



STAFF REPORT ACTION REQUIRED

Revising the School Utilization and School Funding Formulas to Support a Continuum of Learning and the Stabilization of Early Years and Child Care Programming in Schools

Date:	June 14, 2016
To:	City-School Boards Advisory Committee
From:	Executive Director, Social Development, Finance and Administration
Wards:	All
Reference Number:	

SUMMARY

Working in collaboration, staff from Toronto District School Board, Toronto Catholic District School Board, Conseil scolaire Viamonde, and Conseil scolaire de district catholique Centre-Sud and City of Toronto Children's Services have defined five actions for the Ministry of Education to strengthen school funding and school utilization formulas in support of a continuum of learning, starting in the early years. When implemented these changes will facilitate cooperative working relationships between the City and school boards in relation to child care and early years programming delivered in school buildings.

RECOMMENDATIONS

The Executive Director of Social Development, Finance and Administration recommends that:

1. City Council request the Minister of Education to support a continuum of learning and the stabilization of early years and child care programs located in school buildings by undertaking the following five actions which have been developed collaboratively by the City of Toronto and Toronto District School Board, Toronto Catholic District School Board, Conseil scolaire Viamonde, and Conseil scolaire de district catholique Centre-Sud:
 - a. Improve the funding formula in order to fully fund the occupancy cost of early learning and child care space in schools directly to the school boards;

- b. Ensure the funding formula takes into account the higher cost of building, operating and maintaining spaces for young children;
- c. Ensure the funding formula for early learning space is not a per person rate, but a per room rate.
- d. Ensure the funding formula accounts for the incrementally higher cost of operating before- and after-school programs in shared spaces; and
- e. Ensure that the school utilization formula reflects the improved funding formula and fully accounts for early learning space in schools.

Financial Impact

There are no financial implications resulting from the adoption of the recommendations included in this report. The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On November 3 and 4, 2015, City Council approved the 2015-2016 draft staff workplan for the City-School Boards Advisory Committee and requested a report on progress before the end of 2015. Action Items #1 and #2 included communication to the Ministry of Education to revise the school utilization and funding formulas to include child care. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.15>

ISSUE BACKGROUND

In Spring 2015, the City-School Boards Advisory Committee identified the province's school utilization and school funding formulas as shared policy transformation priorities for the City and the four school boards operating in Toronto. The Committee noted that these policy tools used by the Ministry of Education do not adequately account for a range of valuable uses of a school building. As a result they have the unintended effect of creating barriers to the City and the school boards collaborating.

For example, the current measure of school utilization takes a very narrow definition of building utilization and actively excludes such uses as early learning and child care. Exacerbating this barrier is the fact that the Ministry of Education funds child care and early learning as a tenant of schools, rather than as part of the education system. This funding approach places the City with early learning and child care operators on opposite sides of school boards, forcing negotiation rather than collaboration.

The City-School Boards Advisory Committee included the following actions in its Year 1 Staff Workplan:

- "Request Gov't of Ontario to revise school utilization formula to account positively for childcare space in schools, rather than current practice to net-out child care use. Accounting for child care should include operating, maintenance, and renewal of space costs" (Action #1); and
- "Request Gov't of Ontario to fund child care (including operations, building maintenance and renewal) directly as a part of school use and not as a tenant in school buildings" (Action #2).

COMMENTS

Working in collaboration, staff from Toronto District School Board, Toronto Catholic District School Board, Conseil scolaire Viamonde, and Conseil scolaire de district catholique Centre-Sud and City of Toronto Children's Services have defined five actions for the Ministry of Education to strengthen school funding and school utilization formulas in support of a continuum of learning, starting in the early years. When implemented these changes will facilitate cooperative working relationships between the City and school boards in relation to child care and early years programming delivered in school buildings.

School Utilization and Funding of Early Learning and Child Care Spaces in Schools

As the Ministry of Education continues to modernize the early years system, it has taken many positive steps towards meeting the provincial goals of responsiveness, quality and accessibility for children, families and communities. Now, with the early years system under the same ministry as the elementary and the secondary education, there is an unprecedented opportunity to create a systemic approach to integrating programs for children and families.

The early years system should have the same opportunities and supports as the elementary system. Currently however, the early years system has distinct disadvantages related to the operating, capital and maintenance (occupancy) costs of space.

By directly funding school boards for the full cost of space used by early learning, child care and before- and after-school programs, the Ministry would balance these two systems and achieve another important step towards Ontario's vision for the early years system.

Five Recommended Actions for the Ministry of Education:

1. Improve the funding formula in order to fully fund the occupancy cost of early learning and child care space in schools directly to the school boards.

If occupancy costs for programs in schools were fully funded directly by the province, it would reduce fees, making child care more affordable for parents and increasing the number of available subsidies, while ensuring the long-term security of early learning and child care services.

- Currently, occupancy costs are borne by the child care sector and ultimately downloaded to parents. However, school buildings are already paid for by the Ministry and so the burden of occupancy (including capital and State of Good Repair requirements) costs for early learning and care should be taken off municipalities, agencies and families.
- Without a school board funding formula that covers the cost of the early years system in schools, Service System Manager's, such as the City of Toronto, have to offset the capital and occupancy costs of child care, which then reduces funds available for fee subsidies. As occupancy costs go up, the number of fee subsidies available decreases. Currently \$7.9M is being funded by the City and parent fees to cover occupancy and permits in school building. This money could help reduce Toronto's long waiting list¹ by providing an additional 790 child care fee subsidies.
- The City of Toronto Children's Services and the School Boards spend a significant amount of time negotiating leases, capital improvements and other facility related matters when planning for child care programs located in schools. If School Boards were fully funded, directly by the province to build and maintain early learning spaces, the City of Toronto would no longer need to advocate on behalf of the early learning sector to have access in schools.
- Since the Ministry's goal of modernizing child care came into effect in 2010, the Ministry's policy directives have required the expansion of child care in schools. Provincial programs such as B11² enabled the construction of more early learning spaces in schools. However, while the Ministry pays for the occupancy cost of the educational and care space of older children, it does not fund the occupancy cost of early learning and care spaces in schools for the younger ages – instead these costs are covered through parent fees or subsidies. This inadvertently creates a two-tiered educational system.

¹ Toronto's waiting list for fee subsidies is currently approximately 12,000, and has reached over 18,000 in recent years.

² B11 is a Ministry of Education investment (announced on May 26, 2015) of \$120 million over three years that will support the construction of new child care spaces (for ages 0 to 3.8) in new and expanded schools.

- The investments made by municipalities in school locations do not have consistent and long-term security of tenure. If occupancy costs were part of the school board's budget the space for early learning and care would have security of tenure within the buildings where investments are being made.

2. Ensure the funding formula takes into account the higher cost of building, operating and maintaining spaces for young children.

- The funding formula must take into consideration the full cost of operating quality early learning spaces. For example, the in-room toileting facilities necessary for early learning space require additional cleaning duties.
- Early years programs also operate for longer hours than the regular school day and for more days of the year (e.g., March, December and Summer breaks) which means more lighting, heating and other operational costs.

3. Ensure the funding formula for early learning space is not a per person rate, but a per room rate.

- The occupancy cost of early learning space is the same regardless of attendance.
- Enrolment in early learning programs fluctuates regularly and is much less predictable than school-age programs.
- A funding formula that covers the full occupancy cost will help stabilize the system and encourage system growth in order to meet the needs of all families.
- As such, an improved funding formula must capture the actual cost of operating the early learning space, and not a per pupil rate.

4. Ensure the funding formula accounts for the incrementally higher cost of operating before- and after-school programs in shared spaces.

Operating before and after programs in schools results in higher costs for the schools. When these incrementally higher costs are not funded, it is difficult to negotiate shared-space use agreements and encourage partnerships with schools.

- Operating before and after programs in schools results in higher cleaning, heating, lighting and staffing costs.
- Funding the full cost of early learning spaces in schools could result in more schools having the ability to offer both child care and before- and after-school programs to families.
- Having early learning and before- and after-school programs in schools provides a continuum of care and seamless transition for children and families, and helps build community connections. For example, early learning and primary siblings can be in the same school throughout the day.

5. Ensure that the school utilization formula reflects the improved funding formula and fully accounts for early learning space in schools.

Zeroing out early learning spaces negates the provincial vision as outlined in the Ontario Early Years Policy Framework, and results in lower, under representative utilization rates for schools.

- Early learning and child care spaces should not be zeroed out of the school utilization formula; they should be considered as fully utilized learning and care spaces (loaded at 100%) which are integral to meeting the early learning and care needs of families and the community
- By acknowledging early learning and child care space as integral and fully utilized, the Ministry would be supporting its own mandate that positions early learning as a critical component of the broader learning continuum.
- Improving the funding formula so that it directly supports school boards to build, operate and maintain all educational space would advance the early years system. Such a formula would streamline the system, provide greater affordability and create continuity for children and families. Investments in schools and early learning would also support other provincial mandates and strategies, specifically *Poverty Reduction* and *Community Hubs*.

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