IMPLEMENTING EARLY LEARNING: STATUS REPORT

Presentation to CDRC
June 24, 2010
Overview of Toronto’s Child Care System

- Toronto manages the second largest system in Canada
- 949 Child Care Centres
- 20 Home Child Care Agencies
- City of Toronto Operates 57 child care centres and 1 home child care agency
- 56,750 spaces
## Toronto Children Aged 0-12 Years

<table>
<thead>
<tr>
<th></th>
<th>Infant (0-18 months)</th>
<th>Toddler (18 months to 2.5 years)</th>
<th>Preschool (2.5 to 3 years)</th>
<th>JK/SK (4 to 5 years)</th>
<th>School Age (6 to 12 Years)</th>
<th>Total (0 to 12 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children attending child care</td>
<td>2,655</td>
<td>6,417</td>
<td>14,326</td>
<td>14,327</td>
<td>15,828</td>
<td>53,553</td>
</tr>
<tr>
<td>Children receiving a fee subsidy</td>
<td>1,737</td>
<td>3,327</td>
<td>6,807</td>
<td>5,923</td>
<td>6,359</td>
<td>24,153</td>
</tr>
<tr>
<td>Child population</td>
<td>108,945</td>
<td></td>
<td>52,145</td>
<td>192,730</td>
<td>353,820</td>
<td></td>
</tr>
<tr>
<td>Low-income children</td>
<td>51,709</td>
<td></td>
<td>62,575</td>
<td></td>
<td>114,284</td>
<td></td>
</tr>
</tbody>
</table>
TORONTO’S CHILDREN – 0 TO 12

353,820 children

114,284 below LICO

24,000 Available subsidies
COUNCIL’S SUPPORT OF THE FULL VISION OF THE CHARLES PASCAL REPORT

Ministry of Education
Early Years Division (0-8)

Early Years Policy Framework (Legislation, policy, funding, accountability)

Municipal authorities provide regional planning

Ministry of Children and Youth Services
(Treatment services, child welfare, Poverty Reduction Strategy, Ontario Child Benefit)

CMSMs/DSSABS Service Contracts

School Boards Service Contracts

Full day/full year options

Child and Family Centres
Prenatal to 3.8 yrs
Developmental care, family supports, early identification and intervention

Community Schools
3.8 to 12 years:
Education, care, arts, culture, leisure, family participation

With Our Best Future in Mind, June 2009
Staff Report Context

- Historical Fiscal Pressures
- Implementing Early Learning Program (ELP)
- Sustainability of Child Care System
Staff Report Context

Historical Fiscal Pressures
HISTORICAL FISCAL PRESSURES PRESSURES (JANUARY 1, 2010)

- Loss of 5,000 spaces
- 2010 End of Best Start Funding
- 2006 Cancellation of Federal Child Care Program

Annual pressure accumulated at $8 million
PROVINCIAL INVESTMENT
$63.5 million

Reduces draw & Extends reserve to 2012

Reduced loss of spaces to 3,500

Child Care Expansion Reserve Fund

Annualized
$15.390 million

2010
$7.954 million
Yearly Space Loss

<table>
<thead>
<tr>
<th>Year</th>
<th>Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,500</td>
</tr>
<tr>
<td>2013</td>
<td>700</td>
</tr>
<tr>
<td>2014</td>
<td>675</td>
</tr>
<tr>
<td>2015</td>
<td>650</td>
</tr>
</tbody>
</table>

Total space loss at 2015 if annual fiscal pressures not addressed: 5,525 spaces
Staff Report Context

- Historical Fiscal Pressures
- ELP Implementation
Integrated and seamless system of services for families and children from birth to 12 years old

With a strong Municipal role.

ELP
Full day learning for 4- and 5-year olds and extended day program

With Our Best Future in Mind, June 2009
ELP – Legislation

- Full-day early learning for all four-and five-year-olds in Ontario phased in over 5 years

- Extended day program before and afterschool for four and five year olds on instructional days.

- Special needs support for extended day program funded through per diems

- Before and after school programs for older children (ages six to 12).

- Programs throughout the year for children aged four to 12, including non-instructional days

- Regulatory review after year 1
Full Day Learning for 4 & 5 Year Olds

ELP full implementation

Seamless

Early Learning Program with Extended Day

ELP current implementation

Fragmented

6:00 pm
Child Care

7:00 am
Child Care

9:00 am
Kindergarten

3:30 pm
Kindergarten

Lunch

Child Care
FUNDING FOR 4-AND 5-YEAR-OLDS IN ONTARIO

Toronto’s Share:
$27.4 Million

New
$19 million

$119 million + $4.37 Million
Toronto’s Share

Funding for subsidies for 4- and 5-year olds

Projected Need: $54.8 M

Provincial Allocation: $27.4 M, $4.37 M

Toronto needs an additional $23 million
Staff Report Context

- Historical Fiscal Pressures
- ELP Implementation
- Sustainability of Child Care System
STABILITY OF CHILD CARE SYSTEM

Sustainability of the Child Care System
year 5

Operational / Sustainability

Capital

Transitional
CHILD CARE ANALYSIS PROCESS

- Home Child Care
- Space surveys
- Mapping
- Financial analysis
- Special needs Resourcing
- Family Resource Programs
Service Plan Principles

- All 4/5s will leave the child care system within 5 years when ELP is fully implemented.
- All child care funding currently in Toronto will remain in Toronto.
- Subsidies for 4/5s will be 100% Provincial $.
- Subsidies will be seamless and follow the child
- All other age groups, including 6-12 will remain part of the child care system.
- Capital investment will occur in the not-for-profit and public sector.
### Analysis

**Subsidy Spaces and Funding**

*Children 0-12 Years*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of subsidy spaces</strong></td>
<td>24,000</td>
<td>22,739</td>
<td>(1,261)</td>
</tr>
<tr>
<td><strong>$ Million</strong></td>
<td>274.0</td>
<td>279.3</td>
<td>5.3</td>
</tr>
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</table>

Assumes historical fiscal pressures are addressed.
Impact on Service Levels

Child Care Centres

Centres at risk due to revenue loss related to 4/5 year olds
Child care centres with fee subsidy

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>no risk (no preschool program)</td>
<td>68</td>
</tr>
<tr>
<td>low risk (project 0-15% loss of revenue)</td>
<td>54</td>
</tr>
<tr>
<td>moderate risk (project 15-25% loss of revenue)</td>
<td>129</td>
</tr>
<tr>
<td>high risk (project 25-50% loss of revenue)</td>
<td>340</td>
</tr>
<tr>
<td>very high risk (project 50-100% loss of revenue)</td>
<td>63</td>
</tr>
</tbody>
</table>
HOME CHILD CARE

Out of 930 providers, 360 of them care for 4/5s (39%).

Annual income loss of $3.1 million.

18% of children cared for in home child care are 4/5s.

$8,000 per provider.
$51 million Ontario
$11.7 million Toronto (est.)
$27 million estimated need

Funding required to sustain current child care system as 4 and 5 year olds move to ELP
Funding required to reconfigure child care centres to serve younger children

$12 million Provincial
$2.8 million Toronto
$13.5 estimated need
($30 million including schools)
**Transitional Requirements**

- assist with mergers/closures
- sustain programs as 4 and 5 year olds incrementally leave the system
- sustain programs during reconfiguration

One time funding required to support child care centres during the transition to full implementation.
TORONTO’s Year One ALLOCATION

0 TO 3.8

Operational / Stabilization: $786,900
($6 million required)

Capital: $184,800
($3 million required)
TORONTO’S Year One ALLOCATION

4 & 5

Re-investment

$10.32 Million
Ontario

$2.37 Million
Toronto

New Funding

$1.65 Million
Ontario

$0.38 Million
Toronto
What does this mean to Parents

- Increased cost of child care
- Longer waiting list
- Fewer subsidies
- Reduced access to quality child care
- Continued fragmentation
OUTSTANDING ISSUES

Historical Fiscal Pressures
- Resolution of the city’s base funding pressure

ELP Implementation
- Impact of regulation and guideline on analysis
- Funding of special needs in the regulations

Sustainability of Child Care
- Clarification of CFC financing and implementation
- Revised transitional and capital requirements
System Re-engineering

- Service Integration
- Community Consultation
- Child and Family Centre Framework
- Stakeholder involvement
1. Toronto/Ontario Table

- Negotiate transition agreement that ensures creation of a sustainable and integrated child care system
- Explore flexible funding models
- Develop new monitoring and reporting requirements
- Address base funding issues
2. Province provide an additional $27 million in base funding and $13.5 million in capital funding.

3. Revise transitional and capital requirements once a provincial framework is available for CFC’s.

4. For each new subsidy dedicated to ELP provide a new subsidy for school age to ensure continuity of services for all children.
STAFF RECOMMENDATIONS

5. Invest phase 1 funding of $0.971 million as follows
   ◦ $0.787 million in fee subsidies
   ◦ $0.184 million in Child Care Capital Reserve

6. Report to council by July 2011 on
   (A) status of ELP
   (B) strategies to reduce service levels should base funding requirements not be addressed.