care services and requesting that the Premier respond to the City in regard to this ongoing funding crisis, and that a copy of this letter be sent to the leaders of both Opposition Parties;
- (9) that the First Duty Project, Best Start and the Best Generation Yet be integrated into the 2006/2007 Children’s Service Plan and that this integrated plan be submitted to the Community Services Committee mid-year in 2006; and
- (10) that the representatives of the First Duty Steering Committee be included in the Best Start planning team;”

so that the Recommendations now read as follows:

- (1) the recommendations contained in the Best Start Transition and Service Plan, attached as Appendix 1, be approved as amendments to the 2005-2009 Child Care Service Plan and forwarded to the Ministry of Children and Youth Services;
- (2) the equity principles of the 2005-2009 Child Care Service and the provincial Best Start “Schools First” policy guide the development of the Child Care Infrastructure Plan for 2005 to 2008.
- (3) in order to meet the provincial deadline of October 31, 2005, for submission of the Best Start Transition Infrastructure Plan the General Manager of Children’s Services report directly to Council with the proposed plan;
- (4) the Best Start Infrastructure Transition Plan maximize capital funding available to the City and ensure that the City meets provincially set infrastructure targets;
- (5) subject to securing provincial approval, retroactive to January 1, 2005, base rate adjustments be made to eligible licensed child care programs, family resource programs, special needs resourcing services and home child care provider rates in accordance with City budget guidelines and in a manner that maximizes available provincial and municipal funding;
- (6) an additional 30.0 FTE positions, fully funded by the province, be approved to support the requirements of Best Start;
- (7) the City continue to advocate to the province for funding flexibility to address ongoing inflationary costs;
- (8) the General Manager of Children’s Services write to the Premier of Ontario giving notice that child care spaces in Toronto may have to be reduced by approximately 700 spaces per year as of 2006 due to there not being an inflationary increase in provincial funding

for the current child care services and requesting that the Premier respond to the City in regard to this ongoing funding crisis, and that a copy of this letter be sent to the leaders of both Opposition Parties;

- (9) that the First Duty Project, Best Start and the Best Generation Yet be integrated into the 2006/2007 Children's Service Plan and that this integrated plan be submitted to the Community Services Committee mid-year in 2006;
- (10) that the representatives of the First Duty Steering Committee be included in the Best Start planning team; and
- (11) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Action taken by the Committee:

The Community Services Committee requested the General Manager, Children's Services, to:

- (i) include in her report to City Council on October 26, 2005, how municipally-operated programs and school-based operating costs will be accommodated within the Best Start Infrastructure Plan; and
- (ii) submit a report to the July 2006, meeting of the Community Services Committee on how many children that were in the Best Start program in 2006 may not have child care spaces in 2007 due to there being no additional funding for children over the age of five.

Background:

The Community Services Committee on October 11, 2005, considered a report (September 26, 2005) from the General Manager, Children's Services, seeking approval of the Best Start Child Care Service and Transition Plan for Toronto as amendments to the 2005-2009 Toronto Child Care Service Plan.

Recommendations:

It is recommended that:

- (1) the recommendations contained in the Best Start Transition and Service Plan, attached as Appendix 1, be approved as amendments to the 2005-2009 Child Care Service Plan and forwarded to the Ministry of Children and Youth Services;
- (2) the equity principles of the 2005-2009 Child Care Service and the provincial Best Start "Schools First" policy guide the development of the Child Care Infrastructure Plan for 2005 to 2008.

- (3) in order to meet the provincial deadline of October 31, 2005, for submission of the Best Start Transition Infrastructure Plan the General Manager of Children's Services report directly to Council with the proposed plan;
- (4) the Best Start Infrastructure Transition Plan maximize capital funding available to the City and ensure that the City meets provincially set infrastructure targets;
- (5) subject to securing provincial approval, retroactive to January 1, 2005, base rate adjustments be made to eligible licensed child care programs, family resource programs, special needs resourcing services and home child care provider rates in accordance with City budget guidelines and in a manner that maximizes available provincial and municipal funding;
- (6) an additional 30.0 FTE positions, fully funded by the province, be approved to support the requirements of Best Start;
- (7) the City continue to advocate to the province for funding flexibility to address ongoing inflationary costs; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Councillor Janet Davis, Beaches-East York, addressed the Community Services Committee.

(Report dated September 26, 2005, addressed to the
Community Services Committee from the
General Manager, Children's Services)

Purpose:

This report seeks approval of the Best Start Child Care Service and Transition Plan for Toronto as amendments to the 2005-2009 Toronto Child Care Service Plan.

Financial Implications and Impact Statement:

Council has approved additional operating expenditures of \$25.405 million for 2005 fully funded by the Province of Ontario under the Best Start allocations to the City of Toronto. The 2006 Operating Budget Submission will include \$56.86 million for 2006 fully funded from the Province of Ontario. An addition of 30.0 FTE positions, of which 18 are permanent and 12 temporary, are requested to achieve the requirements of Best Start at a cost of \$0.4 million in 2005, (with annualized cost of \$2.6 million in 2006).

The Province has confirmed that there is no requirement for cost sharing of Best Start funding. There are no net increases to the City's Budget in future from adopting this report.

The Chief Financial Officer and Deputy City Manager has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the recommendations contained in the Best Start Transition and Service Plan, attached as Appendix 1, be approved as amendments to the 2005-2009 Child Care Service Plan and forwarded to the Ministry of Children and Youth Services;
- (2) the equity principles of the 2005-2009 Child Care Service and the provincial Best Start “Schools First” policy guide the development of the Child Care Infrastructure Plan for 2005 to 2008;
- (3) in order to meet the provincial deadline of October 31, 2005, for submission of the Best Start Transition Infrastructure Plan the General Manager of Children’s Services report directly to Council with the proposed plan;
- (4) the Best Start Infrastructure Transition Plan maximize capital funding available to the City and ensure that the City meets provincially set infrastructure targets;
- (5) subject to securing provincial approval, retroactive to January 1, 2005, base rate adjustments be made to eligible licensed child care programs, family resource programs, special needs resourcing services and home child care provider rates in accordance with City budget guidelines and in a manner that maximizes available provincial and municipal funding;
- (6) an additional 30.0 FTE positions, fully funded by the province, be approved to support the requirements of Best Start;
- (7) the City continue to advocate to the province for funding flexibility to address ongoing inflationary costs; and
- (8) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council at its meeting of May 17, 18, and 19, 2005, adopted the City of Toronto 2005-2009 Child Care Service Plan. The 2005-2009 Child Care Service Plan provides a comprehensive overview of child care service needs, gaps and issues facing the City’s child care system. The 2005-2009 Child Care Service Plan builds on the following principles established by Council:

- (1) equity of service access;
- (2) publicly planned and accountable service outcomes;
- (3) service options consistent with informed parental choice;
- (4) first come-first served admission to subsidized child care;

- (5) recognition that child care service provide developmentally appropriate and beneficial early childhood education and care for children as well as important family and community support; and
- (6) recognition that services for children and families should be planned and delivered in an integrated way that promotes seamless service transitions.

The plan sets four key directions summarized below:

- (1) improve quality of services;
- (2) develop a system of services for children;
- (3) improve access and equity of access; and
- (4) build public support for child care.

Community Services Committee on September 15, 2005, considered a report from the General Manager of Children's Services "Best Start Network, Terms of Reference and Allocations to the City of Toronto". The report outlined the City's funding allocations under Best Start and described the planning process related to the expenditures of Best Start capital and operating funding. Council directed that the 2005-2009 Child Care Service Plan be used to guide the planning and implementation of Best Start in Toronto. The Best Start Network formed under the Best Start initiative to provide advice in planning Best Start has also directed that Best Start planning in Toronto build on the 2005-2009 Toronto Child Care Service Plan.

Comments:

Under Best Start Implementation Planning Guidelines, the Province has directed that all municipalities submit by October 31, 2005, a child care service plan updated to include Best Start. In addition, municipalities are required to develop a Best Start Transition Plan to use existing vacant child care spaces to increase licensed spaces and child care subsidies, with a priority on children in Junior and Senior Kindergarten and a gradual expansion for children aged 0-4 years of age. As part of the Best Start Transition Plan, municipalities are to develop a Transitional Infrastructure Plan that identifies licensed child care space expansions to be completed by March 31, 2006, as well as longer term capital projects to begin by March 31, 2006. A three year Infrastructure plan for 2006-2008 is to be completed in consultation with the Best Start Network as part of the Full Implementation Plan due by December 31, 2005. All plans are subject to Ministry of Children and Youth Services approval.

The funding allocation to the City of Toronto under Best Start includes approximately 10 percent of operating funding for program management and administration. This funding has allowed the City to come into full cost sharing balance on administrative costs for child care and provides for the additional resources needed to address Best Start growth. Best Start funding over the next three years represents a 41 percent increase in the funding to child care services. In comparison, the addition of 30.0 FTE positions represents an increase of 12 percent to program management staffing. The targeted service growth associated with Best Start requires additional staff to support the growth and management of the program.

The Division has recently undergone a re-organization which provides a structural framework for the Division's growth to support Best Start and identified areas where additional resources should be directed. In addition, the Division has identified areas of risk and capacity through a Control Co-Assessment process done jointly with staff from the City's Internal Audit Division. The Division is currently reviewing the full future impact of Best Start on Divisional staffing levels but has identified immediate staffing requirements as outlined in the recommendations. Permanent positions to support the development of child care services, child care capital development, Best Start planning, accounts processing and information support have been identified. Some other activities are seen to be transitional in nature and the Division will address these requirements using temporary positions. Permanent positions have been identified for business activities that will be ongoing in nature. Best Start deliverables create immediate pressure on the Division's resources that this initial request for 30.0 FTE positions is intended to address. As additional growth occurs over the next three years and reform to business practices such as child care subsidy eligibility assessment continues, the Division will require additional adjustments to the staffing levels. All increases in staffing costs will be funded by provincial funding under Best Start and will have no impact on the City net budget.

Impact of Best Start on 2005-2009 Child Care Service Plan:

In accordance with the Best Start guidelines and previous Council direction, the City's Best Start Service and Transition Plan proposes the use of operating funds under Best Start to support growth of licensed child care spaces, greater access to child care fee subsidies and the maintenance of the existing child care system. The plan focuses on 2005 and 2006 with a more general outlook for 2007-2009. As noted previously, the plan is subject to approval from the Ministry of Children and Youth Services.

Operating funding from Best Start will provide for growth in the numbers of fee subsidy spaces for children 0-5 with a greater emphasis on fee subsidies for children attending Junior and Senior Kindergarten. The City's Child Care Service Plan directs new child care fee subsidy spaces to areas of the City that currently do not receive equitable access to fee subsidies. The Best Start Service and Transition Plan outlines the expected increases in fee subsidies from 2005-2008 and provides information on levels of access to child care subsidy by neighbourhoods within the City. Because the provincial intention to move to an income test will impact the level of funding available for fee subsidies, the province has not yet specified the City's child care fee subsidy target. However the plan assumes funding to support an increase of 5,885 fee subsidy spaces; equal to the targeted increase of licensed child care spaces. In order to maintain the existing service system and to support improved quality, the plan proposes funding an annual three percent increase to per diem rates beginning in 2006.

New Wage Subsidy Guidelines expected from the Ministry of Children and Youth Services are not yet available and as a result the Best Start Transition and Service Plan provides a limited description of wage subsidies and wage enhancement implementation. It is expected that funding will be distributed in accordance with the 2005-2009 Toronto Child Care Service Plan.

Additional funding to increase services for children with special needs is described in accordance with directions previously adopted through the Child Care Service Plan. In addition, the plan outlines both start-up funding to support the purchase of toys and equipment for new child care

spaces created through the Infrastructure Transition Plan, as well as ongoing health and safety funding, to improve physical environments of the existing child care service system.

Capital funding allocated to the City of Toronto under Best Start is intended to support the growth of licensed child care spaces. The Child Care Infrastructure Transition Plan will identify the school and city owned facilities where child care is to be developed over the next three years. The sites identified will be based on the provincial policy that schools are the first choice for the expansion of child care space and the 2005-2009 Child Care Service Plan. Work with school boards to identify proposed sites is currently under development and it is expected that the Infrastructure Transition Plan will be considered by Council as a companion document to the Best Start Service and Transition Plan.

Conclusions:

This report seeks approval for the Best Start Service and Transition Plan and outlines the use of Best Start operating funding to support new licensed child care spaces as well as funding directed to the current child care system. The impact of growth under Best Start on the approved staff positions in Children's Services Division is also outlined. Best Start represents a significant growth in the child care system and the proposed plan attempts to balance growth with continued investment in the current system. Approval of the plan by the Ministry of Children and Youth Services is required prior to implementation.

Contacts:

Petr Varmuza, Director, Operational Effectiveness, Children's Services
Tel: 416-392-8284, Email: varmuza@csd.toronto.ca

Pam Musson, Program Manager, Service Planning, Children's Services
Tel: 416-392-3593, Email: pmusson@csd.toronto.ca

List of Attachments:

Appendix 1 - The Best Start Service and Transition Plan.

(A copy of the Appendix 1 "The Best Start Service and Transition Plan"; referred to in the foregoing report was forwarded to all Members of Council with the Community Services Committee agenda of October 11, 2005, and a copy is on file in the City Clerk's Office, City Hall.)

City Council – October 26, 27, 28 and 31, 2005

Council also considered the following:

- *Report (October 19, 2005) from the General Manager, Children's Services Division [Communication 7(a)].*

Purpose:

This report seeks approval of the Best Start Transition Infrastructure Plan for the City of Toronto and requests authority to enter into agreements with the four school boards to fund construction of child care facilities identified in the Plan.

Financial Implications and Impact Statement:

Council has approved an adjustment to the 2005 Children's Services capital budget of \$20.5125 million, fully funded by the Province of Ontario under the Best Start allocations to the City of Toronto. Capital funding is provided to support the growth of licensed child care spaces. In accordance with the provincial schools first policy, most of the capital projects funded under Best Start will be managed by the school boards. The City will flow funds to the Boards for the completion of approved projects. The allocations for Best Start capital are as noted below:

<u><i>Calendar Year</i></u>	<u><i>2005</i></u>	<u><i>2006</i></u>	<u><i>2007</i></u>	<u><i>2008</i></u>	<u><i>Total</i></u>
	<i>(\$000's)</i>	<i>(\$000's)</i>	<i>(\$000's)</i>	<i>(\$000's)</i>	<i>(\$000's)</i>
<i>Best Start Capital</i>	20,512.5	22,912.5	35,125.0	10,530.0	89,080.0

As consistent with capital guidelines that only City-owned facilities are to be included in the capital budget, this report recommends that the Best Start capital program (for non-City owned sites) estimated at \$18.5125 million in 2005 be transferred to the 2005 Operating Budget for Children's Services. The remaining \$2.0 million for 2005 is earmarked for City-owned facilities and is to be included in the 2005 Children's Services Capital budget. There is no requirement for cost sharing of these funds.

The Chief Financial Officer and Deputy City Manager has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) *the proposed Best Start Transition Infrastructure Plan attached as Appendix 1 be approved as a companion document to the Best Start Service and Transition Plan and forwarded to the Ministry of Children and Youth Services;*
- (2) *subject to provincial approval of the Best Start Transition Infrastructure Plan, the General Manager of Children's Services be delegated authority to execute agreements on*

- behalf of the City with the Toronto District School Board, the Toronto Catholic District School Board, the Conseil Scolaire de District Du Centre-Sud-Ouest and the Conseil Scolaire de District Catholique Centre Sud to fund the construction and or renovation costs associated with Phase 1 child care expansion sites named in Appendix 1, in an amount determined in accordance with provincial infrastructure guidelines which amount shall not exceed an average cost of \$10,000 per child care space and provided that the total Best Start Funds payable under all four agreements shall not exceed \$89.08 million, such agreements to be on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor;*
- (3) *the agreements noted in recommendation 2 provide funding for Phase 2 child care sites listed in Appendix 1 of up to \$10,000 per site to support feasibility and design costs;*
 - (4) *the agreements with the Toronto District School Board and Toronto Catholic District School Board include funds previously approved by Council for capital project development funding;*
 - (5) *the General Manager of Children's Services provide status reports twice annually detailing the status of construction and/or renovation of new licensed child care spaces;*
 - (6) *\$18.5125 million from the 2005 Children's Services Capital Budget be transferred to the 2005 Children's Services Operating budget;*
 - (7) *in order to maximize the value of capital funding under Best Start, the City advocate with the Province to extend the deadlines for spending Best Start capital beyond March 31, 2006;*
 - (8) *the General Manager of Children's Services report on strategies to address the occupancy costs for child care centres in schools;*
 - (9) *the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.*

Background:

The provincial Best Start Strategy is a 10-year plan designed to give Ontario's children the best possible start in life and help them achieve success in school. Using federal funds for Early Learning and Child Care, Best Start will create 25,000 new child care spaces in the Province over the next three years. In Toronto 5,855 new licensed child care spaces will be created. At its meeting of September 28, 29, and 30, 2005 Council approved the Best Start Network, Terms of Reference and Allocation to the City of Toronto and granted authority to develop agreements between the City and the Toronto Catholic District School Board and Toronto District School Board to fund Best Start capital project development. Best Start funding to the City provides capital to expand child care spaces for Junior and Senior Kindergarten children as well as develop moderate growth in the overall child care system for children 0-4 years of age. Expansion is expected to occur through renovation of existing facilities as well as construction of new facilities. Guided by a provincial schools first policy for expansion of child care, most new

and expanded child care facilities will be created in schools. In addition, Council directed that the City's 2005-2009 Child Care Service Plan be used to guide the planning and implementation of Best Start in Toronto.

At its meeting of October 11, 2005, Community Services Committee, while considering the Best Start Service and Transition Plan, directed that the General Manager of Children's Services report to Council with the Best Start Transition Infrastructure Plan. As directed by Council and supported by the Best Start Network, the directions of the City's 2005-2009 Child Care Service Plan have guided the development of the Best Start Transition Infrastructure Plan. The Best Start Transition Infrastructure Plan will also be guided by directions from Council to:

- identify opportunities to expand child care in Toronto Community Housing Corporation facilities;*
- develop child care in city-owned or operated facilities;*
- determine the implications of federal funding on the Toronto Aboriginal community; and*
- identify how federal funding supports improved and equitable access to child care in new communities.*

Comments:

In accordance with the Best Start Implementation Planning Guidelines, municipalities are required to develop a number of plans to support the implementation of Best Start. The following plans are required by October 31, 2005: Best Start Transition Plan, Child Care Service Plans updated to include Best Start, and Best Start Transition Infrastructure Plan. A final Best Start Child Care Infrastructure Plan is required by December 31, 2005. The Best Start Service and Transition Plan as Amendments to the 2005-2009 Child Care Service Plan has been completed and submitted a companion to this report. This Plan outlines the use of Best Start operating funds to support the growth of licensed child care spaces, greater access to child care fee subsidies and the maintenance of the existing system.

Best Start Transition Infrastructure Plans are intended to identify projects that can be fully completed or begun by March 31, 2006 and the Best Start Child Care Infrastructure Plan identifies projects for 2006 and beyond. Because of limited timing for developing the two infrastructure plans, the Best Start Transition Infrastructure Plan has been developed to meet the requirements of both the Best Start Transition Infrastructure Plan and the Best Start Child Care Infrastructure Plan.

The Best Start Transition Infrastructure Plan is divided into two phases. Phase 1 details projects that will create new child care spaces by March 31, 2006. Phase 2 projects will begin planning immediately but will likely commence construction after March 31, 2006.

The Best Start Transition Infrastructure Plan identifies the locations for child care growth, the number of child care spaces to be created and provides estimates for construction and renovation costs. Although the City's allocation of funding for child care growth is significant, it is not sufficient to build new child care centres serving 5,855 children. The Best Start Transition Infrastructure plan is built on a combination of spaces created through renovation and new construction. In both phases, the City will develop additional child care options through targeted

expansion of home child care services. Because start up operating funding is available to support child care growth the City will target additional licensed child care growth where capital is not required.

The Best Start Transition Infrastructure Plan is based on the City's Child Care Service Plan principles of equity, the schools first policy, maximizes the use of available funding and City owned facilities. The Plan proposes that child care expansion occur in the area of the City where children do not currently have equitable access to service. In order to develop the list of proposed sites, school boards were invited to identify schools in underserved areas of the City with high levels of child poverty. The boards were asked to identify schools where existing classroom space could be converted as well as sites for new construction. Similarly the City reviewed opportunities to expand or create service in existing municipal owned sites. 241 sites were identified for review. 62 sites were deemed to suitable for Phase 1. Sites in Phase 1 must be completed by March 31, 2006. The 62 sites include 3 capital projects currently underway and the other sites involve renovation to vacant school space or expansion of existing child care programs. Phase 1 will create approximately 1,670 licensed child care spaces and cost \$19 million in infrastructure funding. Funding is available to complete all of the proposed projects in Phase 1.

Of the remaining sites, 57 were deemed to meet the criteria and were designated as Phase 2. Phase 2 projects require more significant design and construction and therefore can not be completed by March 31, 2006. The 57 sites identified in Phase 2 could create as many as 3,600 licensed child care spaces at an estimated cost of \$105 million. The remaining infrastructure funding is not sufficient to complete all 57 projects. Because the number of projects is greater than the funding available, the projects have been ranked to determine the order of the projects. Projects with the highest ranking are locations with the lowest level of access to child care and/or the highest level of child poverty. It is assumed that as more detailed review of sites and costing of projects is completed the specific numbers of projects able to be funded will be determined. If all the projects listed were all possible, there would be enough funding to support approximately 32 of the 57 sites. Some of the preliminary costs for projects in Phase 2 will be funded by March 31, 2006. Appendix 2 provides a summary of approved projects by Community Council area and source.

Although the funding for Best Start will not allow construction of all the sites identified, the City has employed other options to support child care development. Strategies such as loan guarantees and the amortization of renovation costs through per diem rates have been used in the past. In addition, the Ministry of Education had indicated that funding for child care will be available for new school construction. The Division will continue to work with the boards to secure funding strategies for all remaining projects.

Outstanding Issues

The City has been allocated \$89.080 million for 2005-2008 in capital funding under Best Start to support the expansion of 5,855 licensed child care spaces. According to the Ministry of Children and Youth Services, because the first year of federal funds are held in trust, any funds unspent by March 31, 2006 will be lost. The lack of flexibility to carry funding forward beyond March 31, 2006 will make it impossible for the City to meet its targeted service growth of 5,855 child care

spaces. As noted the current costs for projects in Phase 1 will not fully utilize the funding available by March 31, 2006. However, if these funds are unable to be carried forward it will not be possible to complete the projects identified in the Plan. The Division continues to press for flexibility in this regard.

Once built, the operating costs of the new child care programs will be funded through parent fees, fee and wage subsidies as outlined in the Best Start Service and Transition Plan. For child care centres in schools, however, occupancy costs have been funded by the City. Currently, 367 or 39 per cent of the child care centres in Toronto are located the City's four school board facilities. The City has agreements with all four boards that provide for the payment of the occupancy costs of associated with child care and family resource programs. The cost of these agreements is budgeted at \$5.7 million and is supported by 100 per cent municipal funding. The significant growth of child care in schools requires a review of the strategies for funding occupancy costs. The Division is currently discussing options with staff from the boards and this report recommends that the General Manager report back with strategies to address the issue.

Conclusions:

Best Start provides funding for a major expansion of child care in Toronto. This report submits for approval the Best Start Transition Infrastructure Plan which identifies locations for child care development over the period of 2005-2008. Most of the child care development will occur in schools and delegated authority is sought to allow the General Manager of Children's Services to enter into contracts with the school boards to complete the child care development. The report identifies that without funding flexibility the City will not be able to achieve its targeted growth.

Contact:

*Pam Roberts
District Director, Children's Services
Tel: 416-397-7361
Email: proberts@csd.toronto.ca*

*Petr Varmuza
Director, Operational Effectiveness
Children's Services
Tel: 416-392-8297
Email: varmuza@csd.toronto.ca*

List of Attachments:

*Appendix 1 - Best Start Transition Infrastructure Plan
Appendix 2 - Disposition of Capital Proposals*

Appendix 2 – Disposition of Capital Proposals

By Community Council

			PHASE		PHASE		
			1	2			
status	Community Council	sites	sites	sites	spaces	spaces	spaces
Accept	Etobicoke York	37	18	19	1,536	530	1,006
	North York	24	9	15	1,281	240	1,041
	Scarborough	33	19	14	1,457	515	942
	Toronto & East York	26	17	9	1,055	423	632
		<i>120</i>	<i>63</i>	<i>57</i>	<i>5,329</i>	<i>1,708</i>	<i>3,621</i>
Reject	Etobicoke York	40	4	36	1,792	65	1,727
	North York	24	3	21	690	60	630
	Scarborough	34	3	31	1,318	80	1,238
	Toronto & East York	23	2	21	786	30	756
		<i>121</i>	<i>12</i>	<i>109</i>	<i>4,586</i>	<i>235</i>	<i>4,351</i>
ALL		241	75	166	9,915	1,943	7,972

By Proponent

			PHASE		PHASE		
			1	2			
status	Proponent	sites	sites	sites	spaces	spaces	spaces
Accept	Toronto Catholic District School Board	60	43	17	2,430	1,211	1,219
	Toronto District School Board	32	11	21	1,870	293	1,577
	Various other	28	9	19	1,029	204	825
		<i>120</i>	<i>63</i>	<i>57</i>	<i>5,329</i>	<i>1,708</i>	<i>3,621</i>
Reject	Toronto Catholic District School Board	101	8	93	3,650	180	3,470
	Toronto District School Board	5	1	4	380	20	360
	Various other	15	3	12	556	35	521
		<i>121</i>	<i>12</i>	<i>109</i>	<i>4,586</i>	<i>235</i>	<i>4,351</i>
ALL		241	75	166	9,915	1,943	7,972