

# **TORONTO** STAFF REPORT

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April 11, 2005

To: Community Services Committee  
From: Commissioner of Community and Neighbourhood Services  
Subject: 2005-2009 Child Care Service Plan

Purpose:

This report seeks approval for the attached City of Toronto 2005-2009 Child Care Service Plan and provides a preliminary description of the impact of Best Start on the Plan.

Financial Implications and Impact Statement :

The 2005-2009 Child Care Service Plan guides expenditures within the Council approved 2005 Operating budget. Financial implications beyond 2005 will depend on funding allocations to the City under the Best Start Program, Council's approval of participation in the Program and future year budget approval processes.

The Chief Financial Officer and Treasurer have reviewed this report and concurs with the financial impact statement.

Recommendations :

It is recommended that:

- (1) the recommendations contained in the attached 2005-2009 Child Care Service Plan be approved, forwarded to the Ministry of Children and Youth Services and be incorporated into subsequent budget submissions for the Children's Services Division;
- (2) the 2005-2009 Child Care Service Plan principles and recommendations be used to guide the implementation of the Ontario Best Start program in Toronto;
- (3) the City continue to advocate for funding flexibility in the implementation of Best Start to support equitable access to early learning and child care, increased program funding to assure improved quality and ongoing viability of the existing child care system;
- (4) new child care funding be used to ensure equitable access to services for children with special needs by allocating increased funding for special needs resourcing over the term of this Service Plan from \$7.3 million to \$15 million by 2009;

- (5) any future year financial implications to the City beyond 2005 be reported to Community Services Committee, Budget Advisory Committee and Policy and Finance Committee and subject to future budget approval processes;
- (6) the City continue to advocate for inclusion of Ontario Early Years Centres within the overall child care system managed by the City of Toronto;
- (7) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council at its meeting of July 22, 23, and 24, 2003 directed that the next five year Service Plan be developed within the framework of the City's Children's Strategy and in keeping with the principles of equity, accountability and high quality service. In addition to this direction, the Community Services Committee, at its meeting of March 9, 2005, directed the General Manager of Children's Services to report to the next Community Services Committee on the implications of Best Start on the City's next Service Plan for Child Care.

Service planning for child care predates both the creation of the amalgamated City of Toronto and the provincial local services realignment. The approach to planning was first developed by the former Municipality of Metropolitan Toronto and implemented in 1993. Following amalgamation and provincial service realignment, municipalities were given service management responsibility for a broader range of child care services that besides the existing fee subsidy system also included family resource programs, special needs resourcing, and administration of wage subsidies and pay equity payments. In this role, they are called Consolidated Municipal Service Managers or CMSMs. Through the Ontario Child Care Service Management Guidelines the Province introduced the requirement for CMSMs to develop Service Plans in support of annual funding requests. The second Child Care Service Plan was approved by Council in 2001 and reflected the new provincial requirements, the City's additional responsibilities and the City's Children's Strategy.

While the 2001- 2003 Service Plan addressed the important issue of better integration of services for young children and families, achievement of its progressive goals and objectives was hampered by subsequent reductions in provincial funding of child care. By the end of 2003, over 1,800 child care subsidies were lost to the system. In addition cutbacks and constraints implemented by most child care operators led to loss of trained staff and difficulties in maintaining acceptable quality of service.

The proposed 2005-2009 Child Care Service Plan meets provincial requirements and follows Council's direction to develop a five year plan that provides a comprehensive overview of child care service needs, gaps and issues facing the City's child care system. The strategies that are presented in this report are consistent with the principles and policies approved by Council to guide the plan:

- Equity of service access
- Publicly planned and accountable service outcomes
- Service options consistent with informed parental choice
- First come – first served admission to subsidized child care

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

Although the initial plan was to cover the period of 2004-2008 the preparation of this Service Plan was delayed by the introduction of the Multilateral Framework on Early Learning and Child Care and the requirement to develop a Service Plan for funding under the Multilateral Framework on Early Learning and Child Care. This plan was approved by Council at its meeting of November 30, December 1 and 2, 2004. Funding under this plan was directed to stabilize the child care system by securing the level of child care fee subsidy spaces and the payment of actual costs to service providers. The Early Learning and Child Care Plan covers the period of 2004-2005 and the attached Child Care Service Plan covers the period of 2005-2009.

#### Comments:

#### The Service Planning Process

In addition to the policy framework adopted by Council, the development of the plan was guided by an extensive consultation process that included service providers, parents and outside experts. Recommendations identified through the service planning process and community consultation focus on four key directions and are summarized below:

1. Improve quality of services
2. Develop a system of services for children
3. Improve access and equity of access
4. Build public support of child care

Service planning does not stop with the approval of the Service Plan. There are several areas where significant developmental work and consultation remain:

- development of school age child care models that would allow for new services needed to accommodate children making transition from the child care programs for kindergarten children expanded through Best Start
- re-vitalizing the supervised home child care programs and ensuring access for children of all ages
- development and funding of flexible models of care

A key recommendation in the 2005-2009 Child Care Service Plan concerns the supports for children with special needs and requires immediate infusion of resources. Although Children's Services is implementing an earlier direction to provide consultative supports to all child care providers dealing with special needs children, the system is clearly not capable of meeting all the identified needs. Consequently, the Service Plan is recommending that beginning in 2006 specific allocations be made from the new funding to ensure that a full range of service supports are available in order that children with special needs are not denied equitable access to care.

## Child Care Service Plan and Ontario's Best Start Strategy

The Best Start Strategy is the way that the Province has chosen to spend the federal funds announced under the proposed National plan for Early Learning and Child Care (\$5 billion over 5 years) and represents a significant shift in Provincial policy. Best Start is based on a vision of improved access to high quality early learning and care programs that support parents in their role and help make the transition to school smooth, seamless and successful. The proposed implementation of the Best Start is projected over more than ten years and will be accomplished in phases. Phase 1, to be accomplished over the next four to five years, includes a major expansion of child care during non-school hours for children enrolled in Junior and Senior Kindergarten. Although the Province has not made specific announcements concerning the City's allocation of funds, the Minister of Children and Youth Services has indicated that municipalities will not be required to cost-share funding in the provincial 2005-2006 fiscal year.

In a report to Community Services on March 9, 2005 the Department outlined the possible funding to the City under the Federal government's \$5 billion commitment to Early Learning and Child Care. As noted above it is anticipated that funding would flow to the City under the Best Start Strategy. The most optimistic projections for 2009 would foresee the operating impact of Best Start (federal funding flowed through the province, municipal cost-sharing and user fees) to be approximately \$150 million annually. The additional funding would represent less than half of the current operating budget for the Children's Services Division (\$302 million) and would provide for an additional 15,000 child care fee subsidy spaces.

While new funding is significant, it will not meet Toronto's child care needs. The Department has estimated that to provide a universal system of child care services for children under the age of ten it would be necessary to almost triple the current licensed child care spaces to 135,000 spaces. A Quebec-style, universal, publicly funded child care program with a parental contribution of \$10 per day is estimated to cost at least \$1,034 million annually in operating funding.

Best Start, while providing municipalities with significant new funding for child care, represents both an emergent policy congruity in some areas between the City and the Province and a significant operating challenge. The City shares the Provincial vision of improved access to high quality early learning and care that builds on integration of services. The 2005-2009 Child Care Service Plan clearly articulates key recommendations to improve access to a system of high quality early learning and child care programs. Through the establishment of the First Duty pilot programs the City has demonstrated its commitment to integrated child care and early learning programs. Yet, while the City delivers child care services to children from age zero to 12 years old, Best Start's short term focus on just four and five year olds represents a significant challenge to the long term stability of the overall child care system.

Council addressed this issue at its April 12<sup>th</sup> meeting by considering a motion from the Community Services Committee that the Best Start Plan in Toronto must build on the Council approved Service Plan for Child Care and provide funding flexibility to:

- restore previously lost child care spaces
- recognize service needs of children 0-12 years
- recognize ongoing inflationary costs of existing services
- expand First Duty programs in the community

- improve quality of child care
- improve access to care for children with special needs and high needs communities

Without funding flexibility under Best Start, the expectation that additional investments in child care will be directed only to child care services for children attending junior and senior kindergarten will significantly impede the implementation of the City's 2005-2009 Service Plan for Child Care. The recommendations of this report propose that the implementation of Best Start respects the City's guiding principles for child care services as reflected in the 2005 – 2009 Child Care Service Plan and provides sufficient flexibility to maintain a stable, well funded system that meets the needs of all children.

Conclusions:

This report seeks approval for the attached 2005-2009 Child Care Service Plan and outlines the need for funding flexibility under the Best Start Strategy to support the implementation of the Child Care Service Plan.

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General Manager of Children's Services

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Commissioner of Community & Neighbourhood Services

List of Attachments:

2005-2009 Child Care Service Plan