

Measuring the Impacts of Child Care Fee Subsidies

Date:	January 07, 2014
To:	Community Development and Recreation Committee
From:	General Manager, Children's Services
Wards:	All
Reference Number:	

SUMMARY

This report seeks approval to enter a partnership to undertake longitudinal research that will contribute to the body of knowledge surrounding the impact of affordable child care on child and family outcomes and on the general economy. The Ontario Institute for Studies in Education has approached the Children's Services Division to partner in research that will demonstrate how child care fee subsidy impacts child cognitive, language, and school readiness outcomes as well as parental behaviours and responsibility. This is important research that will add knowledge and quantify the value of investment in high quality child care programs and the return on investment of these programs for children, families and financial partners.

RECOMMENDATIONS

The General Manager, Children's Services, recommends that:

- 1) City Council authorize the Children's Services Division to enter into a contract with the Ontario Institute for Studies in Education (OISE) at the University of Toronto for a five-year project to enhance and quantify the evidence base supporting the impacts of child care fee subsidy on children, families, financial partners and the greater economy.

Financial Impact

The cost for Children's Services to support this research is estimated to be \$523.0 thousand, with a funding contribution from the Ontario Institute for Studies in Education (OISE) of \$469.2 thousand over the 2014-2018 five-year period.

The 2014 cost associated with conducting this study, which is estimated to be \$85.4 thousand, is included in the 2014 Budget Committee Recommended Operating Budget for Children's Services. The 2014 funding contribution of \$88.0 thousand, which will be received in 2014 from OISE to support the implementation and management of this research, will be reported through the 2014 Operating Variance Report.

The future-year cost of providing the research and the future-year contributions from OISE will be included in the 2015-2018 Operating Budget Submissions for Children's Services. As well, OISE will contribute additional resources to support this project through the use of its libraries, laboratories, office space, technology, phones, computer support, financial oversight and management, and related research support services.

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

DECISION HISTORY

City Council at its meeting of July 16, 17, 18 and 19, 2013 requested the General Managers of Children's Services, Toronto Employment and Social Services and Economic Development and Culture to jointly report to the Community Development and Recreation Committee on the financial and social services impact of the availability of child care on sustaining employment.

app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD22.3

In December 2013, The Ontario Institute for Studies in Education (OISE) approached the Children's Services Division with a proposal for a research opportunity that stands to make a major contribution to the body of knowledge around the impacts of receiving child care fee subsidy on child and family outcomes and on the general economy.

ISSUE BACKGROUND

As service system manager for child care in Toronto, the Children's Services Division administers 24,264 fee subsidies across the city, enough to serve 28 per cent of Toronto's low-income children. There are currently over 17,300 children on the wait list for fee subsidy. City Council has made a number of requests of the Province for additional child care fee subsidies. As a result of new provincial funding, available fee subsidies are expected to increase by 668 in 2014.

This report describes a longitudinal research opportunity that will contribute to the body of knowledge surrounding the impacts of providing child care fee subsidy to children and families. Children's Services is seeking approval to work with OISE on research to be carried out over five years that would document and quantify how child care fee subsidy and child care experiences impact child cognitive, language, and school readiness outcomes as well as parental behaviours and responsiveness. There is little longitudinal research related to the impact of child care fee subsidy on child and family outcomes.

COMMENTS

This research will benefit the City by quantifying the social and economic return on investment in child care. It is anticipated that it will further validate the child care quality assurance function that the City administers, reinforce the City's role as a leader in evidence-based policy development and practice, and quantify the impact of child care in employment and economic development opportunities.

Specifically, the research will focus on child and family outcome improvements as a result of accessing affordable child care experiences. At the same time, it will further explore workforce development impacts of ensuring that families have safe, quality child care while they are at work. Findings will impact development and implementation of the next Child Care Service Plan, which will be presented to Council in 2015.

Child and Family Impacts and Research Opportunity

The Ontario Institute for Studies in Education (OISE) at the University of Toronto has approached Children's Services Division to partner in a longitudinal study to measure the impacts of fee subsidy on child and family outcomes. The proposed research will examine the effects of receiving or not receiving a child care subsidy on family stress and child developmental outcomes. This research stands to make a major contribution to knowledge of the impacts of child care, add to the evidence base guiding Children's Services provision of fee subsidy, and provide opportunities for refinement of public policies for children and families.

This research will improve understanding of the impact of affordable child care on a number of important child, family, and societal outcomes. For children's developmental outcomes, the proposed research will measure cognitive outcomes through tests that assess motor skills and receptive and expressive language; language outcomes through assessments of academic propensity and verbal aptitude; and school readiness measures of reading, written and oral language, mathematics, and academic knowledge. It is known that early investments in early childhood education and care can have lasting effects. This project will provide a more detailed look at these effects.

The indicators of how families are functioning can be used to explore impacts outside of the home, such as workforce participation and productivity. This will assist in determining the extent to which impacts on children's outcomes can be explained by improved family circumstances. The project will evaluate behavioural tendencies of

parents as a result of their circumstances and the impact of these behaviours on child outcomes. Finally, parent-child interactions will be observed to capture parents' methods of encouraging their child, responding to children's verbal and non-verbal cues, and other ways of responding to their children.

From a societal perspective, learning more about the socio-economic impacts of affordable child care in Toronto will advance a number of City priorities and objectives, including those of *Working as One: A Workforce Development Strategy for Toronto* and *Collaborating for Competitiveness: A Strategic Plan for Accelerating Economic Growth and Job Creation in Toronto*. The research will further explore some of the workforce/economic development knowledge, by assessing how families cope with delays in receiving fee subsidy assistance and the impact on employment plans and possible child and family outcomes. There is also potential to expand the learning developed through this research by assessing impacts on specific demographic groups such as newcomers.

The child and family outcomes will be assessed through existing tests and processes that are known to be sound. Surveys administered to study participants at two points over the five years will collect demographic information as well as feedback on parental stress, income and other socio-economic indices. This research will have particular value to the City as it will be specific to family experiences in Toronto.

Contributions to the research are as described below:

Year	2014	2015	2016	2017	2018	Total
Children's Services	\$85,410	\$105,645	\$117,578	\$106,410	\$107,991	\$523,034
OISE	\$88,023	\$94,093	\$97,673	\$94,323	\$95,097	\$469,209

OISE's contribution includes the expertise provided by Dr. Michal Perlman. Dr. Perlman has significant expertise in researching the social development of preschool-aged children, including the quality of child care that children receive and its impact on their development. She will lead the study.

CONCLUSION

The research project described in this report is an opportunity for two leaders in the early learning and care field - OISE and Children's Services Division - to make a significant contribution to existing knowledge of the impact of affordable child care on child and family outcomes and on the general economy. It will provide Toronto-specific findings that can help the Children's Services to refine and validate the services it provides.

CONTACT

Karen Gray, Director
Service System Planning and Policy Development
Children's Services Division
Tel: 416-397-1465
Email: gray@toronto.ca

SIGNATURE

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Elaine Baxter-Trahair
General Manager, Children's Services