

Achievements and Challenges

The 2010-2014 Toronto Child Care Service Plan builds on the progress made through the previous service plan. While there have been a number of achievements, there continue to be significant challenges facing the City's child care system in the next five years.

A. Developing a system of services for children

Best Start Strategy

In November 2004, the Ministry of Children and Youth Services (MCYS) announced the Best Start Strategy. This ten-year plan was designed to give Ontario's children the best start in life and to help them succeed in school by providing a comprehensive system of services to support them from birth to transition into school. The Best Start Strategy proposed a major expansion of the licensed child care system with more than 5,300 spaces (including 2,060 spaces for children 0 to 3.8 years old) to be funded through the 2003 Multilateral Framework on Early Learning and Child Care and the new 2005 Federal Early Learning and Child Care agreement.

The City's planned expansion of the licensed child care system under the Best Start Infrastructure Plan was severely curtailed when the National Child Care Plan was terminated effective 2007. In the end, only 3,400 new spaces were created with much of the growth occurring in programs serving preschool and kindergarten-age children. The second phase of the City's ambitious program to further expand licensed child care in areas of high child poverty and address the inadequate supply of facilities for children aged 0 to four had to be canceled.

Early Learning

In 2007, the provincial government commissioned a report to provide advice on how best to implement full day learning for children aged four and five and how to reinvest and redirect resources to build a comprehensive, continuous and integrated system for children and their families from birth through age 12. Dr. Charles Pascal, the Provincial advisor on early learning, released the report, *With Our Best Future in Mind—Implementing Early Learning in Ontario* in June 2009 (www.ontario.ca/en/initiatives/early_learning/ONT06_018865).

In September 2009, in response to Dr. Pascal's report, the Province announced a plan to implement full day learning for children aged four and five. The first phase of implementation begins in September 2010 and by 2015-2016 all children aged four and five will have access to full day learning with an extended day option available in some schools.

Children's Services presented a report to Toronto City Council on the provincial announcement on full day learning and received the full support of Council to work towards implementation of the full vision as articulated in the Pascal report. Toronto supports a fully integrated system of early learning and care for children aged 0 to 12 years.

As the experts in the field of child care and as a municipal leader, the City will continue to work with the Province and boards of education to address barriers to the successful implementation of early learning and to confirm the role of the municipality as a system manager with clear leadership and accountability lines.

To ensure seamless and equitable access, the City supports a single access subsidy system administered municipally. This is critical to the success of providing integrated, client-focused and streamlined services to families. Subsidies will continue to be available on a first-come, first-served basis with placement governed by the principles of age and geographic equity.

The new program is likely to generate higher labour force participation by parents, and therefore, more demand for child care subsidy as parents re-enter the workforce. To support the transformation of the system, additional fee subsidies will be needed to address the increased demand related to the extended day component of early learning and increased demand for school age subsidies as the four- and five-year-olds graduate to grade one.

Children's Services continues to work in partnership with the provincial government to transition the existing child care system to a new early learning and care system and to ensure the continuity of service levels and other priorities. The City recognizes that there will be systemic changes well beyond four- and five-year-olds. This will impact the City's priorities in community well-being and fighting child poverty.

Middle Childhood Strategy Framework

In 2009, Toronto City Council approved the Middle Childhood Strategy Framework. The framework examines the current service system and proposes a set of guiding principles and directions that provide the foundation for the development of a system of high quality programs for children aged six to 12. The strategy is grounded in a commitment to providing opportunities for all children to have equitable access to a full range of quality services and programs that align with City divisional service plans and provincial initiatives.

- In 2006–2007, Children's Services, in partnership with the Middle Childhood Matters Coalition conducted information gathering sessions which led to a better understanding of the needs of families of children aged six to 12 years.
- In 2006, the After-School Recreation Care program was launched in partnership with Toronto Parks, Forestry and Recreation.
- The Middle Childhood implementation strategy will respond to changes in the child care system for six- to 12-year-olds created by the introduction of the provincial early learning program.

B. Quality of care

The Toronto Operating Criteria is a tool used to evaluate quality and assess key elements that are essential for a high quality child care program. Several initiatives contributed to improvements in the quality of care as demonstrated by the results from the Operating Criteria visits:

1. Advancements have been made in the use of the Operating Criteria which was revised and updated in 2007. Training was provided to operators, and Consultants who conduct the assessments, to ensure that the tool is being used in a consistent and reliable manner across the city.
2. Criteria ratings are now available on the City's website for parents to consider when they choose a child care program and for parents to monitor ongoing quality once their child is enrolled.

3. A major research study was undertaken in 2008/2009 to validate that the Operating Criteria is a reliable measure of child care quality.
4. Criteria scores have improved continuously by 2.5 per cent between 2007-2009.
5. Through directed funding, wages for child care program staff increased beyond the rate of inflation between 2004 and 2008. This is particularly important as research shows a direct correlation between high quality child care and higher salaries. The median hourly wage increased by 15 per cent for early childhood educators and 19 per cent for child care assistant staff. In order to qualify for Wage Improvement Funding, child care providers were required to develop and maintain salary scales and ensure fair and equitable compensation within the workplace.
6. Payments of actual cost of service were maintained in each of the years enabling the operators to support the level and quality of service they budgeted.

Future improvements to quality of care are dependent on ensuring a stable system that is built on fair compensation, ongoing training and implementation of a common curriculum framework.

C. Ensuring access and equity

Equitable access to child care fee subsidy is an important principle of managing Toronto's child care system. There have been some notable steps to improve access to services including:

- Development of a centralized application office and management of the wait list for fee subsidy
- Introduction of a centralized intake process to support children with special needs and their families. Developed with community partners, CITY KIDS provides a single point of access, coordinated intake and service delivery
- Introduction of online services for business transactions through a web-based application that was awarded a Showcase Ontario and Toronto Innovation Award. This is the first phase of developing online services for families and businesses.

More children are accessing regulated child care in Toronto than ever before and there has been a significant growth in the number of physical spaces available as well as the number of fee subsidies.

Increased demand for child care subsidy

Changes to eligibility rules under income testing have resulted in growing wait lists for child care subsidy. Since 2005, the wait list for child care subsidy has grown from just over 4,000 to over 15,800 children in March 2010.

Improving access and equity

The City faces significant challenges in its goal to improve geographic equity and increase the capacity of the child care system in areas of the city lacking child care. Communities with inadequate licensed child care services continue to face insufficient access to both licensed care and fee subsidy. Since the end of 2004 to March 2010, the net growth within the child care system resulted in an additional 100 centres and 6,100 licensed spaces.

The City plans to improve geographic equity at the individual ward level so that each ward is within 10 per cent of its equity target by 2014. Improved access to child care in these communities will require additional funding not only to build child care spaces but to support new fee subsidies.

Substantial investment in subsidies is a key factor in achieving equity through growth in under-served areas.

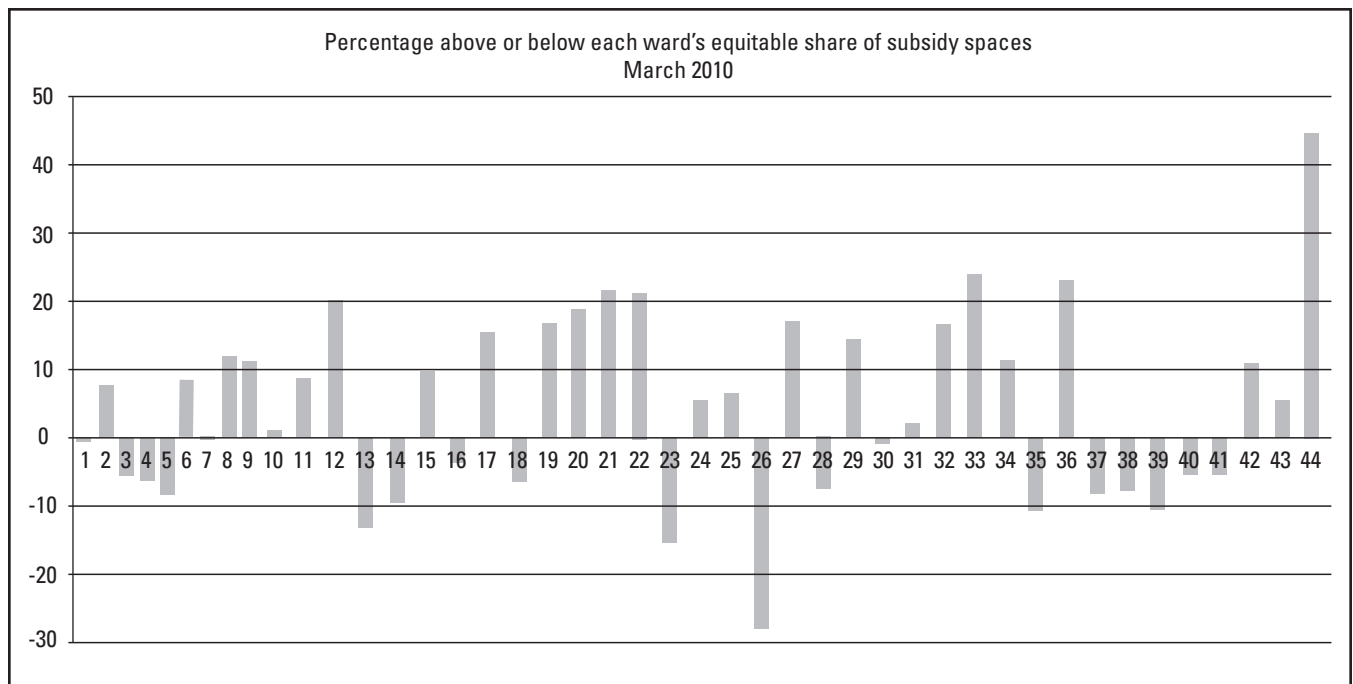
Age equity targets are established to ensure equitable access to all children. To ensure equitable access to the youngest and most vulnerable, 15 per cent of all subsidies have historically been allocated to infants aged 0 to 18 months. However, the child care system in Toronto has never been able to achieve the age equity targets for infants for a number of reasons including:

- limited number of physical spaces due to high capital costs
- limited number of physical spaces due to high operating costs

Substantial investment in new facilities is a key factor in achieving age equity.

Equitable distribution of subsidies at the ward level ensures that each ward is allocated a share of the available fee subsidies. Although equity has been traditionally measured and controlled at the ward level, closer analysis reveals that because of the size of wards, inequities in access can occur within a ward creating the need to review equity at a local neighbourhood level. Managing access to subsidy at the local level within a ward is difficult to implement and requires development of clear policies for targeting service to high need areas within the ward.

Equity of access could however be greatly improved by targeting capital development to under-served neighbourhoods. Many of the new child care facilities built in Toronto with funding from developers generally are not built in high need or under-served areas. A more proactive role for the City in planning for development of new child care capacity in under-served neighbourhoods is crucial to improving access at the local level.



D. Fiscal pressures

Following a change of federal government, the 2005 Early Learning and Child Care agreements were terminated effective March 31, 2007. The provincial government paid out the final year in four installments over the four years that ended March 31, 2010. The City of Toronto deposited the Best Start funds into a specially created Child Care Expansion Reserve Fund in 2005. The reserve fund was used to fund some capital projects and to cover base funding deficits.

Best Start was 100 per cent funded by the provincial government via flow-through of federal funds. All other child care is funded on an 80:20 split, with the Province paying 80 per cent and the City paying 20 per cent. With the reduction of provincial Best Start funding and an increasing gap between fixed base funding and the increases in the actual cost of services, Children's Services is facing funding pressures.

The loss of federal Early Learning and Child Care funding and Best Start capital has significantly impacted the ability of the City to increase the number of licensed child care spaces. In addition, the approved service level of 24,000 subsidized spaces is threatened by the lack of stable funding of inflation-related costs and the possible impact of the introduction of early learning for four- and five-year-olds. The City is currently using funds from the Child Care Expansion Reserve to maintain existing service levels. The reserve fund is expected to be exhausted by 2012.

On March 25, 2010, the Province of Ontario announced an investment of \$15 million (annualized) for child care in Toronto. This investment will protect 1,500 child care subsidies that were previously funded through the Best Start program. This does not eliminate our base funding pressures, but it means that the City will not have to reduce service levels by eliminating subsidized spaces in 2010. In December 2009, the City presented a report to Council identifying fiscal pressures (*Implementation of Early Learning Program and Toronto's Child Care Funding Risks and Pressures* www.toronto.ca/legdocs/mmis/2010/cd/bgrd/backgroundfile-26135.pdf).

Impact of income testing on user fees

In January 2007, the Province moved from needs testing to income testing as the method of determining eligibility for child care fee subsidy. Income testing resulted in more families being eligible for fee subsidy and generally reduced the user fee. This reduced the revenue received by the City from user fees from \$21.7 million in 2006 under needs testing to \$18.2 million in 2009 under income testing.

Lack of physical spaces and capital

Improving access to child care will continue to be restricted due to a lack of capital funding to address the limited physical spaces available in underserved wards. The City will continue to follow Council direction related to committing funding to the non-profit and public child care sectors.

Improving access to child care will continue to focus on the not-for-profit and/or public sector. Commercial child care operators currently with a fee subsidy agreement are held to the same service levels each year. Operators may reconfigure or change their license as long as the number of staff employed to deliver the program does not increase from the previous level. The City uses staff as a proxy to maintain service levels and ensure fee subsidies remain in the not-for-profit or public sector.

Access to subsidized infant care (serving children from birth to 18 months old) has not improved. While infant spaces almost doubled in programs with no service contract, minimal infant growth occurred in centres with a service contract, thereby limiting the access for subsidized families to infant spaces. The lack of facilities for infant care is reflected in the wait list as well. As of March 2010, more than 4,100 infants were waiting for subsidy.

E. Special needs resources

Increased demand for support for children with special needs is stretching the capacity of the child care system. While funding to support children with special needs has increased since the last service plan, the number of children being supported each year has grown from 3,200 children in 2005 to 4,390 in 2009. Child care programs continue to struggle to meet the complex demands of today's children and in particular children with social/emotional and mental health issues. Generally accepted research indicates that 10 to 12 per cent of any given population will have extra support needs and therefore the licensed child care system should be prepared to support 5,600 to 6,700 children with special needs each year instead of the just over 4,000 or 8.5 per cent who currently receive support.

These numbers indicate that further growth and investment in services to support children with special needs in child care must remain a priority. As Children's Services continues to invest and expand services for children with special needs, the current model of service will be evaluated to ensure that it remains efficient and effective at meeting the needs of this vulnerable population.

F. Governance in the child care and family support sector

As the Child Care System Manager, the City of Toronto has the authority for planning and allocation of funds for child care services. The City will review contract obligations and requirements for both not-for-profit and commercial operators, developing enhanced criteria to ensure that operators maintain a high level of quality, remain financially viable and operate within existing legislation. This applies to all child care programs that receive funding from the City of Toronto.

Of particular concern are family support programs which are operated and funded by different orders of government, as well as by community organizations with no joint planning process or coordination of services. The City of Toronto as service system manager requires that the governance of Ontario Early Years Centres be transferred to the City to ensure services are planned, universally accessible, integrated and accountable.