



# **GROWING TORONTO'S LICENSED CHILD CARE SYSTEM**

Toronto Children's Services  
Community Development &  
Recreation Committee  
October 23, 2017



- Growth Strategy – *Growing Toronto’s Licensed Child Care System*, a 10-year plan to address access and affordability
- Informed by the report “*Licensed Child Care Demand and Affordability Study*”
- Federal / Provincial commitments to expanding child care provides some of the resources to address Growth Strategy directions
- City Council adopted amendments to the Children's Services 2017 operating budget to reflect increases in provincial (\$34.5M) and federal (\$21.5M) contributions (On July 4, 2017)

# TORONTO'S 10- YEAR VISION



2026

## Support a thriving workforce

Good jobs that attract and retain child care professionals.

## Build capacity to meet demand

Enough licensed, centre-based child care spaces for 50% of children under the age of 4, and the capacity required to operate those spaces.

## Improve affordability for families

Public investments that keep parent fees affordable for families across all income groups, and fee subsidies for families in financial need.

# IMPROVE AFFORDABILITY: 2026



Operating grants that reduce parent fees by 25% -40%



Enough fee subsidies for 40% - 50% of licensed spaces

## IMPROVE AFFORDABILITY: *Phase One*

- ☐ Increase the base-funding to operating grants in order to reduce fees by 10% - with an initial focus on fees in the highest range
- ☐ *Maintain* the current ratio of fee subsidies of 41% to licensed spaces
  - ☐ Number of new Infant, Toddler Preschool subsidies 2,189
  - ☐ Number of new Kindergarten and School-Age subsidies 427

# SUPPORT A THRIVING WORKFORCE: 2026



Operating grants that help raise staff salaries (RECEs: Provincial Wage Enhancement threshold)



Workforce capacity and development to ensure there are enough RECE's for increased spaces.

## SUPPORT A THRIVING WORKFORCE: *Phase One*

- ☐ Increase base-funding to operating grants in order to increase wages for Registered Early Childhood Educators (RECE) by 6% - with an initial focus on the centers where wages are low
- ☐ Work with the Toronto Child & Family Network and the province to support RECE workforce development

# BUILD CAPACITY:2026



Create **30,000** infant, toddler and preschool spaces over 10 years, in order to server 50% of that population

## BUILD CAPACITY: *Phase One*

- ☐ Advance the 10-year Capital Plan
- ☐ Find partnership opportunities for new child care centers
- ☐ Implement a Capital Grant program

In order to meet the tight timelines of the federal funds, Children's Services is requesting authority to advance up to 90% of federal funds allocated to capital projects in 2018, with agreements satisfactory to the City Solicitor

# Approved Growth Strategy: Phase One – Projected Needs

## April 2017

(\$millions, incremental)	2017	2018	2019	Total
Growth Strategy projected operating Need	\$10.70	\$13.70	\$35.20	\$59.60
Growth Strategy projected capital Need	\$5.00	\$5.00	\$5.00	\$15.00
<b>Total Growth Strategy Need</b>	<b>\$15.70</b>	<b>\$18.70</b>	<b>\$40.20</b>	<b>\$74.60</b>

## Phase One – Revised Projection / Confirmed Allocations

(\$millions, incremental)	2017 (committed)	Projected 2018	Required 2019	Total
Provincial Expansion Funding	\$34.50	\$7.70	\$23.50	\$65.70
Canada-Ontario agreement	\$21.50	\$0.00	\$0.00	\$21.50
Municipal share* (20% with one-year lag)	\$0.00	\$11.20	\$1.50	\$12.70
<b>Tri-government investment</b>	<b>\$56.00</b>	<b>\$18.90</b>	<b>\$25.00</b>	<b>\$99.90</b>

\*Subject to approval through the budget process

\*\* Projections

\*\*\*Required to meet Phase One targets as described in this report

# 2017-2019 Revised Allocation of Committed and Projected Resources

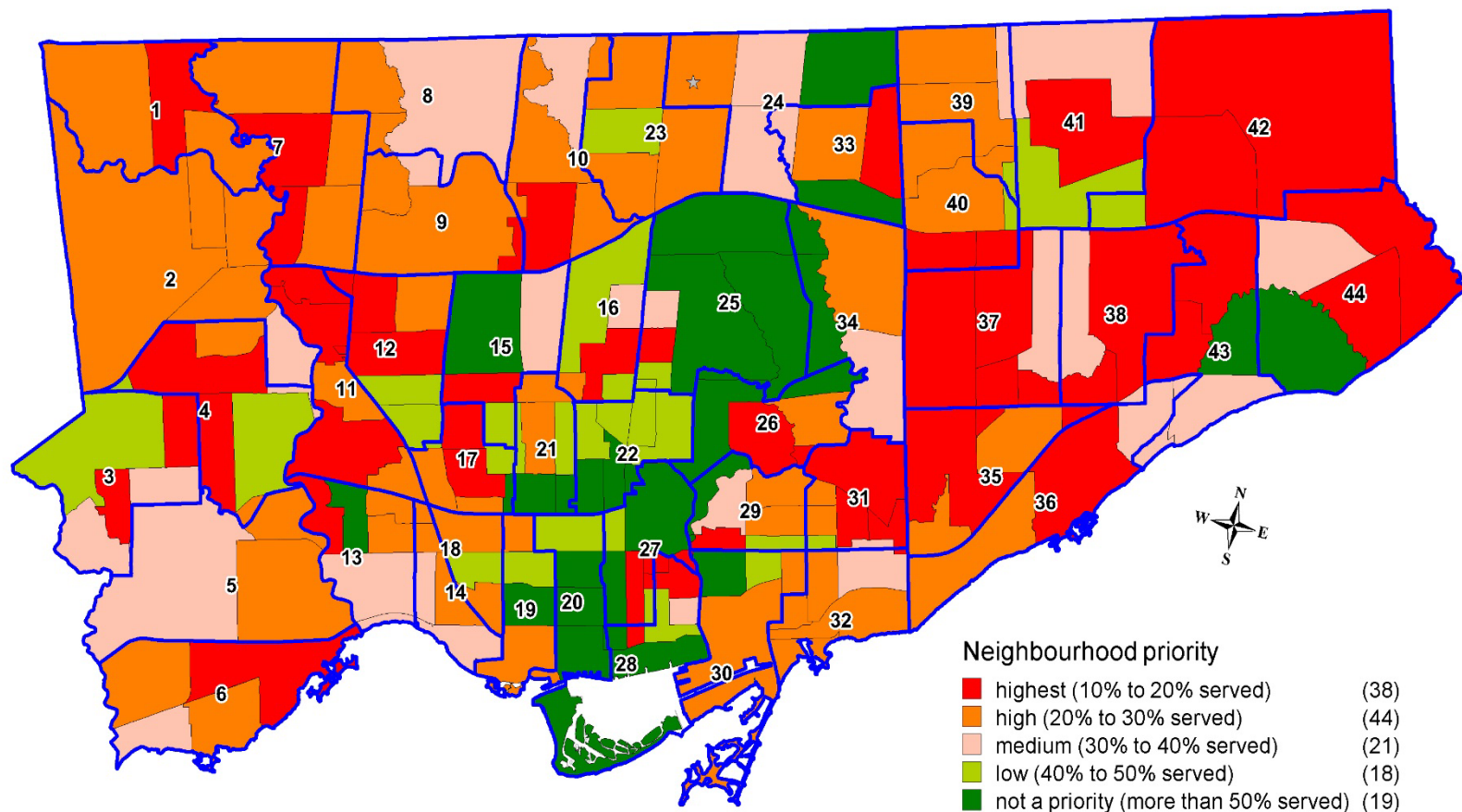
(\$millions)					2026 (Growth strategy Target)	% of target achieved in Phase 1
(operating costs are incremental; capital costs are annual amounts)	2017*	2018**	2019***	Total Phase 1		
<b>Increase fee subsidies for:</b>						
<b>children birth - four</b>	\$31.3	\$ 0	\$ 11.2	\$42.5	\$100.00	42.50%
<b>children four -12</b>	\$4.3	\$ 0	\$ 0	\$4.3		
<b>Sub-Total: fee subsidy</b>	<b>\$35.6</b>	<b>\$ 0</b>	<b>\$ 11.2</b>	<b>\$46.8</b>		
<b>Reducing Fees</b>	\$1.4	\$12.8	\$16.0	\$30.2	\$340.00	8.88%
<b>Salaries</b>	\$1.4	\$4.0	\$4.0	\$9.4	\$84.00	11.19%
<b>Special Needs</b>	\$ 0.8	\$0.3	\$ 0	\$1.1	\$25.00	4.44%
<b>Home Child Care</b>	\$ 0	\$3.0	\$ 0	\$3.0		
<b>Growth Management Administration</b>	\$1.0	\$3.4	\$ 0	\$4.4	\$61.00	7.20%
<b>Total Operating</b>	<b>\$40.2</b>	<b>\$23.5</b>	<b>\$ 31.2</b>	<b>\$95.1</b>	<b>\$610</b>	<b>15.56%</b>
<b>Total Capital</b>	<b>\$15.8</b>	<b>\$11.2</b>	<b>\$ 5.0</b>	<b>\$32.0</b>	<b>\$1,400</b>	<b>2.29%</b>

# Phase One – Potential Growth

## (Infant Toddler, Preschool Spaces by 2019)

Source	Spaces
10-year capital plan Note: Assumes projects where funding ends in 2017 or 2018 will open by 2019. Does not include projects still being funded in 2019 or later	528
School board funded Capital Programs	787
Section 37 directly funded development projects not included in the City's 10 Year Capital Plan	290
Community capital projects and retrofit grants (estimate)	430
<b>Subtotal: Expected New Spaces</b>	<b>2,035</b>
Existing spaces	36,749
<b>Total by 2019</b>	<b>38,784</b>

# Access to Child Care - Neighborhood Priorities



Map is based on Census 2016 child population (4 years and younger) and comparing it to the early years spaces in operation and new early years spaces that are part of our capital plan.

The goal is to have enough early years spaces to serve 50% of the population.

# NEXT STEPS

- Consult with parents, child care agencies and other stakeholders on affordability options, capital opportunities, Service Plan directions for licensed child care
  - Building off the findings of the consultation done for the Child Care Demand and Affordability Study
- Develop and implement new policies and processes to ensure enhancements to base-funding result in lower fees and higher wages
- Work with the Province to develop policies and guidelines to ensure increased affordability in all regions
- Work with the Province to develop provincial wage guidelines
- Continue to measure progress as new information becomes available (such as: known investments, provincial actions through policy or mandated targets, new population information)