

Consolidated Clause in Community Services Committee Report 6, which was considered by City Council on July 19, 20, 21 and 26, 2005.

5**Status Report on Child Care Subsidy Spaces for 2005**

City Council on July 19, 20, 21 and 26, 2005, amended this Clause by adding the following:

“That Council adopt the following staff recommendations contained in the Recommendations Section of the supplementary report (July 18, 2005) from the General Manager, Children’s Services Division:

‘It is recommended that:

- (1) the Children’s Services Division be authorized to receive funds allocated to the City under the provincial Best Start Plan for 2005/2006;*
- (2) the General Manager report back to the September 2005 Community Services Committee and Policy and Finance Committee on the implementation of Best Start, including the specific allocation to the City, budget adjustments for 2005 and the impact on the future year budgets;*
- (3) authority be granted to the Children’s Services Division to increase fee subsidy spaces at no net costs to the City in accordance with the 2005-2009 Child Care Service Plan and the Best Start Guidelines; and*
- (4) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.’ ”*

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

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

The Community Services Committee recommends that:

- (1) City Council adopt the staff recommendations in the Recommendations Section of the report (June 14, 2005) from the General Manager, Children’s Services; and**
- (2) the Mayor, the Chair of the Community Services Committee and the City’s Children and Youth Advocate, and Councillor Raymond Cho, seek a meeting with the new Ontario Minister for Children and Youth Services to discuss the City’s Service Plan as related to the allocation of federal funding.**

Action taken by the Committee:

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

- (1) report to the Community Services Committee in October 2005 on ways to indicate the subsidy that is provided to what is currently called "full fee" childcare spaces, so in the future the users of these childcare spaces will be advised of the financial assistance the City is providing for "full fee" childcare spaces; and
- (2) report to the Community Services Committee on the outcomes of the various varieties of daycare delivery, e.g. private, public, high wage, low wage.

The Community Services Committee submits the report (June 14, 2005) from the General Manager, Children's Services.

Purpose:

This report provides an overview of the current level of child care fee subsidy spaces, identifies strategies to ensure that the City maximizes available provincial subsidy and outlines the impact on child care subsidy spaces in 2005.

Financial Implications and Impact Statement:

There are no direct financial implications to this report.

Recommendations:

It is recommended that:

- (1) the Division manage service levels within confirmed provincial funding approvals;
- (2) the General Manager report at the first opportunity on any funding announcement from the Province under Best Start; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of November 30, December 1 and 2, 2004, Council directed the former Commissioner of Community and Neighbourhood Services to include in the 2005 budget submission for the Children's Services Division an additional 1,000 child care spaces using the same funding commitment as was used in 2004; and that the Commissioner report in June 2005 on the status of these spaces.

In reports considered by Council at their meetings February 21, 22, 23, 24, 25, 28 and March 1, 2005 and April 12, 13, and 14, 2005, the Department outlined the implications of the 2005 federal budget announcements in support of Early Learning and Child Care, the provincial Best Start Strategy and possible funding implications for the City in 2005. These initiatives will create significant expansion in the child care system in Ontario. It is expected that in Toronto, up to 15,000 additional child care subsidy spaces will be created over the implementation period.

Comments:

Funding approved in the 2005 Children's Services budget provides for the provision of 24,745 child care fee subsidy spaces, of which 2,000 spaces were approved subject to confirmation of provincial cost sharing.

To support the approved number of subsidies, the City is expecting increased funding of \$7 million in 2005 from the federal-provincial Multilateral Framework Agreement on Early Learning and Child Care. Further to the Multilateral agreement, the governments of Canada and Ontario announced, in April 2005, that they had reached an agreement in principle called Moving Forward on Early Learning and Child Care. This bi-lateral agreement provides for an additional \$272 million in funding to Ontario in 2005/2006. Funding under this new agreement is subject to Parliament of Canada approval. The Province has indicated that it will use funding from this agreement to support its Best Start Plan, which will be implemented locally by municipalities. Although no specific funding allocations have been announced, it is estimated that the City could receive between \$49.9 and \$64.2 million in 2005. Funding is expected to be directed to major capital projects to increase child care service and increased fee subsidy spaces.

The Children's Services Division manages the number of children receiving fee subsidy spaces on an annual basis ensuring that the total expenditure does not exceed Council approved funding. Funding in 2005 was approved to support 22,745 fee subsidy spaces (calculated on an average cost per space) for 261 child care operating days a year. The number of children actually receiving fee subsidy varies throughout the year and is subject to seasonal impacts. Enrolment fluctuations and changes in the ages of children in care must be considered to ensure that the Division manages child care fee subsidy numbers within the approved budget. Because there is a significant turnover of children receiving fee subsidy between June and September and again from December to January each year, the normal pattern is to exceed the budgeted service levels in the remaining months.

On June 9, 2005, 23,536 children were receiving child care fee subsidies. The average number of child care fee subsidy spaces from January to June 2005 was 22,897. In the event that additional funding outlined above is not forthcoming, the Division will manage enrolments to future child care subsidies to ensure that fee subsidy expenditures are managed within the approved funding. Should the Province make announcements of additional fee subsidy over the summer months, the Division would continue admissions to child care fee subsidy up to the approved funding levels and in accordance with the Child Care Service Plan and provincial guidelines.

Conclusions:

This report outlines the current fee subsidy levels and describes strategies to ensure that fee subsidy expenditures are managed within approved budget. Future funding for child care fee subsidy from the federal and provincial governments and their impact on child care fee subsidy levels are identified.

Contact:

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

Jane Mercer, Toronto Coalition for Better Child Care, addressed the Community Services Committee.

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Council also considered the following:

- *Report (July 18, 2005) from the General Manager, Children's Services Division [Communication 23(a)].*

Subject: Supplementary Report: Status Report on Child Care Subsidy Spaces for 2005 and Funding under the Provincial Best Start Plan

Purpose:

This report seeks authority to receive funding allocated to the City of Toronto under the Provincial Best Start Plan and begin implementation of Best Start by increasing child care fee subsidy spaces.

Financial Implications and Impact Statement:

It is expected that funding allocations to municipalities for 2005/2006, 2006/2007 and 2007/2008 under Best Start will be announced by the end of July 2005. It is anticipated that the funding allocations will include both Capital and Operating monies for Best Start. The Province has indicated that cost sharing requirement in 2005/2006 will be waived.

The Children's Services 2005 Capital and Operating budgets were approved with funding from the 2003 Multilateral Agreement on Early Learning and Child Care. By the end of July 2005, the Province is expected to announce Best Start funding from the Bilateral Agreement, signed

between the Governments of Canada and Ontario in May 2005 on Early Learning and Child Care. The additional funding is not included in the 2005 approved operating or capital budgets. This report seeks authority to receive funds under Best Start previously reported to be in the range of \$49 to \$64 million in 2005. In addition, the report seeks authority to immediately increase fee subsidy spaces in accordance with the Best Start Guidelines, to be funded fully by the Province with no impact on the net budget. The detailed impacts of Best Start and related budget adjustments will be reported in September 2005.

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 Children's Services Division be authorized to receive funds allocated to the City under the provincial Best Start Plan for 2005/2006;*
- (2) the General Manager report back to the September 2005 Community Services Committee and Policy and Finance Committee on the implementation of Best Start, including the specific allocation to the City, budget adjustments for 2005 and the impact on the future year budgets;*
- (3) authority be granted to the Children's Services Division to increase fee subsidy spaces at no net costs to the City in accordance with the 2005-2009 Child Care Service Plan and the Best Start Guidelines; and*
- (4) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.*

Background:

At its June 29, 2005 the Community Services Committee considered a report which outlined the current level of child care fee subsidy spaces and the possible service level impact of increased funding expected under the provincial Best Start Plan. Without additional provincial funding, the Division would need to adjust service levels to ensure that expenditures remained within provincial funding approvals. The Committee directed that the General Manager report back on any funding announcements from the Province under Best Start.

At its meeting of April 12, 13 and 14, 2005, Council considered reports that outlined the Implementation Planning Guidelines for Best Start and estimated the impact of federal funding for the City. The Best Start Guidelines outline the key tasks associated with the first phase of Best Start and include a plan to increase child care and a longer-term plan to implement early learning and care hubs.

Comments:

It is expected that the Province will announce specific municipal funding allocations under Best Start by the end of July. The final Best Start Implementation Planning Guidelines are expected to be released at the same time as the funding announcements. While specific details will be outlined in the final Best Start Guidelines, it is expected that municipalities will be required to meet a number of critical deadlines. As a result of the very compressed timeframe, the Division is seeking approval to receive funding under Best Start in order to allow the City to meet the Best Start requirements. Although the Division will report back on the Best Start guidelines and the City's specific funding allocation in September, it is expected that the additional funding will come with increased fee subsidy spaces. Therefore, it is critical that children continue to be admitted into child care fee subsidy spaces in order to allow the City to meet the Best Start service targets.

Conclusions:

This report seeks authority to receive funding allocated to the City under the Provincial Best Start Plan and begin implementation by increasing fee subsidy spaces.

Contact:

*Brenda Patterson
General Manager, Children's Services
Tel: 416-392-8128
Fax: 416-397-4518
Email: patterso@csd.toronto.ca*