

First Phase of Schools First Child Care Capital Retrofit Policy Implementation

Date:	June 11, 2013
To:	Community Development and Recreation Committee
From:	General Manager, Children's Services
Wards:	All
Reference Number:	

SUMMARY

The Ministry of Education's Schools-First Child Care Capital Retrofit Policy provides \$113.0 million over three years to school boards across Ontario. This funding will convert current licensed school-based child care spaces for four and five-year olds to spaces that can be licensed for younger children, birth to 3.8 years (before kindergarten age). Under the policy, school boards must work jointly with municipalities to determine how they will use the funding. This report outlines the process and criteria used for determining schools recommended for capital investment under the provincial policy.

This report identifies sites selected in the first phase of this policy in the Toronto Catholic District School Board (TCDSB) and Toronto locations in the Conseil Scolaire Viamonde and Conseil scolaire de district catholique Centre-Sud. Toronto District School Board (TDSB) facility staff are still finalizing their plans and acquiring necessary approvals within the board.

RECOMMENDATIONS

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

1. City Council requests the General Manager, Children's Services to report through Community Development and Recreation Committee when the Toronto District School Board has confirmed sites for funding under the first phase of the Schools-First Child Care Capital Retrofit Policy and once child care operators have been notified by the school board; and

2. City Council requests the Province of Ontario to provide additional fee subsidy to ensure that the spaces created under the Schools-First Child Care Capital Retrofit Policy are accessible to low-income families.

Financial Impact

Capital funding available through the Schools-First Child Care Capital Retrofit Policy is allocated by the Province directly to the school boards, with no financial impact to the City. Should additional Provincial fee subsidy be received, Children's Services will review its service levels as part of the annual budget process.

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

DECISION HISTORY

At its meeting of February 20, 2013, City Council requested the General Manager, Children's Services to report to the June 26, 2013 meeting of the Community Development and Recreation Committee on the implementation of the Schools-First Child Care Capital Retrofit Policy, including:

- the process and criteria used to determine the schools recommended to the Province of Ontario for investment;
- the schools in each four Boards of Education that will receive 2013 Child Care Capital Retrofit funds, with the number of spaces, by age grouping, to be created in each school;
- the challenges associated with achieving Provincial targets related to the creation of child care spaces in schools as part of the Schools-First Child Care Capital Retrofit Policy; and
- the start-up resources and additional child care fee subsidies required to support these additional spaces.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.CD18.3>

At the same meeting, City Council authorized the General Manager, Children's Services, to endorse joint Consolidated Municipal Service Managers-school board plans for the investment of capital funding allocated to boards of education under the policy and requested the General Manager, Children's Services to work with the Ministry of Education to develop appropriate and achievable space conversion targets for Toronto under the Schools-First Child Care Capital Retrofit Policy.

ISSUE BACKGROUND

The Ontario Ministry of Education is providing \$113.0 million over three years to school boards across Ontario to convert current licensed school-based child care spaces for four and five-year olds to spaces that can be licensed for younger children, birth to 3.8 years

(before kindergarten age). The Policy includes Ministry-developed space conversion targets for school boards to achieve. Consolidated Municipal Service Managers (CMSMs) have been directed by the Province of Ontario to develop plans for child care retrofits jointly with school boards. Children's Services is the CMSM for child care in Toronto.

Children's Services has been working collaboratively with school boards to identify how to best spend the limited funding. Unlike other funding opportunities for child care centres that require operators to apply, the site identification process for schools-first capital funding has been completed through a strategic planning lens in order to prioritize investment in accordance with the Children's Services Service Plan and the recent ward analysis which identified those areas of the city at risk of having insufficient capacity to serve young children once Full-Day Kindergarten is fully implemented.

Under the Policy, the TDSB will receive \$14.4 million (\$8.9 million in the 2012-13 school year), and the TCDSB will receive \$3.6 million (\$2.2 million in the 2012-13 school year). French-language school boards have their own allocations; however, these boards cover a larger geographical area than the City of Toronto. As a result, a portion of the funding will be used outside of the city.

The Schools-first Child Care Policy is a mechanism to stabilize the child care system. Maintaining child care in schools and creating space for younger children is a positive development for many children and families as it reduces the number of different locations families must access over the course of a day. Capital funds are required to help child care focus on providing service to younger children as a key component of an early learning system that includes Full Day Kindergarten for four and five year olds and before- and after-school programs for children in school. For these reasons, City Council has previously requested that the Province make available child care capital money for retrofits in schools.

COMMENTS

The Schools-First Child Care Capital Retrofit Policy is designed to convert current school-based licensed child care spaces for four- and five-year olds and space not required for instructional purposes into spaces that can be licensed for younger children. Retrofitted space may be used by an existing on-site child care operator or a non-profit community child care operator that wishes to relocate into a school setting that does not currently have an operator.

The availability of space is a critical factor in determining sites with the ability to reconfigure. The Schools-First Child Care Retrofit Policy does not permit expansion of the gross floor area of the school. In order for any centre to be considered for reconfiguration, existing child care space had to be available or additional space had to be identified by the school board. With respect to the issue of space, out of 268 analyzed schools in the two English-speaking boards, only 106, or 40%, had space available to

retrofit while 162, or 60% did not. As such, opportunities to invest under the policy are limited.

It is also problematic that the expansion of physical capacity is occurring without corresponding new child care fee subsidies. In many areas of the city, fee subsidies are required for spaces to be viable. Fee subsidies for young children are more expensive due to the higher staff to child ratios required under the *Day Nurseries Act* and would be funded through increased provincial resources.

Process and Criteria

There are 366 licensed child care programs located in Toronto schools. The 88 centres that serve Full-Day Kindergarten and school-age children only were not considered for investment because they already use shared space and do not have exclusive space to reconfigure, leaving 278 centres in schools to be analyzed for strategic investment by Children's Services Division and school boards in the first phase of the project. Of the 278 centres analyzed, 219 were in the TDSB, 49 were in the TCSDB, 6 were in French Public Board (Conseil scolaire Viamonde) and 4 were in the French Catholic Board (Conseil scolaire de district catholique Centre-Sud).

Centres were assessed against a number of factors, including:

- centre characteristics (centres currently not serving younger children, centres with a fee subsidy contract, and of non-profit or public auspice were prioritized);
- census tract characteristics (tracts with lower Early Development Instrument scores, low access to child care fee subsidy, or high percentage of children living below Statistics Canada's low-income cut-off were prioritized); and
- overall availability of space.

The City Council-approved ward analysis (showing current and projected ward capacities) and principles of the Child Care Service Plan 2010-2014 were also used to guide investment decisions.

Based on these factors and the availability of space, Children's Services and school boards developed a list that ranks all of the centres on a prioritized basis, without excluding any centre that would be eligible for funding. TDSB facility staff are still finalizing the plans and acquiring necessary approvals within the board. Once sites for the first phase have been finalized by school boards, Children's Services staff will work with school board staff to communicate the results to child care operators and plan for construction. When an identified child care operator declines the offer to reconfigure with the funding, the next sites from the rank-ordered list will be approached. As this is a three-year program, Children's Services and school boards will continue to update the list of potential school sites and approach the best available sites with offers to fund the capital costs of reconfigurations.

In addition to jointly developing priority lists, the City has shared resources (Child Care Design and Technical Guidelines and the Primary Construction Cost Analysis) with the school boards and their planning team to aid in the upcoming construction projects. Under the policy, capital dollars flow to school boards, with boards following their own procurement practices in managing the projects.

Provincial Targets and Required Resources

Targets

Schools-First Child Care Capital Retrofit Policy provincial funding is attached to space conversion targets for each school board. These targets were established by the Province without consultation with either the school boards or the City. As reported to City Council in February 2013, assumptions used by the Province to establish space conversion targets do not reflect the reality in Toronto. The TDSB target is 2,432 spaces and the TCDSB target is 608 spaces (the TDCSB has a plan for 75 spaces in the first phase of the project, or 12 per cent of the target). Targets assume that there is sufficient physical capacity available in schools, that there is demand for child care for younger children in every school, and that there are sufficient fee subsidies to fill the spaces. These assumptions may be useful in other parts of the Province, but they do not accurately reflect Toronto's situation. City and school board staff have met with the Ministry of Education to renegotiate the space conversion targets. The Ministry has indicated that it is too early in the three-year plan to revise the targets.

Additionally, imposing planning targets in this way undermines the ability of the City as service system manager to plan capital investments in schools based on local needs. Ideally, space conversion targets would have been established by CMSMs in partnership with school boards and based on local knowledge and planning.

Sites and Resources Required

The sites that have been made public by school boards to date are attached as Appendix A.

The TDSB is currently in the process of reviewing its capital plans with respect to the best use of their Schools-First Child Care Capital funding. Sites will be reported on as they receive school board approval and when boards notify child care operators of the capital funding opportunity available. Given that this policy allocates funding directly to school boards, sites can not be reported until they have been finalized at the school board level.

For the 95 toddler and 120 preschool spaces identified in Appendix A, we estimate that \$898,453 is needed for child care fee subsidy. This assumes that 32% of the spaces would need to be subsidized (32% of children in Toronto live below Statistics Canada's Low-Income Cut-Off) and is based on average child care fee subsidy costs for each age

group. This figure is only for the spaces identified in Appendix A (which excludes the TDSB and is only for the first phase of the Policy.

Children's Services will report back through Community Development and Recreation Committee at the earliest opportunity once the complete list of schools is available.

CONTACT

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

SIGNATURE

Elaine Baxter-Trahair
General Manager, Children's Services

ATTACHMENTS

Appendix A - Schools-First Child Care Capital Retrofit, Schools List

Appendix A
Schools-First Child Care Capital Retrofit Policy
Phase One – Schools and Number of Spaces Created by Age

Name of School	Ward	Age Group	# of Spaces Created
TCDSB			
Blessed John XXIII	26	Toddler	15
Holy Name	30	Toddler	15
St. Dorothy	1	Toddler	15
St. Francis de Sales	7	Toddler	15
St. Jerome	9	Toddler	15
Total Spaces			75

CSD Viamonde (Toronto)			
École élémentaire Scarborough Sud	44	Toddler	10
		Preschool	24
École élémentaire Dundas Ouest	17	Preschool	24
Total Spaces			58

CSD Catholique Centre-Sud (Toronto)			
Sacré-cœur - Toronto	19	Toddler	10
Saint-Noël-Chabanel (Toronto)	1	Preschool	36
Meadowvale (Toronto)	44	Preschool	36
Total Spaces			82